



PILLAR 3 DATA HUB PROCESSES AND POSSIBLE PRACTICAL IMPLICATIONS

DISCUSSION PAPER

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Acronyms

ACDC	Authentic Chained Data Container
BCBS	Basel Committee on Banking Supervision
CESR	Composable Event Streaming Representation
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CSV	Comma-separated values
DKMI	Decentralized Key Management Infrastructure
DPM	Data Point Model
EBA	European Banking Authority
EDAP	European Data Access Portal
EEA	European Economic Area
eIDAS	Electronic Identification and Trust Services
ESAP	European Single Access Point
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
EUCLID	European Centralized Infrastructure of Data
GLEIF	Global Legal Entity Identifier Foundation
IAS	International Accounting Standards
IFRSs	International Financial Reporting Standards
ITS	Implementing Technical Standards
KERI	Key Event Receipt Infrastructure
LEI	Legal Entity Identifier

NPLs	Non-Performing Loans
OI	Organizational Identities
OOR	Official organizational role
P3DH	Pillar 3 Data Hub
PoC	Proof of Concept
QVIs	Qualified vLEI Issuers
SNCIs	Small and Non-Complex Institutions
SREP	Supervisory Review and Evaluation Process
vLEI	verifiable Legal Entity Identifier
XBRL	eXtensible Business Reporting Language
XML	eXtensible Markup Language

Executive summary

The CRR¹ in relation to Article 434 paragraphs 1 and 3², introduces a new mandate for the EBA to centralise institutions' prudential disclosures and make prudential information readily available through a single electronic access point on the EBA website (the so-called Pillar 3 Data Hub – P3DH). This is a key and strategic project that will put in place new tools to allow for the first time a centralised access by all stakeholders to prudential disclosures data from all EEA institutions. Such an initiative will facilitate access, usability and comparability of prudential information by all interested users, strengthening the transparency and market discipline of the EU banking sector and further contributing to the soundness of the European financial system.

The project will naturally leverage on the EBA's past work in the area of transparency, i.e. development of a comprehensive package on Pillar 3 prudential disclosures³ (EBA Pillar 3 ITS) aligned with the Basel standards and mapped to the supervisory reporting requirements (EBA mapping tool). The EBA Pillar 3 framework together with, on the infrastructure side, the building of EUCLID⁴ and the work under the EBA data strategy⁵ represent the foundations for this project. In addition, the EBA P3DH is linked to an EU project on transparency, the European Single Access Platform (ESAP)⁶, which aims at centralising the disclosure of public corporate information in the single market. The EBA will be a collection body for Pillar 3 information and once the data is received in the P3DH the EBA will also feed this information into ESAP.

The EBA Pillar 3 Data Hub (P3DH), will centralise and make publicly available Pillar 3 information for all EEA institutions, including Large and Other institutions and Small and Non-Complex institutions (SNICs). Based on the CRR3, the EBA is envisaged to receive the Pillar 3 information for the EEA Large and Other credit institutions and publish it on the dedicated page in its website. As regards SNICs, the EBA (a) would calculate the required disclosure data points to fill the respective templates, based on the supervisory reporting data that the SNICs are already submitting on a

¹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions: [Provisional agreement reached on the implementation of Basel III reforms](#) published on the Council's website on 6 December 2023.

² Under Article 434 (1) of the CRR3, institutions other than small and non-complex institutions shall submit all the information required under Titles II and III in electronic format to the EBA for publication. Under Article 434 (3) of the CRR3, the EBA shall publish in its website the disclosures of small and non-complex institutions on the basis of the information reported by those institutions to Competent Authorities in accordance with Article 430.

³ Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council.

⁴ EUCLID stands for European Centralised Infrastructure for Supervisory Data. It is the platform and data infrastructure developed and used by the EBA to gather and analyse regulatory data from a wide range of financial institutions.

⁵ For further reference, details on the development of the EBA data strategy are provided under Activity 15 of the [2023 EBA Work Programme.pdf \(europa.eu\)](#)

⁶ ESAP will provide EU-wide access to information activities and products of the various categories of entities that are required to disclose such information, which is relevant to capital markets, financial services and sustainable finance.

regular basis, and (b) would proceed with the respective publication on its website (P3DH). The new EBA mandates introduced by the CRR3 are described in Section 1 of this Discussion Paper.

The objective of this Discussion Paper is to present the current EBA thinking on the development of the P3DH to open for discussion a number of relevant aspects related to the functioning of the data hub and the different steps in the processes that the EBA is proposing or designing both for institutions and at the EBA level.

The Discussion Paper describes in detail the relevant aspects to be taken into account when defining the final processes to be followed by all the institutions (Section 2) and by the EBA (Section 3). As regards the processes for institutions, dedicated sub-sections with the process description and the potential main challenges for each type of institution are included in this Discussion Paper. The main challenges under discussion at the moment, on which feedback from the industry would be of the utmost importance, relate to the identification, security and management of users submitting the information, to the consistency of submitted information, to the timeline for submission and publication, to the incorporation of findings / resubmissions and to the signing-off by the institutions.

In addition to this, the feedback to this Discussion Paper will also be an important source of information for the preparation of the feasibility study that the EBA is envisaged to prepare at a later stage, according to Article 434c of the CRR3. The EBA aims to assess the implications, cost and benefits of applying the P3DH SNCIs' process to Large and Other institutions. Also in this case, the benefits and potential technical and operational main challenges of such an approach are presented in Section 2.

Section 4 provides a brief overview of the process for users for information, including the functionalities and options that could be made available to them. The main intention of this section is to seek views from the users' perspective on the aspects that could be relevant for the EBA to take into account when developing the planned tools.

The Discussion Paper also provides, under Section 5, further details on the synergies with other ongoing projects in the EBA and at EU Level. In this sense, information is provided on the links between the P3DH project and these other projects as, for instance, the European Data Access Portal (EDAP), the Data Point Model 2.0 and DPM Studio and the ESAP (as previously mentioned).

Under Section 6, a new form of digital organisational identity, called the verifiable LEI (vLEI), is presented. The vLEI has been developed to meet the global need for automated authentication and verification of legal entities across a range of industries and under this section it is discussed whether it could be used for the submission of the Pillar 3 Data to the EBA.

Policy implications are also covered by this Discussion Paper (Section 7), in particular the review of the EBA comprehensive Pillar 3 ITS currently on-going; the resubmission policy on which ITS would need to be developed by the EBA; the mandate to develop ITS on IT solutions to be used when

operationalising the P3DH; and the mandate to develop a mapping tool, so far provided under EBA's own initiative.

Finally, under Section 8, the planned next steps for the implementation of the P3DH are presented.

Next steps

The EBA invites stakeholders to share their views and provide feedback on the processes presented in this Discussion Paper and on the questions included in Section 9. The feedback sought on this Discussion Paper will inform the EBA's final report and the feasibility study as per Article 434c of the CRR3.

Responding to this Discussion Paper

The EBA welcomes comments to this Discussion Paper on the P3DH processes and possible practical implications and in particular on the specific questions set out throughout the document and listed in Section 9. The EBA is looking to receive feedback from reporting institutions and other stakeholders that believe they might be impacted by any topic or option outlined in this Discussion Paper or that might have relevant information that would be useful to form a complete picture on the main aspects to be designed and implemented under the EBA mandates. Feedback from users of information on those questions that might be relevant from their perspective would also be welcome.

The information and views collected by the EBA in the context of this Discussion Paper will also be an important source of information to the feasibility study that the EBA shall prepare at a later stage. According to Article 434c of the CRR3, the EBA is envisaged to prepare a report on the feasibility of using supervisory reporting data in order to prepare the disclosure information of institutions other than SNCIs and publish it on its website. In practice, this feasibility report would present the conclusions of the assessment to be performed on the possibility to have a single process to all institutions (that would be similar to the one to be implemented for SNCIs). The differences between the processes to be implemented for each type of institution at this stage is further explored in this Discussion Paper. The feasibility report would need to consider the previous work of the EBA regarding integrated data collections and would be based on an overall cost and benefit analysis. The EBA expects to receive preliminary feedback on this matter in order to perform a more detailed analysis.

Comments are most helpful if they:

- respond to the questions stated;
- indicate the specific paragraph to which a comment relates;
- are supported by a clear rationale;
- provide evidence to support the views expressed / rationale proposed;
- describe any alternative choices that the EBA could consider.

Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by **29 March 2024**. Please note that comments submitted after this deadline or submitted via other means may not be processed.

Publication of responses

The responses collected will be published on the EBA website. Any response or part of a response which is considered confidential by the respondent should be highlighted as such, explaining the reasons for confidentiality. Information marked as confidential will not be disclosed or published without prior discussion with the respondent.

Data protection

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 as implemented by the EBA in its implementing rules adopted by its Management Board. Further information on data protection can be found in the legal notice section of the EBA website.

1. Introduction

1.1 Background and rationale

EBA legal mandate on disclosures and new approach

1. The Capital Requirements Regulation (CRR)⁷ establishes the prudential disclosure requirements (Pillar 3 disclosure requirements) and policies⁸ applicable to institutions, specifying the frequency and scope of these disclosures by type of institution⁹, e.g. large institutions, small and non-complex institutions (SNCI) and other institutions. The CRR¹⁰ requires institutions to disclose the Pillar 3 information in electronic format and in a single medium or location¹¹. In addition, the CRR also requires institutions to make this information available on their website or, in the absence of a website, in any other appropriate location.
2. In this context the EBA is mandated¹² to develop draft implementing technical standards (Pillar 3 ITS)¹³ specifying uniform disclosure formats and associated instructions, providing comprehensive and comparable information for users of that information. These ITS are periodically reviewed, whenever amendments to existing templates or development of new ones are required.
3. In October 2021, the European Commission published a proposal to amend the CRR, introducing some of the new mandates to the EBA¹⁴. The provisional agreement reached on the implementation of Basel III reforms was published on the Council's website on 6 December 2023¹⁵. When referring to "CRR3" in this Discussion Paper, it refers to this provisional agreement. The same is valid for references to CRD6. The CRR3 mandates the EBA to publish on its website all the prudential disclosures for all institutions subject to these disclosure

⁷ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (CRR) (OJ L 176, 27.6.2013, p. 1–337).

⁸ Article 431 of the CRR.

⁹ Articles 433, 433a, 433b and 433c of the CRR.

¹⁰ Article 434 of the CRR.

¹¹ Article 434 of the CRR: "The single medium or location shall be a standalone document that provides a readily accessible source of prudential information for users of that information or a distinctive section included in or appended to the institutions' financial statements or financial reports containing the required disclosures and being easily identifiable to those users."

¹² Article 434a, first paragraph of the CRR.

¹³ Please see [Implementing Technical Standards on institutions' public disclosures of the information referred to in Titles II and III of Part Eight of Regulation \(EU\) No 575/2013 | European Banking Authority \(europa.eu\)](#).

¹⁴ New Articles 434, 434a and 434c.

¹⁵ [Provisional agreement reached on the implementation of Basel III reforms.](#)

requirements, making it readily available in a centralised manner to all the relevant stakeholders through a single electronic access point on its website.

4. To comply with this mandate the EBA will build a data hub putting together all the disclosures required under Part Eight of the CRR (the Pillar 3 Data Hub or P3DH). Institutions could still continue to publish this information in their respective websites, as done so far, and/or may also include in their website a link to the EBA website where the information would be available on an aggregated manner to all the institutions. When opting for a separate publication, institutions should make sure that the information disclosed is consistent with the one submitted to the EBA for centralised publication.
5. The CRR3 prescribes a different process for: (i) Large and Other institutions; and (ii) SNCIs. While for (i) Large and Other institutions, disclosures would be submitted by the institutions and would be made available by the EBA in the P3DH, for (ii) SNCIs, the EBA would calculate the Pillar 3 figures using supervisory reporting data already collected under the CRR¹⁶ as part of the EBA supervisory reporting framework.
6. In this context, the CRR3 includes the following mandates and provisions, as detailed in the table below¹⁷:

Table 1: List of EBA mandates

Type of mandate	List of EBA mandates
General mandates to the EBA on P3DH	<ul style="list-style-type: none"> ▪ EBA shall prepare, keep up-to-date and publish on its website a mapping tool of the templates and tables for disclosures with those on supervisory reporting (Article 434 (1)); ▪ The EBA shall make available on its website the information required to be disclosed. The final ownership of the data and the responsibility for its accuracy remain with the institutions. (Article 434 (4)); ▪ EBA shall keep the archive with Pillar 3 data accessible for a certain period of time (Article 434 (4)); ▪ EBA shall develop draft implementing standards to specify (...) information on the resubmission policy and IT solutions for required disclosures (Article 434a); ▪ EBA shall prepare a report on the feasibility of using information reported by institutions other than SNCIs under the supervisory reporting requirements in order to publish on its website the disclosure figures as done for SNCIs (Article 434c).

¹⁶ Article 430 of the CRR.

¹⁷ The table includes those mandates addressed to the EBA that are of higher importance for the purposes of this Discussion Paper.

