German Banking Industry Committee

Die Deutsche Kreditwirtschaft

Comments

EBA/DP/2023/01 Pillar 3 Data Hub

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The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public-sector banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks.

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Questions for discussion

General

Q1: In your view, which are the main benefits in operational terms that the new EBA legal mandate would bring to Large and Other institutions? And the main challenges? Would you agree that given the complexity of Large institutions, when compared to SNCIs, the proposed solution in terms of process for the Large and Other institutions is a well-balanced one? Please explain why.

In view of the outstanding technical issues and other challenges (e.g. par. 51 to 55) and the significant implementation processes with regard to the new reporting and disclosure requirements, the EBA's ambitious timetable, which envisages June 30, 2025 as the first deadline for centralized disclosure in accordance with the new processes, is neither required by the CRR3 nor feasible when taking into account the heavy implementation burden imposed by CRR3. The launch of Pillar 3 Data Hub (P3DH) after completion of the adjustments through the new reporting and disclosure requirements (steps 1 & 2) would significantly increase the quality of the first data submission to P3DH and implementation in general. In other words, the P3DH timetable should be revised and the start postponed to at least the end of 2026.

Differences between reporting and disclosure could result from additional specifications and requirements, e.g. for resubmissions or differences on EBA validation rules. In these cases, it must be clearly regulated or there must be agreement that the EBA can neither refuse to publish a P3 report that deviates from the supervisory reporting nor demand that the disclosure be adjusted. Also, if an institution does not consider a validation rule for regulatory reporting to be appropriate in an individual case, the institution may not be obliged or pressured to adjust the disclosure templates. This undermines the principle of the institutions' responsibility for disclosure

Required resubmissions of supervisory reports due to breaches of the ECB's EGDQ checks must not impact the P3 disclosure.

Main challenges will be most probably also with narratives / qualitative sections and P3DH to support other languages than English. Though we plead for keeping disclosures in the national language.

For the new submission process for the P3DH, the discussion paper for "large and other institutions" provides for submission directly to the EBA. For the banks, this will not only lead to increased expenses as part of the one-off implementation of the new submission processes but will also result in a duplication of effort for the ongoing support of the submission and authentication processes. This also runs counter to the objective of cost savings for the institutions mentioned in the discussion paper and the initiative of European Commission on reducing reporting requirements. The direct submission process envisaged by the EBA means that some of the disclosure templates (and an even larger proportion of the data points) now have to be submitted twice or three times (Transparency Exercise), validated or, if validation rules do not apply in individual cases, coordinated twice - with the CA on the one hand and with the EBA on the other. Furthermore, different submission channels also represent a potential obstacle to the consistency of data from reporting and P3 disclosure. In our view, the forward-looking considerations of deriving the quantitative disclosure data completely from the reporting data, even for large institutions, argue against separating the submission processes. Article 434 (1) CRR 3

does not contain any specific requirements regarding the submission channel but only concerning the addressee; in our view, indirect submission via the established and well-rehearsed process is covered by the wording.

From a banking perspective, the established submission channels and processes of the supervisory reporting system via the (national) supervisory authorities should also be used for the submission of disclosure data for "large and other institutions".

Benefits from the EBA responsibility for the process of collecting quantitative data from the reporting templates and transferring them to disclosure data points could arise only if there is a full and clear mapping between reporting and disclosure data points. In general, disclosure requirements should not exceed reporting requirements.

Inclusion of significant subsidiaries will increase complexity due to some entities disclosing P3 data aligned to local regulatory requirements, in other currencies than euro and according to local accounting standards (e.g. USGAAP)

Sign-off

Q2: **Would you agree with the current EBA considerations on the sign-off process (i.e., submission of Pillar 3 information by the institutions is performed once the sign-off is complete and accompanied by the corresponding confirmation)? Would you have any other suggestions or comments on this point?**

For small, non-complex institutions (SNCIs), the "sign-off process" should be as simple as possible. It should be noted that the disclosure is based exclusively on reports already approved by the institution (quantitative). Nevertheless, the SNCI should receive the information planned by the EBA for the disclosure prior to its publication - especially as the SNCI still has to supplement it qualitatively. With regard to the few qualitative disclosure requirements, it should be sufficient to interpret the transmission of these (as a PDF) to EBA as a "sign-off". If necessary, the release of this information could also be designed as an overall release for all disclosure information.

