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EBF RESPONSE TO EBA DISCUSSION PAPER ON THE PILLAR 3 DATA HUB PROCESSES AND POSSIBLE PRACTICAL IMPLICATIONS

The European Banking Federation (EBF) welcomes the opportunity to put forward our comments on the EBA Discussion Paper (DP) on the Pillar 3 (P3) Data Hub. The EBF response to the consultation represents the consolidated view from all EBF members i.e., 33 national banking associations from across Europe representing in total about 3,500 banks.

The EBF has been closely involved in this project since its initiation, having various meetings with the EBA during the preparatory work and helping the EBA in the identification of participating banks to the current Pilot. As expressed in various opportunities, the EBF is very supportive of the ultimate objective of making prudential information disclosed by institutions in their financial reports readily available through a single electronic access point on EBA's website and of enhancing market discipline by facilitating access to usable and comparable P3 information.

While we also support the intention to have the P3 Data Hub timely implemented, we share the following views for your consideration:

- **Date of publication of P3 data in institutions' financial statements vs date of submission of P3 data to EBA and publication of this data on the EBA website**
  We understand from our reading that article 434 (1) of CRR3 allows financial institutions to submit P3 data to the EBA, either "*no later than*" the date of publication of the financial statements, or "*as soon as possible thereafter*", i.e., within a reasonable period of time.

  The submission of P3 data by financial institutions to the EBA and the publication of P3 data in the financial statements by financial institutions are therefore neither directly correlated nor synchronised.

  Better balance between maximum period and closer availability of disclosures would benefit market participants as comparability, in our opinion, is impacted if the deadlines for disclosure are too extended in time.

- **Timeline**
  It is clear from the DP at several points that a number of very important matters remain unresolved at this stage e.g., text 51 to 55. Among other things, it is surprising that it is only now - in the context of this DP - that fundamental questions are being raised about the legal framework for disclosure in the Member States e.g., archiving periods or requirements regarding the language of publication. It would have been expected this information to have already been clarified with the national authorities as part of the preparatory work.

  Other important issues relating to corrective submissions, the consistency of supervisory reporting and P3 disclosure while at the same time retaining full responsibility for P3 disclosure at the institutions are also still under discussion. We would welcome it if viable solutions were first found for these fundamental issues, on the basis of which the details of technical implementation could then be clarified.

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In addition, the implementation of the EU Banking Package is currently resulting in a large number of implementation activities at the banks. This also includes the corresponding adjustment of the regulatory reporting system and P3 disclosure framework. The EBA is also heavily involved in this regard and has decided to divide the adjustments to reporting and the P3 disclosure templates into two implementation steps due to the large number of adjustments required. This shows how time-consuming the implementation of new reporting and disclosure requirements in line with the amendments to CRR 3 already is.

We also consider the fact that parts of the P3 disclosure requirements are currently to be left out of the P3 Data Hub due to time pressure. This applies, for example, to the EU-CCA disclosure template in accordance with Article 437 (1) (b) CRR or the disclosure obligations of institutions with regard to MREL or TLAC (Article 437a CRR). Selective inclusion in the P3 Data Hub does not achieve the objective of centralized disclosure to provide users with full disclosure in one place. In our view, full and careful implementation should take precedence over too rapid implementation.

To our knowledge, there is no compelling need for the P3 Data Hub to be operational at the same time as the first-time application of the new disclosure requirements. The CRR 3 does not specify a date for that matter, nor has the timetable for the ESAP initiative been set. However, we assume that the PDF reports will initially be required less than the XBRL files as part of ESAP.

Moreover, the quality of implementation would be significantly increased if completion of steps 1 and 2 of the new reporting requirements and disclosure templates has preceded. In other words, the timetable should be revised, and the starting point postponed to at least the end of 2026.

