



September 2023

**ERICA (EUROPEAN RECORDS OF IFRS CONSOLIDATED ACCOUNTS)
WORKING GROUP**

Standard IFRS-compliant formats

Impact of IFRS issued in 2022

European Committee of Central Balance Sheet Data Offices (ECCBSO)

CONTENTS

CONTENTS.....	2
I. INTRODUCTION AND THE PATH ALREADY COVERED.....	3
II. STANDARD FORMAT DEFINED BY THE ERICA WG	4
III. CHANGES IN ERICA FORMAT (2023 VERSION (2022 DATASET))	7
IV. CONCLUSIONS	9
ANNEX 1. STANDARD ERICA FORMAT	10
ANNEX 2. METHODOLOGICAL NOTE OF THE ERICA FORMAT	10

Members of the ERICA (European Records of IFRS Consolidated Accounts) WG			
Alfredo Maldonado (chairman)	Banco de España	Kasimcan Gunduz	Central Bank of the Republic of Turkey
Alexandre Neves (vice-chairman)	Banco de Portugal	Vincenzo Favale	Cerved Group
Riccardo Renzi	Banca d'Italia	Carola Parodi	Cerved Group
Javier González	Banco de España	Klaus Gerstner	Deutsche Bundesbank
Despoina Tavlatou	Bank of Greece	Lena Leontyeva	Deutsche Bundesbank
Margarita Skiada	Bank of Greece	Florian Gerlach	Deutsche Bundesbank
Dimitrios Charopoulos	Bank of Greece	Sabine Wukovits	Oesterreichische Nationalbank
Stamatios Molaris	Bank of Greece	Birgit Bernhard	Oesterreichische Nationalbank
Clémence Charavel	Banque de France	Ioannis Gkrintzalis	European Central Bank
Baptiste Collin	Banque de France	Izabela Ruta (observer)	IASB
Burcu Iman	Central Bank of the Republic of Turkey		

I. INTRODUCTION AND THE PATH ALREADY COVERED

This document mainly aims at reporting to and at informing the European Committee of Central Balance Sheet Data Offices (ECCBSO hereinafter) on the preparation of the standard IFRS-based format by the CBSOs participating in the European Records of IFRS Consolidated Accounts Working Group (ERICA WG hereinafter). This work has been done gradually. In 2020, the ERICA WG decided to stop the annual update of the extended standard format. Following that decision, only one up-to-date format remains available: the reduced version (called ERICA format, because it is the base for the creation of the ERICA database).

The working method followed started in 2002 looking into the different IFRS approved by the IASB¹, creating, as a methodology of work, a format as extensive as possible as an initial step. Afterwards, members of the ERICA WG tested and decided on the information considered essential and useful in order to reduce the extension of the format. This reduced format was tested with real data from listed European groups, creating the ERICA database (see document ERICA Annual Report for more details). In the definition of the format, the different versions of IFRS Taxonomy have been used. The ERICA format is used by nine countries of the ECCBSO to fill data of listed European groups, in order to analyse the impact of IFRS in Europe and to study the situation of European non-financial listed groups. During 2013 an Internet software package entered in production (SIC, System of Integrated Checking), to guarantee that the quality controls used by all countries are applied in a standardized way.

One of the targets of the ERICA WG is the definition of a common format based on IFRS. The ERICA format is revised annually, in order to consider feedback received from ERICA WG members as well as new developments on IFRS during the year. The format approved in 2022 was reviewed and presented to the ERICA WG in 2023 for approval. This document presents the impact of these changes, as a mean to identify the possible losses of information and/or new items and the changes in the format as consequence of improvements, simplifications and other feedback received from ERICA WG members.

This document is structured in four chapters (including this introduction) and two annexes. The following chapter shows main features of the ERICA standard format. Chapter III summarizes the changes in the format whereas chapter IV presents the main conclusions brought in this work. Finally, two annexes are separately presented, comprising the ERICA format (annex 1) and the methodological note of the ERICA format (annex 2).

¹ International Accounting Standards Board.

II. STANDARD FORMAT DEFINED BY THE ERICA WG

The aim of the ERICA format (previously called reduced format) is to be a compromise of minimum information throughout European CBSOs. Needless to say, each member will freely decide about its extension, according to its needs for national use. During 2004, the ERICA WG initiated the definition of the reduced format, once the opinion about essential items in the extended format² was provided by each member. As a first approach, it was decided to consider the construction of the reduced format from those items stated as essential by at least four countries.