Another option would be to grant the responsible employee in the SNCI electronic access to an institution-specific data room at the hub (analogous to the procedure for large institutions).

For large and other institutions: According to Article 434(1) CRR 3 EBA shall ensure that the disclosures on the EBA's website contain information identical to what large and other institutions submitted to the EBA. This process should be in the responsibility of EBA. No additional confirmation after the sign-off is needed.

It should be possible to submit the written attestation as per Article 431(3) CRR either in a dedicated document or included within the PDF P3 report (without any personal data).

Q3: In addition to the sign off of information by institutions of the PDF report and xBRL-CSV report upon submission, which will be republished without any transformation, do you see the need of an additional sign-off process of information contained in these files once they are on the EBA dissemination portal and before opening the portal to the public, beyond the preview for the technical acceptance step? If you see this need, how long would you deem necessary for the signing-off process? How would you see the process for this additional signing-off within the institutions, including who should provide this signing off?

According to Article 434(1) CRR 3 EBA shall ensure that the disclosures on the EBA's website contain information identical to what institutions submitted to the EBA. This process should be in the responsibility of EBA. No additional confirmation after the sign-off is needed.

The approval process for SNCIs should be as simple as possible (see also Q2).

Submission/publication date

Q4: Would end-June as limit date for year-end submission be adequate for most of the jurisdictions / institutions? Should a different window be defined? Which one and for which reasons? Would you see any advantages of having more flexibility as regards the timing for this submission? Why? What would be, in your view, a proper window-period for the different interim reports?

The definition of specific (standardised) limit dates does not comply with the requirements of the CRR. As P3DH is an instrument for the centralised disclosure it should not define any additional requirements beyond CRR/ITS like deadlines or formats. We consider providing only an indicative timeframe – if any – for the submission of P3 data to be sufficient.

The CRR stipulates that disclosure must take place after publication of the annual financial statements or as soon as possible thereafter. In Germany, there are a large number of small institutions (accounting in accordance to nGAAP) for which the annual financial statements can only be published after the approval by the supervisory body. As this process is organised differently for the individual institutions, § 325 nGAAP (HGB) stipulates that annual financial statements must be published in the national register within twelve months of the end of the financial year at the latest. The disclosure period must be based on national circumstances (as set out in the CRR) and therefore remain flexible. The EBA should therefore set a flexible/indicative time window for disclosure or dispense with it altogether.

We would recommend enabling an optional two-stage disclosure without the second submission being classified as a "resubmission" for the following reason: In the first step, all Pillar 3 information could be disclosed without the quantitative remuneration tables (with reference to the allowed later separate publication of the REM templates according to the Article 434 (2a) CRR 3) and in step two the REM tables could then be uploaded to the P3DH as soon as available. Otherwise (when waiting for the full set of remuneration data), many institutions could end up publishing the Pillar 3 report for the first quarter before the previous year-end report.

For interim reports, we consider 3 months after the reference date to be an appropriate indicative window. But in general, any period restrictions would go beyond legal requirements.

Questions on qualitative information

Q5: **Do you agree that at this stage the inclusion of this information in the PDF report is the best approach?**

Yes. PDF is the best solution for now. But in our view, the planned handling of the written attestation by the management body in accordance with Article 431 (3) CRR still requires clarification. In paragraph 31 letter b on page 21, the "written attestation" is referred to as a document and accordingly shown in Figure 4 on page 23 as a separate document (see also paragraph 74) alongside the xBRL file and the PDF-report. However, it is explained in Par 33 and Par 93 that the "written attestation" should be part of the PDF report file. The written attestation is currently integrated in the Pillar 3 report (PDF), we would welcome the retention of this procedure.

