Financial Data Space Status

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# Introduction

The European Financial Data Space (EFDS) represents a pivotal element of the European Union's strategy to digitize and standardize financial data across its member states. Initially launched as part of the broader European Strategy for Data in 2020, the EFDS aims to foster innovation, transparency, and efficiency in the financial sector by providing a secure framework for the sharing of financial and sustainability-related information. As part of this vision, the European Securities and Markets Authority (ESMA) has been instrumental in leading efforts like the European Single Electronic Format (ESEF) and the upcoming European Single Access Point (ESAP), which seek to streamline access to essential data for businesses, investors, and regulators. These developments, however, are not without their challenges, including issues of data interoperability, adoption rates, data quality, and cybersecurity. Despite these hurdles, the EFDS continues to evolve, moving from conceptualization toward operationalization.

# The Evolution and Current Status of the European Financial Data Space

The concept of the EFDS originated from the broader European Strategy for Data, launched by the European Commission in February 2020. This initiative aimed to create sector-specific data spaces, including finance, to foster innovation, competitiveness, and transparency across the EU. In the financial sector, the EFDS is envisioned as a comprehensive framework to facilitate secure, standardized, and efficient sharing of financial information among companies, investors, regulators, and the public.

Early developments focused on addressing the fragmentation of financial data sources and the lack of harmonized formats, which historically made cross-border financial analysis within Europe complex and costly. To address these challenges, institutions such as the European Securities and Markets Authority (ESMA), the European Banking Authority (EBA), and the European Insurance and Occupational Pensions Authority (EIOPA) started working closely to promote data standardization. A significant milestone came with the introduction of the **European Single Electronic Format (ESEF)** in 2019, which mandated that all issuers on EU regulated markets prepare their annual financial reports in a structured electronic format based on Inline XBRL (iXBRL) standards starting from financial years beginning January 1, 2020.

Since then, efforts have accelerated. The EFDS vision has been progressively integrated into the EU’s broader initiatives like the Capital Markets Union (CMU) and the Digital Finance Strategy. A major complementary development is the creation of the **European Single Access Point (ESAP)** — a platform set to go live in phases starting in 2024, which will act as a centralized hub for accessing publicly available financial and sustainability-related information on EU companies.

Today, the EFDS is moving from concept to operational reality. The technical groundwork, notably the standardization of financial disclosures through ongoing improvements to ESEF and the expansion into sustainability reporting, has laid the necessary infrastructure. However, challenges remain, including achieving full interoperability across different national databases, ensuring widespread adoption among companies of all sizes, and finalizing legal and governance frameworks for data sharing. As of 2025, the EFDS is at a critical inflection point — transitioning from pilot projects and regulatory adjustments toward broad, scalable implementation across the EU financial ecosystem.

# ESMA’s Role in Standardizing Electronic Reporting: From Financial Data to Sustainability Information

The ESMA has played a central role in operationalizing the vision of a harmonized European Financial Data Space through its work on the ESEF. Originally mandated by the Transparency Directive (as amended in 2013), ESEF was developed to standardize how annual financial reports are prepared and disseminated by issuers across the EU. ESMA's work ensures that electronic reporting is not only uniform but also enhances machine-readability, enabling automated data extraction and analysis across member states.

The first ESEF mandate, implemented for financial years starting in 2020, required issuers to format their consolidated financial statements according to the IFRS taxonomy, using Inline XBRL (iXBRL) technology. This marked a significant shift from static PDF reporting towards dynamic, structured digital disclosures. ESMA provided detailed regulatory technical standards (RTS) to guide implementation, ensuring that reports would be comparable and accessible across jurisdictions.

Building on the initial success of ESEF, ESMA has continued to refine and expand the framework. In July 2024, ESMA published an updated **ESEF Reporting Manual**, offering clarified guidance on complex technical issues such as:

* Proper tagging of empty or non-numerical fields (e.g., dashes);
* Correct anchoring of extension elements to base taxonomy elements with matching data types;
* Recommendations to improve the extraction of readable content from block tags;
* Stronger emphasis on using unique identifiers for each fact reported, enhancing data traceability and usability.

