Commission de Surveillance du Secteur Financier

RESULTS OF THE ENFORCEMENT OF THE 2024 FINANCIAL AND NON-FINANCIAL INFORMATION

PUBLISHED BY ISSUERS SUBJECT TO THE TRANSPARENCY LAW

January 2026

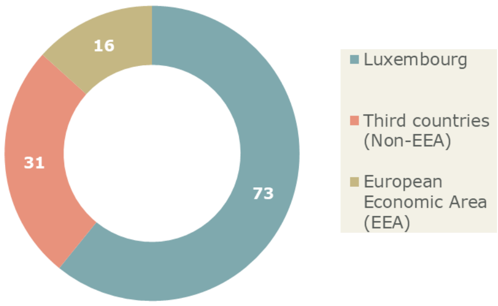
Contents

1. Introduction

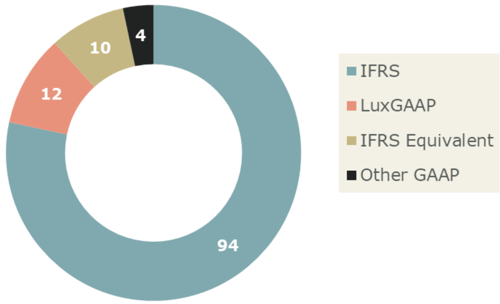
The CSSF is the competent authority to ensure the supervision of securities markets. In this context, the CSSF is in charge of examining the compliance of the financial and non-financial information, published by issuers under its supervision, with the relevant reporting framework and thereby contributes to investor protection and promotes confidence in financial markets.

Population of issuers falling within the scope of enforcement of financial information as at 1 January 2025

Geographical area

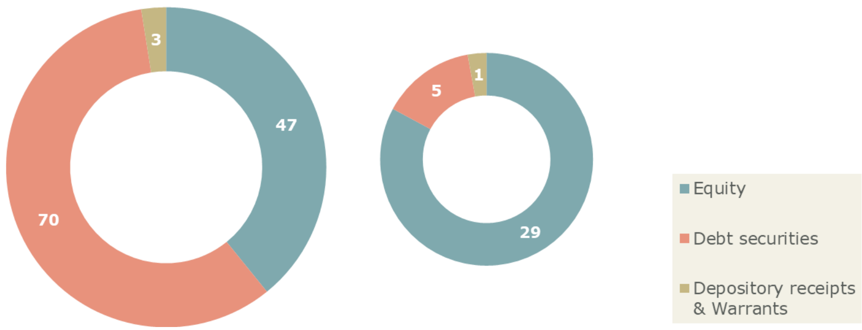


Principal GAAP



Population of issuers falling within the scope of enforcement as at 1 January 2025 by type of securities

for financial information ***for non-financial information***



2. Enforcement activities carried out in 2025

i. Selection and examinations performed

The selection of the issuers that are examined each year is based on a mixed model in which a risk-based approach is combined with a sampling and a rotation approach. The risk-based approach adopted considers the risk of a misstatement as well as the possible impact of such a misstatement on the financial markets.

As part of the examination process and depending on the topics covered, the CSSF identifies the most effective way for examining the selected financial and non-financial information. As a result, the enforcement activities usually consist of a combination of thematic, focused and unlimited scope examinations.

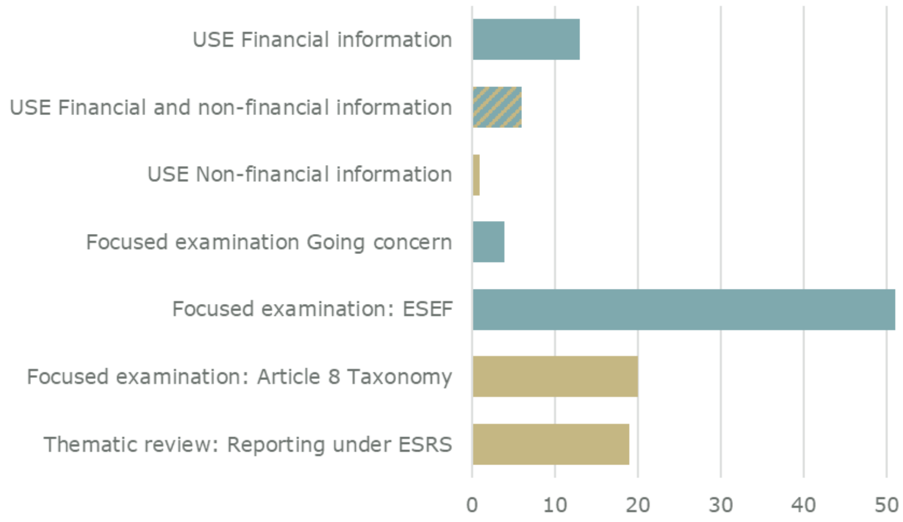
Types of examinations performed by the CSSF:

- **Unlimited scope examinations (USE)**: evaluation of the entire content of the financial and non-financial information of an issuer included in one or more harmonised documents in order to identify issues/areas that, in the enforcer's opinion, need further analysis and subsequent assessment of whether the information regarding those areas is in accordance with the relevant reporting framework. A USE usually entails an interaction between the CSSF and the issuer.
- **Focused examinations (FSE)**: evaluation of pre-defined issues in the financial and non-financial information of an issuer and the assessment of whether the information is compliant with the relevant reporting framework in respect of those issues. These examinations may imply interactions of the CSSF with the issuer or not, depending both on the issues and findings.
- **Thematic examinations**: review of the practices followed by a sample of issuers concerning specific issues. A thematic review does not generally imply an interaction between the CSSF and the issuer.

When selecting the issuers to be examined during its 2025 enforcement campaign, the CSSF also considered the retained priorities, which concerned both financial and non-financial information and which were presented in its *Communiqué* dated 5 December 2024.

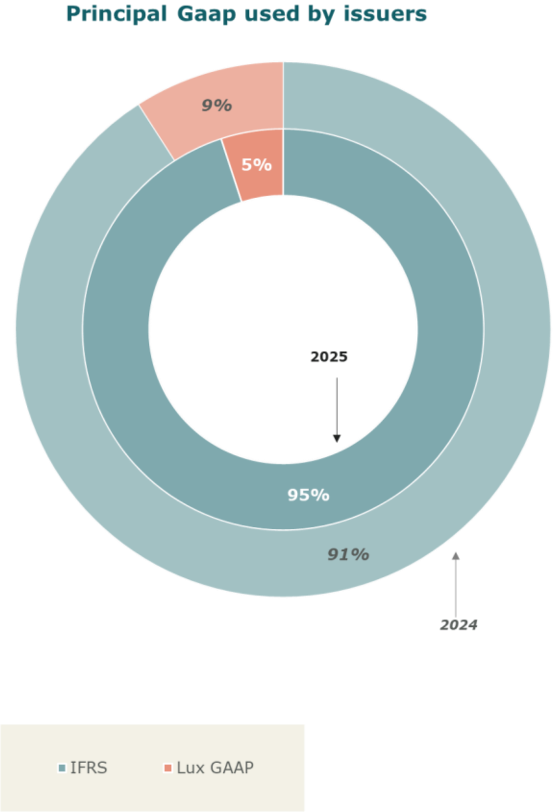
Thus, the examinations performed in 2025 can be further illustrated as follows (it should be noted that the same issuer may have been subject to both a USE and a focused and/or thematic review):

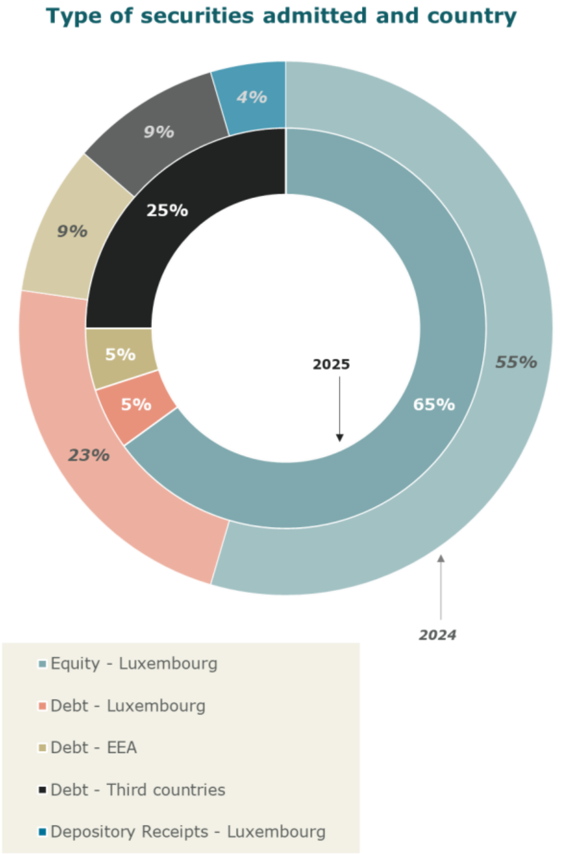
Issuers examined in 2025



In 2025, the **Unlimited scope examinations** (on financial and/or non-financial information) covered 17% of issuers under the CSSF's scope (2024: 16%). As showed in the charts below, these examinations covered different categories of issuers and, for the USE of financial information, different accounting standards, and thus constituting a representative sample of the population of issuers supervised by the CSSF.