In order to keep the additional effort for the institutions manageable, it must be permissible to refer to the quantitative data published in another format in the PDF report.

Q6: Views are asked on the possibility to request this information in the future in machine readable format like block tagging. Would you consider any other format (than PDF) better suited for the purpose? Would ODF (OpenDocumentFormat) better serve this purpose? Why?

We can't see any benefit from using ODF or other formats than PDF while PDF is the one that is most established and most portable.

Block tagging will be challenging due to the various implementations of the qualitative requirements across institutions. In addition, the business model and material risks of the institution play a significant role in addressing the requirements.
This could result in additional and individual block tagging's beyond the scope of CRR. Since these are extremely specific to institutions, it would lead to increased efforts by EBA addressing those.
The solution would need to support multiple tagging of items referring to 435 CRR / EU OVA and related specific risk requirements like 442 CRR / EU CRA, etc. which in turn might lead to confusion of external readers if they only refer to an extract from the report.

Moreover, it is unclear who would be responsible for the block tags and how it could be technically done if in the future EBA would be responsible for deriving quantitative data from the reporting and the banks would separately submit only the qualitative data.

If a submission of the qualitative data should be necessary, an implementation would be appreciated in which the qualitative data can be inserted into a text field in the already planned XBRL. This can take the form of a new table exclusively for text fields, or as an additional data field within the existing tables. A technical separation of deliveries and/or delivery formats for qualitative and quantitative content by "large and other institutions" should be avoided.

Question on future feasibility study

Q7: Would you agree that having a centralised calculation for Large and Other institutions (as it is required for SNCIs) would bring some benefits? How would you measure these benefits in relation to the described main potential challenges? Please refer to the challenges described in the respective sub-section of this Discussion Paper, providing your views to each one of the points.

Please see Q1.

If the P3 disclosure process were to be automated to a greater extent from the supervisory reporting system, this would require changes to the process of submitting the supervisory reporting system to sufficiently guarantee the institutions' responsibility for the P3 disclosure. This applies in particular to the question of when reporting resubmissions are considered material for P3 disclosure. The same applies to the materiality of Article 432 CRR in general.

Another challenge could be to explain significant changes compared to the last reference date or period if the data are generated by EBA without any detailed documentation provided from EBA to the banks. And there would be a time gap between EBA data and the submitting of the explanation for changes, which – by the way – should not be considered as a resubmission.

Q8: What would your opinion be as regards full alignment of the process for all institutions vs benefits that a decentralised calculation of disclosures figures might represent at the moment? When providing your answer, please consider aspects like efficiency, accuracy, burden for institutions, flexibility in terms of publication date and any other challenges or benefits mentioned in this Discussion Paper or others that you deem relevant.

NA

Q9: **In terms of costs, would the P3DH reduce the costs of producing the Pillar 3 reports for Large and Other institutions if these reports are produced centrally by the EBA on the basis of the supervisory reporting data?**

This could be efficient if the disclosure requirements were reduced and were just an extract from the supervisory reporting. There should be an option for the banks to comment or summarize information and upload this additional file to the P3DH.

However, the amount of reduced costs is limited given the populated by the EBA data have to be checked and therefore an internal calculation would be indispensable.

Furthermore, we want to refer to Q1 (Additional costs of direct submission in addition to indirect transmission via the national supervisory authority etc.).

Q10: **Would you see any other positive or negative impacts on your current disclosures process if the P3DH process for SNCIs is extended to Large and Other institutions?**

As stated in the discussion paper, the amount of information to be disclosed by ”large and other institutions” is significantly higher than for SNCIs. In addition, not all templates can be populated based on regulatory submissions in absence of a direct mapping.

Pleas clarify the following:

- How does the process look like for templates not able to be populated by EBA, e.g. EU LI1 and EU LI2?