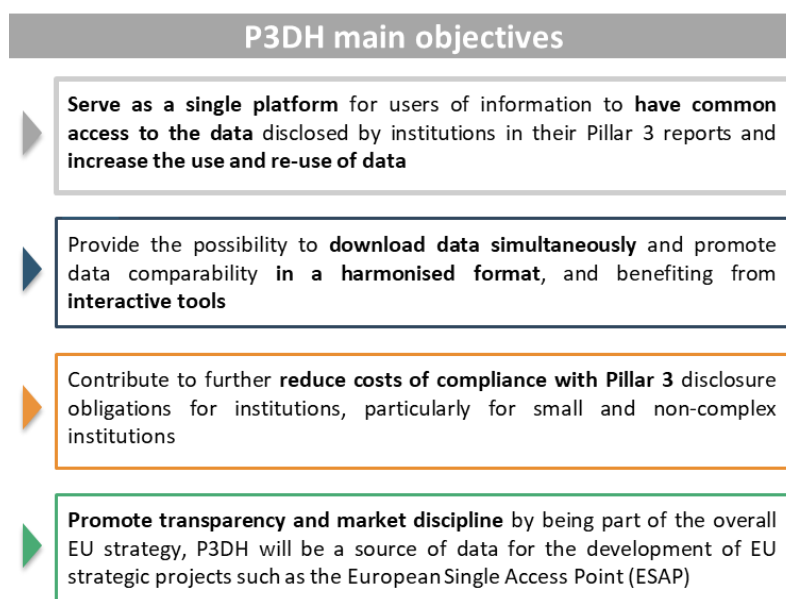
EBA mandates related to Large and Other Institution	<ul style="list-style-type: none"> ▪ EBA shall publish information submitted and/or resubmitted in a centralised manner, including the date of submission / resubmission (Article 434 (1)). ▪ EBA shall ensure that the disclosures on the EBA's website contain information identical to what institutions submitted to the EBA (Article 434(1)).
EBA mandates related to SNCIs	<ul style="list-style-type: none"> ▪ The EBA must derive disclosure figures from the supervisory data reported by these institutions (Article 434(3)); ▪ The EBA shall publish the required disclosures on its website (Article 434(3)).

1.2 P3DH main objectives, scope and timeline

7. Since its establishment, the EBA has strived to foster transparency and market discipline in the EU financial market, with the publication of detailed bank-by-bank data in the context of the EBA regular stress test and transparency exercises, which complement institutions' Pillar 3 disclosures. The EBA has also defined a comprehensive Pillar 3 framework, so far largely focused on setting the disclosure standards, formats and instructions that promote consistency and comparability of information across institutions.
8. The CRR3 provisions on P3DH aim at promoting a better and more efficient usage by all the stakeholders of the prudential information, strengthening the role of the EBA in promoting market discipline.
9. The P3DH is a key and strategic project with European relevance, which will allow all banking stakeholders to have a single access to prudential disclosure data from all EEA institutions, promoting transparency and comparability of data across institutions and enhancing market discipline in the EU banking sector. From a user perspective and for the overall objectives of market discipline, having common formats, comparable information easy to download and analytical tools to users seems to represent an important step forward. This will further contribute to market discipline and eventually to the soundness of the European financial system.
10. As part of the P3DH, the EBA would not only publish Pillar 3 disclosures for the EEA institutions. In the case of SNCIs, the EBA would also prepare the disclosures for those institutions based on the supervisory reporting data that is already submitted. Naturally, the responsibility for the provision of accurate supervisory data would remain with the institutions. This differentiated treatment is in line with the EBA objectives in terms of proportionality. The details of the different envisaged processes for the different types of institutions are further detailed in this Discussion Paper.

11. The P3DH initiative seems to be a unique opportunity to offer high-quality banking data to all stakeholders, contributing to the EU data strategy which aims at improving efficiency of reporting across financial sectors¹⁸. The data hub will also play an important role as the source of data for the development of EU strategic projects such as the European Single Access Point (ESAP). Further details on the interaction between the P3DH and other projects are provided in this Discussion Paper.

Figure 1: P3DH main objectives



1.2.1 Scope of disclosures

Disclosure requirements under the scope of the P3DH

12. The disclosures requirements specified in Part Eight of the CRR applicable to all the institutions (Large institutions, Other institutions and SNCIs) would be under the scope of the P3DH. The disclosures should be performed at the highest level of consolidation (EU) but large subsidiaries of EU parent institutions are also required to disclose on an individual basis or, where applicable, on a sub-consolidated level¹⁹ certain pieces of information.

13. The scope of templates and tables to be included in the P3DH will be those specified in the EBA Pillar 3 ITS. These ITS are now being amended in order to align it with the CRR3 requirements and with the Basel disclosure framework.

¹⁸ [Strategy on supervisory data in EU financial services \(europa.eu\)](https://europa.eu)

¹⁹ Article 13 of the CRR.

Types of disclosures: quantitative and qualitative data

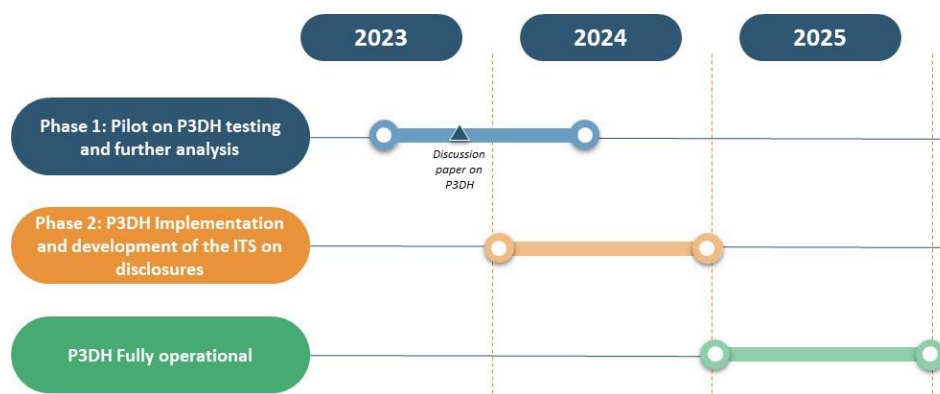
14. The Pillar 3 disclosures framework covers a range of both qualitative and quantitative data. Templates have been developed to implement quantitative disclosure requirements, while tables implement disclosure requirements of qualitative information.
15. Quantitative information templates are mostly based on fixed formats. The use of standard templates helps to promote comparability and consistency of data to be disclosed. As regards the qualitative requirements, disclosures are specified in the form of tables with instructions on the type of information that institutions should provide to the market in a flexible format.
16. In addition to the templates and tables, institutions are required to complement their quantitative standardised disclosure with accompanying narratives and qualitative information to explain quantitative figures. These accompanying narratives and qualitative information play a very important role in providing additional relevant information and explain any significant change in a given disclosure compared to the information disclosed in previous publications.

1.2.2 P3DH roadmap and timeline

17. This Discussion Paper aims at collecting feedback from all the relevant stakeholders (including the industry but also all the users of the Pillar 3 information, either for business or academic purposes) for the development of the P3DH. The roadmap presented in Figure 2 provides an overview of the project, including the interaction between the publication of this Discussion Paper and other P3DH related initiatives, e.g. the pilot exercise currently on-going for Large and Other institutions and the review of the Pillar 3 ITS disclosures that is currently being performed to implement Basel III and the CRR3 amendments.
18. As a first step towards the P3DH implementation, the EBA has launched a pilot exercise with a sample of Large and Other institutions that have volunteered to be part of the testing phase. The main objective of this pilot exercise is to test the submission of Pillar 3 information required to be disclosed by Large and Other institutions. On the EBA side, the goal is to test the internal processes under development to build the P3DH. The scope of the pilot exercise is restricted to Large and Other institutions, not considering at this stage any SNCI and respective differentiated process.
19. As presented in the roadmap below, while running the pilot exercise, the EBA will, in parallel, collect feedback from the Discussion Paper and progress on the implementation of the P3DH. In addition, the EBA is also working on the future amendments of the Pillar 3 ITS due to the Basel III implementation and CRR3 amendments.
20. The P3DH is planned to become operational in line with the application date of the revised Pillar 3 ITS. In practice, this means that for P3DH purposes, the new version of the Pillar 3 requirements will be the one considered, avoiding the use of the previous version of the Pillar 3 ITS for a few months only. As a tentative timeline, the EBA expects the P3DH to become operational in 2025, with information for Large and Other institutions being already disclosed in

2025 and for SNCIs with reference date December 2025 (first disclosure reference date after the expected date of application of CRR3).

Figure 2: P3DH implementation tentative timeline



1.3 Objectives of the Discussion Paper and areas covered for analysis

21. The overall objective of this Discussion Paper is to provide an overview and get feedback on the different processes that the implementation of the P3DH will entail, including:

- a. Processes from the institutions side: considering the different processes described in the CRR3 for “Large and Other institutions” on the one hand and for “SNCIs” on the other. These processes, complemented with an overview of the main associated potential challenges, are described in detail in Section 2 of this Discussion Paper; and
- b. Processes from the users of information side: focusing on the aspects that would be more relevant from a user perspective, e.g. the timeline for availability of data and the visualisation and exploration tool that will be made available by the EBA. Section 4 of this Discussion Paper covers these aspects in order to collect feedback from a user perspective.
- c. Processes from the EBA side: how the EBA envisages the reception and publication of the Pillar 3 reports submitted by the Large and Other institutions, and the calculation and publication of the SNCIs disclosures. A detailed overview of the functioning of the P3DH is provided, analyzing the synergies with other ongoing projects that are part of the EBA data strategy and that will be key in the development of the P3DH. A description of the process and how this links to the relevant on-going projects is provided under Sections 3, 5 and 6.

22. The Discussion Paper aims at facilitating a wider interaction with the industry and all relevant stakeholders to set up in a harmonized way all the necessary mechanisms and processes to make the P3DH functional, efficient and able to provide the maximum benefits that can be obtained from an initiative of this nature.
23. In addition, the EBA will use the feedback to this Discussion Paper as an input to the work on the feasibility report mandated under Article 434c of the CRR3. This Article mandates the EBA to prepare a report on the feasibility of the use of supervisory reporting data for the preparation of the Pillar 3 disclosures of the Large and Other institutions in order to have a process similar to the one currently envisaged for the SNCIs. When preparing the feasibility report, the EBA needs to consider the previous work of the EBA regarding integrated data collections and perform an overall cost and benefit analysis, including costs to the Competent Authorities, institutions and the EBA, and shall consider any potential technical, operational and legal challenges. While the deadline to deliver the report by the EBA is set as 36 months after the entry into force of the level 1 text, the EBA is keen to already collect feedback and anticipate some of the possible conclusions of the report.
24. The EBA would be interested in receiving feedback and views from the different stakeholders on the possible implications of extending the process of disclosure of SNCI to Large and Other institutions, taking into account the comparison between the challenges and benefits that would be associated to it. Having a good understanding of the challenges already presented in the Discussion Paper with regard to the SNCIs will certainly help in forming an opinion on how these challenges would look like in a larger scale. Specific questions on this subject are included in this Discussion Paper.

2. Process for institutions

2.1 Introduction

25. In this section, further details on the process proposed to be followed by the different type of institutions (“Large and Other institutions” and “SNCIs”) is described.

2.2 Description of the disclosure process for institutions

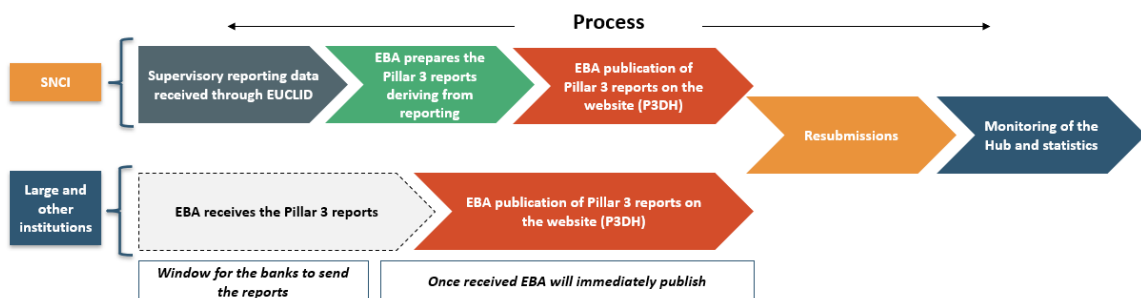
26. As explained in Section 1 of this Discussion Paper, the process applicable to an institution differs depending on its classification according to the CRR (i.e., classified as Large institution, Small and Non-Complex Institutions (SNCI) or Other institution). Following the provisions in the CRR3, there is a different process that applies to Large and Other institutions on the one hand, and to SNCIs on the other. Below, details are provided as regards these two different types of processes. In addition, for each type of process and having in mind the objectives of this Discussion Paper, an overview of the main open questions or challenges at this stage is provided.

27. In addition to the centralised publication of Pillar 3 disclosures under the P3DH, it should be noted that, under Article 434(1) of the CRR3, institutions may continue to publish a standalone document that provides all the required prudential information or a distinctive section in the financial reporting where the required prudential disclosures are easily identifiable by users. Institutions may also include in their website a link to the EBA website where the prudential information is made available in a centralised manner.

2.2.1 Overview of the processes for all institutions

28. The two different processes to be implemented are represented in the Figure below in a simplified manner. The following sub-sections will explain in detail the process for each type of institution.

Figure 3: Representation of the two processes to be implemented



2.2.2 Large and Other institutions

a. Process

29. According to Article 434(1) of the CRR3, Large and Other institutions shall submit directly to the EBA all the information required under Titles II and III in electronic format no later than the date on which institutions publish their financial statements or financial reports for the corresponding period, where applicable, or as soon as possible thereafter. Under the P3DH project, information will be submitted by the institutions for the first time directly to the EBA using user and identity management solutions, for which the EBA is currently investigating vLEI (please see Section 6 of this Discussion Paper).