Unlimited scope examinations in 2024 and 2025 - breakdown by:

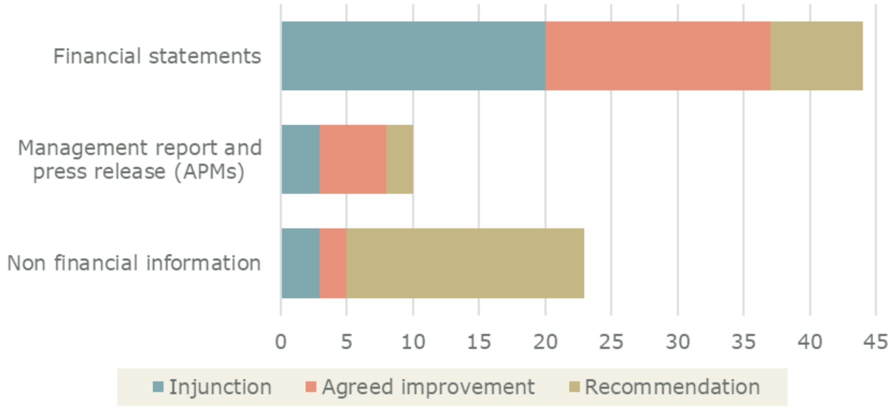




ii. Decisions taken

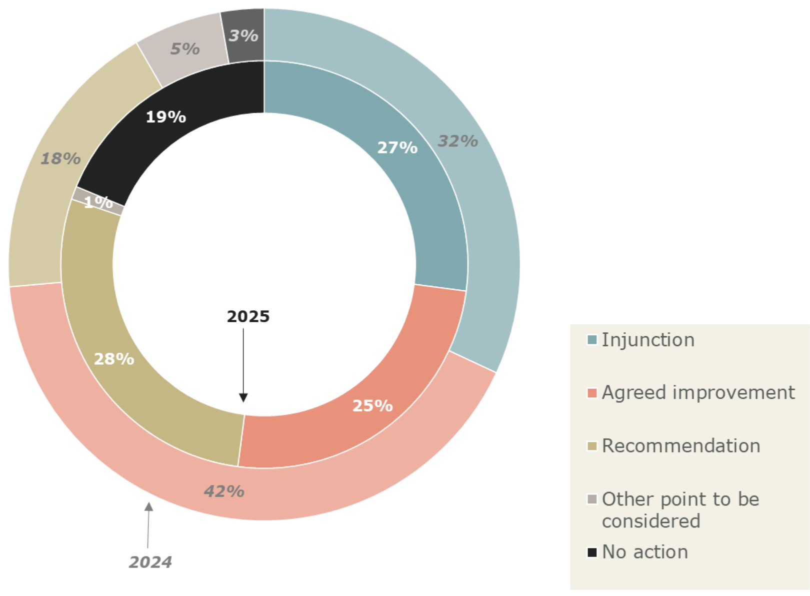
In addition to examining financial information alone, the CSSF's mission also covers non-financial information and Alternative Performance Measures (APMs). Therefore, the decisions taken by the CSSF do not exclusively concern the content of the financial statements, as shown in the chart below.

