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Ref. FEB106516/P11874

By email: [CP30@c-eps.org](mailto:CP30@c-eps.org)

**CP 30, Disclosure guidelines, lessons learnt from the financial crisis, Febelfin comment**

Brussels, 11/01/2010

Dear Sir,

Febelfin, i.e. the Federation which regroups four trade associations from the Belgian financial industry<sup>1</sup>, welcomes the opportunity to express its views on the consultation document mentioned above.

We welcome and support the CEBS's high level principles on public disclosures. Febelfin supports the aspiration for clear and robust disclosures by financial institutions as well as the encouragement for a more enhanced quality of these disclosures. We note that most of these principles are already applied by Febelfin members.

Notwithstanding our overall positive assessment we would like to make some detailed remarks which can be found in the annex to this letter.

We hope these remarks will be taken into account. Please do not hesitate to contact our services and our working group, should you want any further information.

Yours sincerely,



Michel Vermaerke  
Chief Executive Officer



Geert Van Lerberghe  
Director Risk Affairs

cc. Mr. Jean-Paul Servais, Chairman, Banking, Finance and Insurance Commission.

Annex

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<sup>1</sup> The following trade associations are part of Febelfin: the Belgian Bankers' and Stockbroking Firms' Association (ABB/BVB); the Professional Union of Credit Providers (UPC/BVK); the Belgian Asset Management Association (BEAMA), the Belgian Leasing Association (BLA).

## **CP 30, Disclosure guidelines, lessons learnt from the financial crisis, Febelfin comment, annex**

We welcome and support the CEBS's high level principles on public disclosures. Febelfin supports the aspiration for clear and robust disclosures by financial institutions as well as the encouragement for a more enhanced quality of these disclosures. We note that most of these principles are already applied by Febelfin members.

Notwithstanding our overall positive assessment we would like to make the following detailed comments regarding to the high level principles proposed.

### **1. Financial institutions should provide timely and up to date information irrespective of the timing of their normal publication calendar**

- Regarding the timeliness of reporting, one should take into account the internal and external processes with regards to the content of figures such as the internal control process and the possibility to involve auditors (e.g. press releases outside the normal publication calendar).

### **2. In order to enhance the quality of information, financial institutions should provide adequate disclosures on areas of uncertainty**

- No comment.

### **3. Financial institutions should provide comprehensive and meaningful information that fully describes their financial situation**

- Given the complexity of the IFRS rules it is not straightforward to provide comprehensive and meaningful information for a non initiated audience. Therefore giving too much technical details can create more confusion than giving a better insight.

### **4. Disclosures should allow comparisons over time and between institutions**

- We encourage harmonisation of the disclosures between companies and institutions. This is a principle that also should be applicable for the supervisory reporting within the European community. Although an appropriate level of detail is required, too much detail on the weaknesses of the business could put the company into a difficult situation. Also, in case this would lead to the introduction of fixed reporting formats, a sufficiently long preparatory period is needed.

### **5. Financial institutions should seek to early adopt new disclosure standards and best practice recommendations from standard-setters and regulators**

- The early adoption of new disclosure standards is in most cases challenging given the time needed for adapting internal reporting chains.

### **6. Financial institutions should specify whether and to what extent information has been verified by external auditors**

- No comment.

**7. Financial institutions should elaborate on the position and importance of the activities under stress within their business model**

- No comment.

**8. Disclosures should include clear and accurate information regarding the impacts on results and on risk exposures of the activities under stress**

- We are reluctant on the requirement to provide forward-looking information. Although this is already done in clearly delimited areas, institutions need to be very careful not to distribute false or misleading information to the public. Therefore the scope to and possible granularity of such forward-looking information is by nature limited.

**9. Disclosures should also include information regarding the impacts on the institution's financial position**

- No comment.

**10. Financial institutions should communicate appropriately on the management of risks linked to activities under stress**

- No comment.

**11. Financial institutions should be as specific as possible with regard to sensitive accounting issues**

- No comment.

**12. Disclosure should as far as possible be provided in one place with appropriate cross-references where necessary**

- No comment.

**13. Disclosure should be provided at an appropriate level of granularity to help achieve a high level of transparency**

- In determining the granularity of the reporting, one should take into account the length of the remittance periods. The shorter the remittance periods, the more difficult it becomes to provide a very detailed reporting.

**14. Financial institutions should seek an appropriate balance between quantitative information and narrative information a high level of transparency**

- No comment.

**15. Financial institutions should continue to develop an educational approach**

- No comment.

**16. Financial institutions which are not exposed to the activities under stress should clearly specify that fact when this is likely to provide useful information for users in their decision-making**

- No comment.