30. As indicated above, institutions will have the possibility to keep disclosing the Pillar 3 information on their websites, in addition to submit it to the EBA. In both cases, and in accordance with Article 431(3) of the CRR, “Information to be disclosed in accordance with this Part shall be subject to the same level of internal verification as that applicable to the management report included in the institution’s financial report”. This means that the information that institutions will submit to the EBA in the first place and later publish on their website (if they decide to do so), shall have been signed-off by the relevant body within the institution.

31. The EBA shall publish the information submitted by the institution on its website (P3DH), including:

- a. the qualitative and quantitative information as required in Titles II and III of Part Eight of CRR, including the accompanying narrative to the quantitative disclosures (templates) as required in Article 431(4) of the CRR²⁰.
- b. the documents related to the compliance with Article 431(3)²¹ of the CRR, i.e. the key elements of the institution’s formal policies to comply with the disclosure requirements and the written attestation that the institution has followed the formal policies and internal processes, systems and controls to comply with the disclosures requirements. The written attestation constitutes evidence that the signing-off process was duly completed before the submission of the information to the EBA.

²⁰ Article 431(4) of the CRR – “All quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information that may be necessary in order for the users of that information to understand the quantitative disclosures, noting in particular any significant change in any given disclosure compared to the information contained in the previous disclosures.”

²¹ Article 431(3) of the CRR – “The management body or senior management shall adopt formal policies to comply with the disclosure requirements laid down in this Part and put in place and maintain internal processes, systems and controls to verify that the institutions’ disclosures are appropriate and in compliance with the requirements laid down in this Part. At least one member of the management body or senior management shall attest in writing that the relevant institution has made the disclosures required under this Part in accordance with the formal policies and internal processes, systems and controls. The written attestation and the key elements of the institution’s formal policies to comply with the disclosure requirements shall be included in institutions’ disclosures.”

32. As specified in Article 434(4) of the CRR3, the ownership of the data and the responsibility for its accuracy remain with the institutions that produce it, while the EBA shall ensure that the disclosures made on the EBA website contain the information identical to what institutions submitted to EBA (please see table 1).
33. In practical terms, the quantitative data to be submitted by Large and Other institutions, including accompanying narrative, would be submitted in xBRL-CSV format. For the qualitative information, the EBA would receive the full PDF report in data extractable format²² from the institutions (understood as the comprehensive report that institutions publish including all relevant Pillar 3 disclosures – qualitative and quantitative). The full PDF report will include all the sign-off relevant information (please see paragraph 31, point b). These files (xBRL-CSV and PDF report) will be published by the EBA without any transformation or further reprocessing.
34. The EBA is currently investigating on possible machine-readable formats, for the qualitative information of the Pillar 3 report, and the use of solutions that would facilitate use and comparability of information by users (like block tagging²³, etc.), but these solutions would be part of the future evolution of the P3DH, and not of the “go live” planned for 2025. Pros and cons of the different possible solutions would need to be carefully considered when designing the final solution to be implemented.
35. The EBA will republish the information submitted by the institutions (xBRL-CSV and PDF) without any transformation onto the EBA EDAP, as explained in Section 3 of this Discussion Paper. Before opening the publication to the broader public, institutions may have the opportunity to preview in EDAP the information and provide the “technical acceptance”²⁴ of the publication (signing-off of the information by the relevant management body took place previously upon submission of the information to the EBA). Once technical acceptance is done, information would be made publicly available. This would only be a technical acceptance that could be even done after uploading the information onto the EBA platform. The absence of response by the institution within the acceptance deadline could be understood as no objection to the publication and the publication could then go ahead.
36. The EBA will provide visualisation and exploration tools for transparency purposes and to facilitate comparison across institutions, countries, portfolios etc. In addition to the official information submitted by institutions and republished without any transformation, the EBA will use the information provided in xBRL-CSV and transform it into a user-friendly manner (with the same structure as in the Pillar 3 ITS). The EBA will include a disclaimer clarifying that the

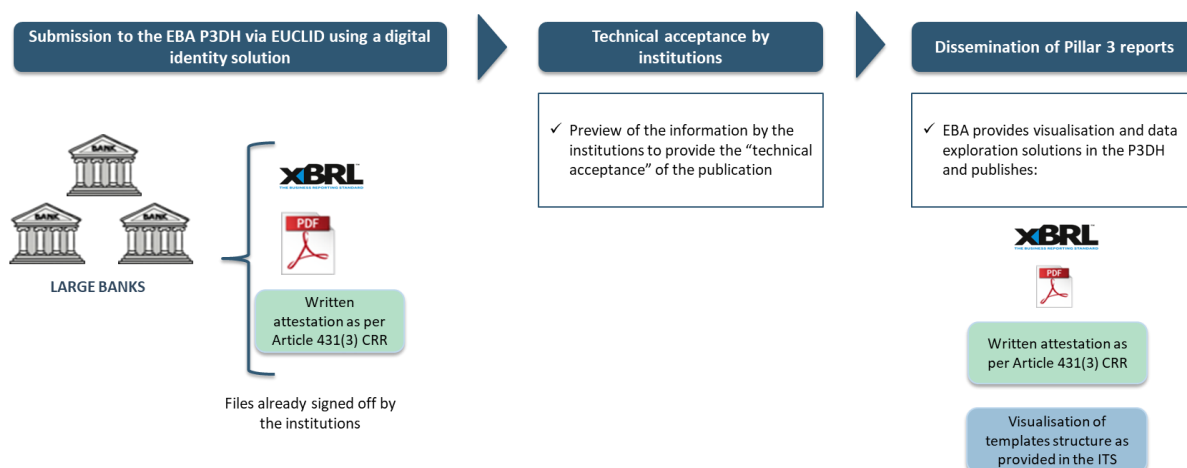
²² This means that users should be able to search for text contained in the document. In this context, for example, a text-based PDF document allowing to search for text in the document and allowing to extract the words contained in the document would be considered a data-extractable format, whereas a PDF containing the reported information as a scanned or photographed image would not fulfil the data extractable format requirements.

²³ I.e., applying xBRL tags to the specific parts of a machine-readable report so the information can be automatically “extracted” from those reports.

²⁴ “Technical acceptance” means to accept the previsualization of the publication just to confirm that the institution agrees on how the information will be visualized by the public. Technical acceptance should not be understood as a sign-off, as at this moment the documents submitted by the institution have already been signed off at the submission stage.

visualisation of the templates in the form of the ITS template structure are provided only for transparency and analytical purposes, and the official data will be that coming from the original PDF and xBRL-CSV files republished by the EBA, submitted and signed-off by institutions.

Figure 4: Process for data submission by Large and Other institutions



37. As regards the timeline for the submission of information, the EBA may not establish a specific date, as this would limit the current flexibility institutions have to make the financial information available to the market but would provide an indicative timeframe. Following an internal survey and practices observed, a possible window to receive the year-end Pillar 3 reports could be from March to end-June (i.e., a window period where the EBA would receive the vast majority of the reports and considering that the year-end is December). For the interim reports or institutions with a year-end different from December, a possible window would also be defined. To note, Article 434(1) of the CRR3 specifies that the submission of the information to the EBA should occur no later than the date on which institutions publish their financial statements or financial reports for the corresponding period, where applicable, or as soon as possible thereafter.

b. Potential main challenges

38. **Direct submission of information to the EBA** - It is the first time that this information is submitted directly from institutions to the EBA. So far, in the context of supervisory reporting and *ad hoc* data collections, the usual process is the so-called sequential approach, with a primary reporting from institutions to the Competent Authorities and a secondary reporting from the Competent Authorities to the EBA. In the case of the EBA P3DH, the submission will be done directly from institutions to the EBA. This raises challenges in terms of identification, security and management of users in charge of submitting information.

39. **Consistency of information between EBA P3DH and institutions' websites** - As indicated above, institutions may decide to keep publication on their own websites in addition to the P3DH or include a link to the EBA website (P3DH). Information published by the EBA on its website should be consistent with what the institutions publish on the respective websites, if institutions decide to do so. To prevent any inconsistencies, the files and data submitted to the EBA should be

exactly the same as those published on the institutions websites, and should be signed-off before its submission/publication in line with Article 431 of the CRR. As a reminder and as explained in the section above, ownership and responsibility on the accuracy of information remains with the institutions.

40. Consistency of information between xBRL-CSV file and PDF report - According to the process described under the above sub-section “a. Process”, institutions would submit a PDF report comprehensive of all the information to be disclosed and an xBRL-CSV file with quantitative information as defined in the templates and instructions in the EBA Pillar 3 ITS, including the quantitative figures and the accompanying narrative. Ownership and responsibility on the accuracy of these data remains with the institutions, who should ensure that data between both products is consistent. Signing-off and the written attestation, as already mentioned under paragraph 31, should serve as attestation by institutions of the consistency of the data.

41. Timeline for submission and publication - Article 433 CRR specifies that disclosures shall be published on the same date as the date on which institutions publish their financial statements (including financial reports for quarterly and semi-annual disclosures) or as soon as possible thereafter.

There is no hard deadline for the publication of the financial statements/reports and practices can significantly vary across Member-States. Defining a common timeline for the reception and publication of Pillar 3 information for all the Large and Other institutions might be challenging considering the current practices and national requirements. Another aspect that would need to be taken into account is the alignment in terms of dates between the EBA centralised publication and the possible individual publications by institutions. In practice, this means that the timeline would need to account for a (short) period of time in between the submission to the EBA and any possible individual publications. Individual publications providing information not yet centrally available in the P3DH would not be in line with the main objectives of such an initiative (P3DH should be seen as the single source of Pillar 3 information). One possibility would be to define a “window period” where the submissions would be done, to ensure that there would be a date by which information for all institutions would be available. An adequate solution needs to be found that strikes the balance between the need for flexibility, given the different practices and national requirements, and the need to give some certainty to users on when all information would be available. One relevant aspect to be taken into account in this discussion is the fact that under Article 106(1) new point aa of the CRD6 Competent Authorities can set deadlines for Large and Other institutions to submit disclosure information to EBA for its publication on a centralised manner. The concrete difficulties around this challenge for the P3DH implementation will very much depend on how the Competent Authorities will make use of this CRD provision.

42. Incorporation of audit findings - Another challenge would be the incorporation of the audit findings. While the CRR does not require the auditing of the Pillar 3 reports, this is required at national level in some Member States. Even in the cases where it is not required, audit findings could still have an impact on the disclosed information that would then be taken into account

via the resubmissions to be performed by the institutions (for more information on the resubmission policy to be developed by the EBA please see Section 7 of this Discussion Paper). The EBA believes that the window for submission of information could be defined in a way that the audit procedures will be already concluded at the date of submission (for the majority of the institutions). This rationale is valid for the Large and Other institutions only. As explained in the dedicated section below, the EBA believes that this issue may be more important for SNCIs. The possible definition of a “window period” would be relevant only for the submission of information by the institutions to the EBA. The publication would occur immediately after the submission by each institution, as soon as the “technical acceptance” step is concluded.

43. Language and currency of publication - Following an internal survey conducted by the EBA, it seems that there is generally the national requirement for institutions to publish their Pillar 3 report in the national language. Feedback on this point would very much welcomed to understand in the case of Large and Other institutions if publications are performed in the national language only, or in both English and national language. PDF reports could be submitted on one, the other or both languages. The xBRL-CSV taxonomy is defined in English, but the narratives can still be submitted in the national language, English or both. Likewise, the publication would then be done in accordance to what is submitted by the institution. The data visualisation/exploration tool that the EBA would develop would be provided in English only. While this issue may be more relevant for SNCIs, where the EBA would be in charge of producing the information, it would be good to understand if this can be an issue also in the case of Large and Other institutions. As regards the use of the national currency for disclosure purposes, when applicable, it would need to be clear to users which is the currency of the quantitative data made available. This is something that will be kept in mind when developing the visualisation / exploration tool.

44. Other requirements by Competent Authorities - Under the CRD6²⁵, Competent Authorities can require institutions to publish information referred to in Part Eight of Regulation (EU) No 575/2013 more frequently than prescribed in Articles 433, 433a, 433b and 433c. In case this is required, it would naturally pose additional challenges as, for instance, on the definition of a timeline for submission and publication given that the practices at national / Competent Authorities level might be quite divergent. This challenge is expected to be less relevant for Large and Other institutions than for SNCIs, given that the majority of the Large and Other institution are expected to be under the same Competent Authority, which would in principle mean a higher level of harmonisation in terms of requirements.

c. Feasibility study

45. Article 434c of the CRR3 includes the mandate for the EBA to prepare a report on the feasibility of using information reported in accordance with Article 430 of the CRR by institutions other than SNCIs to calculate the Pillar 3 information on their behalf and publish it on the EBA website, following a process similar to that envisaged for SNCIs. While the deadline for the EBA to fulfil

²⁵ Article 106(1), point a of the CRD6.

this mandate is 36 months after the entry into force of the CRR3, the EBA is very interested on start receiving the industry views on this topic. To note, on the basis of this report, the European Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

46. This section highlights the main aspects that such an approach for Large and Other institutions would entail and encourages respondents to this Discussion Paper to provide their views on whether they would agree with this direction or whether they would have any concerns, if they see a way on how to overcome the main challenges, on how the process could be articulated should it be assessed as feasible and on the advantages of such a process. It is worth noting that, in terms of technical capability, it would be possible to derive the quantitative disclosure data for institutions other than SNCIs based on their supervisory reporting, leveraging on the process that the EBA will need to set up for SNCIs and on the mapping tool that provides and will continue to provide the formulas and calculations on how the data should be derived for all the templates at stake.