- Will EBA populate the templates for each quarter based on the required scope, given the scope of requirements vary across 1st and 3rd quarter vs 2nd or 4th quarter?

- Will it be sufficient to provide a PDF (or in the future other format) which only includes qualitative aspects and refer to P3DH for quantitative requirements? If institutions still have to incorporate both qualitative and quantitative requirements in the PDF, there is no advantage EBA populating templates. In addition, does this contradict 434 CRR?

Q11: Would you have any particular observations on the possibility to implement the “technical acceptance” step? How do you see this step in terms of relevance to the whole process, time needed to conclude it and “automatic acceptance” in case no answer is provided by the institution (considered as non-objection to publication)?

When introducing a "technical" or "automatic" sign-off, the requirements of the CRR with regard to the disclosure date must not be undermined. The level 1 does not stipulate any fixed deadlines. Publication takes place today after the annual financial statements have been approved by the responsible bodies according to the national law. This should not change as a result of technical/automatic approvals.

"Technical acceptance" by the institutions is suggested before the EBA publishes the files (XBRL and PDF) externally. This would mean a considerable additional burden for the institutions. The institutions would already have to sign-off the files in the P3DH before the EBA transfers them internally from the P3DH to the EBA EDAP. In our opinion, the EBA is responsible for this transfer and publication in the EBA EDAP (technical process within the EBA). With the submission and release of the data in the P3DH, we see further process responsibility with the EBA (see point 6, Table 1 and point 32: "...while the EBA shall ensure that the disclosures made on the EBA website contain the information identical to what institutions submitted to EBA (please see table 1)").

In paragraph 35, the EBA proposes that for the process of technical acceptance of the data, approval could also be assumed under certain circumstances if no feedback is received during the predefined period of time. We do not consider such a simplified technical release process to be appropriate for the publication of such sensitive data. The publication of incorrect information can cause great damage (e.g. have an impact on stock market prices). In this case, publication should only take place after explicit approval. The EBA has also been pursuing this approach for the Transparency Exercise for years.

Questions for SNCIs

General

Q12: In your view, which are the main benefits, in operational terms, that the new EBA legal mandate will bring to SNCIs? And the main challenges? Would you have any views on the challenge related to those disclosure requirements where there are not similar reporting requirements and therefore reporting data? Would you anticipate / identify any specific situation where this could be the case? Do you agree that the new proposed approach reduces the burden for SNCIs as regards the Pillar 3 disclosures preparation? Please explain why.

The Pillar 3 Data Hub does not bring any advantages for SNCIs compared to the status quo (on the contrary: higher workload and higher costs, as more coordination is required). The institutions are still responsible for the disclosure process (under national law) and have an intrinsic interest in ensuring that the published data is correct. In this respect, the burden placed on SNCI by the Pillar 3 Data Hub is higher than if SNCIs were to prepare and publish the disclosure reports themselves. The additional effort for SNCIs should be kept to a minimum by the new centralised disclosure based on reporting data. Generally, the effort is caused by the supplementary qualitative information that needs to be provided (e.g., description of the development of the key parameters and management statement). This qualitative information could be provided to the EBA by the institution in PDF format. This provision could also serve as the official ”sign-off” of the institution's disclosure data (both quantitative and qualitative). However, for this, it would be necessary for the SNCI to receive the data that is to be disclosed by the EBA in advance.
Should any corrections to the data be necessary, this process should only be initiated as mandatory if the caused change of a supervisory KPI or parameter is of a significant extent (materiality threshold).

Submission of qualitative information

Q13: Feedback is asked on how to set up the process for the submission of qualitative information by SNCIs. The feedback should cover the process for the qualitative information required in the tables specified in the comprehensive Pillar 3 ITS and the process for the accompanying narrative to quantitative templates.

