EBA consultation on the the centralisation of EEA banks
Pillar 3 disclosures in the EBA Pillar 3 data hub
High-level position paper – Executive summary
March 2024

On 14 December 2023, the European Banking Authority (EBA) published a discussion paper on the Pillar 3 data hub processes and its possible practical implications. The Pillar 3 data hub is a key and strategic project with European relevance that will provide a single access to the prudential information disclosed by all institutions of the European Economic Area (EEA). It promotes enhanced transparency and comparability of data. This project of centralising institutions’ prudential disclosures and making prudential information readily available through a single electronic access point on the EBA website is part of the Banking Package laid down in the Capital Requirements Regulation (CRR3) and Capital Requirements Directive (CRD6).

Centralised Calculation and Process Alignment
ESBG emphasizes the importance of maintaining alignment with existing reporting systems to ensure consistency and minimize disruptions to established processes. We argue that while centralized calculation by the EBA could offer certain benefits, such as standardization and potential cost savings, these advantages may not outweigh the challenges associated with adapting to a new system. As such, we advocate for a flexible approach that allows institutions to leverage their existing infrastructure while ensuring accurate and transparent reporting to meet regulatory requirements.

Streamlined Sign-Off Process
ESBG supports the idea of streamlining the sign-off process, especially for small, non-complex institutions (SNCIs), suggesting that approval could be inferred from the submission of data. Furthermore, we advocate for simplifying the process for large and other institutions, emphasizing that the responsibility for ensuring the accuracy of disclosures should primarily lie with the EBA.

Timetable and Implementation Challenges
ESBG believes the proposed timeline for implementation, with a deadline of 30 June, 2025, is overly ambitious and not feasible given the complexity and burden imposed by CRR3. We suggest postponing the start to the end of 2026 to ensure better implementation quality. Additionally, we argue against the duplication of efforts and increased expenses resulting from the proposed direct submission process to the EBA for banks, which contradicts the objective of cost savings.

Submission and Publication Process
ESBG opposes additional sign-off processes once information is on the EBA dissemination portal, arguing that responsibility should remain with the EBA. As such, we advocate for flexibility in submission deadlines, aligning them with national circumstances, and emphasize the need for a proper window period for different interim reports.

Data Format and Dissemination
ESBG agrees with using PDF format for now but seeks clarification on certain aspects like handling the written attestation. We oppose mandatory machine-readable formats like block tagging and suggest ODF (OpenDocument Format) as an alternative.

Cost Implications and Impact on Disclosures
ESBG doubts the P3DH’s ability to reduce costs significantly and suggests that it may even increase the burden, especially for small institutions. We stress the need for clarity on the process regarding disclosure of capital instruments and KM1 data availability.

Other Considerations and Suggestions
ESBG highlights the importance of considering language challenges, minimizing bureaucracy, and ensuring alignment with existing regulations and reporting requirements. We stress the need for practical solutions, transparency, and flexibility throughout the implementation process.