

EBA Guidelines on disclosure requirements

30 November 2017

In brief

Circular CSSF 17/673 dated 15 November 2017 aims at highlighting the disclosure requirements brought by the European Banking Authority (EBA) with regard to Part Eight of the Regulation (EU) 575/2013 (the “Capital Requirement Regulation” or “CRR”). The EBA Guidelines EBA/GL/2016/11 published on 14 December 2016, do not change the substance of the regulatory disclosures regarding the requirements defined in Part Eight of the CRR. However, the Guidelines provide guidance on these disclosures from a presentation aspect. These guidelines apply from 31 December 2017.

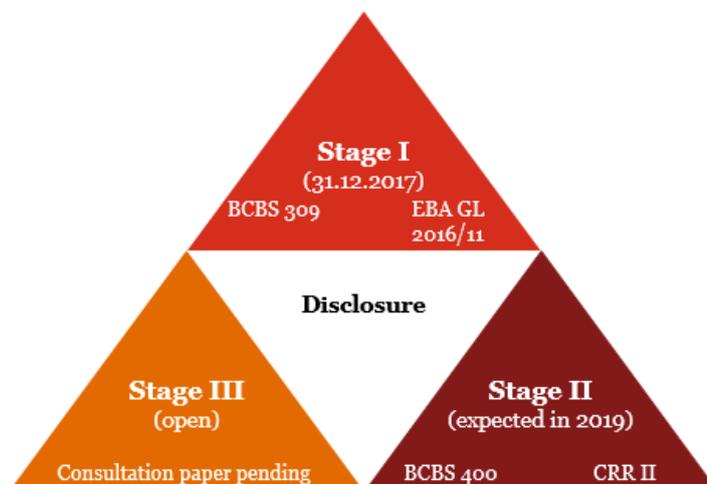
In detail

Following the release by the Basel Committee on Banking Supervision (BCBS) of a revised version of the Pillar 3 framework (RPF) in January 2015 (BCBS 309), the EBA has issued these guidelines in order to ensure harmonised implementation of the RPF in the EU and to have legally binding requirements.

The RPF presenting areas of misalignment with Part Eight of the CRR, the EBA has drafted these guidelines in order to allow EU institutions to implement the RPF in a way that is compliant with the requirements of Part Eight of the CRR. These guidelines provide binding guidance on these disclosure requirements from a presentational aspect.

These guidelines cannot waive, contradict or supersede the CRR disclosure requirements, which still apply entirely even in case of those requirements that are only partially or not specified in these guidelines.

Revision of disclosure requirements in three stages



Basel III

Introduction of mandatory disclosure tables and templates as well as an increased disclosure frequency for those areas revised under the Basel III framework (e.g. own funds, LR).

Stage I

Extending the mandatory tables and templates as well as more frequent disclosure to the area of RWA determination (essentially credit risk).

Stage II

Further extension of additional topics and Basel initiatives such as TLAC, IRBB and FRTB.

Stage III

Presumably further disclosure requirements based on Basel initiatives (“Basel IV”).

Applicable to G-SIIs and O-SIIs

While the scope of application of these guidelines primarily targets global systematically important institutions (G-SIIs) and other systematically important institutions (O-SIIs) – there are 6 of the latter in Luxembourg¹ - all banks are nevertheless subject to some aspects thereof (see below) regardless of size.

These guidelines cover the following CRR articles in line with the scope of the RPF (with the exception of the disclosure requirements on securitisation, which are not part of these guidelines):

- General requirements on disclosures (Article 431, Article 432, Article 433, Article 434);
- Disclosure requirements on risk management (Article 435);
- Disclosure requirements on scope of application (Article 436);
- Disclosure requirements on capital requirements (Article 438);
- Disclosure requirements on credit risk (Article 442, Article 444, Article 452);
- Disclosure requirements on credit risk mitigation (CRM) (Article 453);
- Disclosure requirements on CCR (Article 439); and
- Disclosure requirements on market risk (Article 445, Article 455).

Applicable to all institutions

The following section of these guidelines are however applicable to all institutions, regardless of size, required to comply with some or all the disclosure requirements in Part Eight of the CRR:

- Section 4.2 (general requirements for disclosures) - Section B (non-material, proprietary or confidential information) and Section E (timing and frequency of disclosures);
- Section 4.3 (risk management, objectives and policies) - Section C (information on governance arrangements);
- Section 4.5 (own funds);
- Section 4.7 (macroprudential supervisory measures);
- Section 4.12 (unencumbered assets);
- Section 4.14 (remuneration); and
- Section 4.15 (leverage ratio).

¹ http://www.cssf.lu/fileadmin/files/Lois_reglements/Legislation/RG_CSSF/RCSSF_No16-08.pdf

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