

Market Newsletter 2/2022

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Future outlooks, changes in outlook and their disclosure

The Financial Supervisory Authority (FIN-FSA) has monitored issuers' future outlook statements, changes in outlook and their disclosure. The FIN-FSA has also received contacts from the market related to the wording of profit forecasts, the interpretation of changes to profit forecasts, and practices related to the publication of inside information. Based on the findings of the FIN-FSA and the contacts it has received, it is clear that market participants have had difficulties in interpreting the meaning of changes made to profit forecasts, for example in a situation where an issuer changes its profit forecast by adding to its previous forecast modifiers such as *clearly*, *significantly* or *substantially*. With this article, the FIN-FSA wishes to draw issuers' attention to the clear presentation of future outlooks and changes made to them. In addition, the FIN-FSA emphasises issuers' obligation to monitor the development of the future outlook and the need to issue profit warnings in all market situations.

In the second article of this Market Newsletter, the FIN-FSA discusses practices related to the publication of inside information.

Profit warnings are published as inside information

Under the Accounting Act, an issuer is obliged to present in its management report an assessment of its likely future development (future outlook). The issuer itself assesses the extent to which it provides future outlook statements. Future outlook statements may therefore be very different in terms of content and precision. Issuers typically provide guidance on their current period's profit in the form of a profit forecast¹, either by giving verbal guidance, which often compares the profit with the corresponding period of the previous year (for example: *The operating profit for the financial period is expected to increase compared with last year*) or by giving numerical guidance on the level of the profit, for example in the form of a range for the anticipated profit (for example: *The operating profit for the financial period is expected to be between EUR X and Y million*). Giving a profit forecast is not mandatory, so issuers

¹ 'Profit forecast' means a statement that expressly or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for current or future financial periods, or contains data from which a calculation of such a figure for future profits or losses can be made, even if no particular figure is mentioned and the word 'profit' is not used. Commission Delegated Regulation (EU) 2019/980 Article 1(d).

may, when giving a future outlook, focus on describing the company's future and operating environment on a more general level without giving a profit forecast. Irrespective of the form in which future outlook statements are given, they play a central role in assessing the need to issue a profit warning.

By profit warning is meant an issuer's announcement that its profit or financial position in the review period differs from that which it previously publicly forecast or can be reasonably inferred from other previously published information and that the change in question is so material that it meets the definition of inside information according to the Market Abuse Regulation (MAR). If the issuer assesses that there has been a change in its future outlook that is so material that it is likely to have a significant effect on the prices of the issuer's financial instruments, it must issue as soon as possible a profit warning, which is published as inside information and is formulated with such clarity that the investor understands that a material change is involved.

The need to issue a profit warning may also arise in a situation where an issuer has not given a profit forecast, but has, for example, described the development of the market on a general level or has completely refrained from giving a future outlook due to, for example, market uncertainty. Not providing a profit forecast or future outlook does not therefore remove the obligation to issue a profit warning, if necessary. The FIN-FSA reminds issuers that they must monitor on an up-to-date basis their profit development, financial position and the development of their operating environment in order to be able to assess the need to issue a profit warning. The need to issue a profit warning is connected to the MAR definition of inside information, which may also be met in the absence of a previous profit forecast in a situation *where the issuer estimates that its development deviates significantly from that which can be reasonably inferred from previously published information.*

A situation where an issuer's future outlook does not include a profit forecast or where the profit forecast is formulated very loosely may be challenging for both the investor and the issuer. In that case, the investor, without the issuer's own assessment and guidance, has to form their view of the issuer's future development independently on the basis of the information previously published by the issuer. On the other hand, it may be difficult for the issuer to assess what the market expects from the company based on the information it has previously published. The assessments of both parties may be influenced by, among other things, the issuer's previous profit development, previous estimates of the development of the market and operating environment, the valuation of the company's securities, and the estimates of analysts who follow the issuer. The issuer may manage uncertainty related to market expectations by publishing as clear and as accurate a description of its future outlook as possible.

Change in future outlook

When a change in future outlook meets the definition of inside information, it should be published as soon as possible as a profit warning. Publication of other kinds of changes in the future outlook is at the issuer's own discretion. These discretionary changes are therefore not published as inside information; clarification takes place, for example, in connection with the publication of a financial report.