Furthermore, uncertainties are still pending over a series of technical aspects of the P3 Data Hub implementation. In particular, the IT solutions (right of access / authorisation to the EBA website, validation process for data submission by institutions, etc.) are not yet known. Therefore, it is very important that EBA clarify the IT aspect as soon as possible, as the institutions will need to plan IT costs and evaluate the best IT implementation.

Besides, according to the DP, other aspects will be considered before finalizing the P3 Data Hub. The results of the pilot exercise will be taken into account and also the future amendments of the P3 ITS due to the Basel III implementation and CRR 3 amendments.

In view of the above-mentioned technical questions that are still open and the significant implementation challenges with regard to the new reporting and disclosure requirements, the EBA's ambitious timetable, which envisages June 30th 2025 as the first date for centralized disclosure in accordance with the new processes, seems unrealistically tight and unfeasible for the banking industry. A partial or incomplete implementation of the project would generate an operational risk for both banks and the EBA.

Therefore, we believe that it is worth to have the whole picture of the P3 Data Hub solution before launching the entire Data Hub process. Accordingly, we advocate to postpone the full functionality of the P3 Data Hub until all the aspects of the project have been fully finalised.

- **Channel of Submission**
  In the area of supervisory reporting, submission channels via the national supervisory authorities have been established and proven in recent years. This also applies to the authentication of submitters. For the new submission process to the P3 Data Hub, the DP for *"large and other institutions"* provides for submission directly to the EBA. This requires both the connection of new submission platforms and a new authentication process. For the banks, this will not only lead to increased expenses for the one-off implementation of the new submission processes but will also result in a duplication of efforts for the ongoing support of the submission and authentication processes.

  In our understanding, the wording of Article 434 (1) CRR 3 does not provide any detailed specifications on the submission channel, but rather on the addressee of the disclosure data. In addition to direct submission to the EBA, we believe that indirect submission via the established sequential process involving the NCAs would continue to be covered by the wording of the CRR.

  With the revision of the ITS on supervisory reporting and P3 disclosure as part of the risk reduction package, disclosure templates were already incorporated into the data model for supervisory reporting (templates C08.03 to C08.07, C34.07, C34.11) in 2019 / 2020 with a view to future centralized disclosure or additions were made to existing templates. Validation rules have been implemented for these extensions to the regulatory reporting system, which are based purely on the disclosure requirements. Violations of the validation rules are handled by the CAs and coordinated with the institutions in the same way as violations of validation rules in *"original"* reporting templates.

  As a result of the submission process now envisaged by the EBA, some of the disclosure templates (and an even larger proportion of the data points) must now be submitted twice (up to three times), validated or, in the case of validation rules that do not apply in individual cases, coordinated twice - on the one hand with the CA and on the other with the EBA.

  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. Anything else leads to considerable duplication of efforts for the institutions and runs counter to the objective of cost savings for the institutions, which is also mentioned in the DP. Furthermore, different submission channels also represent a potential obstacle to the consistency of data from reporting and P3 disclosure.

  In our opinion, the future-oriented considerations of deriving quantitative disclosure data completely from the reporting data, even for large institutions, also argue against separating the submission processes. Even if the corresponding feasibility study in accordance with Art. 434c CRR 3 will only be carried out in the coming years, corresponding considerations should already be included in the current deliberations on the design of the submission channels.

  Furthermore, financial institutions may be willing to resubmit P3 information as corrections may be needed following the publication of their financial information. However, with reference to the EBA Consultation on Draft Guidelines on resubmission of historical data, the data resubmission protocol in the P3 Data Hub will be based on resubmission thresholds applied to P3 data that will be different from those applied to

supervisory reporting. Differences between resubmission policy for reporting and for disclosure may be appropriate due to the materiality principle of Art. 432 CRR and due to the different purposes / addressees of these frameworks. We support the EBA approach and expressly welcome an orientation towards the ideas and limits of IAS 8.