In parallel, in May 2024, ESMA proposed amendments to the Regulatory Technical Standards (RTS) on ESEF to align with the latest updates from the IFRS Foundation’s Taxonomy and the new XBRL 2.1 and OIM (Open Information Model) standards. These amendments also corrected certain omissions, such as the mandatory tagging of specific elements related to dividends, thus closing important gaps in the first generation of ESEF requirements.

Recognizing the rising importance of environmental, social, and governance (ESG) factors, ESMA is now expanding the scope of electronic reporting beyond financial statements. In December 2024, ESMA launched a major consultation on applying ESEF principles to **sustainability reporting**, particularly in connection with the European Sustainability Reporting Standards (ESRS) developed under the Corporate Sustainability Reporting Directive (CSRD). This initiative aims to ensure that sustainability disclosures — including the Article 8 taxonomy-related disclosures under the Sustainable Finance Disclosure Regulation (SFDR) — are also machine-readable, standardized, and easily accessible across the EU.

The proposed approach envisions two stages: first, the structured digital reporting of ESRS sustainability statements, and later, the structured reporting of Article 8 disclosures by all companies subject to the CSRD. ESMA’s goal is to create a seamless digital reporting environment where financial and non-financial data are available in interoperable formats, supporting better investment decision-making and regulatory oversight.

In January 2025, to further support the ecosystem, ESMA released the **2024 ESEF XBRL Taxonomy** and an updated **Conformance Suite**. These tools provide test cases and technical resources to help issuers, auditors, and software vendors ensure that their ESEF filings are fully compliant with the latest specifications. Notably, for reports concerning financial years starting in 2024, issuers have the option to use either the 2022 or 2024 taxonomy version, offering a transitional flexibility.

Through these continuous updates, ESMA is laying the foundations for a unified and technology-driven European financial disclosure system — one that not only enhances transparency and comparability but also supports the broader goals of the European Financial Data Space and the Digital Finance Strategy.

# Challenges in the Implementation of the European Financial Data Space

Despite the significant progress achieved so far, the full realization of the European Financial Data Space faces several critical challenges, both technical and strategic.

Firstly, **data interoperability** remains a major hurdle. Financial and sustainability data across the EU is still collected, stored, and disseminated in fragmented ways across national repositories and sectors. Aligning different taxonomies (e.g., IFRS, ESRS, SFDR) and ensuring consistent application of tagging rules across all types of disclosures requires enormous coordination efforts among regulators, preparers, and technology providers.

Secondly, **uneven adoption and compliance** by market participants poses a risk. While larger, more sophisticated issuers have generally adapted to ESEF requirements, many smaller and medium-sized companies struggle with the technical complexity and associated costs of preparing iXBRL-compliant reports. The burden of adopting new sustainability reporting obligations under the CSRD, layered on top of financial reporting, could widen this gap if not carefully managed through support measures.

Thirdly, **data quality and assurance** present ongoing issues. Machine-readable reports are only valuable if the data they contain is accurate, complete, and properly tagged. Inconsistent tagging practices, poor quality control, and lack of audit oversight over tagged data threaten to undermine the reliability and usability of the EFDS. While some progress has been made toward voluntary assurance of ESEF reports, mandatory assurance regimes — particularly for sustainability data — are still under development across member states.

Another significant challenge is the **integration of sustainability data** into the ESEF framework. Sustainability reporting involves qualitative narratives and forward-looking information that are harder to structure digitally compared to historical financial data. Developing appropriate digital taxonomies and ensuring they capture the nuances of ESG information without oversimplifying complex disclosures is a delicate balancing act.

Finally, **cybersecurity and data privacy** concerns must not be underestimated. As more sensitive financial and ESG data becomes centralized and accessible via platforms like the European Single Access Point (ESAP), safeguarding against data breaches, misuse, or manipulation becomes paramount. Robust security frameworks and clear governance rules are urgently needed to protect both issuers and users of financial information.