As described in Q12, this process should be kept as simple as possible. The SNCIs could provide the EBA with the relevant information once via PDF.
It would also be conceivable for EBA to use a technical solution to generate qualitative information when assessing the development of key parameters (year-on-year comparison). Only the confirmation of the management would then have to be submitted by the institution in PDF format.
Furthermore, it should be permitted to submit the information only in the national language (not additionally in English). In Germany, there are over 1000 small savings banks and co-operative banks as well as small private banks that only operate in a very regional market and so far disclosure is only been done in German. The CRR contains no requirement for the reporting language. In principle, the Pillar 3 Data Hub should not impose any language requirements that go beyond the existing level 1 regulations.

Q14: For the submission of qualitative information by the SNCIs, which formats / approaches would you consider more viable in operational terms? What would be your views as regards the submission of a PDF report? And on the use of a block tagging approach? Would you consider any other format (than PDF) better suited for the purpose? Would ODF (OpenDocumentFormat) better serve this purpose? Why?

NA

Sign-off of Pillar 3 reports

Q15: **In your view, how could the sign-off of the Pillar 3 reports prepared by the EBA be done by SNCIs?**

The sign-off could be implicit, i.e., as soon as the institution provides the qualitative information via PDF, the quantitative information is also implicitly signed-off (as it is based on already released reporting data anyway). If a separate approval still seems necessary, the EBA should provide the report to the institution as a final draft in the national language (via secure transfer). This is the only way an institution could officially release it. Furthermore, a mapping of the information to the reporting system data should be provided, allowing an institution to track the data compilation.

Finally, a one-time release of the mapping tool by the institution or by a central service provider (particularly for institutions organized as a network) should be facilitated.

Any best practice provided for SNCI should be considered for large and other institutions as soon as possible.

Timeframe for publication

Q16: Would you agree with the definition of a common date to publish the required disclosure information to all the SNCIs? Should this common date be linked to the supervisory reporting deadlines (for instance, "x" number of months following the legal deadline for the submission of the supervisory data)? If not, how could this common date be defined in order to ensure that this information is disclosed on a timely manner to the market?

We don't support setting any deadlines in a P3DH-standard. Rather, as described in Q3, the requirements of the CRR must not be undermined. The date of disclosure is determined by the institution itself or results from the date of the official approval of the annual financial statements by the responsible body and the subsequent publication (see also Q4). To determine the disclosure date of pillar 3 report, the institution should be able to notify the EBA, e.g. as proposed in Q12, by sending the sign-off PDF or transmitting the qualitative data. The prerequisite for this would be that the EBA makes the data available to the institution in advance for preview.

Q17: Would end-June be regarded as an appropriate date for this purpose? How well would this date work in conjunction with the audit processes?

No - at most an indicative disclosure period could be agreed (see also Q4).

Language of disclosures

Q18: **Which are your views in relation to the language challenges presented in the sub-section for SNCIs? Which possible solutions could be, in your view, pursued?**

If the EBA generates qualitative information, this could be published in all official EU languages under the EBA responsibility.

There should be no obligation to provide the report in other languages than required by national law (neither for SNCI nor for large / other institutions). In Germany there is no requirement to publish the reports in English. For comparison purpose of the quantitative data the row/column-identification is considered to be sufficient.

There are over 1000 savings banks and co-operative banks in Germany, as well as small private banks that only operate on a regional market. Disclosure in German should continue to be maintained here.

Final question on this section (for all institutions)

Q19: Would you have any aspects related to the process for institutions that is not covered by the previous questions but you would still like to highlight?

It is unclear to us in connection with Figure 4 (page 23) and the explanations in Chapter 2 how exactly the disclosure of capital instruments (EU CCA template) should be carried out in future. For most large institutions, the description of the main features of the capital instruments (Article 437(b) CRR) is published in a separate PDF as an annex to the Pillar 3 report, as hundreds of capital instruments usually have to be disclosed. In case of doubt, reference could be made to the disclosure in the P3DH in the report PDF in future. However, this is not possible for the full contractual terms and conditions (Article 437 letter b CRR) because these are not part of the EU CCA template itself and are currently published separately. This involves hundreds of contract files (PDF) with several thousand pages of contract terms. Please provide clarification.