Decisions communicated to issuers in 2025



The decisions taken by the CSSF with regard to certain issuers are intended either to correct identified errors or to amend and improve the financial and non-financial information published subsequently. These decisions can take various forms, as shown in the chart and explained hereafter:

Breakdown by type of decision

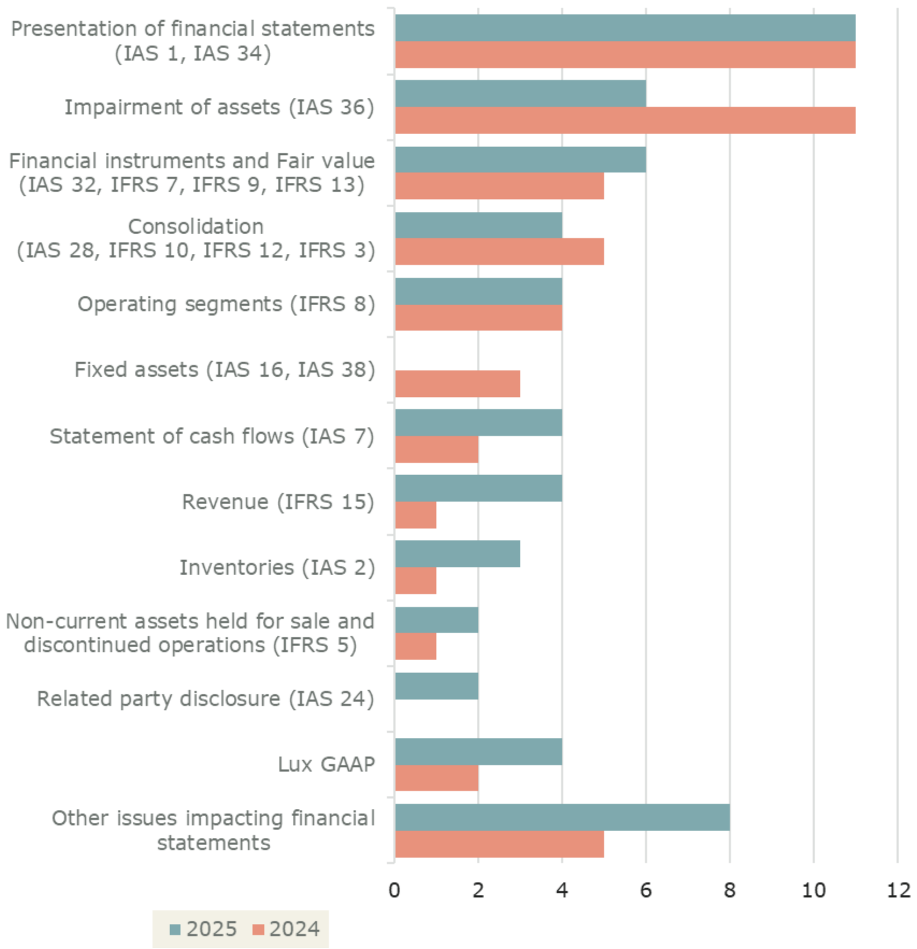


Amongst the decisions taken in 2025, 27% were injunctions pronounced because the accounting treatment, the presentation or the disclosure of the financial or non-financial information was not in compliance with the applicable reporting framework. 25% represented agreed improvements of issuers on the accounting treatment or disclosures to be made. Another 28% were recommendations to improve the information disclosed in future reports, half of which related to comments made by the CSSF to issuers regarding their voluntary application of the ESRS.

Finally, we also investigated several issues or areas where we concluded, after thorough analysis, that the reporting framework has been duly respected and that no further action was deemed necessary.

3. Main findings related to financial information

Breakdown of decisions on financial statements by topic



Among the issues encountered and decisions taken when examining financial statements of selected issuers, the CSSF considers it useful to highlight the following points:

i. Disclosure in the notes of information not presented elsewhere in the financial statements

The CSSF has detected several instances of lack of sufficient disaggregation and/or additional information in the notes for material amounts, or variances thereof, reported on the face of the primary statements. In the cases identified, more granular presentation would have been highly relevant for the understanding of the transactions and balances of the financial year by the users of the financial statements.

The CSSF would like to highlight the importance of the requirements enshrined in paragraph 112 (c) of IAS 1, i.e. the disclosure of information in the notes that is not presented elsewhere in the financial statements but is relevant to an understanding of any of them.

ii. Presentation of cash flows in the statement of cash flows (SoCF)

As outlined in its 2025 priorities, during its 2025 enforcement campaign, the CSSF focused specifically on the presentation of the SoCF because of a historic track record of identified shortcomings in some issuers' reports in this area. Unfortunately, such lacunas have been detected again during 2025 campaign:

- major classes of cash receipts and cash payments arising from investing and financing activities have been presented on a net rather than gross basis;
- balances of restricted cash disclosed without an accompanying management commentary required by paragraph 48 of IAS 7 *Statement of Cash Flows*.

