



Brussels, 27<sup>th</sup> March 2024

**EACB comments on  
EBA Discussion Paper  
Pillar 3 Data Hub Processes and Possible Practical Implications  
(EBA/DP/2023/01)**

**General comments**

The EACB welcomes the opportunity to comment on the EBA Discussion Paper on the Pillar 3 Data Hub (P3DH). We appreciate the idea to collect feedback at an early stage of development, before consulting on the detailed ITSs that will specify the technical solutions on which the P3DH will be based.

We support the overall goal of facilitating access, usability and comparability of prudential information and contributing to a holistic EU data strategy which strives to improve efficiency of reporting across financial sectors. However, we see that several aspects of the upcoming P3DH remain unclear or difficult to grasp from the point of view of their practical implications.

For instance, the “validation” process for the Pillar 3 data derived from supervisory reporting (i.e. for smaller banks) is unclear, while it should be fully spelled out what is deemed to be public and what is supervisory information.

Moreover, the “validation” process needs clarification also for large banks that would have to submit their Pillar 3 to EBA for the EBA to centralise the publication. For instance, Figure 4 and para. 35 set out the concept of a “technical acceptance” by the institutions before the data will be externally published by the EBA via the EBA EDAP which would mean extra workload for the institutions. The institutions already approve the delivered files in the P3DH (see also Figure 4 and para. 36) before the EBA transfers them internally from the P3DH to the EBA EDAP. Therefore, the EBA should be responsible for this internal transfer and the publication in the EBA EDAP (technical process within the EBA). Another example is the written attestation (para. 31). There should still be the possibility to publish it within the Pillar 3 report.

Some members also noted a technical issue (in terms of mapping, available technical solutions etc.) in the transition to a mandatory XBRL format – although this may be dependent on Member State.

Finally, the hub would also create a wider information platform that may require a lot more explanatory efforts from institutions vis à vis a potentially higher number of stakeholders.

**Answers to selected questions**

*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 SNCLs, the proposed solution in terms of process for the Large and Other institutions is a well-balanced one? Please explain why.*

The intended direct submission of Pillar 3 data to the EBA would lead to multiple submissions of some disclosure templates (e. g. templates submitted for the Transparency Exercise). Multiple submission of the same data should be avoided.

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*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?*

We agree that submission of Pillar 3 information by the institutions should be performed once the sign-off is complete.

Regarding the concept of a “technical acceptance” (para. 35) by the institutions before the data will be externally published by the EBA via the EBA EDAP, this would mean extra workload for the institutions. The institutions already approve the delivered files in the P3DH (see also Figure 4 and para. 36) before the EBA transfers them internally from the P3DH to the EBA EDAP. Therefore, the EBA should be responsible for this internal transfer and the publication in the EBA EDAP (technical process within the EBA).

*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 should be as simple as possible in general, and particularly for SNCIs.

*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?*

There should be no additional publication date that goes beyond the provisions under Art. 433 CRR.

Furthermore, there should be the opportunity to publish a first version of the Pillar 3 report without the REM templates as this information is only available at a later stage. A later upload of the REM templates in this case should not be qualified as a resubmission.

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

The inclusion in the PDF report would be the best approach for qualitative disclosure only.

*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?*

The matter is highly dependent on the technical solutions in place at specific institutions. Banks may not have a solution in place that allows to use block tagging, therefore in such cases the PDF format would be preferable. Other solutions would generate additional costs. These costs may come on top of those caused by purchasing a plug-in to generate xBRL-CSVs for the institutions that currently do not apply the format.



*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.*

Xxx

*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.*

The centralized solution would deliver advantages in terms of comparability and potentially of transparency. However, as previously stated, the wider information platform created by the Hub may require a lot more explanatory efforts from institutions vis à vis a potentially higher number of stakeholders.

From the point of view of material processes, the creation of the report should become easier due to a reduced focus on the layout of the actual document.

*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?*

Adding and editing the qualitative part makes the whole Pillar 3 process an enormous exercise that could be reduced by leveraging on the existing figures.