An issuer may, for one reason or another, wish to revise its future outlook but, in its assessment, the revision would not significantly affect the price of the issuer's financial instruments, i.e. the change would not be inside information. A typical situation may be, for example, one in which the issuer slightly narrows the range of its numerical profit forecast. The change is so minor, however, that the issuer does not consider that the narrowing of the range will affect the price of its financial instruments to such an extent that the definition of inside information would be met. A change such as this is clear and easy to interpret. The FIN-FSA emphasises that, for the efficient functioning of the securities market, it is important that market participants have as accurate as possible a picture of the issuer's own assessment

of its future outlook, as up-to-date information enhances the price formation of securities in the market. Therefore, updating the outlook even in situations where the update does not constitute inside information is permitted, and when implemented clearly, it increases investors' understanding of the issuer's future development.

As another example can be mentioned a situation that is more difficult to interpret from the investor's point of view – where the issuer changes the form of a verbal profit forecast by adding, removing or changing the modifiers attached to the guidance: for example, the issuer changes its published profit forecast *The operating profit is expected to increase compared with the previous financial period* to the form *The operating profit is expected to increase slightly compared with the previous financial period* or the issuer changes its published profit forecast *The operating profit is expected to increase clearly compared with the previous financial period* to the form *The operating profit is expected to increase significantly compared with the previous financial period*. In a situation like the one mentioned above, it can be difficult for market participants to assess how the change should be interpreted. The significance of the change and its purpose may be unclear to the investor. Investors may try to draw conclusions about the significance of the information based on the kind of expressions that the issuer has typically used in its profit forecasts and the kind of expressions the issuer has previously used when it has published a profit warning as inside information. The FIN-FSA draws attention to the fact that investors should not have to analyse the meaning of different wordings in order to understand announcements. The market has not come up with clear definitions of what, for example, *slightly*, *significantly* or *clearly* mean in connection with future outlooks. Future outlooks and stock exchange releases should be so clear that they equally serve the information needs of all investors and that the investor obtains a clear picture of what the issuer means by the expressions used. In profit forecasts, expressions describing the magnitude of change, should be consistent. In FIN-FSA's view, consistency would be supported by issuers defining internally what the terms used in profit forecasts mean in terms of euros or percentages.

The FIN-FSA emphasises that, when changing the future outlook, the issuer always has an obligation to primarily assess whether the change involves inside information.

Attention should be paid to the clarity and comprehensibility of future outlooks and changes to them

Clarity of communication in relation to future outlooks is central to investor protection, and it contributes to the pricing of the issuer's securities in the market. The accuracy and clarity of future outlooks announced by an issuer creates the basis for the issuer's own assessment of the need to issue a possible profit warning. Assessing the need to issue a profit warning is more straightforward in situations where the issuer has given a clear statement of its future outlook that can be defined as a profit forecast. The FIN-FSA also recommends providing future outlooks as profit forecasts, if possible.

The FIN-FSA urges issuers to pay particular attention to clarity of communication in situations where the profit forecast is not given numerically but verbally, describing the level of the profit. A profit forecast or change thereto should not contain any uncertainty of interpretation.

Profit warnings must be announced as soon as possible

The publication of a profit warning cannot be delayed, as delaying publication would likely mislead the public. Pursuant to MAR Article 17, issuers must publish a profit warning as soon as possible², and the

² 'As soon as possible', according to the interpretation of the FIN-FSA, means, in practice, that only a relatively short period of time, necessary to verify and evaluate the facts and to prepare the matter for publication, can elapse between the generation of inside information and the announcement.

issuer cannot delay publication until the publication of a regular financial report, if the obligation to issue a profit warning has, based on MAR, arisen before the time of publication of that report. The issuer may therefore be obliged to publish a profit warning in a separate announcement before the publication of the financial report, very close to the publication of that report.

The FIN-FSA considers it a recommended practice that a profit warning be published in a separate announcement from the financial report, even if they are published at the same time. This practice brings visibility to the profit warning, and it also helps underline the issuer's obligation under MAR to publish inside information as soon as possible. The FIN-FSA reminds issuers that the goal of timing announcements simultaneously with the financial report is not an acceptable reason to delay the publication of a profit warning.

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Releases containing inside information – give attention to the title of the release

The Financial Supervisory Authority (FIN-FSA) wishes to draw issuers' attention to releases that disclose inside information. Such a release must clearly state that the release contains inside information. In addition, the release must identify which information in the release is inside information. This also applies to inside information disclosed in connection with a regular financial report, if the issuer discloses inside information in connection with the financial report and not in a separate release. This article provides guidance on how inside information can be clearly identified in a release. Inside information to be disclosed in connection with a financial report is used as an example case.

