

POSITION PAPER



ESBG response to the EBA consultation on draft technical standards to support the centralised EBA Pillar 3 data hub

ESBG (European Savings and Retail Banking Group)

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Questions:

Question 1: Do you agree with the proposed IT solutions that would support the implementation of the P3DH to Large and Other institutions? If not, please explain the reasons why.

As we understand it, explanations of the templates should be part of the explanations in the PDF report. At the very least, it should be permissible to retain the location in the PDF report. However, at the EBA's public hearing on 21 October 2024, it was reiterated that the accompanying narrative for the individual quantitative forms should also be included in the XBRL-CSV files. We continue to believe that this form of double mapping should be avoided in general to prevent additional manual effort. The contents are also included in the overall PDF report.

However, should explanations be required in the XBRL-CSV templates, we request that the solution be as simple as possible, for example in the form of a text field. The number of characters allowed should not be limited, and the use of multiple text fields should be allowed. Regardless of this, the technical specifications for this would not be published until DPM 4.1. The requirement to include comments in the XBRL-CSV files is new and was only defined as part of the ongoing consultation. It would be difficult to implement the technical aspects and set up the necessary delivery routes for this within about three months. We therefore suggest that the requirement 'including accompanying narrative' be dropped.

Furthermore, according to the EBA at the public hearing on 21 October 2024, the DPM 4.1 relevant for the P3DH will not be published until Q1 2025 or perhaps even Q2 2025. In our view, this is much too late and jeopardises timely and high-quality implementation of the DPM by software providers and institutions. We therefore request that the P3DH section in DPM 4.1 be published in Q4-2024.

At the EBA's public hearing on 21 October 2024, the EBA announced the establishment of a test environment for the P3DH, but only for the implementation phase. For the submission of Pillar 1 reports, the NCAs and the ECB (CA) offer the technical possibility of making test submissions in a test environment. We therefore ask the EBA to provide a permanent test environment so that test submissions can be made at any time. We believe that this would significantly improve the submission process.

Furthermore, point 50 states that national languages may be used for the explanations. It should therefore be technically ensured that all characters deviating from the English alphabet are accepted and not changed during transmission or publication.

In addition, we would like clarification as to whether it is sufficient to upload the disclosure report as an unprotected PDF document to P3DH for the transmission of the PDF file.



Question 2: Would you agree with the specification to provide the information on remuneration policies separately? If not, please explain the reasons why.

Yes, we are in favour of submitting remuneration information in accordance with Article 450 of the CRR in the form of separate files.

Practice shows that by the time the general disclosure report is submitted, the internal bonus and profit-sharing rounds required to prepare the remuneration report have rarely been completed. In view of this, CRR 3 introduced the option of submitting the remuneration information at a later date. In addition, remuneration issues are often the responsibility of different people from those responsible for disclosure. At least the option of separate submission should therefore be granted.

Question 3: Would you agree with the proposal on the collection of contact points information, including the suggested monthly frequency?

The monthly frequency seems too bureaucratic, since if one point of contact leaves, nominating two people should generally ensure that at least one point of contact can be reached. In addition, providing a functional e-mail address ensures that contact can be made in the event of a change of personnel. Assuming that this procedure is also to be applied to small and non-complex institutions (SNCIs), which are only required to disclose the necessary data annually, a monthly frequency would result in unnecessary additional administrative work, particularly for SNCIs. We therefore suggest that notification be made when the point of contact changes.

Question 4: Would you have any comments or suggestions on the most adequate profile of the contact persons within the institution?

The profile should be decided internally on an institution-specific basis. A uniform requirement by the supervisory authority seems unnecessary. In our view, there is therefore no need to define a profile for the contact persons. On the one hand, this is not a requirement under the CRR, and on the other hand, the institutions will only appoint suitable persons in their own interest in order to ensure an efficient process. Therefore, the additional administrative burden should be avoided.

If criteria are nevertheless prescribed or recommended, it would be advantageous for practical relevance if they were persons who are also closely involved in the operational implementation and publication of the



disclosure. We would take a rather critical view of the appointment of managers (B-, C-level) due to their task profile and frequent scheduling in their daily workload.

For example, the institutions could decide to appoint two contact persons (primary and secondary) from the department responsible for disclosure and two contact persons (primary and secondary) from the department responsible for XBRL submission – should these differ – so that availability is guaranteed at all times.