The CSSF exhorts, yet again, issuers to ensure clear and compliant presentation of cash flows in their SoCF, as well as tailored disclosures to allow users of the financial statements to gain an adequate understanding of the issuers' cash transactions and how those relate to other material amounts reported in the primary statements or in the notes.

iii. Segment reporting

Similar to our findings resulting from last year's enforcement campaign, during the current one we have identified several cases of insufficient quality of the segment reporting disclosures.

The CSSF notes that it is not uncommon for entities to have to adapt their reportable operating segments for various business or reporting reasons. In such cases, for instance in the case of disappearance of an operating segment, issuers should ensure that both quantitative disclosures in the segment reporting table(s) and related qualitative information are up-to-date and consistent with each other. The CSSF has detected cases where an operating segment has ceased to be reported separately in the tables, but the description of the accompanying accounting policy has not been updated accordingly, thus potentially misleading the users of the financial statements as to the completeness of the segment reporting disclosures.

Furthermore, the CSSF has identified cases, where certain income or expense items have not been clearly disclosed in the segment reporting, because they are not separately provided to, or reviewed, by the Chief Operating Decision Maker (CODM), even though they are included in a measure of segment profit or loss reviewed by the CODM.

In this context, the CSSF would like to draw the issuers' attention to a IFRS IC Agenda decision dated July 2024 which highlighted some of the requirements of paragraph 23 of IFRS 8 *Operating Segments*, that issuers should disclose certain income and expense items, i.e.:

- those included in a measure of segment profit or loss reviewed by the CODM, even if
  they are not separately provided to, or reviewed, by the CODM;
- those regularly provided to the CODM, even if they are not included in the measure of the segment profit or loss.

We would also like to stress again that if a reconciling column or row under the generic term "corporate" (or similar) has been inserted in the segment reporting tables, to ensure the reconciliation completeness, the purpose of such reconciling field should be clearly explained to avoid misleading the users of the financial statements and any risk of confusion with an operating segment.

Last but not least, we have also come across cases in which certain pieces of geographical information have not been duly provided due to disproportionate cost/benefit balance for its preparation. However, our inquiries revealed that the information was actually readily available.

The CSSF has come across several instances of shortcomings in terms of compliance with the requirements of IFRS 8, akin to its findings resulting from last year's campaign. The CSSF stresses that disclosures required by IFRS 8 are instrumental for helping users of financial statements understand how entities' operations are structured and managed and assess the performance of different parts of their businesses.

iv. Going concern assumption

Paragraphs 25-26 of IAS 1 *Presentation of Financial Statements* require that entities present going concern disclosures that are transparent, balanced and decision-useful. Specifically, issuers should provide clear and straightforward wording when an uncertainty about going concern is present. Best practices include disclosures of cash position and liquidity headroom, short-term funding requirements, the expected cash runway over at least 12 months and the status of financing arrangements.

Disclosures should also explain the assumptions underlying cash flow forecasts, linking them directly to operational, macroeconomic, or regulatory risks. Assumptions must be specific, evidence-based and realistic given the issuer's situation. Highly useful disclosures also incorporate stress scenarios, downside cases, or explanations of the issuer's resilience under adverse conditions.

Issuers should maintain the same level of transparency, avoiding reducing the information disclosed in interim periods when risks remain significant.

The CSSF has identified a few issuers that present a high risk of material uncertainties that would cast doubt upon such entities' abilities to continue as a going concern and reviewed their disclosures in their latest annual and interim reports. Our findings demonstrate significant variability in the quality and completeness of their going concern disclosures.

Whereas one of the concerned issuers has demonstrated a high level of compliance with IAS 1 with transparent, realistic and consistent disclosures, others presented disclosures that were textually rich but incomplete, primarily due to absence of liquidity analysis, optimistic forecast, and lack of downside scenarios. Another issuer's disclosures were considered insufficient, lacking key elements of a going concern assessment.

The CSSF's review highlights the need for issuers with doubts related to their going concern to strengthen disclosures by:

- Explicitly detailing the material uncertainties;
- Ensuring liquidity and funding transparency;
- Providing realistic underlying assumptions;
- and including downside or sensitivity analysis.

These elements are essential for meeting IFRS expectations and ensuring that users of financial statements receive reliable, decision-useful information.