Presentation of inside information in a release

Releases containing inside information must always state that the release in question contains inside information³. This applies to all releases that contain inside information. According to the main rule, the message category of the release should be *inside information* and *Inside information should be* entered in the basic information of the stock exchange release always when the publication of inside information is involved.⁴ In that case, the investor understands that the information published in the release is, in the issuer's assessment, inside information. If inside information is not published in its own separate release, but in connection with a release in which the *Inside information* message category and basic information cannot be used, the inclusion of inside information in the release must be clearly identified in another way.

The FIN-FSA has found that releases on financial reports do not always include a separate mention of inside information that may be contained in them. According to current guidance, the basic information of a financial report, such as, for example, *half-year report*, should be marked as the basic information of the releases on financial reports. The above-mentioned aspects have, in practice, led to a situation where inside information has been disclosed in the form of a stock exchange release that did not contain

³ Commission Implementing Regulation (EU) 2016/1055, Article 2(1)(b)(i).

⁴ Market Newsletter 1/2019.

an indication of the disclosure of inside information. A similar situation may also arise in situations where a different message category than *Inside information* is used, such as, for example, in public takeover bids or changes in company management.

The FIN-FSA urges issuers to pay attention to compliance with Article 2(1)(b)(i) of Commission Implementing Regulation (EU) 2016/1055. The FIN-FSA considers it a recommended practice that issuers in the future add the word *inside information* to the title of their releases if they contain inside information. This applies to both releases published in the *Inside information* message category and releases published in other message categories. The recommended course of action should therefore also be taken into account in the titling of the release on financial reports mentioned here as an example, if the release discloses inside information. Such inside information included in a financial report may concern, for example, a significant write-down. It is also recommended that the title of the release identify what the inside information relates to, so that it is not drowned out by the other information contained in the release⁶. If this practice were observed, it would be possible to view in the news stream that the issuer has published inside information and what the inside information concerns. Inside information must be described in the financial report and, if the financial report is published as an attachment to a stock exchange release, also in the said stock exchange release. In this case, however, the basic information of the financial report in question, such as *half-year report*, should be entered in the basic information of the release concerning the financial report. The financial report is submitted to the OAM (central storage facility for regulated information) in the appropriate message category, for example the *Half-year report* message category, not the *Inside information* message category.

In this context, the FIN-FSA also reminds issuers that the title of a release containing a profit warning should clearly indicate the content of the release and whether a deterioration or improvement of a previously announced future outlook is involved. The release should also repeat the outlook previously given to the market.

Including all of the above-mentioned information in the title of a release concerning a financial report may result in very long titles, which is why the FIN-FSA underlines its recommendation that inside information always be published in its own separate release⁷. The obligation to publish inside information as soon as possible limits the possibility of including inside information in connection with a financial report in a situation where MAR mandate that the publication of inside information cannot be delayed.

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⁵ The FIN-FSA has previously instructed issuers, in relation to financial reports and profit warnings, that when financial information is sufficiently credible and accurate, an issuer should assess whether the financial report contains inside information, and whether potential inside information is of a kind that should be publicly disclosed as a profit warning as soon as possible. If a profit warning is not involved and the conditions for delayed disclosure are met, the issuer shall establish an inside project (Questions and answers (Q&A) - Disclosure of inside information and delayed disclosure (MAR Article 17).

⁶ An example of the title of a financial report release to which information about the inside information included in the release has been added: X Plc's interim report 1.1.-31.3.2022. X's net sales increased by Y per cent, operating profit at the previous year's level. Inside information: X Plc writes down a total of EUR X million in trade receivables.

⁷ Please see article "Future outlooks, changes in outlook and their disclosure" included in this market newsletter.

Statutory ESEF reporting began

Listed companies⁸ published their annual financial reports (AFRs) for 2021 in [ESEF](#) format (European Single Electronic Format). The adoption of ESEF is mandatory for financial periods starting on or after 1 January 2021.

ESEF refers to an xHTML format AFR in which IFRS consolidated financial statements are marked up with XBRL tags. The consolidated financial statements file containing XBRL tags must be packaged as a zip file. If a company only prepares the financial report of a stand-alone entity, and no IFRS consolidated financial statements are involved, the required reporting format is xHTML, not packaged zip format. It is not necessary to report XBRL tags for a stand-alone entity, in which case zip format becomes unnecessary in practice⁹.