- **Double consideration of quantitative data**
  The EBA provides for a double submission of quantitative data including the accompanying narrative. On the one hand, as part of the submission of an XBRL, but also as the subject of a PDF report. We understand the EBA's intention to provide users with parallel evaluation options for the disclosure data of a large number of institutions, but also to retain the convenience of the previous PDF reports. From the institutions' point of view, however, this cannot be seen as (digital) progress. In order to keep the additional effort for the institutions manageable, it must be permissible to refer to the quantitative data published in another form in the PDF report.

  The P3 Data Hub initiative is being carried out in parallel with 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.

  Our opinion is that once an institution has disclosed its Pillar 3 documentation on its web page according to its internal governance and approval process, it will then proceed to submit the respective files (PDF & XBRL) to the EBA environment through the designated channel. The process already used for the submission of regulatory reporting (e.g, CoReP, CASPER) to national authorities (NCAs) can be utilized. No additional sign-off process is to be required.

  Moreover, the dependency between P3 disclosures in EBA's website and EBA Transparency exercise should be examined by EBA. Transparency should be amended partially or totally to avoid redundancies and double effort from all stakeholders and possible confusions.

  The outlined redundancies in the provision of data points:
  a. Inclusion of disclosure requirements in COREP
  b. XBRL for P3 Data Hub
  c. PDF for P3 Data Hub
  d. Transparency Exercise

  We also note that double reporting is incompatible with the EU strategy for supervisory data cited by the EBA in paragraph 11 of the DP (COM(2021) 798 final), according to which, among other things, data should only be reported once.

- **Potential conflict between *"Disclosure remains the responsibility of the institutions" and "Consistency of disclosure and reporting data"***
  We expect that in individual cases there could be conflicts between the requirement for consistency of disclosure and reporting data and the retention of responsibility for P3 disclosure by the institutions. Differences between reporting and disclosure will result from additional specifications and requirements, e.g., for corrections to reports. In these cases, it must be clearly regulated or there must be agreement that the EBA can neither refuse to publish a P3 disclosure that deviates from reporting, nor can it demand that the disclosure be corrected. The principle of the institutions' responsibility for disclosure must have clear priority over compliance with reporting.

The relevance of this clarification may also arise in the following constellations:

- Differences of opinion on the EBA validation rules: 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 its disclosure templates. This is currently sometimes the case with queries regarding regulatory reporting. In contrast to regulatory reporting, however, disclosure is about informing the public, which can only be the responsibility of the institutions.
- Necessary corrections to supervisory reports due to a breach of the ECB's EGDQ checks must not have any impact on the P3 disclosure. In order to promote synchronization, all existing ECB EGDQ checks would either have to be taken over by the EBA after review or suspended.
- (Too) low materiality thresholds for the resubmission of supervisory reports (please see also point 32). Correction submissions of only low materiality for the public lead to confusion and decreasing acceptance of centralized disclosure.

- **Responsibility of disclosures made on the EBA website**
  In accordance with Article 434(4) of the CRR 3, while we agree that financial institutions are responsible of the accuracy of P3 data submitted to the EBA, we would like to highlight that the EBA is fully responsible of the disclosures published on its website, as it is not of the responsibility of financial institutions to intervene in case of any discrepancies or technical problems in the EBA environment.

- **vLEI**
  There is large unawareness about the reliability of the tool given the unfamiliarity with its current use in the industry. A proof of concept must be developed in order to provide the industry with a clear understanding about key aspects such as cost and alignment with banks' internal cybersecurity policies, that would eventually help with promoting its market acceptance.

We hope our comments are useful in the assessment of the DP and remain at your disposal to clarify and/or provide further details on any comment.

RESPONSES TO QUESTIONS LISTED IN THE DISCUSSION PAPER

Question 1: 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.

The main benefits would relate to the improvement in terms of comparability and transparency between entities, as information would be available in a more agile and structured way and would be located in a single repository.