This work gave rise to a first draft version of the reduced format. In 2005, inconsistencies within the format and with the extended format were analysed and removed. Some lines, which were not deemed as essential separately, but in aggregate, were merged as well. With the final version of the reduced format, the IFRS Foundation extended the IFRS-GP Taxonomy 2005, creating the so-called CBSO-RF taxonomy, which exactly suited the reduced format. Since 2006 the ERICA WG has updated the ERICA format on an annual basis, taking into consideration four different sources: feedback received from ERICA WG's members during the year, the analysis on the data contained in the real cases, the IFRS Taxonomy, and new IFRS and IFRIC issued.

Moreover, the information in the ERICA format is replicated in the ERICA+ dataset and it is the basis for further work carried out by the ERICA WG regarding the ERICA dataset.

A brief summary of the content of the ERICA format is listed below:

- **General characteristics:** most of the information about general characteristics of the entity continues to be required in the ERICA format. In 2007, information about accounting options allowed by IFRS was incorporated.
- **Income statement by function and by nature:** these statements were largely summarized as a significant number of lines were not essential to the members of the ERICA WG. These deletions mainly comprised breakdowns of operating expenses, finance costs, finance income, depreciation and amortization, and impairment losses.
- **Comprehensive income:** the amounts used to be reported in this statement before tax but in 2010 it was changed to net of tax, as allowed by IAS 1.91. However, the ERICA WG decided from 2011 onwards to require all the amounts as presented by the reporting entity. The option followed by the entity must be disclosed in Information of accounting options allowed by IFRS (general characteristics). Following

² As from 2021, the extended format is not updated any longer. For more information about this format, we refer to previous versions of this document.

amendments to IAS 1, that became effective from July 2012, the Other Comprehensive Income should distinguish other comprehensive income that will not be reclassified from those that will be reclassified.

The following breakdown is required:

- Gains (losses) on revaluation
- Remeasurements on defined benefit plans
- Share of other comprehensive income of associates and joint ventures accounted for using the equity method (those amounts that will not be reclassified/ those that will be reclassified)
- Equity instruments at fair value through other comprehensive income
- Exchange differences on translation
- Debt instruments at fair value through other comprehensive income
- Cash-flow hedges
- Gains (losses) from hedges of net investments in foreign operations
- Remaining Other Comprehensive Income (those amounts that will not be reclassified/ those that will be reclassified)
- Income tax relating to other comprehensive income (those amounts that will not be reclassified / those that will be reclassified).

Debt instruments at fair value through other comprehensive income and Cash-flow hedges comprise additional breakdowns.

• **Assets:** some “of which” lines requiring additional information have been deleted, maintaining following breakdowns:

- Property, plant and equipment.
- Intangible assets and goodwill.
- Investment in related parties.
- Other financial assets, non-current and current.
- Remaining assets, non-current and current.
- Trade receivables (current).

• **Equity and liabilities:** in the same way the ERICA WG proceeded with the assets, several disclosures were deleted. Lines requiring breakdowns are the following:

- Retained earnings.
- Other reserves
- Interest-bearing borrowings, non-current and current.
- Deferred income, non-current and current.
- Other non-interest-bearing liabilities, non-current and current

Also, additional disclosure related to dividends is required in the format.

- **Cash flow statement:** main headings appear in the format. Breakdowns in this statement relate to:
 - Discontinued operations
 - Dividends and interests paid and received in all main headings (operating, investing and financing activities) as from 2015 dataset
 - Additional details from financing cash flows as from 2016 dataset
 - Additional details from investing cash flows as from 2017 dataset

- **Notes:** the mentioned points of the format expressed the main information that is always available for ERICA. The Notes contain all the additional disclosure needed for ERICA+ analysis. It comprises following requirements:
 - Description of revenue by activities
 - Amount of interest capitalised
 - Reasons of recalculated data
 - Opinion of the auditor.
 - Additional disclosures of General Characteristics and Employment
 - Non-recurrent gains and losses included in EBIT (as from 2017 dataset)
 - Information on CO2 emissions (as from 2019 dataset)
 - Information on energy and water consumption (as from 2020 dataset)
 - Information on Key Performance Indicators according to the EU Taxonomy (as from 2021 dataset)
 - Information on Emission Allowances (as from 2022)

- **Controls:** Since 2010, some match and logic controls have been added in order to facilitate and check the information manually compiled of the real financial statements of European listed groups.