47. A harmonised process to derive quantitative Pillar 3 information and a centralised computation of the respective figures brings naturally some benefits. The most immediate one would be the full alignment between the supervisory reporting data and the Pillar 3 quantitative information. These benefits should be assessed in conjunction with the main potential challenges or difficulties that might be faced when implementing such a process. In the following paragraphs, these aspects are presented in detail in order to promote the discussion and collection of views.

Technical and operational potential main challenges

48. The disclosure requirements specified in the level 1 legal text are proportionate to the size and complexity of the obliged institutions. As such, SNCIs are required to disclose a relatively low number of templates, containing quantitative information, and a low number of tables, containing qualitative information, when compared to other type of institutions. Only other non-listed institutions share a similar level of requirements to the SNCIs one. On the contrary, the amount and type of information required to be disclosed by Large and Other institutions is significantly higher (please see table 2 below) when compared to SNCIs.

49. To recall, the process of verification is still necessary as the institutions are the ones that are responsible and have ownership over the data (Article 7 of the Transparency Directive²⁶) as also reiterated in the CRR3 (Article 434 (4)). As explained under the above sub-section “a. Process”, Pillar 3 reports are subject to the same level of internal verification as that applicable to the management report included in the institution’s financial report (Article 431(3) of the CRR).

²⁶ Member States shall ensure that responsibility for the information to be drawn up and made public in accordance with Articles 4, 5, 6 and 16 lies at least with the issuer or its administrative, management or supervisory bodies and shall ensure that their laws, regulations and administrative provisions on liability apply to the issuers, the bodies referred to in this Article or the persons responsible within the issuers.

50. The scope of information to be disclosed will increase following the CRR3, for instance, by the addition of information on Non-Performing Loans (4 templates under the current *EBA guidelines on Non-Performing Loans disclosures*) and for ESG²⁷ for certain type of institutions.

Table 2: Amount of information to be disclosed under the EBA Pillar 3 ITS ⁽¹⁾

	G-SIIs	Large institutions with listed instruments	Large non-listed institutions	Other listed institutions	Other non-listed institutions	Listed SNCIs	Non-listed SNCIs
No. of tables qualitative information	25	25	22	22	8	6	0
No. of templates quantitative information	87	82	70	70	8	6	1
Frequency	Annual, semi-annual or quarterly	Annual, semi-annual or quarterly	Annual, semi-annual (KM)	Annual, semi-annual (KM)	Annual	Annual, semi-annual (KM) ⁽²⁾	Annual

(1) This table covers requirements under CRR2, not including the new requirements under CRR3 or provisions under the Guidelines on NPLs (EBA/GL/2018/10).

(2) Under CRR3, semi-annual disclosures for Listed SNCIs will be annual.

51. **One of the potential main challenges that this change in the process will lead to relates to the possibility to omit information based on the principle of materiality, and confidential or proprietary nature of that information, in accordance with Article 432 of the CRR. Under a centralised process, this may be difficult to account for. Furthermore, ways should be found to comply with the requirement specified in Article 431(3) that institutions need to verify that their disclosures convey their risk profile comprehensively to market participants and to publicly disclose the necessary additional information otherwise.** The supervisory reporting framework does not consider materiality, confidentiality or proprietary aspects nor the possibility to submit additional data. Instead, all institutions would have the same set of information, breakdowns and granularity in all cases.

52. **Another potentially relevant main challenge is related to the possible extended timeline or even delays in the disclosure process. In addition, possible increased efforts will be observed in case the process of deriving the quantitative templates (centralised) is separated from the process of producing the narrative accompanying those templates.** As previously mentioned, all quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information that may be necessary for users of that information to understand the quantitative disclosures and changes between disclosure periods. The process to get this narrative, if it is the EBA who calculates the quantitative figures to be explained, is expected to be lengthier in the case of Large and Other institutions given the amount and complexity of the information to be disclosed. The required frequency of disclosures would, in principle, also represent increased efforts to comply with the respective timeline.

²⁷ Where the principle of proportionality has to be considered.

53. Deriving disclosure figures for Large and Other institutions, via an automated process from reporting data, would lead to the need to define fixed timelines, possibly linked with those established for supervisory reporting. The timeline flexibility for disclosures is seen as a valuable option for both institutions and Competent Authorities. This is especially relevant in stressed times and may be more important for listed institutions. In addition, Competent Authorities' discretion in requiring additional or more frequent disclosures may be limited by operational aspects. In an automated process for deriving data, the disclosure timelines will most probably be linked with the supervisory reporting timelines possibly limiting institutions' autonomy to disclose earlier information to interested public / investors or losing control over the information that is made public. Such timeline would need to be defined in the Regulation.

54. The results of the auditing procedures would be difficult to be considered in an automated centralised process. Should auditors require certain changes to be performed that would lead to changes in disclosure data, this would only be possible to be implemented if reported data is resubmitted on time for disclosure deadlines.

55. Publications in different languages may represent a challenge in the case of Large and Other institutions preparing disclosures in the national language only, as the EBA would produce the data solely in English.

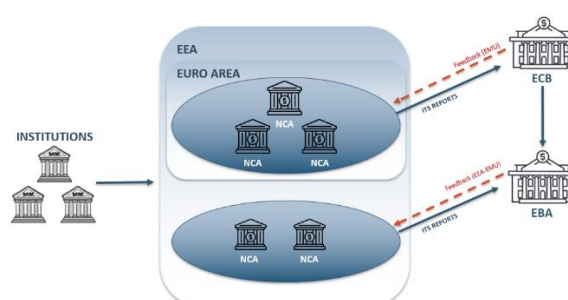
2.2.3 Small and Non-Complex Institutions (SNCIs)

a. Process

56. According to Article 434(3) of the CRR3, the EBA shall publish on its website the Pillar 3 disclosures required by SNCIs on the basis of the information reported by these institutions to the respective Competent Authorities, in accordance with Article 430. In other words, the data to be used by the EBA to prepare the SNCIs' Pillar 3 quantitative disclosures (please see Annex I of this Discussion Paper) will be the supervisory reporting data.

57. As regards the collection of the supervisory reporting data, the EBA intends to follow the process currently in place with no changes expected. As such, the SNCIs would continue to fill in the reporting templates and submit the respective files following the established sequential approach (i.e., submission via the Competent Authorities to the EBA EUCLID data infrastructure, subject to the quality checks processes already in place).

Figure 5: Illustration of the sequential approach to supervisory reporting data



58. Following the reception of the supervisory data, the EBA would perform the required aggregations and calculations also making use of the mapping tool (reporting – disclosure templates). Under the new rules, the mapping tool assumes an increased importance. Further information on the mapping tool can be found under Section 7 of this Discussion Paper.

59. As regards the requirements on qualitative disclosures and the narrative accompanying the quantitative templates, a concrete process would still need to be defined.

60. In addition, Article 431(3) of the CRR requires information to be disclosed in accordance with Part Eight of the CRR to be subject to the same level of internal verification as that applicable to the management report included in the institution's financial report, and the process to ensure compliance with this legal requirement has to be articulated (please see sub-section 2.4 for more detailed information on the sign-off process).

b. Potential main challenges

61. **One of the main challenges related to the process of disclosing the SNCIs Pillar 3 reports is the preparation of the qualitative tables and the accompanying narrative to the quantitative figures (i.e., the qualitative information).** The EBA will be computing the quantitative figures of the Pillar 3 templates on the basis of the supervisory reporting data, but it is also necessary to set up a process for the required qualitative information. This process should, in principle, not impose further burden to the SNCIs but should, at the same time, ensure that this qualitative information is available for centralised publication. A well-balanced approach having in mind proportionality considerations and taking all the possible benefits from the P3DH would need to be designed. The EBA strongly believes that the feedback to this Discussion Paper will be of the utmost importance to achieve this objective.

62. **A second main challenge would be related to the signing-off of data / Pillar 3 information to be disclosed as required in Article 431 of the CRR.** Such a process should also consider proportionality in order to make sure it is not too heavy and difficult to implement. Signing-off should be performed on an agile manner without penalizing the accuracy of data. Sub-section 2.4 of this Discussion Paper includes further considerations on the sign-off process. As for the topic covered in the previous paragraph, feedback from the industry on this matter is key.

63. **Timeline for disclosure** - Disclosure requirements for SNCIs are established with a lower frequency and offer greater flexibility when compared to the Large institutions. Defining a fixed common date for the publication of data for all the SNCIs will be needed, but careful consideration has to be devoted in order to define which would be the most appropriate date / timing to have relatively stabilised supervisory data when the publication occurs. The definition of this date will need to take into account the different type of challenges described in this sub-section, as for instance the incorporation of the audit findings. One possibility would be to define deadlines linked to the supervisory reporting ones, but this would need to ensure that institutions would not lose control / track of the data that is being made public and would not interfere with the flexibility in terms of timing that currently institutions have in providing

information to the market. Aspects like institutions having a year-end different from December would also need to be taken into account when defining the timeline for disclosures.

- 64. Mitigation of the risk of errors in calculations** - For SNCIs, the required disclosure data is limited to a relatively reduced list of key metrics and templates. This means that while a centralised and automated calculation of the disclosure figures would be relatively straightforward, there are still some risks to be mitigated as regards the possibility of existence of errors in those calculations. The EBA will naturally implement validation mechanisms, but the sign-off of centrally calculated data by the SNCIs might be necessary to ensure accuracy and completeness of the data disclosed. This adds to the ownership of the data, that legally belongs to the institutions (please see sub-section 2.3 for more details on this matter). In addition, if deadlines for publication are established, as previously mentioned, enough time for validation would need to be given to institutions without posing major risks in terms of publication delays.
- 65. Signing-off** - Alternatively, given that the calculations rely on the mapping tool and that the scope of disclosures for SNCIs is much narrower than for the rest of institutions, a possibility could be that institutions “sign-off” the mapping tool calculations. A thorough testing process should be defined in this case in order to ensure there are no errors in the mapping. Calculations would be based on the signed-off version. All legal implications would need to be properly assessed.
- 66. Absence of related supervisory reporting requirements and related data** – If the necessary supervisory reporting data is not available to compute de disclosure figures, it would not be possible to the EBA to calculate the disclosure figures centrally. In this sense, it is of the utmost importance to guarantee that all the data is submitted by the institutions and that the reporting templates required to be submitted include all the needed quantitative information to perform this computation.
- 67. Language of the disclosures** - Pillar 3 disclosures have to be provided in the national language. In the case of SNCIs, this seems a more relevant issue (when comparing, for instance, to Large institutions) due to the fact that the EBA is in charge of producing these disclosures and also because of the relative importance of the regional investors.
- 68. Challenges regarding the possibility to omit non-material, confidential or proprietary information, or in case institutions assess that they need to provide additional information to convey their risk profile**, as explained in Sub-section 2.2.2 (point “c. Feasibility study”) above.
- 69. Incorporation of audit findings in those Member-States where it is mandatory for Pillar 3 report** or, when not mandatory, audit findings in financial statements may have an impact on Pillar 3 data. Normally, audit conclusions for less complex entities are known later in the year due to the common national practices of having widened legal deadlines. These audit findings could have an impact on the disclosed information that would then be taken into account via the resubmissions to be performed by the institutions. The main challenge in this case would be to ensure that the data published by the EBA at a certain specific date (if finally a common date

for SNCIs disclosures is established) is not questioned or deemed inaccurate due to the pending audit procedures that could end up in an expectation of the EBA systematically receiving a significant amount of resubmissions later in the year (i.e., after the centralised publication takes place). This could put at stake the main benefits and objectives of this centralised process.

70. Other requirements by Competent Authorities - Under the CRD6²⁸, Competent Authorities can require institutions to publish information referred to in Part Eight of Regulation (EU) No 575/2013 more frequently than prescribed in Articles 433, 433a, 433b and 433c. In case this is required, it would naturally pose additional challenges as, for instance, on the definition of a timeline for submission and publication given that the practices at national / Competent Authorities level might be quite divergent.

Table 3: Summary of the main obligations, requirements and mandates

Addressees	Obligations/Requirements/Mandates
<p>ALL institutions (Large, SNCIs, Other)</p>	<ul style="list-style-type: none"> ▪ In addition to the centralised publication to be performed by the EBA, Institutions may also publish their Pillar 3 report as a standalone document or as a distinctive section or appendix to their financial statements and/or include in their website a link to the EBA website (Art. 434 (1)) ▪ Ownership of the data and the responsibility for its accuracy remain with the institutions that produce it (Art. 434 (4))
<p>Large institutions and other institutions</p>	<ul style="list-style-type: none"> ▪ Institutions would need to submit to the EBA all the information required under Titles II and III of Part Eight of CRR in electronic format (Art. 434 (1)) ▪ Institutions have the right to resubmit Pillar 3 disclosures to EBA. (Art. 434 (1)) ▪ The data will need to be submitted no later than the date on which institutions publish their financial statements or financial reports for the corresponding period, where applicable, or as soon as possible thereafter. If the financial reports are published before the submission of information in accordance with Article 430 for the same period, disclosures can be submitted on the same date as supervisory reporting or as soon as possible thereafter. If disclosure is required to be made for a period when an institution does not prepare any financial report, the institution shall submit to EBA the information on disclosures as soon as possible following the end of that period. (Art. 434 (2)) ▪ By way of derogation of 434 (1) and 434 (2), institutions may submit the information required under Article 450 to EBA separately from the other information required under Titles II and III no later than within

²⁸ Article 106(1), point a of the CRD6.

two months after the date on which institutions publish their financial statements for the corresponding year (Art. 434 (2a))

2.3 Responsibility of the data

71. As previously mentioned in this Discussion Paper, even if under this new setting of having a P3DH centralising all the prudential disclosures, the ownership of the data and the responsibility for its accuracy remains with the institutions as per:

- a. Article 434(4) of the CRR3, also in line with a provision already included in Article 7 of the Transparency Directive;
- a. Article 431(3) of the CRR, establishing that Pillar 3 reports are subject to the same level of internal verification as that applicable to the management report included in the institutions' financial reports. A written attestation and the key elements of the institution's formal policies to comply with the disclosure requirements shall be included in institutions' disclosures.