ESMA's recommendations support reporting

On 24 August 2022, ESMA published an updated [ESEF Reporting Manual](#), which can be applied when reporting AFRs for 2022. ESMA's manual is not binding; it has been prepared to support the application of the ESEF regulation in a situation where binding regulation ([ESEF RTS](#)) do not give precise instructions on reporting. The Financial Supervisory Authority (FIN-FSA) encourages listed companies to follow the manual's recommendations.

Considerations for publishing ESEF files

All listed companies that published ESEF format AFRs also published them in pdf format. Only some of the companies' pdf format AFRs indicated that they were published voluntarily.

The disclosure requirement pursuant to chapter 7, section 5 of the Securities Market Act is fulfilled only by an ESEF format AFR and therefore AFRs should not be published only in the voluntary pdf format. A published pdf format AFR should indicate that it has been published voluntarily and that it does not fulfil the requirements of chapter 7 section 5 of the Securities Market Act. A recommendation regarding this practice is also included in ESMA's manual (Guidance 1.0.2).¹⁰

The listed companies published ESEF and pdf format AFRs for 2021 at the same time with the same stock exchange release. The updated ESMA manual also takes a position on situations where, for justified reasons, the publication of documents in pdf format could take place before their publication in ESEF format (Guidance 1.0.2.a). If the publication of a pdf format AFR is published with a stock exchange release, these documents are also stored in the OAM (central storage facility for regulated information).

The companies made various choices as to whether they published the AFR merely in xHTML format, or whether the AFR in xHTML format was part of a larger annual report package. Some companies mistakenly only had the financial statements in xHTML format, and the report of the Board of Directors might be a separate pdf document. The FIN-FSA reminds issuers that the ESEF regulation apply to both the financial statements and the report of the Board of Directors, i.e. both documents must be in the

⁸ In this article, the term 'listed companies' covers issuers whose shares or bonds are admitted to trading on a regulated market in Finland (Nasdaq Helsinki).

⁹ Instructions (Guidance 4.1.1) for a situation in which the financial report of a stand-alone entity may also be packaged in zip format have been added to section 4.1 of ESMA's ESEF Reporting Manual 2022.

¹⁰ Guidance 1.0.2, which contains more detailed instructions on the publication of AFRs in other formats than ESEF, i.e. in practice pdf format, has been added to ESMA's ESEF Reporting Manual for 2022.

same xHTML file. Wider xHTML content is also possible. The XBRL tagging requirement only applies to IFRS consolidated financial statements, however.

Chapter 10, section 3 of the Securities Market Act obliges issuers to make ESEF format AFRs available in their website. The FIN-FSA found a few aberrations in the compliance with this requirement. Companies are requested to pay attention to compliance with the requirement.

The FIN-FSA reminds issuers that published ESEF data cannot be altered afterwards. Changes to an ESEF format AFR can only be made by publishing the AFR again. It is therefore not permitted, for example, to change the XBRL tags of a published ESEF format AFR in the company's own website.

Most ESEF reporters used the LEI code in the name of the zip file. ESMA's manual permits the use of both the LEI code and the company name or an abbreviation of it. There is therefore currently no binding rule on the use of the LEI code. The FIN-FSA, however, recommends the use the LEI code.

Companies are responsible for quality of reported information

The ESEF reports of European companies and their related findings can be viewed in the [information service](#) maintained by XBRL International, which has also published a [series of blogs](#) on the subject. The 2021 ESEF files of several European listed companies had quality problems, which may adversely affect the usability of XBRL format information.

The FIN-FSA observed errors in the ESEF format AFRs of some companies that completely prevented the reading or viewing of electronic information with viewer software. The FIN-FSA has urged these companies to correct and publish the ESEF file again.

The FIN-FSA will not carry out planned enforcement of the machine-readable part of ESEF format AFRs (xHTML/iXBRL), but will react, if necessary, retrospectively to any significant errors in ESEF files that may arise in the market. In Finland, the OAM, Nasdaq Helsinki, also does not perform validations on ESEF files.

The FIN-FSA emphasises that the companies are responsible for the quality and usability of the information they report.

Assurance of ESEF format annual financial reports

Auditing and assurance of the machine-readable layer of ESEF format AFRs is not regulated in Finland. Although there is no assurance obligation in Finland, a company may voluntarily obtain assurance of this. The Finnish Association of Authorised Public Accountants has issued a [recommendation on the assurance of listed companies' ESEF annual financial reports](#) (in Finnish).