In reference to Q1, please clarify whether large subsidiaries are expected to be part of the same submission or will P3DH offer a staggered approach, given completion, review and sign-off follows local timelines.

Particularly for non-EU large subsidiaries, it is not clear, how to deal with deviating regulatory requirements and P3 publications following local accounting standards (e.g. USGAAP) and in other currencies

than euro.

In reference to Q1 (language of publication), since P3DH should strategically become the primary address for Pillar 3 disclosures, it will need to cater for languages other than English as the addressees of the disclosure are decisive here, e.g. retail investors in public companies. This is also important given that in many jurisdictions the legally binding publication has to be in the national language. German commercial law (Section 144 of the German Commercial Code (HGB) only contains explicit requirements for the language of publication with regard to the annual financial statements (including notes and management report). Please confirm that national requirements would be taken into account and no language prescription would be introduced by P3DH. There should be a possibility to accept / publish multiple PDFs (or other data format in future) for those banks which would like to voluntary or according to their national requirements publish the reports in more than one language. We would also like clarification from the EBA as to what this means for the further process. What does the bilingualism mean for the accompanying explanations in the xbrl if this format were introduced? Should these be included in the xbrl e.g. twice or in 2 languages as an accompanying narrative? In our opinion, this would not promote readability and transparency.

Technical Package, structure of the XBRL file - Is this split across four modules (CONDIS, FINDIS, REMDIS, ESGDIS) intentional or are there any plans to merge this into one?

Disclosure unit (EUR million): We consider the issue of the unit (EUR / EUR thousand / EUR million) in which central disclosure should be made in future to be very relevant. Currently, large and other institutions generally disclose in EUR million. In our opinion, this approach should be maintained for large and other institutions.
The issue of the disclosure unit also goes hand in hand with the issue of resubmissions. Different treatment of resubmissions in reporting and disclosure could be justified, for example, due to deviations in validation rules vs. materiality concept and due to the different purposes of both frameworks. In the past, not every resubmission of regulatory reporting has led to corrections of the disclosure reports. In future, minor validation errors in the regulatory reporting must not affect disclosure and not lead to resubmissions. A subsequent correction of a disclosure once it has been made leads to massive uncertainty for the public addressees and may only be made in well-founded cases.

EBA process for P3DH

Q20: **Data dissemination: do you think the P3DH would significantly reduce the time of searching and downloading of data?**

Yes, but not significantly.

Q21: Data dissemination: would you agree that the tools to be developed would increase the usage of the Pillar 3 data and, as such, better promote market discipline?

This does not apply to not listed SNCIs at least. Experience shows that their reports are rarely read (usually only by rating agencies or consulting companies for consulting acquisition, but these are not the addressees of the original leitmotif for more market transparency and should therefore not play a role here).

Q22: Would you see any challenges in the described process that would deserve further consideration by the EBA?

We would like to point out that the envisaged evaluation and visualization tools can also lead to misleading results to the detriment of individual institutions. For example, institutions with differing focuses of business activity, in extreme cases specialized banks, could be compared. The effects of business activities on key figures and / or ratios may require an explanation, which is not possible within the framework of the P3DH evaluation tools. We ask that such restrictions be taken into account when designing the evaluation and visualization tools. This also applies in particular to the question of which institutions may be included in comparative analyses.

Q23: In your view, how would you tackle the requirements of Article 432 of the CRR (non-material, proprietary and confidential information) in accordance with the proposed process?

Institutions must continue to have the option of not publishing information in accordance with Article 432 CRR - the process must guarantee this freedom. Therefore, EBA should ensure that P3DH does not undermine Article 432 CRR.

We expect this issue to be of greater practical relevance, particularly with regard to the materiality criterion. See also Q1 of these comments on the potential conflict between the retention of responsibility by the institution and compliance with supervisory reporting. This means that resubmissions of individual modules of the regulatory reporting system need not, but must not, lead to a resubmission of the P3 disclosure as long as the changes made there are not classified as material by the institution.

