

Set up in 1990, the Czech Banking Association (CBA) is the voice of the Czech banking sector. The CBA represents the interests of 40 banks and foreign branches operating in the Czech Republic: large and small, wholesale and retail institutions. The CBA is committed to supporting quality regulation and supervision and consequently the stability of the banking sector. It advocates free and fair competition and supports the banks' efforts to increase their efficiency and competitiveness.

We appreciate the opportunity to comment on EBA/CP/2016/06 Consultation Paper **DRAFT GUIDELINES ON LCR DISCLOSURE TO COMPLEMENT THE DISCLOSURE OF LIQUIDITY RISK MANAGEMENT UNDER ARTICLE 435 OF REGULATION (EU) No 575/2013.**

General remarks

The importance of transparency in banking industry and disclosure of relevant information is understandable, however it needs to be stressed that the information publicly disclosed shall be based on the highest possible data quality.

As the daily LCR data are not reconciled, the data quality criterion is not met. Banks are obliged to report daily LCR in stressed situation, however they usually do not do it in a normal course of business, because the process is usually highly complicated. It requires daily reconciliation of data in accounting, which is not a common practice for all items. Majority of booked data are reconciled on a monthly basis in accordance with the monthly accounting closing.

Furthermore, the intended disclosed average LCR calculated mostly from unreconciled data could differ greatly from monthly LCR calculation and be highly volatile with outliers which would only lead to decrease in confidence to the sector.

Response to specific questions

Our answers to questions from the consultation paper were filled in the answer form.

We hope that our response to the Consultation Paper is sufficiently clear and our views are helpful.