Other comments on the consultation paper:

Timing of publication:

According to point 16 (a.), the disclosure reports are to be submitted together with the institution's financial reports or as soon as possible thereafter. Point 48 specifies the EBA's current assessment. According to Article 106 of the CRR, the EBA has the mandate to document its expectations in the form of guidelines by 10 July 2025. We advocate that the period for preparing the disclosure reports should not be restricted. The indicative deadlines set out in point 48 should also be included in the guidelines as a recommendation or benchmark at most, and should not be undercut. Furthermore, such deadlines for the annual reports should not be based on the reporting date, but on the date of publication of the financial reports.

Initial application

The first data submission to the P3DH is scheduled for the reports as of 30 June 2025. This will be accompanied by extensive testing activities in the first half of 2025. Almost in parallel, the regulatory reports, which are to be prepared for the first time as of 31 March 2025 in accordance with CRR 3, are also to be tested. Due to the expected testing effort, the institutions were granted a one-time deferral of the reporting submission for CoRep until 30 June 2025. This is associated with the fact that the preparation of the disclosure reports will also be delayed as a result. Therefore, we consider it necessary to postpone the first reference date to 30 September 2025 at the earliest. At the very least, any expectations regarding the deadline for submission under the future guideline (see comments on publication date) should have no effect in the first year of transmission, as reporting-related delays are to be expected.

Written attestation

We believe that the integration of a signature page with the written declaration of a member of the management board in the PDF file is not necessary. Although Art. 431 (3) CRR requires a written attestation, it does not require the reproduction of this attestation. In practice, it has so far been considered sufficient to state in the text of the disclosure report that the attestation has been issued. Since the P3DH is not intended to introduce any new requirements, the requirement to integrate the attestation into the PDF file should be deleted.



We also assume that a one-time reference to the written attestation in the Pillar 3 PDF report is sufficient and that no further mention is necessary when submitting the remuneration information separately.

Mapping Tool

According to point 20 (i) of the consultation paper, the EBA mapping refers to the templates and tables. Since the tables include the qualitative disclosure requirements, we do not understand the point of mapping for tables. We suggest that the EBA clarify this or remove the reference to the tables in the final ITS.

Connectivity with the reporting system

Point 25 begins by explaining that the disclosure requirements are aligned with the reporting framework. This assumes that the quantitative information to be disclosed is fully included in the reporting. Currently, this is not entirely the case, cf. the EBA Mapping Tool (several places with the entry 'No mapping (to reporting)'). This fact should be taken into account in the final EBA report. At the very least, the wording 'as far as possible aligned' should be used with regard to the connectivity of disclosure with reporting in order to avoid unrealistic expectations of complete alignment.

Validation rules

As we understand it, the quantitative tables in XBRL are submitted in euros. The disclosure templates may be disclosed in millions of euros. This could lead to validation issues due to rounding. This should be taken into account when drawing up validation rules.

Annex: Key features of capital instruments (points 36 and 55)

For many credit institutions, the Pillar 3 disclosure consists of two PDF files, the actual report and the appendix 'Main features of capital instruments' (Form EU CCA) in accordance with Article 437 (b) CRR. We request clarification that the ZIP file with the PDF report may also contain more than one PDF file, and not only for the reason of multiple languages and/or currencies.

Furthermore, according to Article 437 (c) CRR, the terms and conditions of the capital instruments must be disclosed in accordance with Article 437 (b) CRR. At the public hearing on EBA/DP/2023/01, the EBA provided oral feedback that the terms and conditions of the capital instruments are not to be uploaded to the P3DH and are to continue to be published on the website of the respective institution. In row 37a, the EU CCA form contains a link to the full terms and conditions of the capital instruments on the website of the respective institution, which has been accepted as sufficient so far. We kindly request confirmation of this approach.

Voluntary over-fulfilment

We assume that voluntary over-fulfilment of the disclosure requirements is possible and will be taken into account by the EBA in the XBRL taxonomy. For example, an institution could additionally submit the LI3 template



on corporate structure even though it is not required to do so under Art. 433a / 433b CRR. We kindly request confirmation that in such cases this additional information would also be published in the P3DH.

Resubmission process and harmonisation of requirements

Finally, ESG notes that the current resubmission process will impact the existing content requirements, creating dependencies that should be addressed to ensure harmonized standards across consultations. ESG advocates for clarity on resubmission requirements, thus underscoring the importance of a unified approach to avoid operational inefficiencies arising from disparate consultation requirements.



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