*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?*

Xxx

*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)?*

Xxx

*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.*

We agree that, from a general perspective, the mandate should ease the burden for SNCIs to produce and publish Pillar 3 information. However, we see how several elements could reveal challenging.



The “validation” process for the Pillar 3 data derived from supervisory reporting (i.e. for smaller banks) is unclear, while it should be fully spelled out what is deemed to be public and what is supervisory information.

Moreover, it is evident how a higher number of stakeholders – not only market participants or professionals – may be using the disclosures for comparisons across institutions without taking into account features such as complexity, size, legal structure. This could result in a growing need for explanatory efforts from institutions, which may disproportionately affect smaller institutions. The features of the P3DH engine would have to include disclaimers and qualitative information to be fully appreciated/understood by external users.

*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.*

This process should be kept as simple as possible. The SNCIs could provide the EBA with the relevant information once via PDF.

It could also be envisaged 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, institutions should be allowed to submit the information only in the national language (not additionally in English). The CRR contains no requirement for the reporting language. In principle, the Hub should not impose any language requirements that go beyond the existing 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?*

Xxx

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

Xxx

*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 strongly advise the EBA against prescriptive common date requirements. Rather, the requirements of the CRR must not be circumvented. The date of disclosure is determined by the institution itself or results from the date of adoption of the annual financial statements by the management body and the subsequent publication. To determine this date, the institution should be able to notify the EBA, e.g. 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, as said we believe that no fixed date should be envisaged. At most an indicative disclosure period could be agreed.

*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 should be published in all official EU languages.

There should be no obligation to provide the report in other languages than what is required by national law (neither for SNCI nor for large / other institutions). For comparison purposes, the quantitative data and the row/column-identification is considered to be sufficient.

*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?*

There should be the possibility to publish the Pillar 3 report also in languages other than English. In various Member States the legally binding publication must be in the national language.

Furthermore, since there is a mapping tool available between CoRep/FinRep and Pillar III, we reiterate the preference for an approach where data is directly extracted from submitted reports, so that the quantitative part is as automated as possible where applicable. This would give the institutions more time to focus on the qualitative part.

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

Xxx

*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?*

Xxx

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

Xxx

*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?*



In our view, the P3DH must not restrict the options for non-materiality, proprietary and confidential information set out in Article 432 CRR. The P3DH should not set any requirements going further than the stipulations of CRR.

We also would highlight that it should be fully spelled out what is deemed to be public and what is supervisory information, banks should have this certainty before starting to channel data to the Hub.

*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 DataHub (e.g. before 31 December 2025 for SNCIs) are still to be kept on the institutions' own websites. We believe that it would not make sense to maintain that information for years (in addition to the hub) – this could be dispensed with the introduction of the hub, thus reducing bureaucracy.

Some Member States stipulates a retention period of up to 10 years.

*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.*

Xxx

*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?*

We believe that predefined visualizations can be reduced to a minimum. Users who are willing to work with Pillar 3 data are most likely skilled to do so and will therefore rely on custom evaluations.

*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?*

The possibility to download data into a user's system seems the most important feature of the P3DH, compared to already prepared evaluations and figures.

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

Xxx

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

Xxx



*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?*

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*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?*

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*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.*

The EBA's approach to materiality considerations in the context of the planned "resubmission policy" (para. 138; reference to EBA/GL/2014/14 or IFRS Framework) should be upheld so that not every small change in the Pillar 1 data ends up in an adjustment in the Pillar 3 report.

Regarding the resubmission of key figures that cover more than one period, we consider option (ii) "no resubmission" to be the most efficient.

We believe that corrections should be limited to a minimum and the processes should be simple and automated as far as possible. Data that is older than 1,25 years (capped at the last year's Q4 report) should not be modified as to avoid any confusion and unnecessary efforts. Also, in such cases the question arises when the disclosure can be corrected – before or after the supervisory data have been submitted to the respective Competent Authority.

*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?*

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*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 in general, and particularly 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, 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.



Finally, the case of changes to existing figures which could occur due to reruns on the CoRep or FinRep side should be considered. A policy/procedure for the Hub should be in place.

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

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