EBA launches consultation on comprehensive Pillar 3 disclosures

16 October 2019

**The European Banking Authority (EBA) launched today a public consultation on the new comprehensive Implementing Technical Standard (ITS) for financial institutions' public disclosure, designed to promote market discipline. This ambitious proposal seeks to optimise the EBA Pillar 3 policy framework by moving from a silo based approach, with different disclosure policy products, to an all-inclusive ITS. It also implements regulatory changes introduced by the CRR2 and aligns the disclosure framework with international standards.**

The amending regulation (EU) No 2019/876 (‘CRR2') introduced new disclosure requirements for institutions, and a mandate for the EBA to implement them in a way that conveys sufficiently comprehensive and comparable information for market participants to assess the risk profiles of institutions (Article 434a of the CRR2). The new ITS aim to reinforce market discipline, by increasing consistency and comparability of institutions' public disclosures, and to implement the CRR2 regulatory changes in alignment with the revised Basel Pillar 3 standards.

The all-inclusive ITS provide a complete Pillar 3 disclosure framework that seeks to facilitate its implementation by institutions and to improve clarity for users of information. The disclosure ITS have been developed fostering consistency with supervisory reporting, and a mapping between quantitative disclosure data and reporting is provided in order to facilitate compliance by institutions. A parallel consultation regarding the draft [ITS on supervisory reporting](https://eba.europa.eu/eba-consults-on-supervisory-reporting-changes-related-to-crr2-and-backstop-regulation-framework-3-0-) was also launched today.

This consultation paper is the first one of the deliverables that will be presented in a forthcoming EBA roadmap on institutions' Pillar 3 disclosures. That roadmap, which will be published in Q4 2019, provides an overview of the EBA Pillar 3 strategy, deliverables and timeline for the implementation of all the disclosure requirements included in the CRR2/BRRD2, including ESG risks and climate change related information, as well as the disclosure requirements for investment firms under the IFR.

Consultation process

Responses to this consultation can be sent to the EBA by clicking on the "send your comments" button on the consultation page. All contributions received will be published after the consultation closes, unless requested otherwise. The deadline for the submission of comments is 16 January 2020.

A public hearing on this consultation will take place at the EBA premises on 2 December, from 14:00 to 16:00 CET time.

Legal basis and next steps

These draft ITS have been developed in accordance with Article 434a of Regulation (EU) No 575/2013 which mandates the EBA to develop draft implementing technical standards specifying uniform disclosure formats, and associated instructions in accordance with which the disclosures required under Titles II and III shall be made. The same mandate specifies that those uniform disclosure formats shall convey sufficiently comprehensive and comparable information for users of that information to assess the risk profiles of institutions and their degree of compliance with the requirements laid down in Parts One to Seven. To facilitate the comparability of information, the implementing technical standards shall seek to maintain consistency of disclosure formats with international standards on disclosures.

The EBA expects to submit these revised draft ITS to the European Commission in June 2020. The application of the disclosure requirements will be in June 2021.