

# Comments

## Consultation on draft Implementing Technical Standards on Pillar 3 data hub (EBA/CP/2024/20)

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Contact:  
Jana Tschiltschke | Alexander Mülder  
Telephone: +49 30 20225-5338 | -5231  
Fax: +49 30 20225-5325  
E-mail: [jana.tschiltschke@dsgv.de](mailto:jana.tschiltschke@dsgv.de) | [alexander.muelder@dsgv.de](mailto:alexander.muelder@dsgv.de)

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The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public-sector banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks.

Coordinator:  
German Savings Banks Association  
Charlottenstraße 47 | 10117 Berlin|  
Telephone: +49 30 20225-0  
Fax: +49 30 20225- 250  
[www.die-deutsche-kreditwirtschaft.de](http://www.die-deutsche-kreditwirtschaft.de)

## Overview of questions for consultation

**Question 1:** *Do you agree with the proposed IT solutions that would support the implementation of the P3DH to Large and Other institutions? If not, please explain the reasons why.*

It is our understanding that the narratives to the template are to be an integral part of the PDF report. It should at least be permissible to continue including them in the PDF report. At the EBA's public hearing on 21 October 2024, it was confirmed that the accompanying narrative to the individual quantitative templates should also be submitted in the XBRL-csv files. We remain of the opinion that this form of duplication should generally be avoided in order to prevent additional manual effort. This content is also included in the complete PDF report.

However, if the narratives are required to be included in the XBRL-csv templates, we would request as simple a solution as possible, for example, in the form of a text field. The number of permitted characters should not be limited and/or the use of multiple text fields should also be permitted. Regardless of which, the technical specifications for this would first be published in DPM 4.1. The requirement to include the accompanying narrative in the XBRL-csv files is new and was first specified during the ongoing consultation. The technical implementation and set up of the required supply channels for this would be very difficult to do in only around three months. We therefore propose removing the requirement for "including accompanying narrative".

Furthermore, the DPM 4.1 relevant for the P3DH will, according to the EBA in its public hearing from 21 October 2024, only be published in Q1 2025 or possibly even in Q2 2025. From our point of view, this is far too late and jeopardises the ability of the software providers and the institutions to implement systems on time and with the required degree of quality. We therefore request publication of the P3DH section in DPM 4.1 in Q4 of 2024. This would also be in line with Article 430(7) CRR, which stipulates that new reporting requirements (ITS) are to be applicable no earlier than six months after their entry into force.

In the EBA's public hearing on 21 October 2024, the EBA announced that it would set up a test environment for the P3DH, but for the implementation phase only. For the submission of Pillar 1 disclosures, the NCAs have made it technically possible to implement test submissions in a test environment. We therefore request the EBA to provide a permanent test environment in order for test submissions to be carried out at any time. In our opinion, this would significantly improve the submission process.

In point 50, the consultation paper states that "the narratives can still be submitted in the national language". It should therefore be ensured that all characters not used in the English alphabet will still be accepted and that they are not changed when transmitted or published.

In addition, we request clarification whether, as regards submission of the PDF file, it is sufficient to upload the disclosure report as an unprotected PDF document.

**Question 2:** *Would you agree with the specification to provide the information on remuneration policies separately? If not, please explain the reasons why.*

Yes, we are in favour of submitting information on remuneration policies – in accordance with Article 450 of CRR – in separate files.

In practice, the internal bonus and profit-sharing rounds required to prepare the remuneration report are rarely completed by the deadline for submission of the general disclosure report. Bearing this in mind, CRR 3 made it possible for the remuneration information to be submitted at a later point in time. In addition, the people entrusted with remuneration matters are not usually the same as those responsible for disclosures. At the very least, an option of a separate submission should therefore be available.

**Question 3:** *Would you agree with the proposal on the collection of contact points information, including the suggested monthly frequency?*

In principle, the appointment of contact persons and the submission of contact information makes sense.

However, submitting this data monthly seems too frequent, as the appointment of two contact persons would normally ensure at least one contact option if one contact person is not available. Also, providing a functional e-mail address ensures that the account is accessible even if there is a change of personnel. Provided that this procedure is also to be applied to small and non-complex institutions (SNCIs), which only have to disclose the required data annually, a monthly frequency would entail an unnecessary additional administrative burden, especially for SNCIs.

We therefore suggest only submitting a notification when there is a change of contact person. Alternatively, the relevant institutions could submit the new contact template in accordance with their disclosure interval, e.g. quarterly for large institutions.

Furthermore, if the vLEI were to be introduced, the additional notification form "X 00.01 - P3DH: Institutions contact person for P3DH" would be superfluous. The vLEI allows each institution to allocate specific roles to its employees (e.g. responsibility for the P3DH), which can also be viewed by the EBA. We believe that, in future, the institutions should be able to choose between vLEI and the template "X 00.01 - P3DH: Institutions contact persons for P3DH" for submitting the contact person for Pillar 3 disclosures to the EBA. In addition, the template "X 00.01 - P3DH" (if this option is selected) should only be reported when updating the contact persons. The introduction of redundant reporting requirements should be avoided at all costs. The use of only one communication alternative (vLEI or template X 00.01) should be sufficient.