Chapter 7, section 8, subsection 4 of the Securities Markets Act contains a [provision](#), which entered into force on 1 January 2021, on the obligation of an issuer to publish an auditor's statement on ESEF format AFRs¹¹. According to the provision, if the issuer's auditor has audited an AFR prepared in accordance with the Commission's technical regulatory standard, the auditor shall state in its statement the extent of the work performed. The statement of the auditor shall be appended to the AFR in question.

¹¹ In chapter 7, section 5 of the Securities Market Act, ESEF annual financial report is referred to by the term financial statements prepared in accordance with the Commission's technical regulatory standard.

Around 100 companies out of just over 140 companies published an assurance report in accordance with the requirement. The assurance reports on the ESEF format AFRs were separate reports, and they were not, for example, part of the audit report. Just under 10 companies said that they had obtained an ESEF assurance report, but they did not, however, publish the said report as the provision requires.

No assurance or audit was obtained for the ESEF format AFRs of around 40 companies. Pursuant to chapter 7, section 8, subsection 5 of the Securities Market Act, if an issuer's auditor has not assured or audited an AFR prepared in accordance with the Commission's technical regulatory standard, the issuer must declare this in the AFR in question. Fewer than 10 companies declared in the ESEF format AFR the absence of an assurance report as required by the provision.

ESEF regulation themselves do not take a position on the location of the ESEF assurance report. In Finland, the most common practice adopted has been that both the audit report and the separate ESEF assurance report are in the same xHTML format document, which also contains the AFR. This practice is still possible, as is the practice that the audit report and the ESEF assurance report are not included in the xHTML file containing the AFR, but are appended as a separate file to the stock exchange release.

FIN-FSA's contacts with companies

The FIN-FSA has been in contact with a number of companies with regard to which it has found shortcomings in the publication of ESEF format AFRs and the auditor's assurance report. After being contacted, some of the companies have published their ESEF files again, for example if it was not possible to read or view the machine-language information of the initially published file with viewer software or the xHTML/zip file was inadequate. In the majority of contacts, the companies were urged to take into account the regulatory requirements in connection with the next reporting.

New guidance in ESMA's updated manual

XBRL tagging of notes to financial statements with block tags is mandatory for reporting periods beginning on 1 January 2022 or later. The updated ESMA manual contains, among other things, new guidance on and examples of block-tagging (section 1.9). The key content of the block-tagging guidance relates to the situation where there are one or multiple taxonomy elements that can match a given disclosure. In that case, according to the manual's guidance, preparers should use all the elements of different granularity and multi-tag the information to the extent that corresponds with the underlying accounting meaning of the information.

The manual also contains new guidance on language versions (Guidance 1.1.2) and the above-mentioned presentation of AFRs in other formats than ESEF (Guidance 1.0.2). With regard to language versions, the ESMA manual¹² recommends that a language version other than the official language version¹³ should be indicated with the notation "non-official version" and/or "translation". This applies to both ESEF and pdf format AFRs.

¹² *Guidance 1.1.2 AFRs presented in more than one language, paragraph b for voluntary language version as in Finland*

¹³ *In Finland, the official language versions are Finnish or Swedish (Securities Market Act, chapter 10, section 4).*

When reporting the 2022 financial statements, companies may use the [2021 taxonomy](#) or the 2022 taxonomy, which will be published later this year¹⁴. See [Final Report on the draft RTS 2022](#).

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Financial statements accounting treatment of SaaS cloud services arrangements must be analysed with care

On 8 November 2021, the Financial Supervisory Authority (FIN-FSA) published in its Market Newsletter 1/2021 the article 'IFRS IC agenda decision on cloud services costs'¹⁵. The article explained the content of the April 2021 [agenda decision](#) on the treatment of cloud computing configuration and customisation costs in financial statements (Configuration of Customisation Costs in a Cloud Computing Arrangement). Earlier, in March 2019, IFRS IC had already published the first [agenda decision](#) related to cloud services (Customer's Right to Receive Access to the Supplier's Software Hosted on the Cloud).

The [earlier agenda decision](#) from 2019 provided guidance on how a customer recognises for the fees it pays based on a software agreement that are compensation for the right to receive access to software for a certain period. According to the agenda decision, agreements that do not meet the definition of a lease under IFRS 16 or an intangible asset under IAS 38 are service contracts. In order to ensure the correct accounting treatment of software agreements, the criteria and characteristics of a lease under IFRS 16 or an intangible asset under IAS 38 must be evaluated carefully with regard to cloud service contracts. For example, cloud migrations of ERP systems are assessed on the basis of the 2019 agenda decision.

