3 October 2014

Secretariat of the Basel Committee on Banking Supervision
Bank for International Settlements
CH-4002 Basel
Switzerland

Dear Sir/Madam,

The Enhanced Disclosure Task Force ('EDTF') welcomes the opportunity to provide some high level comments on the consultative document 'Review of the Pillar 3 disclosure requirements'. Individual EDTF members will submit their own comment letters as part of the formal consultative process, but we thought it would be helpful to provide some high level perspectives from an EDTF standpoint.

The EDTF sees considerable value in the effort to modify Pillar 3 to make it more useful to users and to better meet its objectives. The consultation recognises the EDTF's work in many of the proposed tables and templates, which in some cases overlap with our recommendations or build on and take the recommendations further.

One of the EDTF's principles is that disclosures should be comparable among banks, albeit that this is balanced with the principle that disclosure should also reflect how the bank manages its risks. We therefore believe that the differences in objectives on page 69 of the Annex may be rather less significant than stated. Comparability is a focus of the EDTF recommendations and it seems to us that an aim of the Pillar 3 proposals is to allow market participants to make better informed decisions which must include obtaining an understanding of each bank's risk management practices.

Another EDTF principle is that disclosures should present relevant information, including that disclosures should be eliminated when they become redundant. Therefore, when the Pillar 3 proposals are finalised, the EDTF will critically review its recommendations and retire those that are superseded by the Pillar 3 requirements. The EDTF is mindful that, if adopted, the Pillar 3 proposals would change the status from voluntary to required disclosure for a number of its recommendations and where appropriate will continue to champion investor and peer group-led disclosure enhancements, particularly for emerging issues, where such an approach can operate more quickly than the development of mandatory requirements.

In the context of its recommendations, the EDTF did not recommend changing the requirements for interim reporting which vary in different jurisdictions but, recognised that interim reporting provides timely updates on the bank's last annual reporting. Consistent with this part of its report, the EDTF notes that, while much of the data proposed for quarterly reporting by the Pillar 3 consultation would be available; this frequency of reporting at the proposed level of detail appears excessive since it would go beyond an update and not be commensurate with quarterly

reporting more generally. We would therefore recommend that the frequency of disclosure is revisited and substantially changed.

The EDTF also notes the significantly increased implementation of recommendations in the second year following the issuance of its report and that this often reflected the fact that quantitative disclosures generally require more time to develop due to the lead times for making the necessary system changes well as the extensive governance process to approve new public disclosures. Therefore, consideration could be given to more staggered implementation approach to the new Pillar 3 requirements, with additional time being permitted for banks to provide the more data intensive disclosures. This may help balance the need to make some improvements as quickly as possible with the competing requirements for systems changes to ensure data quality.

Please let us know if it would be helpful to discuss this letter.

Sincerely,

Hugo Bänziger Russell Picot Christian Stracke

[1]The EDTF was formed in 2012 at the initiative of the FSB. The Task Force represents a unique private sector initiative - one that brings together on a global basis senior officials and experts from financial institutions, investors and analysts, and audit firms - to develop recommendations for enhancing risk disclosure practices by major banks, starting with end-year 2012 annual risk disclosures and continuing into 2013 and beyond.