**Question 4:** *Would you have any comments or suggestions on the most adequate profile of the contact persons within the institution?*

The profile should be determined internally by the individual institution. It seems superfluous for the supervisory authorities to set the requirements on this. In our opinion, there is therefore no need to define a profile for the contact person. Not only is there no requirement for this in the CRR, but institutions will only appoint suitable persons as it is in their interests to ensure the process is efficient. Finally, we believe there is no need for this additional administrative burden.

Nevertheless, should certain criteria be required or recommended then it would be advantageous in practical terms if those persons were also closely involved in the operational implementation and publication of disclosures. However, we are not in favour of appointing managers (B, C level), due to the task profile and the need for them to meet more deadlines in their daily workload.

For example, the institutions could decide to appoint two contact persons respectively (one with main responsibility and one substitute) from the specialist department responsible for disclosures and two contact persons (one with main responsibility and one substitute) from the specialist department responsible for XBRL submissions – should these differ from each other – in order to ensure they can be contacted at any time.

#### **Further comments on the consultation paper:**

##### Publication date:

According to point 16(a), the disclosure reports are to be submitted together with the institutions' financial reports or as soon as possible thereafter. In point 48, the EBA defines its expectation to receive Pillar 3 reports. According to Article 106 of CRD, the EBA has the mandate to document its expectation in the form of guidelines by 10 July 2025.

We are not in favour of limiting the period for preparing disclosure reports. The indicative deadlines set out in point 48 could be anchored in the guidelines only as a recommendation or reference, and should not be shortened. In addition, these deadlines for the annual Pillar 3 reports should not be geared to the reference date but to the publication date of the financial reports.

##### First implementation

The reference date for the first data transfer of the reports to the P3DH is 30 June 2025. Extensive testing activities will also take place in the first half of 2025. The supervisory reporting in accordance with CRR 3, which must be prepared for the first time for the reference date of 31 March 2025, must also be tested almost in parallel. Due to the expected complexity of the testing, the institutions have been granted a one-off extension to the submission deadline for CoRep until the 30 June 2025. As a result, the preparation of the disclosure reports will also be delayed. We believe it will therefore be necessary to postpone the first reference date to 30 September 2025 at the earliest. At the very least, any expectations concerning submission deadlines in accordance with the future guideline (see

comments on the publication date) should not have any effect in the first year of submission, as reporting delays are to be expected.

#### Written attestation

We do not believe it is necessary to include a signature page with the written attestation of a board member in the PDF file. Although Article 431(3) of CRR requires a written attestation, it does not call for the attestation to be submitted. In practice, it has so far been considered sufficient to state in the text of the disclosure report that the attestation has been issued. Since the P3DH is not supposed to introduce any new requirements, the requirement to include an attestation in the PDF file should therefore be removed.

Furthermore, we assume that a one-off reference to the written attestation in the Pillar 3 PDF report would suffice and that it is not necessary to mention it again in the separate submission of the remuneration information.

#### Mapping tool

According to point 20(i) of the consultation paper, the EBA mapping tool refers to the templates (qualitative) and tables. Since the tables include the qualitative disclosure requirements, we do not see the sense in mapping the tables. We suggest that the EBA clarifies this or removes the reference to the tables in the final ITS.

#### Connectivity with supervisory reporting

At the beginning of point 25, the consultation paper states that the disclosure requirements are aligned with the supervisory reporting framework. This presupposes that all the quantitative information to be disclosed is contained in the reporting framework. However, this is not currently the case, cf. the EBA mapping tool (several entries contain the text: "No mapping (to reporting)"). This should be taken into account in the final EBA report. The wording should be "as far as possible aligned" with reference to the connectivity of the disclosure to the supervisory reporting in order to avoid an expectation of full alignment, which is not the case in practice.

#### Validation rules

It is our understanding that the quantitative tables in XBRL are submitted in euros. Disclosures in the disclosure templates may be given in millions of euros. This could lead to rounding issues when it comes to validation and should be taken into account when defining the validation rules.

#### Main features of own funds instruments annex (points 36 and 55)

For many credit institutions, Pillar 3 disclosure consists of two PDF files, the actual report and the "Main features of regulatory own funds instruments" annex (template EU CCA) in accordance with Article 437(b) of CRR. We request clarification that the zip file with the PDF report may contain more than one PDF file, and that this is not only due to them being in several languages and/or currencies.

Furthermore, according to Article 437(c) of CRR, the full terms and conditions of own funds instruments are to be disclosed in accordance with Article 437(b). In the public hearing for EBA/DP/2023/01, the EBA gave verbal feedback that the terms and conditions of the own funds instruments were not to be uploaded to the P3DH and should continue to be published on the relevant institution's website. In line 37a, template EU CCA contains a link to the full terms and conditions of the own funds instruments on the relevant institution's website, which has been deemed sufficient up to now. We request confirmation to continue with this procedure.

#### Voluntary overfulfilment

We assume that voluntary overfulfilment of the disclosure requirements is possible and will be taken into account accordingly by the EBA in the XBRL taxonomy. For example, an institution could additionally submit template LI3 on its corporate structure, even though this is not required under Article 433a/433b of CRR. We request confirmation that in such cases this additional information would also be published in the P3DH.