Agenda decisions often clarify how IFRS standards are applied in certain situations. IFRS standards must be applied in accordance with agenda decisions as soon as possible after their publication, taking into account sufficient preparation time. Changes in the company's financial statements caused by agenda decisions are mostly treated as a change in accounting principles in accordance with IAS 8¹⁶ (retroactive application).

Little information given to date on effects of applying agenda decisions

Based on the two published agenda decisions, companies may have to change their accounting principles to comply with the agenda decisions. In some cases, this may mean recognising fees paid for services immediately or through prepayment accruals as expenses instead of as intangible assets on a previous balance sheet. In an ongoing cloud migration, the changes might have material significance for companies' financial statements.

¹⁴ Final report on ESEF draft RTS page 6: In order to minimise the burden for preparers, this amendment to the RTS on ESEF is mandatorily applicable for financial years beginning on or after 1 January 2023. Early application is allowed. Therefore, it is expected that for annual financial reports including financial statements beginning on or after 1 January 2022, issuers will be allowed to use either the 2021 ESEF taxonomy or the 2022 ESEF taxonomy introduced by this draft RTS.

¹⁵ SaaS - Software as a Service.

¹⁶ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, see IAS 8. 19-27 Implementing changes in accounting policies.

The FIN-FSA reviewed the 2021 financial statements of 30 listed companies with regard to what the companies stated about SaaS services in relation to the said agenda decisions.

From around one third of the companies' financial statements, it was clearly apparent whether the 2021 agenda decision, concerning configuration and customisation expenses, had an impact on a company's financial statements. Of these companies, the majority stated that the agenda decision had no significant impact on the financial statements. Information in euros was often not given. A few of the 30 companies in the sample considered the matter to be so material for the financial statements that they presented in the income statement and balance sheet the magnitude of the effects in euros.

There were only a few references to the 2019 agenda decision in financial statements. Based on the reviewed material, there were no significant changes in euro amounts, reported as a change of accounting principles, that would have arisen from the 2019 agenda decision.

As for the companies that did not mention anything about the application of the agenda decisions, it remains unclear whether the issue was not topical or whether the issue was immaterial. The FIN-FSA draws attention to the fact that if, as a result of the application of the agenda decisions, the impact of the change in an accounting principle is material, it is necessary to present sufficiently extensive disclosures about the change. A reconciliation calculation in matrix form, for example, showing the effects of the changes on the different items of the financial statements and on the entire financial statements, as well as the situation before and after the change, may be considered to be good presentation practice. In addition, the FIN-FSA considers it important that a documented impact analysis is prepared on the application of the agenda decisions.

Cloud migrations of companies' main ERP systems just beginning

The large-scale migration to cloud services in companies is only in its early stages, and the FIN-FSA estimates that the most significant migrations in the future will be related to transitioning entire ERP systems to cloud services. These might be related to contractual changes, which may have material significance for the values of intangible assets on the companies' balance sheets. With regard to new and replacement contracts, a sufficiently precise assessment must always be made as to whether software licenses meet the criteria of IAS 38 or IFRS 16. When evaluating the criteria of IAS 38, a critical aspect may be the definition of control over the software. If the characteristics of an intangible asset under IAS 38 or a lease under IFRS 16 are not met in the contract, then a service contract is involved.

The FIN-FSA is monitoring the impact of cloud migration on companies' reporting and, in its company-specific supervision, will request from companies an analysis of compliance with the agenda decisions, if necessary.

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Events for listed companies in December 2022

An information event on listed companies' financial reporting will be held on the mornings of 1 December 2022 and 8 December 2022. The events will take place on the premises of the Bank of Finland at the address Rauhankatu 19, Helsinki.

Invitations to the event will be sent electronically, closer to the date of the event, to listed companies' CFOs and other stakeholder representatives. The invitations sent to listed companies' CFOs are intended for two persons; personnel responsible for financial reporting or the listed company's disclosure obligation are therefore urged to be in contact with their respective CFOs in order to receive a registration link for the event.

Listed company event topics are current issues related to IFRS standards and sustainability reporting, as well as listed companies' communications and matters related to management of inside information.

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Topical matters at ESMA

ESMA's Trends, Risks and Vulnerabilities (TRV) [report](#) was published on 1 September 2022.

ESMA published a [report](#) on national supervisors' scrutiny of prospectuses on 21 July 2022. The peer review examined supervisors' procedures for evaluating and approving listing prospectuses for securities.

On 7 July 2022, ESMA published a [public statement](#) on the effects on prospect supervision of EU sanctions connected to Russia's invasion of Ukraine.