4. Main findings on ESEF focus examination

During its 2025 enforcement campaign, the CSSF conducted a desktop examination of the 2024 annual financial statements of 53 issuers in order to analyse the ESEF markup of the statement of financial position and the notes, in line with Annex II to the RTS on ESEF. The following areas have been targeted in order to assess the possible presence of common ESEF filing errors:

- Correctness of mark-ups;
- Completeness of mark-ups;
- Extension of taxonomy elements and anchoring;
- Correctness of signs, scaling and accuracy; and
- Consistency of calculations
- Extent of use of mandatory markups for the notes.

i. In the statement of financial position

For all the line items examined in the statements of financial position, the CSSF did not identify that markups used by issuers were incorrect, incomplete or that the markup selected did not accurately reflect the underlying disclosure. The CSSF also observed that all numbers reported in a declared currency present in the statement of financial position were exhaustively marked-up.

The examination also investigated the existence and validity of extensions used by issuers when marking up the line items in the statements of financial position. Extension elements are entity-specific tags created when no base taxonomy element accurately reflects a particular disclosure, so that the unique line item in the IFRS financial statements can still be properly marked up and reported.

Of the 53 issuers, 38 issuers (72%) used extension taxonomy elements to markup the line items of the statement of financial position. A total of 182 extension elements were created by issuers. 33 issuers used 149 entity specific extensions and 21 issuers used 33 combination of base taxonomy elements extensions. The CSSF noted that 5 issuers used a disproportionately high number of extension taxonomy elements. However, it should be noted, that these issuers are stemming from the financial sector and are active in banking and funding businesses for which the taxonomy elements often have to be adapted to the issuer’s own activities.

The CSSF reminds issuers they should only create an extension taxonomy element when the closest core taxonomy element would misrepresent the accounting meaning of the disclosure being marked up.

Another area examined was the anchoring of the above 182 extension taxonomy elements to the base taxonomy, i.e. the linkage between the extension taxonomy elements created by issuers and the wider or narrower base taxonomy elements. For all the 182 extensions created, issuers set the respective wider anchors, irrespectively of the extension being entity specific or a combination of base taxonomy elements. However, only 43 narrow anchors were set (24% of the extensions) on entity specific and combined extensions. Of the 33 combination of base taxonomy elements mentioned above, 28 extensions were anchored to the core taxonomy elements with the narrower meaning whereas 5 extensions were not.

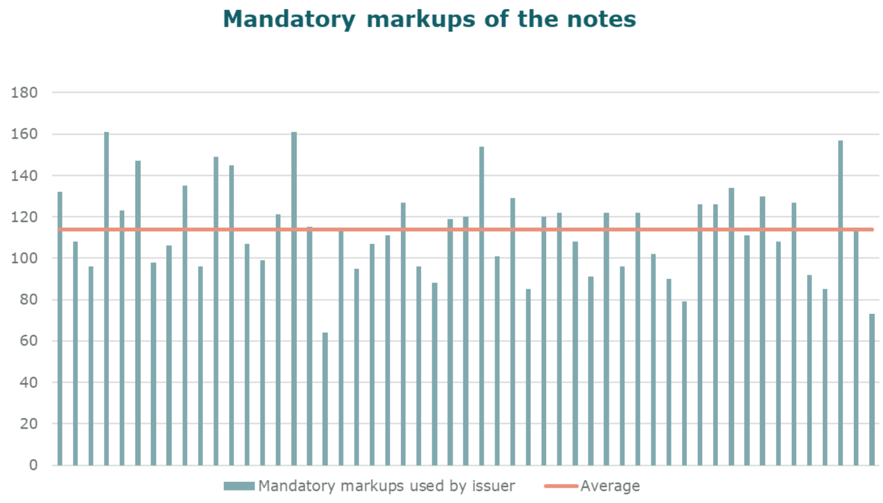
The CSSF wants to remind issuers that they should ensure that when the extension taxonomy element is a combination of core taxonomy elements, they should ensure anchoring to the narrower core taxonomy elements.

During the examination of the markups of numerical elements present in the statement of financial position, the CSSF did not identify material errors, including incorrect signs, units, scale and decimals. All calculations also included a complete calculation tree that explains and validates the subtotals and totals.

ii. In the notes to the financial statements

During the same examination, the CSSF also analysed the extent to which the 53 issuers have used the mandatory markup elements of the core taxonomy (included in the table in Annex II to the RTS on ESEF) to markup the notes to the financial statements.

The CSSF noted that issuers used in average 114 of the mandatory markup elements of the core taxonomy with a maximum of 161 and a minimum of 64 mandatory markups used. 19 issuers (36%) used only the core taxonomy elements to mark up the disclosures in the notes to the financial statements whereas 34 issuers (64%) also used non-mandatory markup elements which are however comprised in the core taxonomy. 5 of these issuers even created entity specific extension taxonomy elements to mark up their disclosures.