72. Ensuring that the information submitted to the EBA is consistent with the one published on the institution's website, if decided to do so, remains a responsibility of the institution. As mentioned before, errors of this nature could generate doubts on the benefits and usefulness of having a centralised source of information.

73. In this sense, the EBA will include an appropriate level of disclaimers when publishing the information. However, the P3DH should be seen by its users as a reliable and unquestionable source of information. Institutions will be strongly encouraged to design and implement control mechanisms to prevent any type of inconsistencies between the two sources of information. This is valid for the two types of processes as all the institutions, independently of its category or process followed, may decide to continue publishing a standalone document²⁹ on their websites.

2.4 Sign-off and validation process by institutions

74. Large and Other institutions will be expected to submit the information required under Part Eight of the CRR through the xBRL-CSV and PDF files, together with the written attestation mandated in Article 431 of the CRR, information that will be republished by the EBA without any transformation. This information should be subject to internal verification, as required in Article 431 of the CRR. The signing-off of the files by institutions upon submission shall be the confirmation of the requirements' verification (written attestation). The EBA shall ensure that the disclosures made on the EBA website contain the information identical to what institutions

²⁹ Please see Article 434(1) of the CRR3.

submitted, as required in Article 434 of the CRR3. Prior to the publication, institutions will have the opportunity to preview the information for technical acceptance.

75. In addition to the official information submitted and signed-off by the institution and that is published without any transformation or reprocessing, the EBA will provide analytical tools for transparency purposes and to facilitate comparison across institutions, countries, portfolios etc.

76. As mentioned before, for SNCIs, the figures to be disclosed will be centrally computed by the EBA based on the supervisory reporting data. Having in mind the reduced number of requirements to these institutions (when compared to Large institutions) and the lower frequency imposed for those disclosures associated to some flexibility as regards its publication, a simple and straightforward sign-off process is desirable. The feedback received to this Discussion Paper will be key to properly design this process, always having in mind that it should not involve a high level of complexity and should release the burden from an institution's perspective.

Questions for discussion:

Questions for Large and Other institutions

General

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

Sign-off

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?

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?

Submission/publication date

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?

Questions on qualitative information

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

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?

Question on future feasibility study

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.

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.

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?

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?

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)?

Questions for SNCIs

General

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.

Submission of qualitative information

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.

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?

Sign-off of Pillar 3 reports

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

Timeframe for publication

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?

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?

Language of disclosures

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?

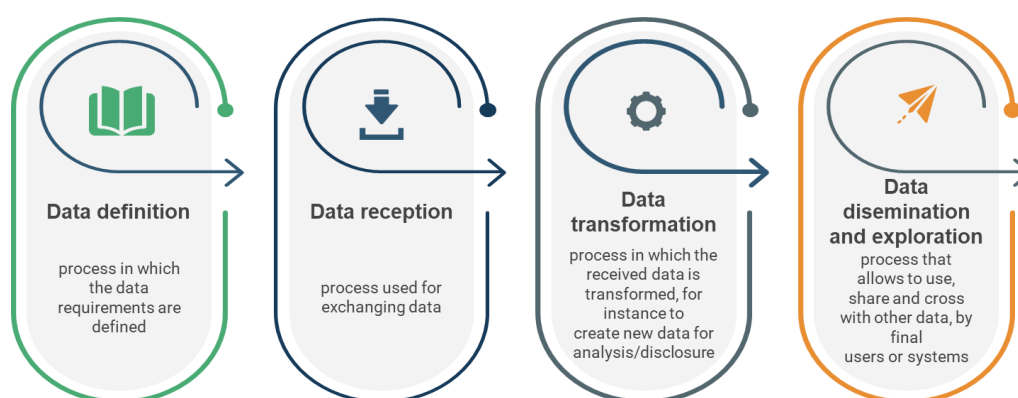
Final question on this section (for all institutions)

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?

3. EBA process for P3DH

77. From the EBA side, there are also a number of processes and solutions that need to be developed to have the P3DH fully functional by 2025. The figure below provides a description on how the EBA intends to develop the P3DH and what are the necessary tools to be used for that purpose. The process is described from a data management perspective, from the data definition process to the data exploration.

Figure 6: EBA process for the P3DH



3.1 Data definition for Pillar 3 disclosures

78. The EBA already provides the comprehensive Pillar 3 ITS, templates and instructions for the preparation of the Pillar 3 disclosures. In addition, to facilitate the definition of the correspondence between the reporting templates and the disclosure templates (quantitative data), the EBA has been publishing a mapping tool on its own initiative.

79. With the new P3DH process, the EBA needs to define not only the Pillar 3 ITS, templates and instructions, but also to provide technical documentation for the Pillar 3 templates implementation by institutions. The technical documentation provided by the EBA consist of validation rules, the EBA Data Point Model(s) (DPM) as well as the XBRL Taxonomies.

- a. Validation rules: a file with all the validation rules associated with a framework release. As Pillar 3 data will also be part of a framework release, the validations will be provided also in this technical file and aim to assist institutions in the preparation of their Pillar 3 reports. For Large and Other institutions, this could be used as an additional support when preparing the Pillar 3 reports. The same is valid in the case of SNCIs, where validation rules will support the EBA process for preparing the Pillar 3 reports based on supervisory reporting data.
- b. Data point Model: the EBA aims to follow the same approach as for the reporting data by making use of the Data Point Model data dictionary which has proved to

be a useful standard for preparing supervisory reporting and could be used for the preparation of the disclosures needed for the purposes of the P3DH. Further information on the use of DPM for the P3DH is provided under Section 5.2.

- c. XBRL taxonomies: presents the data items, business concepts, relations and validation rules described by the DPM in the technical format of a XBRL taxonomy. The EBA will provide the taxonomy technical documentation as the Pillar 3 quantitative data will be received in the same format as it is currently being widely used for supervisory reporting (XBRL-CSV). Further information on the use of data extractable formats is provided under Section 5.3.

80. The possibility of developing, at a later stage, a signposting tool for Pillar 3 disclosures will be further explored by the EBA, as this tool would be useful to identify the disclosure requirements per type of institution.

3.2 Data reception

81. To ensure that data are submitted, recorded and managed in the most efficient way, the EBA aims to leverage on the European Centralised Infrastructure of Data (EUCLID) for the reception of the Pillar 3 reports.

82. As indicated under Section 2, the process for obtaining the Pillar 3 information and its publication on a central data hub will be different for SNCI and for Large and Other institutions. In the case of the Large and Other institutions, it is expected that they submit the Pillar 3 reports directly to the EBA through EUCLID³⁰ while for the SNCI, the Pillar 3 reports will be prepared by the EBA based on supervisory reporting information already stored in EUCLID.

83. With regard to the files expected to be received through EUCLID, it is expected to receive XBRL-CSV files for the quantitative data provided by Large and Other institutions. Qualitative information and the Pillar 3 report would be received, in a first stage, in PDF (data extractable format). However, on the qualitative information, the EBA is still investigating possible ways to receive this information in the future on other data extractable format like block tagging.

84. In order to be able to receive the files in EUCLID, the EBA will develop and put in place the necessary processes to allow the identification of institutions required to submit this information.

85. The EBA shall set up a process and an organisational digital identity solution to allow the submission to EUCLID by creating a:

³⁰ It will be the first time that institutions will be submitting information directly to the EBA, as in supervisory and resolution reporting the EBA follows a sequential approach, where information is submitted to competent authorities by institutions and from competent authorities to the EBA.

- a. bank users' registration, that ensures an efficient management identification management of the Large and Other institutions.
- b. bank user authentication, to identify who is acting in the name of the institution and ensure a verifiable identification of the institutions in a secure manner.
- c. bank user roles, to ensure a person's identity and the role that the person plays for the institution (for instance to develop a data submitter role for Pillar 3 submissions in EUCLID or to identify the identity of the person signing off the Pillar 3 reports).

86. The identification will also support the need for attesting the verification by institutions of the Pillar 3 reports, and all reports should be signed-off when submitted to the EUCLID platform.

87. To guarantee the data reception of the Pillar 3 reports, the EBA will update the necessary processes to include the information in EUCLID, this means to:

- a. update the master data system, defining which are the institutions and groups for which the data is expected.
- b. Update for each entity the reporting obligations and the calendar for the submissions, defining the templates that have to be reported and when the reported values are expected.
- c. Monitor the alignment between the reporting obligations and the filing indicators that are filled by the entities to indicate which templates are intended or not to be submitted.

88. The EBA expects to rely on the current information already contained in EUCLID in terms of master data and to extend the scope to the Pillar 3 scope of entities if necessary, by working together with competent authorities and institutions.

3.3 Data transformation

3.3.1 SNCI: calculations and data validations

89. For the SNCI and as described in Section 2, the EBA will derive the disclosure data based on the supervisory reporting data contained in EUCLID.

90. For preparing the Pillar 3 reports, the EBA will make use of the validation rules published in the technical package and the mapping tool. However, this process needs to be automated to avoid the risk of operational errors. The EBA is currently developing a calculation engine that will be used for the transformations of the supervisory data in disclosures data.

91. The EBA still needs to investigate on how to perform the calculations for some disclosure data points that currently cannot be derived from the reporting data. The EBA expects to achieve

further alignment among the ITS on reporting and the Pillar 3 ITS during the review of the ITS due to the CRR3, which will reduce the risk to have information that cannot be derived from supervisory reporting.

3.3.2 Large and other institutions: technical validation of files received

92. In the case of Large and Other institutions, the EBA will publish the xBRL-CSV files and PDF reports as received by the institutions without any data transformation. Once the files are received, the EBA will perform automated validations verifying that the information has been submitted using the correct IT formats (xBRL-CSV and PDF in a data extractable format).

3.4 Data dissemination and data exploration

93. For the dissemination of the information collected in EUCLID, the EBA is currently designing the EDAP. The Pillar 3 information provided by institutions will be made public via this dissemination portal. The EBA expects to publish in EDAP the xBRL-CSV files provided by the institutions and the PDF report containing the full Pillar 3 information, including the written attestation as per Article 431(3).

94. In addition to the official information provided by the institutions in the xBRL-CSV and the PDF files, the EBA will provide, for transparency and usability purposes, visualisation and exploration tools. In this sense, once the xBRL-CSV files are received, the EBA will provide a better visualisation of the files by transforming the xBRL-CSV format into the structure of the template as provided in the Pillar 3 ITS. For this purpose, the EBA will test possible solutions like the DPM studio or power BI. Further information on DPM studio is provided under Section 5.2. The EBA plans to perform the transformations as soon as the files are submitted via EUCLID, so the whole set of information is ready to be provided in the dissemination platform including the official xBRL-CSV and PDF files.

95. The EBA will provide information about the submission and resubmission dates in the portal as well as assess additional solutions for the visualisation and exploration of the data provided in the P3DH. The EBA will also provide downloading functions so that data can be downloaded by the users to perform their own analysis. The EBA will use business intelligence solutions like power BI.

3.5 Quality assurance

96. As explained throughout this document, according to the CRR, institutions have the obligation to set up processes and formal policies for compliance with Pillar 3 requirements. The information to be disclosed has to be subject to the same level of internal verification as that applicable to the management report. The CRR also indicates that the responsibility of the data remains with institutions. Furthermore, Competent Authorities shall cover under their supervisory review and evaluation process the review of all requirements specified in the CRR and in the CRD, including the Pillar 3 disclosure requirements. In this sense, the role of the

Competent Authorities as regards the verification of compliance with the requirements will not change. The centralised publication of Pillar 3 information will allow and facilitate access to the data using a single source of information.

97. From the P3DH perspective, and in the case of Large and Other institutions, this means that the EBA, when receiving the data, will publish it without transformation or quality checks, in order to comply with the objectives of transparency and promoting market discipline and relying on the institutions obligation to provide accurate data.

3.6 Archiving of information

98. As regards the archiving of information, Article 434 (4) states that the EBA shall keep the archive with Pillar 3 data accessible for a certain period of time. This period of time shall be no less than the storage period set by national law for information included in the institutions' financial reports. Feedback on this national law specification as regards the number of years would be very much welcomed.

Questions for discussion:

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

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?

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

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?

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?

4. Process for users of Pillar 3 data

99. Under Section 3 of this Discussion Paper, the EBA process for P3DH is explained in detail. As mentioned, the Pillar 3 information for all EEA institutions will be made available on a systematized manner via the dissemination portal (EDAP). Section 2 describes the processes for institutions. In the current Section 4, the EBA is describing processes and aspects relevant from the perspective of the users of information to get feedback from them on what they would expect from the tool.

4.1.1 Timeline for availability of information

100. Institutions are required to disclose their Pillar 3 reports together with their financial statements or as soon as possible thereafter. Currently the EBA observes a big variety of practices across the different institutions on when this happens. In the section dedicated to the processes for institutions this is explained and there are related questions to the industry. The EBA would like to understand the users' views on how the timeline for availability of information could be defined.