Overall, while the EFDS and ESEF initiatives represent a transformational shift toward a more integrated and transparent financial ecosystem in Europe, overcoming these challenges will be critical to ensuring the long-term credibility, resilience, and success of the system.

# Future Priorities and Recommendations for the European Financial Data Space

To successfully address the current challenges and unlock the full potential of the European Financial Data Space, policymakers, regulators, and industry stakeholders must focus on several strategic priorities in the coming years.

First, **enhancing interoperability and harmonization** across datasets must remain a top priority. This includes not only ensuring that financial and sustainability data are tagged consistently, but also promoting the adoption of common standards across different sectors and jurisdictions. Close coordination between ESMA, EFRAG (European Financial Reporting Advisory Group), national supervisors, and global standard-setters like the IFRS Foundation will be essential to achieve true cross-border data comparability.

Second, **supporting smaller and mid-sized companies** through technical assistance, training, and cost-effective tools will be crucial to ensure a level playing field. Public-private partnerships, funding for digitalization initiatives, and simplified reporting pathways for SMEs could help prevent disproportionate burdens and promote widespread adoption of the new standards.

Third, **strengthening data quality controls and assurance frameworks** should be accelerated. Introducing clear and harmonized guidelines for the audit and assurance of electronic and sustainability reports, while avoiding duplication of efforts, will enhance the trustworthiness and usability of structured data. Over time, mandatory assurance of ESEF and sustainability tagging should become a common practice across the EU.

Fourth, **developing more robust cybersecurity and data governance frameworks** for platforms like ESAP will be critical to protect sensitive information and maintain public trust. Data access rules, user authentication mechanisms, and incident response protocols must be designed and updated in line with the latest technological and regulatory best practices.

Finally, **embracing technological innovation** — including artificial intelligence, machine learning, and blockchain — offers powerful opportunities to automate data validation, detect inconsistencies, and provide real-time insights into financial and ESG performance. Policymakers should create regulatory sandboxes and innovation hubs that encourage the responsible development and deployment of such technologies within the EFDS ecosystem.

In conclusion, while the European Financial Data Space has made impressive strides in recent years, its success will ultimately depend on the EU’s ability to sustain momentum, tackle structural challenges, and foster a digital, integrated, and resilient financial information landscape that supports investment, regulatory oversight, and sustainable growth across Europe.

# Concerns on the European Financial Data Space

In early 2025, the European Commission decided to abandon the proposed Financial Data Access Regulation (FIDA), which would have mandated financial institutions to share customer data with third parties. This decision followed substantial lobbying from the financial industry, which raised concerns about the regulation's potential burdens. The withdrawal of FIDA marks a significant shift in the EU's approach to open finance, potentially impacting the scope of the EFDS itself ([Politico](https://www.politico.eu/article/commission-abandoned-financial-data-access-plans-after-lobby-push/?utm_source=chatgpt.com)). Meanwhile, the European Single Access Point (ESAP), a key element of the EFDS, is set to launch in phases starting in 2024. ESAP will centralize and make freely available financial and sustainability-related information from EU companies, aiming to improve market transparency and accessibility ([European Financial Data Space](https://www.european-financial-data-space.com/?utm_source=chatgpt.com)). In addition, the European Commission recently hosted a webinar titled "Data spaces: experience from the European Financial Data Space," which provided valuable insights into the implementation of EFDS, discussing progress, challenges, and the role of data spaces in fostering innovation and market transparency across Europe ([Data.eu](https://data.europa.eu/en/news-events/events/webinar-data-spaces-experience-european-financial-data-space?utm_source=chatgpt.com)). However, challenges related to data quality persist, with studies highlighting ongoing issues with the accuracy, completeness, and consistency of financial data within the EFDS framework. Ensuring high data quality is essential for the EFDS’s long-term success and reliability ([Oxford Academic](https://academic.oup.com/ijlit/article/32/1/eaae015/7742982?utm_source=chatgpt.com)).