In the XBRL-CSV (or similar format until transition is over) an indication of non-material, proprietary or confidential can't be displayed except for an empty template given the restrictions on cell inputs. From our point of view, a meaningful indication can be inserted into the respective PDF in that specific section covering the requirement, which is omitted due to non-material, proprietary or confidential information. The PDF and XBRL have to be seen in conjunction when it comes to omittance.

The omitting templates should also be technically possible in the case of irrelevance, e.g. for not relevant templates if a bank has a low NPL ratio (below 5 %).

Q24: As regards the archiving period to be considered by the EBA under the respective legal provision, what is the number of years set in your jurisdiction as regards the storage for information included in the institutions' financial reports?

We ask for a review and clarification of the extent to which disclosure reports from the time before the introduction of the Pillar 3 Data Hub (e.g. before 31 December 2025 for SNCI) are still to be kept on the institutes' own websites. It does not make sense to keep them for years (in addition to the hub) - perhaps this could be dispensed with the introduction of the hub, thus reducing bureaucracy.

Current legislation in Germany stipulates a retention period of 10 years.

Process for users of Pillar 3 data

Q25: What are users of information views on how the timeline for availability of information in the EBA P3DH should look like? Some options could be further explored by the EBA, if considered useful, like automatic alerts or the preparation of dashboard of reports for specific periods.

NA

Q26: **What are the users views on the approach proposed in terms of visualization and bulk downloading tools? What kind of functionalities and tools would be useful for users in this regard?**

NA

Q27: **Would you have any other suggestions, from a user perspective, that could be considered by the EBA when developing the P3DH and the users' interface?**

NA

P3DH and synergies with other projects

Q28: **Would you have any comments or observations on the presented links and synergies with other on-going projects?**

In terms of the Data exchange format it would be useful to support currently well-established XBRL-XML (until Dec 31, 2025), aside from the newly introduced XBRL-CSV.
Please clarify which other 'projects' or existing submissions to regulatory authorities are planning to onboard vLEI? Are there onboarding commitments and/or timeline for any?

The Pillar 3 Data Hub initiative runs parallel to the EBA's existing Transparency Exercise. Here too, key supervisory information is made available centrally on the EBA website for download in PDF format

and an evaluation tool for analyzing data. The Transparency Exercise and, in particular, the submission and approval processes established within this framework could form the basis for the implementation of the P3DH. This could be implemented with significantly less effort for all parties involved and at much shorter notice. If this is not considered feasible, the Transparency Exercise should be suspended or abolished to avoid redundancies.

The outlined redundancies in the provision of data points,

a. Inclusion of disclosure requirements in CoREP
b. xbrl for P3DH
c. PDF for P3DH
d. Transparency Exercise

We also see this as incompatible with the EU strategy for supervisory data cited by the EBA in paragraph 11 of the discussion paper (COM(2021) 798 final), according to which, among other things, data should only be reported once.

vLEI: EBA use case for regulatory Reporting

Q29: **Do you agree that there is merit in leveraging the vLEI solution as a decentralized organizational digital identity management system?**

We would welcome the retention of the established submission process from the regulatory reporting system, in the context of which the authentication issue has already been resolved.

Acceptance of the vLEI solution will rely on synergies with other projects / regulatory reportings planning to utilize the same environment in future.

Q30: If you agree with Q29, do you agree that the EBA Pillar 3 reporting use case represents an opportunity to introduce vLEI into the market? And what are the main challenges that you perceive in the practical implementation of the vLEI from your point of view? If you disagree with Q29, are there alternative options you would suggest the EBA consider?

NA

Q31: **If you agree on the adoption of the vLEI for Pillar 3, what should the EBA do to facilitate its practical application and promote market acceptance?**

EBA could set up a dedicated session on vLEI and provide more details around the PoC with GLEIF and additional operational and technical guidances on vLEI / GLEIF.