4.1.2 Visualisation and exploration of information

101. Users of information will have access, in the EBA dissemination portal, to the information as submitted by the institutions, including a comprehensive PDF report with all Pillar 3 information and the quantitative information in XBRL-CSV machine readable format that should facilitate the handling of the quantitative data by users.

102. In addition, the EBA will generate the Pillar 3 templates with the quantitative data included in the XBRL-CSV files in a user friendly visualization format. Visualisation and exploration tools will be also made available to users, to facilitate comparison of information across institutions, disclosure periods, or at more aggregate level (country of the bank, of the exposures etc.). The available tools would evolve over the time, and most likely be more plain and simple when the P3DH is launched, but the intention would be to provide at some point something similar to the type of interactive tools that the EBA is currently providing as part of the annual transparency exercise³¹.

103. Furthermore, the EBA understands that users may be interested on bulk downloading options, to create their own comparisons, charts, etc.

104. At this stage, it would be relevant to better understand what type of tools, search, visualization and downloading features would be more useful from the users' perspective to

³¹ <https://www.eba.europa.eu/risk-analysis-and-data/eu-wide-transparency-exercise>

perform their own analysis. The use of application programming interface (APIs) could be further explored by the EBA, also depending on the feedback received from the industry.

Questions for discussion:

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.

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?

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?

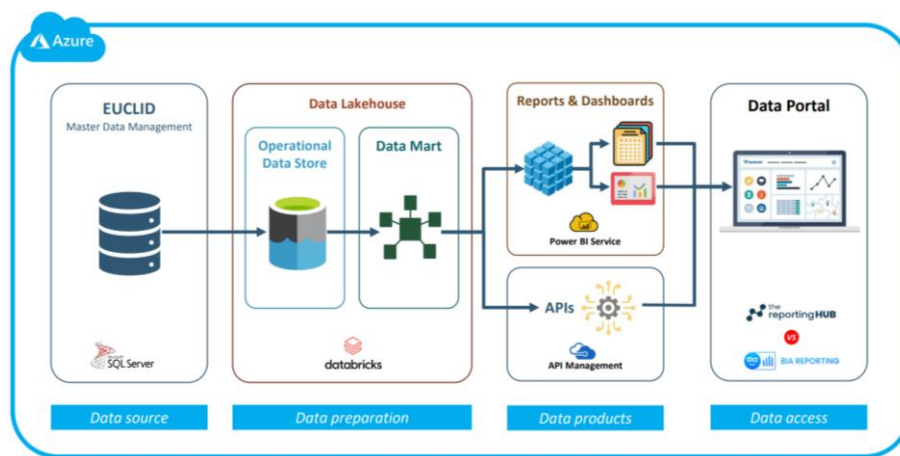
5. P3DH and synergies with other projects

105. As part of the EBA data strategy,³² data dissemination is one of the key milestones to provide transparent and reliable information to the various stakeholders. The EBA has been developing some tools that build on the EUCLID infrastructure. The P3DH relies on the development and implementation of other IT solutions that will allow the EBA to provide better processing and visualisation means of the prudential disclosures. The progress on the development of the IT solutions and processes described in this section of the Discussion Paper is key for the P3DH implementation.

5.1 The European Data Access Portal

106. The current EUCLID infrastructure provides a technical solution that facilitates a single-entry point for data reporting based on harmonised specifications for a streamlined data-collection process. As a result, EUCLID permitted the continuous increase in the data collected – in number, volume, variability and speed – making the EBA the de facto data hub for European institutions and financial data. The next step is to ensure all stakeholders (internal and external) can benefit from this data by making it more accessible, understandable and valuable to all. To do this, the EBA started developing and implementing the European Data Access Portal (EDAP), which will not only support decision-making and improve the quality of decisions made by all stakeholders but will also ultimately increase transparency and accountability of the European banking sector. Therefore, the EDAP is also becoming the instrument to publish the Pillar 3 disclosures on a centralised manner as required by the CRR3.

Figure 7: European Data Access Portal (EDAP)



³² For further reference, details on the development of the EBA data strategy are provided under Activity 15 of the [2023 EBA Work Programme.pdf \(europa.eu\)](#)

107. The EDAP focuses on the establishment of a data dissemination product, having as main goal the autonomously browse, access and download of data through the portal. The available features will naturally depend on assigned access rights to the user. Some users may export the content (data sets only) from the platform for offline integration and offline analysis with other data sets in the available tools (Excel, SSBI, SAS, PowerBI). The EBA is currently working on the EDAP implementation and it is expected that it will be ready on time to serve the P3DH objectives.

5.2 Data Point Model 2.0 and DPM studio

108. The Data Point Model (DPM) is used by the EBA as a key component of the data dictionary. The DPM is used, in different ways, by both policy and IT experts involved in the regulatory data processing chain, from data exchange harmonization to data analysis and dissemination. The existence of the DPM streamlines the processes and promotes systems interconnection, which is of the utmost importance when it comes to regulatory data within and across institutions.

109. In the last decade, the DPM methodology has successfully supported the EBA in integrating the reporting frameworks. DPM has been used by the EBA as a standard to support the preparation and the use of regulatory reporting data by providing a structured representation of the information, identifying all the business concepts and their relations, as well as validation and calculation rules.

110. The EBA is currently moving from the current version of DPM 1.0 to DPM 2.0³³. The DPM Refit is the joint response to the challenge of increased volume, granularity and complexity of the data and aims at reaping the benefits of stronger collaboration and a higher degree of harmonisation. The DPM 2.0 model centric approach is defined as a collection platform that has validating engines transforming the data, which can be explored and disclosed through BI and Portals. The updates introduce enhanced flexibility for various data types, an advanced business expressions language and standardized methodologies.

Figure 8: Data Point Model (DPM) 2.0



³³ DPM 2.0 is a joint initiative among EBA and EIOPA, it has already been completed and documentation has been published on the EBA website.

111. DPM has been mainly used when developing the reporting frameworks. As regards the development of the P3DH, there is also a need to standardise the information in a harmonized manner to facilitate the dissemination of comparable information in the hub. For this reason, DPM seems to be a useful standard for the preparation of the disclosures concepts and definitions needed for the purposes of the P3DH. It would (i) ensure consistent modeling, covering the entire data lifecycle with data lineage, (ii) facilitate diverse data integration and (iii) streamline the process by minimizing complexity and redundancy.
112. In terms of timeline, the EBA expects to start using the DPM 2.0 in 2024, with a transition period where the DPM releases are published both in the old (DPM 1.0) and new formats (DPM 2.0).
113. The Pillar 3 templates will be modeled using the DPM 2.0. A first set of templates has already been modeled using the current DPM 1.0 and can be found on the EBA website under the reporting framework 3.3³⁴. The disclosure templates added under reporting framework 3.3 are a subset of Pillar 3 disclosure templates used for the pilot exercise under the P3DH project. This exercise counts with a small sample of Large and Other institutions that have volunteered to participate in the exercise and has as main objective the testing of the most relevant IT tools to be used in the P3DH implementation. The results of this pilot exercise will be taken into account when finalizing the respective regulatory product on the P3DH.
114. In addition, the EBA is developing in parallel the DPM Studio, which is a project that will provide a robust solution for the management of business templates, instructions and Q&A, DPM releases, validation rules and XBRL taxonomy. It is estimated that the DPM studio will be ready to be used in 2024. Further developments to support the P3DH requirements will be completed in 2024 as well.

5.3 Data exchange formats

115. The EBA is scheduled to phase out the XBRL-XML data exchange format by 2025, coinciding with the implementation of the P3DH. Given that XBRL-CSV is the designated strategic data exchange format by the EBA, institutions are required to collect data in this format. This enables a simplified and user-friendly method for filing, enabling easy capture of data points through datapoint IDs and corresponding values. To put it into numbers, xBRL-CSV files are only around 5 % in volume of a xBRL-XML file.

5.4 Links with ESAP

116. The P3DH development will occur in parallel with the discussions on the developing of the European Single Access Point (ESAP) that will centralize disclosures for all type of financial and non-financial companies at EEA level, including Pillar 3 disclosures under the scope of the P3DH.

³⁴ [Reporting framework 3.3 | European Banking Authority \(europa.eu\)](#)

117. While the details of the ESAP Regulation are still under discussions it is expected that EBA will be the collection body for the Pillar 3 disclosures of institutions for ESAP purposes and therefore in addition to disseminating the disclosures on its website the EBA will have to make available the collected data to ESAP as well, following the required specifications. While ESAP will most likely apply only a couple of years after the P3DH should be up and running, when developing the P3DH the EBA will need to consider ESAP needs.
118. Given that the P3DH has a tighter deadline for implementation than ESAP, the specifications for P3DH should not be delayed irrespective of possible synergies with ESAP.

Questions for discussion:

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

6. vLEI: EBA use case for regulatory reporting³⁵

6.1 Background

119. Pillar 3 information will be collected by the EBA through EUCLID, the data infrastructure developed and used by the EBA to gather from respective CAs (Competent Authorities) regulatory data for a wide range of financial institutions. These entities are identified in EUCLID using the LEI (Legal Entity Identifier)³⁶, a 20-character, alpha-numeric code, based on the ISO 17442 standard, which enables clear and unique identification of legal entities participating in financial transactions. The LEI is an identifier and not an ‘authenticator’, which means that the binding link between the identifier (the entity) and the individual acting on behalf of it and presenting the LEI must be verified separately.

120. The current process of the user management established for EUCLID has proved to work well for the current supervisory and resolution data collections processes, as the EBA receives information from the Competent Authorities, i.e., following the previously mentioned “sequential approach”. However, for the Pillar 3 data hub, the EBA will collect data directly from the institutions in the EEA (European Economic Area) – for more information on the EBA processes, please see Section 3 of this Discussion Paper. Therefore, a dedicated data collection portal channel for requests and responses needs to be established between EBA and the institutions for the data collection. This process requires identifying and authenticating the Organizational Identities (OI), i.e., “the ability of a person or thing – including AI and bots – to prove their authority to represent an organization outside the boundaries of that organization”³⁷. Only after this authentication process, the institutions can send Pillar 3 data directly to the EBA and the responses from EBA will reach the institutions that uploaded each piece of data (request-response channel per bank).

121. Organisational digital identity solutions are becoming increasingly important in the supervisory and regulatory domains, due to the need of increasing security and efficiency of the reporting data collection processes. Security is of paramount importance, because, as well as in other domains, the entities and the Authorities are faced with the risks of fraud related to the

³⁵ This section seeks to provide a basis for discussion and gather input from experts from authorities and industry on how to solve identity and authentication challenges in the context of supervisory reporting, with the Pillar 3 Data Hub as a relevant use case. Earlier draft of this section was presented and discussed at the workshop on “vLEI and Organizational Identity” held in Zurich on 15 Nov 2023 and organized by the GLEIS’s Regulatory Oversight Committee (ROC), a group of public authorities from around the globe established in January 2013 to coordinate and oversee a worldwide framework of legal entity identification. This section cannot be understood as representing the EBA’s position on these issues and does not bind the EBA in any way.

³⁶ <https://www.gleif.org/en/about-lei/introducing-the-legal-entity-identifier-lei>

³⁷ “The Dawn of Decentralized Organizational Identity” part 1: <https://rufftimo.medium.com/the-dawn-of-decentralized-organizational-identity-part-1-identifiers-ffb9091fd47a> and part 2: <https://rufftimo.medium.com/the-dawn-of-decentralized-organizational-identity-part-2-organizational-credentials-d8baf5fd9114>, Timothy Ruff

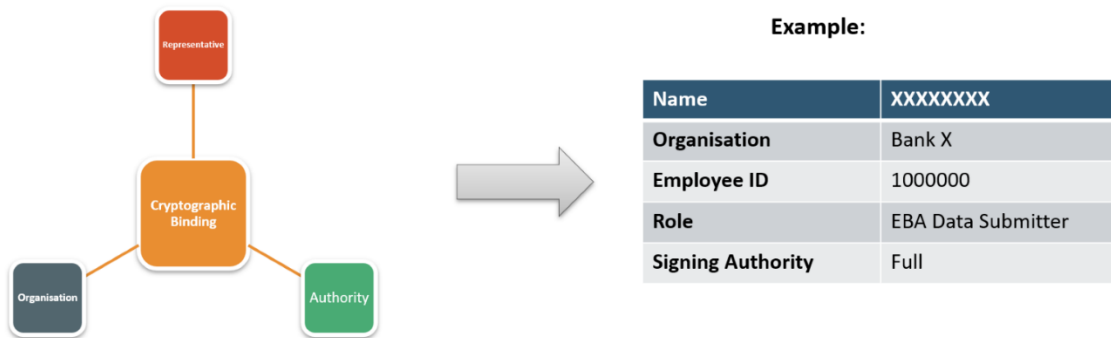
so-called “identity theft”. A digital identity solution that is not secure cannot be trusted and could not be a viable candidate for general use. Similarly, an identity solution must be efficient, to allow the entities and the CAs to save resources, money and time when issuing, maintaining and verifying credentials. Thanks to progresses made in distributed ledger/blockchain technology, digital identity management with the additional feature of decentralized identity verification now is possible. Based on a concept known as self-sovereign identity (SSI), this new approach to authentication and verification of digital identity began as a means by which a person, the identity holder, has control of his/her personal data over how, when, and to whom that data is revealed. The pace of innovation and standardisation allows to address efficiently issues such as governance, scalability, user experience, interoperability, decentralised key management, privacy and security.

