



EFFAS Capital Markets Commission
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EFFAS Warns Against Weakening ESAP
Why structured Reporting Remains Essential for Europe's Capital Markets

ESAP is of Strategic Importance

The European Single Access Point (ESAP) will become the public data hub for European capital markets and a cornerstone of the Savings and Investment Union. It will also strengthen Europe's strategic autonomy by reducing dependence on US-based data providers and enhancing the resilience of the EU's capital markets infrastructure. ESAP is currently scheduled to come into force in June 2027.

Headwinds for ESAP

Despite its strategic importance, ESAP is now facing significant opposition. Critics argue that the European Single Electronic Format (ESEF) and XBRL-based structured reporting create significant effort for issuers while delivering limited practical use for most investors and analysts. Critics further argue that advances in artificial intelligence make structured reporting less necessary, since AI systems can extract information directly from PDF documents.

Opponents therefore call for a critical reassessment of both ESEF and the current ESAP framework.

What Financial Analysts think

The Capital Markets Commission of the European Federation of Financial Analysts Societies (EFFAS) takes a fundamentally different view.

"We are deeply concerned by these recent attacks on ESAP. In our view, ESAP is of strategic importance for the development of Europe's Savings and Investment Union. Far from reducing its relevance, the rise of AI has made high-quality structured reporting even more critical." - **Thorsten Müller, Deputy Chair of EFFAS and Co-Chair of the EFFAS Capital Markets Commission.**

In practice, however, removing structured machine-readable data from ESAP would fundamentally weaken the project itself. An ESAP relying primarily on PDF documents and AI extraction would move Europe technologically backwards towards the early document-centric filing systems of the 1990s rather than the AI-ready structured data ecosystems modern capital markets require.

ESAP will increase transparency and liquidity in European capital markets and foster cross-border investment across Europe's public markets.



Lessons from the United States

The United States remains the world's leading public capital market. It introduced the EDGAR (Electronic Data Gathering, Analysis and Retrieval) electronic filing system in the 1990s and subsequently expanded it into a structured, machine-readable reporting infrastructure through mandatory XBRL reporting. Public statements, SEC comment letters and market-led data quality initiatives involving organizations such as Bloomberg, LSEG/Refinitiv, FactSet, S&P Global, Morningstar and Calcbench indicate that structured SEC/XBRL data is deeply embedded in professional market data, research and analytical infrastructures.

According to US capital markets participants and academic studies, EDGAR has become even more valuable in the age of AI. Several market participants and studies emphasize that AI-supported analysis depends heavily on consistent, validated and machine-readable corporate reporting data. Relying primarily on PDF extraction—as proposed by opponents of ESAP—therefore significantly increases the risk of poor data quality

“AI does not eliminate the need for structured reporting — quite the opposite. AI systems produce better and more reliable results when operating on structured, machine-readable and validated data directly prepared by listed companies themselves.”
— **Dr. Bodo Kesselmeier, Head of the EFFAS Working Group on Corporate Reporting and Structured Data & Technology**

Poor data quality undermines efficient capital allocation. Efficient capital markets depend on high-quality, machine-readable information. Implementing ESAP is therefore essential if Europe is serious about narrowing the competitiveness gap with the United States.

Why Tagging matters

The tagging mechanism translates financial and ESG data into a machine-readable format. This process is already well established in the US and has not created material concerns for issuers.

According to RegTech industry estimates, collecting and validating a data point accounts for up to 90% of the reporting effort, while the final tagging itself typically represents only around 10%.

A mature ecosystem of specialized service providers—including auditors, RegTech firms, and dedicated software providers, including AI-assisted tools—already ensures that tagging can be implemented efficiently and reliably.

Available practical evidence also suggests that much of the core ESEF tagging process can already be derived automatically from existing consolidation and reporting systems or reused from prior-year mappings. The remaining manual effort appears to relate primarily to textual and policy-related disclosure blocks that are in practice reviewed and updated annually anyway.

ESAP is at the Heart of a European Equity Culture

ESAP data will be freely accessible to every European citizen. This makes ESAP a powerful instrument for fostering a genuine equity culture across Europe.

By making comprehensive company data centrally accessible, ESAP will benefit a wide range of users, including:

- Financial analysts
- Asset managers
- Quantitative investors



- Credit rating agencies
- Regulators
- ESG rating agencies
- Data vendors
- Academic researchers
- Civil society stakeholders beyond the core capital markets community

ESAP is the European Answer to EDGAR

Europe needs ESAP just as the United States relies on EDGAR. Over time, ESAP will become an indispensable component of Europe's capital markets infrastructure.

Today, all major global financial data aggregators—including Bloomberg, S&P Global, Refinitiv, and FactSet—are headquartered outside Europe. A European public data platform would strengthen Europe's independence, particularly vis-à-vis the United States, while significantly reducing the cost of capital markets data. Lower data costs have long been a key demand of Europe's asset management industry.

The Real Debate: Data Relevance, Not ESAP Itself

"The real debate is not whether Europe needs ESAP or structured machine-readable reporting. The more relevant question is whether all existing disclosure requirements are equally useful and proportionate from a capital markets perspective."

— **Thorsten Müller, Deputy Chair of EFFAS and Co-Chair of the EFFAS Capital Markets Commission.**

Investment professionals generally rely primarily on a comparatively limited set of core financial and ESG KPIs for valuation, peer-group analysis and investment decisions, rather than on the full theoretical granularity of all available disclosures. From a capital markets perspective, the appropriate policy discussion should therefore focus on the relevance and proportionality of individual disclosure requirements — particularly in parts of sustainability reporting — rather than questioning ESAP or structured reporting itself.

Broadening Europe's Capital Markets

Large international data aggregators focus primarily on blue-chip companies. Smaller listed firms often receive limited coverage or none at all. ESAP would help correct this imbalance by making structured data available across the full market spectrum—including small caps, mid-caps, micro-caps, and nano-caps. This broader visibility is essential for developing deeper and more inclusive European capital markets.

Europe Cannot Afford to Fail

Europe's capital markets need greater transparency, lower information costs, stronger independence, and broader investor participation. ESAP delivers all four. Weakening or delaying ESAP would not reduce bureaucracy in any meaningful way. It would instead undermine one of the most important infrastructure projects for Europe's capital markets and jeopardise the success of the Savings and Investment Union.

Europe should not retreat from ESAP. It should implement it decisively and refine it pragmatically where necessary.