Policy implications

Resubmission policy

Q32: **Please provide your views for each one of the particularities that would need to be defined or further clarified as regards the resubmission policy.**

a): The EBA should limit the templates to be submitted to particularly relevant templates that contain information that is essential for assessing the institution's risk profile.

It should be borne in mind that this would result in a different presentation in xbrl and PDF submission, which would support a strong restriction. This is a further argument for dispensing with a double presentation in xbrl and PDF (see Q10) in addition to the qualitative aspects.

b): With regard to the resubmission of key figures that cover more than one period, we consider option (ii) "no resubmission" to be the most efficient. The EBA should limit any subsequent and corrective submissions to the current disclosure period in order not to increase the effort involved.

c): We support the EBA's approach to the materiality considerations in the context of the planned disclosure resubmission policy. The institutions should assess the need for resubmission based on EBA/GL/2014/14. Resubmissions may only be required in truly material cases. Resubmissions (disclosure adjustments) that are not useful for decision making due to the lack of materiality for the addressees of the disclosure will lead to confusion and a decline in acceptance of centralized disclosure. In this respect, we support the "materiality approach" envisaged by the EBA (text 138 letter c)). We expressly welcome an orientation towards the principles and limits of IAS 8.
In view of the objective of greater alignment of regulatory reporting and disclosure and also the requirement for their consistency, we fear that the materiality ideas outlined will in future be secondary to the expected consistency of regulatory reporting and disclosure. At various points in the past, we have made it clear that, from a banking perspective, materiality limits in reporting are required to a significant extent. In regulatory reporting, a resubmission due to a minor deviation (e.g. EUR 10 thousand) with no impact on key risk indicators is "only" a question of regulatory costs. With regard to disclosure, the question of public acceptance must also be considered in addition to the cost aspect. Differences between resubmission policy for reporting and for disclosure are appropriate due to the materiality principle of Art. 432 CRR and due to the different purposes / addressees of these frameworks.

d): Subsequent and corrective submissions based on certified data should require the principles of (a), (b), (c), and (e) only for significant, quantitative changes to key templates.

e): The EBA should limit follow-up and corrective submissions to quantitative information and qualitative explanations accompanying quantitative information.

Q33: Do you have any comments regarding the resubmission of disclosure data and the process of the publication via the EBA? Do you see specific requirements regarding the process and timing EBA will republish updated disclosure figures?

See Q32.

Q34: Do you identify any other aspects that would need to be taken into account when defining the final resubmission policy? Which ones and why?

The process should be as streamlined as possible for SNCIs. It should adhere to the standard procedure for initial disclosures, including the option for a preview. However, ideally, the process should not necessitate a new sign-off.

Furthermore, national supervisory authorities must be allowed discretion in their implementation concerning the utilization of reporting data. For instance, in Germany, there is the unique case of §340f HGB reserves (German Commercial Law), which are rightfully not disclosed in financial statements but would be inadvertently revealed if relying solely on reporting forms. For example, in the EU CC1 template, line 76 maps to reporting form C4.00, line 170, thereby disclosing hidden reserves. In such instances, alternative national mappings should be permissible, such as the current practice in Germany of mapping to CA1, line 920.

Final question on this section

Q35: Would you have any other observation or comments on any of the aspects covered in this section?

We welcome the further development of the EBA mapping tool and its enhanced meaning through the planned inclusion in CRR 3 (Article 434 (1) CRR) (section 7.2). We urgently recommend the greatest possible alignment of Pillar 1 and Pillar 3 for the required data points (see also paragraphs 141 and 143), i.e. in particular the CRR 3 EBA Mapping Tool should no longer contain any fields marked "No mapping to reporting". In our opinion, the EBA Mapping Tool is up to now moving in the wrong direction in this respect. Instead of removing existing cells with the "No mapping to reporting" label, the mapping tool for CRR 3 - Step1_0.xlsx (as part of EBA/CP/2023/38 consultation) adds further fields with "No mapping to reporting" (templates EU CMS1 and EU CMS2). The need of such disclosure should be questioned.