5. Alternative Performance Measures (APMs)

As in previous years, the CSSF observes a continuous improvement in compliance with the ESMA Guidelines on Alternative Performance Measures (ref. ESMA/2015/1415, "Guidelines") in line with its expectations, given that the Guidelines are a decade old, thus they are hardly a matter of novelty. However, the 2025 enforcement campaign still revealed a number of shortcomings in this field, with the main areas of concern being:

- APMs used in the press release announcing the annual earnings were not properly defined, explained or reconciled in breach of the Gudelines;
- Lack of clear and explicit definitions of certain APMs, resulting either from the fact that the measures were not identified as an APM, or from the fact that the measure was considered widespread in the industry, rendering such disclosure unnecessary;
- Lack of reconciliations comparative data and/or explanations on the use of APMs;
- Use of different labels to refer to the same APMs.

The CSSF reminds issuers that an APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Except for the exemptions provided in paragraph 19 of the Guidelines, all information required by the Guidelines should be provided for recognized APMs. These requirements apply even if the measures are supposed to be widespread in the industry or if the reconciliation appears self-evident.

In particular, the CSSF insists on the fact the Guidelines are also applicable for APMs disclosed in published regulated information such as ad hoc disclosures including financial earnings results, i.e., the press release presenting results. For press releases, issuers have the possibility to leverage of the flexibility offered by paragraph 45 of the Guidelines, i.e. make direct reference to other documents previously published which contain these disclosures on APMs and are readily and easily accessible to users. However, as required by paragraph 47 of the Guidelines, such references should direct users to the information required by these Guidelines such as direct hyperlinks into the documents where the information may be accessed. This reference should be sufficiently precise such as identification of the specific page, section or chapter of the documents where this information can be found.

6. Main findings related to non-financial information

i. Fact-finding exercise on the first year of reporting under ESRS

As the Corporate Sustainability Reporting Directive (CSRD) has not yet been transposed in Luxembourg, issuers remain subject to the requirements of the Non-Financial Reporting Directive (NFRD) as transposed in Luxembourg legislation. However, many issuers have chosen to voluntarily apply the requirements of the CSRD as from 2024 financial year.

In this context, the CSSF has performed a fact-finding exercise (identified as a thematic examination in the statistics presented in section 2) on the current state of voluntary CSRD reporting among a sample of issuers under its supervision, with a focus on the double materiality assessment (DMA).

This analysis revealed an overall increase in the quality of the reporting, thanks to better structured reports and disclosure of more relevant and specific information. In particular, the CSSF noted efforts made by most issuers in describing their DMA process, including the consultation of stakeholders.

Regarding the disclosure related to the DMA and to the resulting material impacts, risks and opportunities (IROs), the CSSF advises issuers to pay attention to the following areas for improvement:

- Entity-specific information allowing a true understanding of the process through which issuers identify IROs and assess their materiality;
- Description of the judgements involved in the scaling while explaining the use of thresholds in the DMA process;
- Clear link between material topics identified through the DMA and resulting IROs;
- Adequate distinction between positive impacts and mitigation actions related to negative impacts or risks.

Key improvement areas also include comprehensive financial effects disclosure and clearer time horizons.

We refer to the report published on 18 August 2025 for the full results of this fact-finding exercise.

ii. Other findings from unlimited scope examinations

The CSSF has also issued some recommendations for improvement of sustainability information to issuers subject to an unlimited scope examination of their non-financial information in 2025.

Apart from the matters already mentioned above, the findings concerned mainly issues with governance-related disclosures.

The CSSF highlights that the role and responsibilities of the administrative, management and supervisory bodies as regards sustainability matters should be clearly described. Moreover, issuers shall disclose the main features of their risk management and internal control system in relation to the sustainability reporting process.

Several recommendations were also made in relation to general disclosures and climate change disclosure requirements. In one instance, the CSSF issued a recommendation to an issuer to improve the disclosure describing the resilience of its strategy and business model in relation to climate change. In another instance, the CSSF encouraged an issuer to enhance its disclosure about the consultation of affected stakeholders as part of its materiality assessment.

iii. Disclosures relating to Article 8 of the Taxonomy Regulation

During 2025, the CSSF has examined the information disclosed under Article 8 of the Taxonomy Regulation published by non-financial issuers under the requirements of the Taxonomy Regulation to evaluate the quality of the disclosures provided. This work has taken the form of a focused examination of the 2024 Taxonomy reporting for a selection of non-financial issuers having economic activities eligible under the Taxonomy Regulation.