# European Single Access Point (ESAP): Recent Developments

Initially, the European Securities and Markets Authority (ESMA) was tasked with establishing ESAP by December 2024. However, due to the complexity of the project and the need for comprehensive technical and operational frameworks, the timeline has been extended. ESMA is now required to ensure the ESAP portal provides a minimum set of functionalities, such as a user-friendly web portal, by December 2025. The full operationalization of ESAP is now anticipated by July 2027 ([PwC](https://www.pwc.ch/en/insights/regulation/update-on-the-esap.html?utm_source=chatgpt.com)).

In October 2024, the European Supervisory Authorities (ESAs) finalized implementing technical standards (ITS) to facilitate access to financial and sustainability information on ESAP. These standards specify tasks for collection bodies, such as national authorities and EU offices, detailing how and when information should be submitted to ESAP, the validation checks required, and the metadata to be included. They also define how information should be categorized and made accessible to users ([Greenomy](https://www.greenomy.io/blog/european-single-access-point?utm_source=chatgpt.com)).

The ESAP platform is expected to be operational by 1 January 2026, subject to the adoption of delegated and implementing acts by the European Commission and ESMA. These acts will specify further details on the technical and operational aspects of ESAP, including as part of its Work Programme for 2024 and beyond, as well as in its Data Strategy (2023-2028) ([PwC](https://www.pwc.ch/en/insights/regulation/update-on-the-esap.html?utm_source=chatgpt.com)).

Capco highlights the impact of ESAP on financial and ESG data, stressing its potential to streamline crucial decision-making processes ([Capco](https://www.capco.com/intelligence/capco-intelligence/european-single-access-point?utm_source=chatgpt.com)). Similarly, Matheson discusses the legal aspects and expected timelines for implementing the ESAP regulation ([Matheson](https://www.matheson.com/insights/detail/european-single-access-point--regulation---an-update?utm_source=chatgpt.com)). XBRL International, focusing on technical standards, explores how the integration of structured data will enhance data accessibility for ESAP ([XBRL International](https://www.xbrl.org/tag/esap/?utm_source=chatgpt.com)). Société Générale’s Securities Services division outlines ESAP's role in providing EU-wide access to financial and non-financial information ([Société Générale](https://www.securities-services.societegenerale.com/en/insights/views/news/esap-european-single-access-point/?utm_source=chatgpt.com)). Herbert Smith Freehills delves into the project's implications for sustainability data, emphasizing how ESAP will help standardize and centralize ESG disclosures across the EU ([Herbert Smith Freehills](https://www.herbertsmithfreehills.com/notes/esg/2024-posts/European-Single-Access-Point--what-it-means-for-sustainability-data?utm_source=chatgpt.com)). BNP Paribas also offers a regulatory memo that details the legislative package and its impact on financial and non-financial reporting requirements through ESAP ([BNP Paribas](https://securities.cib.bnpparibas/esap-regulation-european-single-access-point/?utm_source=chatgpt.com)). Accountancy Europe highlights the importance of transparency in ESAP’s framework, particularly for auditors overseeing financial and sustainability reports ([Accountancy Europe](https://accountancyeurope.eu/publications/european-single-access-point-esap-what-do-auditors-need-to-know/?utm_source=chatgpt.com)).

Once fully operational, ESAP will serve as a central repository for public financial and non-financial information about EU companies and investment products, enhancing transparency and accessibility for investors, businesses, and policymakers. This initiative aligns with the EU's broader goals of improving market efficiency and supporting sustainable finance.

# Personal Insights on the Challenges and Limitations of the EFDS Implementation

I, Fulvio Raddi, hereby declare that I have utilized ChatGPT to assist with rearranging, organizing, and verifying the correct use of English in this document.

In the preceding article, I presented an objective overview of the current status of the European Financial Data Space (EFDS). In the following lines, I will outline my subjective perspectives on the implementation of the EFDS.

