# Key messages on the European Single Access Point (ESAP)

The European insurance industry strongly supports the establishment of a European Single Access Point (ESAP) as an EU data hub that has the potential to play a key role in helping to close the current data gap, in particular on sustainability matters. It will allow insurers, Europe's largest institutional investors, to access robust, comparable and reliable financial and environmental, social and governance (ESG) data from the Corporate Sustainability Reporting Directive (CSRD) in an electronic, machine-readable, format in order to steer their investment portfolios more effectively towards sustainability objectives and comply with their disclosure requirements.

In view of the trialogue discussions between the EU institutions, the insurance industry would like to highlight the following elements, which would help ensure the ESAP works as intended.

To ensure the successful development and operation of the ESAP, and thereby its successful uptake, it is necessary that the platform is well-functioning, reliable and user-friendly. To achieve this:

## Appropriate governance, funding and prioritisation

- **Strong governance and stakeholder and expert input are vital**. Key stakeholders, including insurers, should be included in the main governance board and also in a technical advisory committee, which should be included in the governance structure. In this respect, insurers support the proposal by the European Parliament's ECON Committee to establish a consultative group to support the European Securities and Markets Authority (ESMA) in implementing and monitoring the ESAP, but this should be a permanent not an ad hoc part of the governance framework.

- **It is vital that the ESAP has adequate funding to cover initial development, ongoing improvements, maintenance and user support**. The ESAP is a public good, and public funding will be needed to ensure rapid development of a well-functioning, reliable and user-friendly platform. However, given the need to ensure adequate funding on an ongoing basis and the ability, if necessary, to increase funding in line with real needs, it is important that ESMA is allowed to charge the users fees. Strong governance is needed to ensure strict spending and budget control and to avoid excessive costs and fees. Flexibility for the ESAP to structure its fees is important so that, for example, fees can be waived for certain categories of users (eg, academics), higher fees can be charged for other categories (eg, data providers/consultancies that use the ESAP data to sell on services) and fees could also be charged for access to specific data sets.

- Considering insurers' increasing ESG data needs and disclosure requirements, **an ambitious launch timeline, combined with a phased approach, for the development of the ESAP is crucial**. There is an urgent need for ESG data to be made available via the ESAP as soon as possible, ideally as of January 2025. However, even if the ESAP is delayed by one year to 31 December 2025, preparatory work needs to start now. Moreover, given the huge task the establishment of such a platform represents, a phased introduction of data sets, in line with the Council's General Approach, is also needed to allow for sufficient flexibility to ensure the smooth and successful development of ESAP. The data sets needed for regulatory reporting under the Sustainable Finance Disclosures Directive (SFDR) is particularly urgent and should be prioritised in such a phased approach.

- **ESG data needed under the EU Taxonomy, CSRD and SFDR should be prioritised**. Financial, prudential and other types of information is less urgent. Alignment of the entry into force of new disclosure obligations with the timing of data availability through the ESAP is crucial.

## Recommendations

- A consultative group of stakeholder experts should be established to support ESMA in implementing and monitoring the ESAP, as proposed by the ECON Committee in its report (Article 11.2 and 12.3), and made permanent.
- Allow ESMA to charge a (reasonable) fee so that it will be appropriately funded on an ongoing basis, thereby ensuring it is well-functioning, reliable and user-friendly. There should be flexibility for ESMA to charge different fees to different categories of users and for different data sets if/as needed.

> - To ensure the successful development of the ESAP and support the availability of the ESG data needed for regulatory reporting as quickly as possible, a phased implementation should be adopted with ESG data under the EU Taxonomy, CSRD and SFDR as a priority.

## Appropriate scope

European insurers welcome the fact that the ESAP does not create new reporting requirements, ensuring that double reporting is avoided, as clarified by the proposed recital 3a of the ECON Committee report.

In addition, the insurance sector welcomes the ECON proposal to require the European supervisory authorities to consult the European Financial Reporting Advisory Group (EFRAG) on accessible formats of sustainability information to ensure an easy retrieval and extraction of data in line with the sustainability reporting standards currently under development.

The inclusion of certain information in the scope of the EC proposal is, however, premature or not relevant:

- The ESAP should not duplicate manufacturers' compliance efforts and delay the marketing of new products. Overlap with other initiatives (the register of pan-European personal pension products (PEPPs) held by the European Insurance and Occupational Pensions Authority (EIOPA), for example) should be avoided.
- Article 7 of the Taxonomy Regulation should be excluded from the scope as it requires the addition of a statement to pre-contractual and periodic documents of financial products not subject to Article 8-9 of the SFDR. It is not a stand-alone document and there is no obligation to publish this information online.
- As it stands, the current packaged retail and insurance-based investment products (PRIIPs) key information document (KID) does not fairly reflect the specific features of insurance-based investment products. It also applies to some products that have no investment objectives and for which the KID is not suited. The much-needed changes to the PRIIPs KID need to be finalised and implemented prior to the inclusion of the information in the ESAP.
- There is currently no practical experience with the PEPP KID and therefore no confirmation that it would work as intended and deliver information that is correct and meaningful.
- The Insurance Recovery and Resolution Directive (IRRD) should not be included in the scope. The EC's IRRD proposal does not contain disclosure requirements for (re)insurance undertakings. The main reporting requirement for some undertakings is the preparation of a pre-emptive recovery plan, but such plans should remain confidential between companies and supervisors. The EC's proposal does have some public reporting requirements for supervisors, such as the reporting of resolution actions taken by national competent authorities and EIOPA's report on simplified obligations, but these are not considered useful additions to the ESAP because these are expected to be exceptional in nature and non-standardised (in the case of the resolution actions).

### Recommendations

- Clarify that the ESAP should not create new reporting requirements, in line with the ECON Committee's proposed recital 3a.
- Article 7 of the Taxonomy Regulation should be removed and the IRRD should not be included, in line with the General Approach of the Council.
- The inclusion of PRIIPs and PEPPs in the scope of the ESAP should not apply before January 2029, as proposed in the General Approach of the Council.

## Further clarity on voluntary information from non-EU companies

Voluntary data submission from non-EU companies should be possible so that EU companies with investments outside the EU can fulfil their reporting obligations. Further clarity is needed (including on the relevant equivalence mechanism) to encourage voluntary reporting, for instance by clarifying the information submission process.