The main challenges would rely in the deadlines to be established for making the information available. This is an aspect that we consider it is not sufficiently reflected in the DP.

We consider that better balance between maximum period and closer availability of disclosures would benefit market participants as comparability, in our opinion, is impacted if the deadlines for disclosure are too extended in time.

Other challenges would most probably relate to narratives / qualitative sections the P3 Data Hub when it comes to supporting other languages than English. Moreover, 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., US GAAP.

In general, disclosure requirements should not exceed reporting requirements. The work on the P3 Data Hub could be further used for identifying potential for the reduction of P3 disclosure following the initiative by the European Commission on reducing reporting requirements by 25%. If disclosure is only an extract from the supervisory reporting information, the solution to generate data by the EBA would be well-balanced for any size of institution.

Question 2: 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?

Yes, we believe the proposed sign-off process is adequate. Nevertheless, as it is being proposed the process should be completed with the development of digital solutions to identify the sender (such as the proposed vLEI solutions).

According to Article 434(1) CRR 3, the 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 the EBA. No additional confirmation after the sign-off should be required.

Question 3: 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?

No additional sign-off should be required. It should be a technical step that allows the preview of the information to be disclosed (time needed for the technical acceptance).

Question 4: 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?

While end-June as an indicative date for year-end seems sufficient, even when including significant subsidiaries at some point in time, some consider that deadlines for information submission should be more prescriptive regarding the deadline between institutions' presentation of results and the publication of disclosures. A proper window should also be explored to cover special needs/cases such as remuneration disclosures.

A better balance between maximum period and closer availability of disclosures would benefit market participants as comparability, in our opinion, is impacted if the deadlines for disclosure are too extended in time.

Question 5: Do you agree that at this stage the inclusion of this information in the PDF report is the best approach?

Yes, we consider the current PDF solution is the best approach for industry standards. We also consider that it would be extremely useful if the detailed document (PDF) was downloadable from the P3 Data Hub. Furthermore, we welcome that the written attestation is currently integrated in the P3 report (PDF), this should not be changed.

Question 6: 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 consider it is key to assess well in advance the technology with which the information would be requested, as this may involve new IT developments as well as additional burden and processes to put in place for institutions. As raised in the previous question, the current PDF solution is the best approach for industry standards for both, the submission and the analysis versus peers. We do not 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 plays a significant role in addressing the requirements.

1. EBA/ITS/2020/04 refers to *"[…] enabling users to gain a clear understanding of the institution's risk tolerance/appetite in relation to its main activities and all significant risks."*, which is more extensive than 435 CRR *"Institutions shall disclose their risk*

management objectives and policies for each separate category of risk, including the risks referred to in this Title.". For banks model and reputational risk is considered significant although not included in Title 2. This would require additional and individual block tagging's beyond the scope of CRR. Since these are extremely specific to institutions, it leads to increased efforts by the EBA addressing those.

2. The solution would need to support double 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 a snapshot.

Question 7: 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.

There is no consensus across EBF members. Majority do not support as preferred option to have a centralised calculation for Large and Other institutions. These consider that P3 reporting may not in all cases be feasible to be produced centrally by the EBA with the same process as for the SNCIs, based on CoRep/Finrep reports. They further see that the amount of information is in some cases extended and more complex, and for some templates there is not a 1:1 mapping with the regulatory reports (e.g., IRRBB, VaR Estimates, etc). For others, such centralised approach may be considered a potential approach subject to some requirements such as having a mapping tool that would be used for feeding all data points of the templates and it is always aligned with the latest DPM. In this context, it would be essential that some aspects are addressed and proper considered in the Regulation.

In general, it is important to mention that information to be disclosed does not only rely on quantitative figures provided in predefined templates, but additional qualitative information is also needed to ensure quantitative data is well understood by market participants. As it is mentioned, the institutions need to verify that their disclosures convey their risk profile comprehensively to market participants and to publicly disclose the necessary additional information otherwise.

