

CNMV PRIORITIES FOR THE SUPERVISION OF THE 2026 ANNUAL FINANCIAL REPORT

14 October 2026

OBJECTIVE

On 13 October 2026, the European Securities and Markets Authority (ESMA) published its European Common Enforcement Priorities (ECEP)¹ for the 2026 annual reports of all issuers whose securities are admitted to trading on regulated markets in the European Economic Area (EEA).

In addition, the Spanish National Securities Market Commission (CNMV) has identified further specific priorities—which are the subject of this public statement—to which it will pay particular attention when supervising the financial and non-financial information included in the 2026 annual reports of securities issuers for which Spain is the Home Member State (HMS).

Like ESMA, the CNMV urges issuers, assurance providers and auditors to consider the topics and detailed recommendations included in both documents when preparing and auditing the 2026 annual financial reports. These recommendations should be taken into account in light of their materiality and relevance for issuer operations.

Section 1: CNMV PRIORITY: FINANCIAL REPORTING

Disclosure of the expected impact of the initial application of IFRS 18

On 1 January 2027, IFRS 18 *Presentation and Disclosure in Financial Statements* will enter into force, representing a very significant change compared to IAS 1 *Presentation of Financial Statements*.

Given that the 2026 annual reports will be the last ones prepared before this standard comes into force, and considering that figures relating to the statement of profit or loss must be restated in the 2027 annual reports, entities should have essentially finished analysing the implementation of this standard by the end of the 2026 financial year. Furthermore, the effects of its initial application should be known or reasonably estimable at the time the 2026 financial statements are prepared.

As ESMA reminded us in the ECEP published on 13 October, it is important to ensure that its implementation and the communication of the expected impact are of the highest possible quality. That document reminds issuers of the need to provide specific information in their 2026 financial statements regarding the expected impact of IFRS 18.

In this regard, in order to assess the potential impact on the 2027 annual reports, the CNMV requests that issuers provide information on the significant policies and judgements applied, including the use of permitted options (IAS 8, paragraph 30).

¹ https://www.esma.europa.eu/sites/default/files/2026-10/ESMA32-2064178921-9738_Statement_-_2026_European_Common_Enforcement_Priorities__ECEP_.pdf

Specifically, to comply with the requirements of IAS 8, paragraph 31(e)(i), provided the information is material, the CNMV expects entities to provide a detailed explanation in their **2026 annual reports** of:

- The changes in the structure and margins of their statement of profit or loss, taking into account that:
 - i) The standard distinguishes between three types of income and expenses (operating, investing and financing) and introduces two new subtotals (operating profit/loss and profit/loss before financing and income taxes).
 - ii) The classification criteria for income and expenses in each of the three categories could differ from current criteria—for example, regarding results from equity-accounted investments, gains and losses from hedging operations or foreign exchange differences.

In short, the CNMV expects that any (expected) changes to the 2026 operating profit/loss and to other subtotals arising from the application of IFRS 18 are properly explained. This could, for instance, involve identifying the line items whose classification will change and explaining the impact on the various subtotals. One way to achieve this would be to provide a reconciliation, where possible, between current subtotals and those required under IFRS 18.

- The identification and assessment, where applicable, of specified main business activities (investing in assets and/or providing financing to customers), including the judgements applied and the evidence used to carry out their analysis.
- Management-defined performance measures (MPMs) that entities expect to include in their financial statements and, where applicable, the impact on their current alternative performance measures (APMs). In particular, when additional subtotals to those specified by IFRS 18 are included in the statement of profit or loss.

In this regard, it should be recalled that ESMA published a specific public statement in 2026 regarding the implementation of IFRS 18², which the CNMV expects issuers to take into account when preparing their 2026 annual and 2027 interim reports.

Specifically, regarding the **first half of 2027**, it is worth emphasising that issuers must: i) present in their interim financial statements for the first half of 2027 each of the line items they plan to use, as well as the subtotals required under paragraphs 69 to 74 of IFRS 18; and ii) bear in mind that a subtotal related to the interim financial statements, but not to the financial statements, can only constitute an MPM in the interim financial statements and vice versa (IFRS 18, paragraph B120).

Furthermore, the CNMV reminds entities that on 21 September, the public consultation period closed for the Draft Circular on Interim Financial Information for issuers with securities admitted to trading on regulated markets. This Circular will apply to periods beginning on or after 1 January 2027, and its statistical interim financial reporting templates have been drafted taking into consideration IFRS 18.

Section 2: CNMV PRIORITY: SUSTAINABILITY REPORTING

² [ESMA32-193237008-9180_Public_Statement_IFRS_18.pdf](#)

Description of the business model and value chain

Understanding the key elements of the company's overall strategy, business model and value chain is the starting point for comprehending its exposure to material impacts, risks and opportunities (IROs) regarding sustainability matters, and where they originate³.

Due to its importance, the CNMV will focus its review, in relation to the 2026 sustainability statements, on the adequate description of the issuer's business model, the different stages of its value chain (VC) and its position within it. In particular, issuers must disclose:

- The description of the **group's activity and its business environment** (its products and services, markets, customer types and significant sectors—including internal group activities—regulatory environment, etc.), highlighting any relevant changes that have occurred during the financial year.
- The description of the main **stages and activities of its value chain**⁴.
- The identification of **relevant third-party stakeholders** participating in the VC through **direct and indirect business relationships** with the entity (such as suppliers across supply, marketing or distribution channels, customers or end users). The ESRS refer to actors in the upstream or downstream stages of the value chain⁵.
- The **extent of involvement** of the issuer (own operations) and of the identified third parties in each of the relevant stages of the VC. In practice, in the business models of certain entities, there are stages in the value chain where both the entity and third parties are involved.

Where an entity has multiple relevant value chains, this information should be reflected for all of them, indicating how they interrelate with one another.

This priority supplements ESMA's priorities in terms of double materiality assessment (DMA) disclosures, and regarding the disclosures on the connection between the IROs identified in the DMA and the policies, actions, targets and metrics (PATM) used to manage them, as well as between the sustainability statement and other sections of the annual financial report.

The CNMV emphasises coherence and consistency regarding the business model: (i) within the sustainability statement itself (e.g., the activity of the issuer and the third parties in its value chain must be coherent with Scope 1, 2 and 3 emissions); and (ii) between the sustainability statement and the information included in the notes to the financial statements and other parts of the management report—for instance, disclosure regarding the description of activity, segment reporting or changes in the business environment or the entity's operations during the financial year.

³ ESRS Set1: ESRS 2, SBM-1, par. 39/ ESRS Set 2: ESRS 2, SBM-1, par. 19

⁴ ESRS Set1: ESRS 2, SBM-1, par. 42 and Appendix II- Definition of VC / ESRS Set 2: ESRS 2, SBM-1, par. 20(a) and Appendix II. Definition of VC

⁵ ESRS Set 1: ESRS 1, par. 63 / ESRS Set 2: ESRS 1, par. 63