A critical concern is the project's implementation schedule, which I find to be exceedingly long. Additionally, I am currently encountering challenges related to the standardization of data. While the EFDS is an ambitious and commendable initiative—one that I am grateful to have discovered, thanks to the assistance of Stefen Thuessl—it remains, at this stage, somewhat rudimentary. Large institutions are required to adhere to this standard for their annual reports, yet there are no corresponding obligations for other types of reports, such as Environmental, Social, and Governance (ESG) disclosures, nor for smaller companies. Furthermore, the companies that do utilize the EFDS standard typically upload a compressed folder containing three subfolders, one of which houses the XML file of the report. Unfortunately, the XML format is not always as optimal as the PDF version for performing data science tasks.

However, a major shortcoming remains the absence of a unified database for corporate reports across Europe. While there are already several well-established platforms for numerical data, such as the the European Central Bank [Data Portal](https://data.ecb.europa.eu/), [FRED](https://fred.stlouisfed.org/), [Our World in Data](https://ourworldindata.org/) the situation for textual data, particularly structured corporate disclosures, is considerably less mature. Although certain country-specific platforms and national repositories exist and provide access to corporate reports, they operate in a fragmented manner, often using different standards and offering varying levels of accessibility and completeness. This fragmentation makes cross-border aggregation, comparison, and analysis significantly more difficult. The establishment of a truly centralized and harmonized database for corporate reporting remains a critical priority to fully realize the objectives of the European Financial Data Space. The following table contains a summary with contries and the linked responsible authority for the dissemination of the reports:

| **Country** | **Official Portal / Collection Point for ESEF Reports** |
| --- | --- |
| Austria | OeKB Filing System (OAM Issuer Info) |
| Belgium | FSMA Filing Portal (OAM Issuer Info) |
| Bulgaria | FSC Register of Public Companies |
| Croatia | HANFA Official Registry |
| Cyprus | CySEC Announcements Platform |
| Czech Republic | CNB Register of Regulated Information |
| Denmark | Official Gazette (Erhvervsstyrelsen) |
| Estonia | NASDAQ Tallinn (regulated info repository) |
| Finland | FIN-FSA Storage of Regulated Information |
| France | Official Bulletin (BALO) + AMF |
| Germany | Bundesanzeiger Filing Portal |
| Greece | HCMC Registry |
| Hungary | Official Storage Mechanism - MNB |
| Ireland | Central Bank of Ireland |
| Italy | eMarket Storage System (managed by Teleborsa, Spafid) |
| Latvia | Nasdaq Riga - Regulated Info Platform |
| Lithuania | Nasdaq Vilnius - Official Register |
| Luxembourg | Financial Reporting Storage CSSF |
| Malta | MFSA National Storage Mechanism |
| Netherlands | AFM Register for Regulated Information |
| Poland | Official Storage Platform - KNF |
| Portugal | CMVM Storage Platform |
| Romania | ASF Regulated Information Database |
| Slovakia | NBS and Bratislava Stock Exchange |
| Slovenia | AJPES Official Portal (Agency of Public Legal Records and Services) |
| Spain | CNMV Official Filing Portal |
| Sweden | Finansinspektionen + Nasdaq Stockholm. |

**Please notice that not all 27 EU countries** were individually listed because **some countries share responsibilities** through common platforms or are represented collectively (for example, in smaller member states or where ESEF adoption is coordinated through pan-European initiatives). Also, in some cases, the national authority might delegate tasks to multiple bodies, or the implementation is still in progress and not fully clarified publicly yet.

Specifically, countries like **Luxembourg, Malta, Cyprus, Slovenia, Croatia**, etc., sometimes have fewer public details because:

* Their financial markets are smaller;
* They rely heavily on the European Securities and Markets Authority (ESMA) portal or pan-European standards;
* They delegate the technical hosting to third parties or regulators that also handle other financial services oversight.

**To summarize**, every EU country is obliged to comply with ESEF, but the **visibility and organization of national authorities' roles** can vary depending on the size of the market, infrastructure readiness, and local decisions on how to implement the ESEF mandates.