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 in order to sufficiently guarantee the institutions' responsibility for the P3 disclosure. This applies in particular to the question of when corrections to supervisory reporting are considered material for P3 disclosure. The same applies to the materiality of Article 432 CRR in general.

Question 8: 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.

We do not see the merit of a centralized calculation, on the other hand. We further consider it would lead to an extra burden for institutions by separating quantitative (centralized) and

qualitative (institutions) data when preparing the information, as well as the risk that the information may be misinterpreted by market participants.

Question 9: 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?

There are mixed views with some considering that regardless the process was automated by the EBA, there not would be a significant cost reduction considering qualitative information should remain necessary as market participants may need additional and complementary information to better understand the quantitative information. While others consider that there would be a reduction, these also consider that the amount of reduced costs is limited given that populated numbers have to be checked and therefore an internal calculation is indispensable.

Question 10: 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?

There is no consensus across EBF members. Majority do not support as preferred option to have a centralised calculation for Large and Other institutions. These consider that P3 reporting may not in all cases be feasible to be produced centrally by the EBA with the same process as for the SNCIs, based on CoRep/Finrep reports. They further see that the amount of information is in some cases extended and more complex, and for some templates there is not a 1:1 mapping with the regulatory reports (e.g., IRRBB, VaR Estimates, etc). For others, such centralised approach may be considered a potential approach subject to some requirements such as having a mapping tool that would be used for feeding all data points of the templates and it is always aligned with the latest DPM. In this context, it would be essential that some aspects are addressed and proper considered in the Regulation.

As stated in the DP, 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.

1. How does the process look like for templates not able to be populated by EBA, e.g. EU LI1 and EU LI2?
2. Will EBA populate the templates for each quarter based on the required scope? Given the scope of requirements vary across 1Q and 3Q vs 2Q or 4Q.
3. Will it be sufficient to provide an PDF (or in the future other format) which only includes qualitative aspects and refer to P3 Data Hub for quantitative requirements? If institutions still have to incorporate both qualitative and quantitative requirements in the PDF, there is no advantage by the EBA populating templates. In addition, does this contradict 434 CRR?

Question 11: 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)?

In paragraph 35, the EBA proposes that for the process of technical approval of the data, approval could also be assumed under certain circumstances if no feedback is received during the deadline for technical approval. 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. As mentioned previously, in our opinion, the EBA is responsible for the transfer and publication in the EBA ESAP (technical process within the EBA). With the submission and release of the data in the P3 Data Hub, we see further process responsibility with the EBA only.

Question 12: 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.

No comments.

Question 13: 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.

No comments.

Question 14: 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?

No comments.

Question 15: In your view, how could the sign-off of the Pillar 3 reports prepared by the EBA be done by SNCIs?

No comments.

Question 16: 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?

No comments.

Question 17: 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 comments.

Question 18: 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?

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).

Question 19: 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?

The implementation of the CRR3 (and the definition of the templates to disclose) could have an impact on this process, in terms of the readiness to prepare the information to disclose. It is necessary to define as soon as possible the mapping tool associated to the process. Additionally:

- In reference to Q1, main challenges, approach to large subsidiaries:
  - Are they expected to be part of the same submission, or will P3 Data Hub offer a staggered approach, given completion, review and sign-off follows local timelines?
  - Particularly for non-EU large subsidiaries, how to deal with deviating regulatory requirements and P3 publications following local accounting standards (e.g., US GAAP) and in other currencies than Euro.

- In reference to Q1, main challenges, language of publication:
  - Since the P3 Data Hub should strategically become the primary address for P3 disclosures, it will need to cater for languages other than English too. This is important given that in many jurisdictions the legally binding publication has to be in the national language. Please confirm the P3 Data Hub approach to this requirement and, for example, the possibility to accept / publish multiple PDFs (or other data format in future).