Overall, while significant progress has been made in EU Taxonomy disclosure practices, further improvements are needed to ensure full regulatory compliance and to enhance the quality of reported information.

Issuers are encouraged to maintain their commitment to standardised templates, provide clear and detailed qualitative explanations, and ensure comprehensive descriptions of Taxonomy-eligible and -aligned activities. Attention should be given to linking KPIs to financial statement line items, offering robust explanations for year-on-year variations, and documenting effective safeguards against double counting. Finally, issuers should review and refine their CapEx denominator calculations to include all relevant asset categories.

Continued focus on these areas will strengthen transparency, comparability, and stakeholder trust in Taxonomy reporting.

We refer to the report published on 4 July 2025 for the full results of this focused examination.

iv. Regulatory landscape outlook

Omnibus I: CSRD and revised ESRS

In April 2025, the 'Stop the Clock' Directive was adopted with the aim to postpone by two years the entry into application of the CSRD requirements for large companies that have not yet started reporting, as well as listed SMEs.

In December 2025, modifications to the CSRD have been endorsed by the Council and the European Parliament. The amended directive notably reduces the scope of entities concerned: new thresholds are 1,000 FTE and €450 million net turnover. The modifications apply for financial years starting on or after 1 January 2027.

Also in December 2025, EFRAG has submitted its technical advice to the European Commission on the draft simplified ESRS. The Delegated Act revising the first set of ESRS is expected to be adopted in the first half of 2026.

More information can be found on the CSSF's website under Omnibus package – CSSF.

Taxonomy Regulation

The CSSF reminds that on 4 July 2025 and as part of the Omnibus package, the EC adopted a Delegated Act amending the Taxonomy Disclosures Delegated Act and the Climate and Environmental Delegated Act, which notably introduces a materiality threshold on the KPIs and simplification of reporting templates, as well as simplification of certain DNSH criteria.

Issuers are encouraged to apply the revised rules from 2026 (for financial year 2025) but have the option to apply the previous rules to that reporting cycle.

Lastly, we would like to remind issuers that they can benefit from a number of free tools provided at EU level such as the European Commission's FAQs, the International Platform on Sustainable Finance or the EU Taxonomy Compass.

The CSSF wishes to remind issuers that the requirement to report under the Taxonomy Regulation apply to all undertakings subject to the obligation to publish a non-financial statement pursuant to Article 19a or Article 29a of Directive 2013/34/EU, i.e., for Luxembourg and as long as the CSRD has not been transposed, to undertakings subject to the NFRD.

7. Next steps

On 12 December 2025, the CSSF has released its priorities in relation to the enforcement of the 2025 annual reports published by issuers subject to the Transparency Law. These priorities, as well as a link to ESMA's ECEPs, can be found on the CSSF's website under Enforcement of Issuer Disclosure.

Relevant publications

Since January 2025, we have issued several publications and relayed relevant communications from ESMA and other stakeholders. They can be found on the CSSF website under Enforcement of Issuer Disclosure.

Moreover, the CSSF has launched in May 2024 a new webpage dedicated to the CSRD and the ESRS. The aim of the webpage is to provide entities with an overview of the CSRD regulation, as well as links to our publications on the subject and reference texts. This webpage is available here.

12.12.2025	Communiqué	Enforcement of the 2025 annual reports published by issuers subject to the Transparency Law: Themes and issues to be monitored specifically in 2026	
15.10.2025	Statement	ESMA Public Statement on European common enforcement priorities for 2025 corporate reporting	
14.10.2025	Report	ESMA - Results of a fact-finding exercise on 2024 corporate reporting practices under ESRS Set 1	
18.08.2025	Communiqué	CSRD – First year of reporting by issuers *Results of a review of corporate practices*	
04.07.2025	Communiqué	Taxonomy Regulation Disclosures *Results of a focused examination on corporate reporting practices*	
27.06.2025	Report	ESMA Report: 30th extract from the FRWG (EECS)'s database of enforcement	
13.02.2025	Communiqué	Results of the enforcement of the 2023 financial and non-financial information published by issuers subject to the Transparency Law	
13.01.2025	Annual statistics	Population concerned by the enforcement	