6.2 The vLEI

122. Within the Global Legal Entity Identifier System (GLEIS), a new form of digital organisational identity, called the verifiable LEI (vLEI), has been developed to meet the global need for automated authentication and verification of legal entities across a range of industries. By using verifiable credentials and other open standards, the vLEI allows to create a verifiable binding link between an organization and its representatives. **Verifiable Credentials** are digitally signed credentials and are not only tamper-resistant but capable of being verified in decentralized manner. The vLEI ecosystem governance framework is based on the Trust over IP Ecosystem Governance Framework metamodel. The vLEI system leverages the Authentic Chained Data Container (ACDC) specification as well as the **KERI** (Key Event Receipt Infrastructure) protocol for key management and the Composable Event Streaming Representation (CESR) capabilities for secure digital signing (<https://github.com/trustoverip/tswg-acdc-specification>, <https://github.com/trustoverip/tswg-keri-specification> <https://github.com/trustoverip/tswg-cesr-specification>).

123. In simple words, vLEIs are digitally signed credentials that make assertions about a legal entity. These credentials can be used to sign documents. These assertions include the LEI code, a person name and the role of the person in the context of Legal entity. There are two categories of roles: an **official organizational role** (OOR) according to ISO 5009 and an **engagement context role** (ECR) which can be flexibly defined by each legal entity. By combining these three concepts – the **organization’s identity**, represented by the LEI, a **person’s identity**, and **the role** that the person plays for the organization, vLEI credentials can be issued.

Figure 9: Organization Credentials³⁸



124. The LEI is the ideal foundation on which to establish a chain of trust for organizational identity. By embedding the LEI code and the role of the person authorised to act in verifiable credentials, the vLEI offers a digitally trustworthy version of the LEI which allows automated entity verification process. The vLEI leverages the well-established Global LEI System, which is an open, standardised, and regulatory-used legal entity identification system, aiming to establish digital trust between all legal entities, everywhere.

Figure 10 The LEI as a Verifiable Credential - the vLEI Trust Chain³⁹



- **GLEIF** is the Root of Trust.
- Root AID (Autonomic Identifier) to establish the Root of Trust.
- Delegated AIDs to issue vLEIs to its trusted network of **Qualified vLEI Issuers (QVIs)**.
- **QVIs** are qualified to issue Entity and Role vLEI Credentials.
- Once a vLEI is issued to an organization, vLEIs can be issued to Persons who represent Organizations either in official or functional roles.

125. Simply put, a “root of trust” is a verifiable ultimate source of credibility for an OI that gives downstream verifiers confidence that the OI was really issued by the claimed

³⁸ “The Dawn of Decentralized Organizational Identity” part 1: <https://rufftimo.medium.com/the-dawn-of-decentralized-organizational-identity-part-1-identifiers-ffb9091fd47a> and part 2: <https://rufftimo.medium.com/the-dawn-of-decentralized-organizational-identity-part-2-organizational-credentials-d8baf5fd9114>, Timothy Ruff

³⁹ <https://www.gleif.org/en/vlei/introducing-the-verifiable-lei-vlei>

organization. GLEIF⁴⁰ makes an ideal global root of trust because it is neutral, it favours no country, no industry, no company and has also authority over its own Qualified vLEI Issuers (QVIs). To become a QVI, the organizations must successfully complete a Qualification Program as established by GLEIF. GLEIF qualification confirms that the Qualified vLEI Issuer meets or exceeds the GLEIF quality and performance standards based upon the materials presented and testing performed. GLEIF verifies the Qualified vLEI Issuer's compliance with expected internal controls and standards within vLEI operations at least on an annual basis. A QVI can then issue a vLEI to a Legal entity. Once an organization has obtained its vLEI it can proceed with the issuance of additional vLEI credentials to authorized representatives of the organization, allowing them to digitally confirm their authenticity (their name and their official role) when performing sensitive business activities, such as remotely approving transactions, e-signing contracts, or submitting official reports to supervisory authorities. The vLEI acts as OI for an entity and the entity has the power to delegate credentials and authority throughout the organization, enabling every authorized person (or thing) to prove the scope of their authority in the digital realm anywhere they please, inside or outside the organization's boundaries.

126. The vLEI technical infrastructure enables the vLEI's cryptographic keys to be generated and controlled directly by GLEIF, by vLEI Issuers (QVIs) and by vLEI holders, in accordance with the international standards. Each party maintains full, independent control and portability across systems. This allows GLEIF and its vLEI ecosystem to take advantage of all blockchain, distributed ledger, self-sovereign identity, non-DLT based technologies and other cloud-based public utilities to notarize cryptographic actions or transactions, maximizing interoperability and flexibility in the vLEI system.

6.3 EBA's assessment: the Gartner's study and the EBA – GLEIF POC

127. Based on a first preliminary assessment, the vLEI could serve as a scalable and secure solution to authenticate and bind cryptographically the legal entity, an authorized representative, and this representative's authority to submit EBA Pillar 3 Data on the EUCLID platform efficiently. The vLEI could also provide a standardized, verifiable identity layer that reduces the manual overhead, thereby simplifying the overall pillar 3 data collection ecosystem process.
128. The EBA has therefore initially engaged Gartner Consulting to conduct a detailed technical risk assessment of GLEIF and vLEI. The key points from Gartner's assessment, after scanning the market, have been that there are no comparably efficient alternative solutions globally. The vLEI system demonstrates robust alignment with market best practices and standards, both

⁴⁰ Established by the Financial Stability Board in June 2014, the Global Legal Entity Identifier Foundation (GLEIF) is tasked to support the implementation and use of the Legal Entity Identifier (LEI). The foundation is backed and overseen by the Regulatory Oversight Committee, representing public authorities from around the globe that have come together to jointly drive forward transparency within the global financial markets. GLEIF is a supra-national not-for-profit organization headquartered in Basel, Switzerland. GLEIF is, by its statutes, agnostic to any particular commercial or political interests. GLEIF is uniquely positioned in the entity identification market.

technically and procedurally, and shows a readiness to adapt to new standards. Its technical sustainability and future-proof nature are contingent on appropriate ecosystem support, leveraging the evolutionary, open, and adaptive features of the Key Event Receipt Infrastructure (KERI) protocol⁴¹. Security-wise, KERI's design as a universal, portable Decentralized Key Management Infrastructure (DKMI) incorporates innovative, flexible, and adaptive security features. GLEIF exhibits a strong commitment to compliance, actively engaging in initiatives like the eIDAS 2.0 working groups⁴². Furthermore, the open nature of KERI, supporting multivariant infrastructures, not only enhances interoperability but also adds an additional layer of security. This comprehensive approach positions vLEI as a forward-thinking and secure solution in the evolving landscape of digital identity and financial regulation.

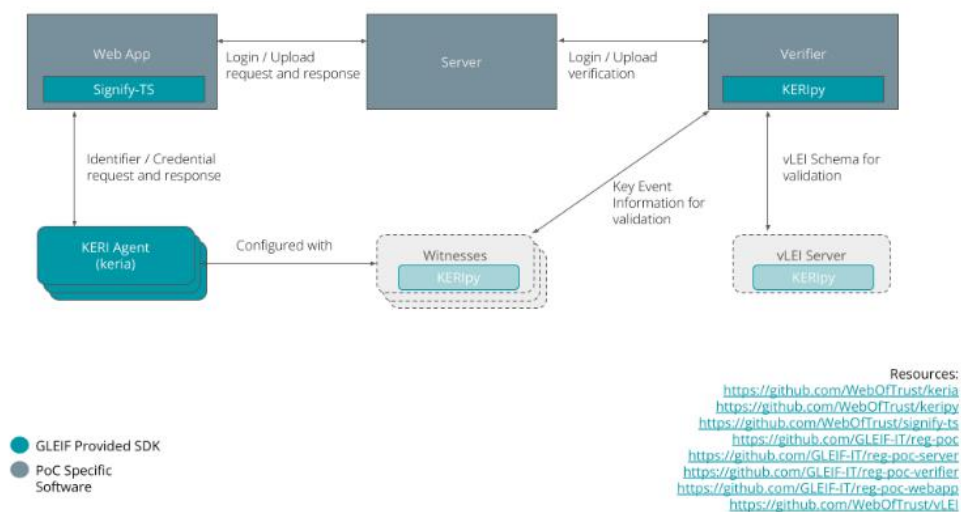
129. Following the assessment made by Gartner, the EBA carried out a four-month proof of concept (PoC) project in collaboration with GLEIF. The PoC, on a specific scenario, is referred to as the '**pillar 3 use case**'. In this scenario, the EBA simulated the role of an '**EBA Data Submitter**' from a **bank X**. Using GLEIF's vLEI (verifiable Legal Entity Identifier) infrastructure and the implemented data collection portal for the PoC proved how to authenticate a bank user's identity and their associated organization and authority securely in an automated manner. The goal was to **verify** the bank user's credentials to allow them access to the data collection portal. Additionally, the project involved the bank user electronically signing their Pillar 3 reports, which are financial reports in XBRL-CSV format. These reports were then automatically verified by the EBA's PoC-implemented portal. This entire process was designed to be automated, enhancing the efficiency and security of the data submission and verification procedure. See below the high-level technical Architecture of the PoC explained in the diagram ⁴³:

⁴¹ KERI provides a cryptographic development framework enabling vLEIs to be anchored and verified without requiring a self-sovereign identity, blockchain or distributed ledger utility network to operate. Using the KERI protocol, vLEIs can be created and utilized independently of any specific organization, with the highest levels of security, privacy, and ease of use. KERI also enables GLEIF and the vLEI ecosystem to operate under GLEIF's governance framework, unencumbered by the governance of external systems, including those of blockchains and distributed ledger consortia.

⁴² The Regulation on electronic identification and trust services for electronic transactions in the internal market (eIDAS Regulation) helps business, citizens and public authorities carry out secure and seamless electronic interactions. Since its adoption in 2014, only 14 Member States have notified at least one eID scheme and only 59% of EU residents have access to trusted and secure eID schemes across borders. By reviewing the current European Digital Identity framework, with the so called eIDAS 2.0, at least 80% of citizens should be able to use a digital ID solution to access key public services by 2030.

⁴³ <https://github.com/GLEIF-IT/reg-poc#architecture>

Figure 11 Technical Architecture of the PoC



6.4 Conclusions of initial EBA's assessment about vLEI

130. The conclusions of the initial EBA's assessment are that the vLEI effectively meets the fundamental Pillar 3 reporting requirements, as demonstrated in the Proof of Concept (PoC) and Gartner technical assessment. The use of vLEI for Pillar 3 reporting is perceived as a low-risk project overall, also depends on continuous ecosystem support and market acceptance. Furthermore, considering the lack of alternative LEI-based solutions in the market. The introduction of the vLEI presents the EBA with a significant opportunity to enhance the integrity of its reporting processes, especially in anticipation of an increase in direct reports from various financial institutions. Adopting the vLEI could mark a pivotal shift in addressing the current limitations faced by the EBA and ecosystem, setting the stage for a more efficient, scalable, and robust regulatory reporting framework.

131. The automation of identity verification and related processes through the vLEI could also offer numerous potential advantages for both Financial Institutions and other Regulators in the EU financial market:

- **For Financial Institutions:**
 - **Non-repudiable identification:** The vLEI gives companies, government organizations, and other legal entities worldwide the capacity to use non-repudiable identification data pertaining to their legal status, ownership structure and authorized representatives in any kind of digital interaction, transaction, or e-signature scenario;
 - **Operational Efficiency:** The vLEI could enable access to user information in a unified, digital format. This would simplify customer-related operations like onboarding and optimizes various backend processes;
 - **Enhanced Products and Services:** With access to trusted information, financial institutions can improve risk management and customer service.

Secure digital identity protocols and digital attribute transfers enhance the online service experience;

- **Improved Compliance:** Access to reliable identity information strengthens compliance with anti-money laundering, Know Your Customer (KYC), and other regulatory requirements;

- **For Supervisors/Regulators:**

- **Enhanced Trust:** The system could simplify the validation of regulatory reports. Authorized personnel from institutions can sign off on these reports, eliminating the complexities of credential management;

- **Comprehensive Entity Overview:** It could provide a transparent, aggregated view of legal entities and their hierarchies, aiding in the assessment of systemic risks and stability management;

- **Standardization of Data Processes:** By standardizing data collection and authentication across financial institutions, the system fosters smarter, more cost-effective, and reliable data workflows.

132. However, some sources of potential risks have also been identified. The success of vLEI hinges on continuous ecosystem support and its acceptance in the market. Key to this success are:

- Development of the ecosystem. Due to its novelty, currently there is only one official QVI⁸ and support from GLEIF will be needed to expand the population of QVIs, define a clear ecosystem model, including incentive structures and a structured approach to ecosystem orchestration;

- Ensure adequate support to institutions. A joint EBA / GLEIF Milestone Regulatory Reporting Plan shall be drafted that encompasses ecosystem and infrastructure setup, bank onboarding, and the development of end-user applications bank wallet e.g., a wallet for the reporting institutions, expected to be compliant with the Digital Identity Wallets according to the future eIDAS 2.0 framework. It will be crucial to provide institutions with user-friendly applications for digital signatures, key management, and logging services;

- Market's recognition of the benefits offered by the vLEI. The Pillar 3 application could serve as a starting point that could trigger a **snowball effect**, which should evolve to include additional use cases backed by a supportive ecosystem and market participant acceptance. EBA shall cooperate with GLEIF and other authorities laying out a mid-term roadmap for the vLEI, with an intention to explore and promote additional banking use cases.