- 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):
  - While the currency should only be an issue for a small proportion of institutions, we consider the issue of the unit (EUR / EUR k / EUR m) in which central disclosure should be made in future to be much more relevant. Currently, large institutions generally disclose in EUR million. This also applies to the fixed disclosure templates. In our opinion, this approach should be maintained for large institutions.

    The issue of the disclosure unit also goes hand in hand with the issue of correction submissions. Frequently, corrections to the regulatory reporting system required by the supervisory authorities have significantly less impact and are necessary, for example, due to deviations in validation rules due to EUR 10,000. In the past, such

resubmissions of regulatory reporting have not led to corrections to the disclosure reports. In future, such validation errors in the regulatory reporting system must not affect disclosure and lead to resubmissions. A subsequent correction of a disclosure once it has been made leads to massive uncertainty for the addressees and may only be made in well-founded cases.

Question 20: Data dissemination: do you think the P3DH would significantly reduce the time of searching and downloading of data?

Centralised information would promote comparability between entities and would ensure homogeneity in terms of quality standards in disclosing. While it would reduce the time, this will not be significant.

Question 21: 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?

Yes, we agree. It is important to require single/uniform templates with clear/common criteria.

Question 22: Would you see any challenges in the described process that would deserve further consideration by the EBA?

We understand that the EBA wants to offer the public additional benefits. In this context, we however would like to point out that the envisaged evaluation and visualization tools could also lead to misleading results to the detriment of individual institutions. For example, institutions with different focal points of business activity, in extreme cases specialist 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 P3 Data Hub 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. Furthermore, there may be a risk in the narrative accompanying the analyses conducted by the EBA that could affect market transparency, in case the EBA would include its qualitative assessment.

Question 23: 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?

Once the information is prepared by the institutions, these requirements are fulfilled as the business-as-usual process in place nowadays, as the role of the P3 Data Hub is to act as data reception of the templates disclosed by the institutions.

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.

Additionally, the application of Article 432 CRR must not be restricted by centralized disclosure. In this respect, it must continue to be possible in the justified cases of Article 432 CRR to deviate from the presentation in the regulatory reporting system for disclosure purposes or to omit required disclosures.

We expect this issue to be of greater practical relevance, particularly with regard to the materiality criterion. See also our comments on the potential conflict between the retention of responsibility by the institution and compliance with regulatory reporting. This means that subsequent resubmissions of individual modules of the regulatory reporting system need not to, 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.

Question 24: 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?

Given the mandate for the EBA to centralise institutions' prudential disclosures and make prudential information readily available to improve market transparency, it is desirable to storage as much historic information as the digital capacities could afford. The time period of data to be provided should be defined, with some suggesting 10 years.

Question 25: 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.

We consider automatic alerts on different publications as a useful tool but not the deadlines.

Better balance between maximum period and closer availability of disclosures would benefit market participants as comparability, in our opinion, is impacted if the deadlines for disclosure are too extended in time.

Question 26: 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?

We consider it would be very useful allowing users to a massive download in a structured way to complete the ad hoc analyses required by the industry.

Question 27: 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?

Yes, it should be simplified the way data is accessed to make it easier to process. The process would benefit from current market tools such as, PowerBi, Micro, Sas Viya.

Question 28: Would you have any comments or observations on the presented links and synergies with other on-going projects?

[Data exchange format] to support currently well-established XBRL-XML (until Dec 31, 2025), aside from the newly introduced XBRL-CSV.

[vLEI] Which other *'projects'* or existing submissions to regulatory authorities are planning to onboard vLEI? Are there onboarding commitments and/or timeline for any?

Question 29: Do you agree that there is merit in leveraging the vLEI solution as a decentralized organizational digital identity management system?

Yes, but acceptance will rely on synergies with other projects / regulatory reportings planning to utilize the same environment in future. Nevertheless, we would like to reiterate our above-mentioned comments due to the existing process. Alternatively, we would welcome the retention of the established submission process from the regulatory reporting system, in which the authentication issue has already been resolved.