III. CHANGES IN ERICA FORMAT (2023 VERSION (2022 DATASET))

The ERICA format has benefited from following changes:

- Assets – Non Current, with the inclusion of cc_391 “*of which, non-current contract assets*” as part of cc_39 “*Remaining Receivables and assets, non-current*” and Assets Current, Current Contract Assets, cc_470 “*Contract Assets*”
 - Liabilities – Non Current (cc_691 “*of which, contract liabilities*” as part of cc_65_69 “*Other non-interest-bearing liabilities, non-current*”) and Liabilities Current, Current liabilities (cc_785 “*Contract Liabilities*”)
 - Notes:
 - o The reasons of recalculated data, more specifically “6.1. Change in accounting policy resulting from amendments to...”, were updated as follows:
 - Removal of *Definition of Material (IAS 1 and IAS 8)*
 - Removal of *Interest Rate Benchmark Reform (IFRS 9, IAS 39 and IFRS 7)*
 - Removal of *Leases Covid 19 Related Rent Concessions (IFRS 16)*
 - Removal of *References to the Conceptual Framework*
 - Addition of *Classification of Liabilities - Current and Non-Current - with Covenants Deferral of Effective Date (IAS 1)*
 - Addition of *Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (IAS 12)*
 - Addition of *Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2: Disclosure of Accounting Policies*
 - o Given the growing importance of climate-related reporting
- Notes – Environmental Information. Given the growing importance of climate-related reporting, new environmental information was added/updated:
- o % Renewable Energy Consumption (0%-100%) (cc_3215)
 - o Turnover KPI eligible (% of turnover derived from products and services that are considered environmentally sustainable) (cc_3212)
 - o Turnover KPI aligned (% of turnover derived from products and services that are considered environmentally sustainable) (cc_3216)
 - *Of which, contribution to objective climate change mitigation (cc_32161)*
 - *Of which, contribution to objective climate change adaptation (cc_32162)*
 - o Capital Expenditure KPI eligible (% of turnover derived from products and services that are considered environmentally sustainable) (cc_3213)
 - o Capital Expenditure KPI aligned (% of turnover derived from products and services that are considered environmentally sustainable) (cc_3217)
 - *Of which, contribution to objective climate change mitigation (cc_32171)*
 - *Of which, contribution to objective climate change adaptation (cc_32172)*

- Operating Expenditure KPI eligible (% of turnover derived from products and services that are considered environmentally sustainable) (cc_3214)
- Operating Expenditure KPI aligned (% of turnover derived from products and services that are considered environmentally sustainable) (cc_3218)
 - *Of which, contribution to objective climate change mitigation (cc_32181)*
 - *Of which, contribution to objective climate change adaptation (cc_32182)*
- Emissions allowances ³(cc_3219)

With regard to CO2 certificates and ETS (European Trading Systems) allowances and those that nationally and transitorily comply with the EU Regulation in IFRS reports of the groups.

- Provisions for Emissions Allowances (cc_3220): *with regard to the Green House Emission Effects at the closing date an expense will be recognized in P&L Account as well as its corresponding provision in the Financial Situation Statement (Balance Sheet), given the amount at that time is uncertain. This provision will be recognized in the liabilities side as long as the company has to cancel the obligation through right settlement.*
- *All reference in notes to leases and reasons for revenue growth is erased.*

³https://www.esma.europa.eu/sites/default/files/library/esma70-445_38_final_report_on_emission_allowances_and_associated_derivatives.pdf (5.2 Clarification of position reporting in emission allowances)

IV. CONCLUSIONS

The work carried out by the ERICA WG in the definition of an IFRS-based common format was achieved after long discussions between 2003 and 2005, implying an important workload. However, as IFRS are not stable in time and new standards, interpretations and amendments are constantly being issued, the ERICA WG decided to annually review its format, in order to adapt it to new IFRS, as well as to take into consideration feedback received from ERICA WG members.

Most of the changes to the ERICA format produced during the last revisions do not arise from the issue of new standards by IASB but are mainly the outcome of the feedback received during the year, the special analysis on the quality of the data collected in the work with real cases, the ongoing analysis developed by the Working Group and recent developments on non-financial reporting, what points out that they are useful tools as they provide valuable feedback on the IFRS-based and other non-financial information contained in financial statements of European groups. On this purpose, the process of revision of the format can be considered as a necessary enhancement of the ERICA format.

ANNEX 1. STANDARD ERICA FORMAT

ANNEX 2. METHODOLOGICAL NOTE OF THE ERICA FORMAT

Please note that annexes 1 and 2 are presented in separate documents.