Questions for discussion:

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

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?

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?

7. Policy implications

7.1 EBA mandates to develop ITS

133. The EBA has the mandate, under Article 434a of the CRR, to develop uniform formats including templates and instructions for the disclosure of information by institutions of information required in Titles I and II of Part Eight of the CRR, formats that have to be aligned with those defined by the Basel Committee on Banking Supervision (BCBS) in the Basel III Pillar 3 standards (BCBS DIS framework). The EBA has implemented this mandate with the development of the EBA comprehensive Pillar 3 ITS, applicable since 2021 and that needs now to be amended and extended to reflect changes driven by the CRR3 implementation.

134. The mandate in Article 434a is being extended under the CRR3, where EBA is also asked to provide IT solutions.

135. As mentioned in the background section of this Discussion Paper, one of the new EBA mandates under the CRR3 relates to the development of draft implementing technical standards (ITS) to specify the resubmission policy and IT solutions for disclosures required under Titles II and III⁴⁴.

A. EBA comprehensive Pillar 3 ITS

136. Simultaneously to the development of the P3DH, the EBA is currently reviewing the Pillar 3 ITS. This review is being performed in order to: (i) reflect in the framework the changes that will be introduced by the CRR3; and (ii) implement Basel templates in the EU. The timelines need to be naturally aligned, which means that at the first reference date of the P3DH the new Pillar 3 templates will be already applicable. This should avoid implementing a data hub with a version of the templates that would be amended in a very short timeframe.

B. Resubmission policy

137. Under the new scenario of centralised disclosures on the EBA website and implementation of the P3DH, it is worth noting that the institutions shall have the right to resubmit the information in accordance with the technical standards to be developed by the EBA⁴⁵. Ideally, this information would need to be readily available in the P3DH in order to minimize the time frame that outdated information would still be available for downloading.

138. In this context, the EBA will need to define a resubmission policy that might be shaped in very different forms depending on the direction taken as regards a number of particularities on

⁴⁴ Article 434a of the CRR3.

⁴⁵ Article 434(1) of the CRR3.

which a decision would need to be taken and where views from the respondents to this Discussion Paper would be very much welcomed.

- a. Scope of the information to be resubmitted: a resubmission policy could cover indistinctively all templates, tables and explanatory notes. In other words, every time that an amendment is considered in any of the information disclosed, it would need to be resubmitted to the EBA. On the contrary, this requirement could be limited to a sub-sample of templates and tables considered “core” to have a good understanding and complete overview of the main prudential key indicators. The selection of this sub-sample would be defined in the technical standards to ensure that a harmonised approach is followed by all institutions.
- b. Key metrics involving more than one period: another point that would be important to clarify is to which disclosure period(s) should the resubmission policy / requirements apply. If a key metric is disclosed for a period composed by the last “x” years and an amendment is needed for one of these previous years (and not the current period), three options could be followed: (i) require the resubmission of the whole set of information; (ii) do not require resubmission as only the current year would be relevant to determine the application of the resubmission policy; (iii) require the resubmission for a pre-determined number of periods also linked to the frequency of the disclosures at stake (i.e., annual, semi-annual or quarterly).
- c. Materiality approach: Pillar 3 disclosures embed the materiality principle, as institutions can omit disclosures that are immaterial⁴⁶. Materiality assessment is left for institutions, based on the EBA Guidelines on materiality, proprietary and confidentiality and on disclosure frequency (EBA/GL/2014/14). Given the challenges to define thresholds valid to all disclosures and that would be easy to apply, a similar approach could be valid for resubmission, where institutions would assess the need for resubmission. Also, an approach similar to the one implemented by the institution under the IFRS framework on restatement of financial statements could be considered. Under IAS 8, “errors” can arise in respect of the recognition and measurement, but also in terms of presentation and disclosure of elements of financial statements. Financial statements do not comply with IFRSs if they contain either material errors or immaterial errors made intentionally⁴⁷. Under IAS 8, an entity shall correct material prior errors retrospectively in the first set of financial statements already authorized for issue, except if it is impracticable to determine either the period-specific effects or the cumulative effect of the error. If this is the case, the entity shall restate the opening balances for the earliest period for which retrospective restatement is practicable (which may be the current period). Under IAS 1⁴⁸, information is material if

⁴⁶ Please see Article 432 of the CRR.

⁴⁷ Please see IAS 8.41.

⁴⁸ Please see IAS 1.7.

omitting, misstating, or obscuring it could reasonably be expected to influence decisions that primary users make on the basis of the financial statements. This definition is very much aligned with the one under the CRR for Pillar 3 disclosures.

- d. Supervisory review and evaluation process (SREP) and external audit: Competent authorities are required to supervise compliance by institutions with CRR/CRD requirements, included disclosure requirements. The resubmission policy should take into account how to factor in the outcome of the SREP process and the possibility that institutions are asked to resubmit based on this. The same logic would be applied to the results of the external audit (if only finalized after the first submission).
- e. Quantitative vs qualitative information: another point for consideration would be on the nature of the information to be resubmitted. Also on this aspect, different options could be discussed and further explored as for instance: (i) quantitative and qualitative information are subject to the same level of requirement for resubmission; (ii) quantitative information should be resubmitted accompanied by the directly related qualitative information; amended qualitative information not related to any impacted quantitative figures would be corrected in the next period and, as such, would not be subject to resubmission.

139. In addition to these open points for discussion, it is worth recalling that the EBA is in the process of finalising the Guidelines on resubmission of historical data under the EBA reporting framework, following a public consultation⁴⁹. The two resubmission frameworks (disclosure and reporting) should be consistent to the needed extent, especially having in mind the importance of having consistent supervisory and disclosure data.

C. IT solutions

140. In addition to the resubmission policy, the ITS to be developed will also specify the IT solutions used in the implementation of the P3DH. Through the discussion paper, these IT solutions have been depicted:

- DPM data model for the common definition of the information required.
- xBRL-CSV taxonomy (based on the EBA DPM data dictionary) for the submission of the quantitative data and related accompanying narrative in a common electronic format that would facilitate data usage and comparison across templates, institutions and/or disclosure periods. This proposal is in line with the BCBS Pillar 3 DIS framework recommendations, in particular DIS 10.24: “Institutions are encouraged to engage with their national supervisors on the provision of the quantitative disclosure requirements in this standard in a common electronic format that would facilitate the use of the data.”

⁴⁹ [Consultation paper on draft GL on historical data resubmissions.pdf \(europa.eu\)](#)

- Comprehensive PDF report including all the institutions' Pillar 3 disclosures.
- Possible use of VLEI for the direct submission of information to institutions.

7.2 Mapping tool development

141. The mapping tool has been so far provided by the EBA on own initiative and on a best effort basis to foster alignment between supervisory reporting and Pillar 3 requirements, improve quality of disclosures and support all institutions in the preparation of their required disclosures.
142. Under the CRR3⁵⁰, the EBA shall prepare and keep up-to-date a tool specifying the mapping of the templates and tables for disclosures with those on supervisory reporting. This is also a novelty to be introduced by the new version of the CRR. A mapping tool is already currently available on the EBA website⁵¹, but, as mentioned before, prepared on own initiative and on a best effort basis.
143. Following the new provision, it will be necessary to provide some guidance with regard on the mapping updates and how to align the mapping among the different reporting and disclosure frameworks. This guidance will be provided as a separate product and not as part of the Pillar 3 ITS to allow flexibility when providing updates or possible amendments in the mapping. In addition, it is expected that the mapping tool will be updated to incorporate further templates.

Questions for discussion:

Resubmission policy

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.

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?

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?

Final question on this section

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

⁵⁰ Article 434(1) of the CRR3.

⁵¹ [Implementing Technical Standards on institutions' public disclosures of the information referred to in Titles II and III of Part Eight of Regulation \(EU\) No 575/2013](#) | European Banking Authority (europa.eu)

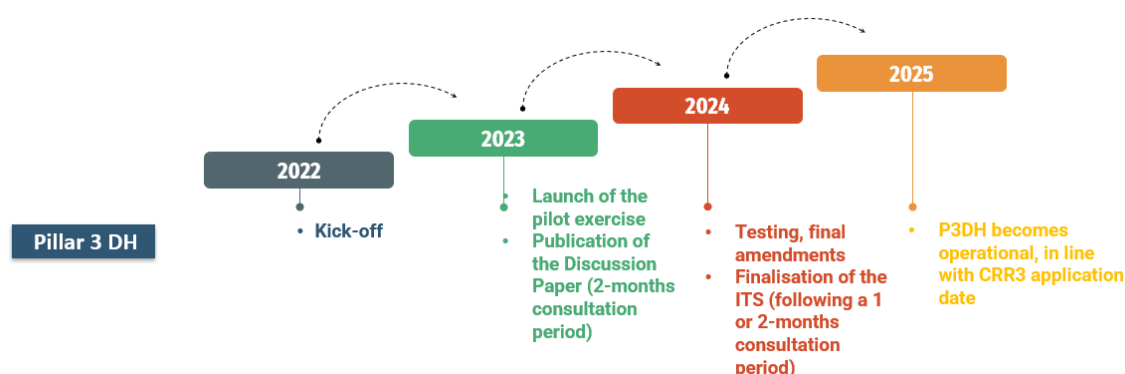
8. Next steps

144. As mentioned under Sub-section 1.1 of this Discussion Paper, the EBA shall develop draft implementing standards to specify information on the resubmission policy and IT solutions for required disclosures⁵². The conclusions of the pilot exercise will be important to feed the work on the finalization of the ITS to be submitted to the European Commission, mainly on the IT solutions. Taking into account the feedback obtained during the 3-months consultation on this Discussion Paper and the feedback from the pilot exercise, the EBA intends to start the preparation of the Consultation Paper on IT solutions intended to be published in Q3 2024 for 1 or 2-months consultation period. The ITS on IT solutions are planned to be finalized and submitted to the European Commission during the second half of 2024. The EBA will work during 2024 also on the ITS on the resubmission policy that will be finalized and submitted to the Commission at a later stage.

145. Simultaneously, and as mentioned in Sub-section 1.2.2 of this Discussion Paper, the EBA will continue to run the pilot exercise with a sample of Large and Other institutions. These institutions, that have volunteered to be part of this exercise, would submit the Pillar 3 information by the end of Q2 2024 / beginning of Q3 2024. This is deemed as an important exercise as it gives the opportunity to engage with the industry on the main difficulties encountered and issues to be addressed, allowing at the same time the testing of the IT solutions planned to be used in the P3DH. This exercise is planned to be concluded by the end of Q3 2024.

146. The P3DH is expected to be fully operational in 2025, in line with the application of the CRR3, and ready for the comprehensive semiannual disclosures taking place as of June 2025. For SNCIs, the first reference date in 2025 would be end of the year, with the data being available in the P3DH in 2026.

Table 4: Overview of the next steps



⁵² Article 434a of the CRR3.

9. Questions for consultation

The purpose of the Discussion Paper is to present a preliminary analysis of the options considered so far on the implementation of the P3DH. The Discussion Paper aims at gathering additional evidence and views on the topics presented and to serve as a basis for future discussions with various stakeholders.

The EBA is looking to receive feedback from institutions and other stakeholders that consider they might be impacted by any topic or option outlined in this Discussion Paper or that might have relevant information that would help to form a complete picture on them. The EBA will develop the implementation project of the P3DH and prepare the feasibility study as required under Article 434c of the CRR3 taking into account the feedback received. When reading the Discussion Paper please consider the questions below to which we ask for your feedback.

- **When providing your feedback please refer to the specific section or paragraph number**
- **If you agree to being contacted by the EBA in order to provide additional technical feedback through some interviews, please provide the email at which we may contact you.**
- **Please consider, in the reply questionnaire, each question will have an open field where you may provide further comments.**

Complete list of questions included in this Discussion Paper:

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

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?

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?

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?

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

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?

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.

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.

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?

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?

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)?

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.

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.

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?

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

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?

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?

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?

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?

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

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?

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

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?

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?

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.

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?

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?

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

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

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?

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?

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.

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?

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?

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

Annex I

SNCIs quantitative disclosures (Article 433b of the CRR)

Frequency	Relevant CRR Article	Quantitative disclosures
Annual basis	Article 438 (d)	(d) the total risk exposure amounts and the corresponding own funds requirements, to be broken down by the different risk or exposure categories and sub-categories
Annual basis	Article 438 (da)	(da) where required to calculate the following amounts, the unfloored total risk exposure amount and the standardised total risk exposure amount, to be broken down by the different risk categories and sub-categories
Annual basis	Article 442 (c)	(c) information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures, including their related accumulated impairment, provisions and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received
Annual basis	Article 442 (d)	(d) an ageing analysis of accounting past due exposures
Annual basis	Article 449a	Environmental, social and governance risks (ESG risks)
Annual basis	Article 449b	Disclosure of aggregate exposure to shadow banking entities
Annual basis	Article 450(1) (d)	(d) the ratios between fixed and variable remuneration
Annual basis	Article 450(1) (h)	(h) aggregate quantitative information on remuneration, broken down by senior management and members of staff whose professional activities have a material impact on the risk profile of the institutions, indicating the information broken down in this Article
Annual basis	Article 450(1) (i)	(i) the number of individuals that have been remunerated EUR 1 million or more per financial year, with the remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and with the remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million
Annual basis	Article 450(1) (j)	(j) upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management
Annual basis	Article 447	The key metrics listed in this Article



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