More clarity would be welcome regarding the context of the vLEI requirement and how other supervised banks are currently using vLEI in the industry. It is not clear how the current use of vLEI in the market is and if this vLEI is going to be tested before the official submissions are in place.

Question 30: 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?

If there is a commitment for *"others"* to follow (e.g., Bundesbank's Prisma etc.), then we should use the opportunity for P3 Data Hub to introduce vLEI into the market. Alternatively, and certainly less advanced, but options along existing submission channels like STAR, CASPER, CA's could be utilized, too.

We believe its use right now implies a high level of uncertainty considering the maturity of the IT solution should be further developed in terms of processes, way of use, mechanism of obtaining and use of credentials.

Regarding the challenges, according to the indications, it will be required to send the information through the platform EUCLID. Further clarifications would be needed to understand how the expected workflow with Euclid required for the entities is, which type of credentials are going to be used and what the procedure for incorporating information is.

Question 31: 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?

To facilitate the application and promote market acceptance, we believe the whole vLEI process should be clarified including an end-to-end workflow of both the process and architecture. Internal entities' policies on cybersecurity are very strict, so entities would need to figure out in advance how the certificate would be authenticated and how the vLEI would be signed (which tool or app would be used to sign with vLEI and which process in which the vLEI signature would be verified).

In order to obtain the vLEI institutions to comply with their internal processes would need to request it from an authorized Qualified vLEI Issuing (QVI), however it only seems to be one (Provenant -> LEI: 984500983AD71E4FBC41). We would appreciate if the EBA could confirm this. Unfortunately, the current communication channel is provided by Provenant, via LinkedIn (as mentioned on its website). We do not consider this as the most appropriate way. Institutions internal policies on contracting suppliers are very strict, hence it is complex to work with small companies and from a contractual point of view a high level of contact and validation is required.

We further suggest setting up a dedicated session on vLEI since most participants were not aware of this matter during the 2nd meeting with institutions (held on 17th November 2023). It will also be helpful for the EBA to provide more details around the PoC with GLEIF and additional operational and technical guidance about vLEI / GLEIF.

Question 32: Please provide your views for each one of the particularities that would need to be defined or further clarified as regards the resubmission policy.

Correction submissions may only be required in truly material cases. Frequent corrective submissions that are of only minor 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 136 letter c). We expressly welcome an orientation towards the ideas 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 correction submission due to a minor deviation (e.g., EUR 10,000) 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. We find it difficult to imagine the only partial correction submission described in text 136 a), as it would lead to a different presentation in XBRL and PDF submission. In our view, however, this is also an argument for dispensing with a double presentation in XBRL and PDF.

Question 33: 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?

Differences between resubmission policy for reporting and for disclosure may be appropriate due to the materiality principle of Art. 432 CRR and due to the different purposes / addressees of these frameworks.

Question 34: Do you identify any other aspects that would need to be taken into account when defining the final resubmission policy? Which ones and why?

Differences between resubmission policy for reporting and for disclosure may be appropriate due to the materiality principle of Art. 432 CRR and due to the different purposes / addressees of these frameworks.

Question 35: Would you have any other observation or comments on any of the aspects covered in this section?

1) Specific analysis such as *"EBA Follow-up review of banks' transparency in their 20XX Pillar 3 reports Preliminary findings"* with the purpose of foster improvements in compliance with P3 disclosures requirements as well as continuous improvement and enhanced consistency of disclosures, especially by identifying best practices in the disclosure publications. From our point of view, it might be useful/relevant for improving P3 disclosure practices across industry as there is no other way to identify (best) practices and could be seen as a kind of recognition to specific entities outperforming in their duties.

2) According to some institutions, IT providers found some discrepancies in the available DPM, still under review, but in line with the importance implementation of the CRR 3, considering the new and amended disclosure templates are not yet finalized and might impact this process.

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