To the Basel Committee on Banking Supervision (BCBS):

Thank you for the opportunity to provide feedback on the draft framework for disclosure of climate-related financial risks. We welcome this initiative to strengthen climate risk management and disclosure at banks through Pillar 3 requirements.

Overall, we believe this marks an important and necessary step towards fully addressing climate risk in the financial system. Climate change poses significant risks to financial stability, and clear, consistent disclosures are essential for enabling effective market discipline. We make the following recommendations:

1. Finalize mandatory Pillar 3 disclosure requirements without national discretion. This will provide a strong global baseline and mitigate fragmentation across jurisdictions. Key disclosures like transition plans and forward-looking metrics should apply to all in-scope banks.

2. Ensure full alignment with the ISSB's climate disclosure standards to promote interoperability. As ISSB standards are increasingly adopted, consistent articulation between ISSB and Basel frameworks is crucial for readability and decision-usefulness.

3. Provide more granular guidance on qualitative disclosures, particularly transition plans. The Basel Committee on Banking Supervision (BCBS) should reference its own climate risk management principles and require disclosures on emissions reduction targets, implementation strategies, key assumptions, and integration into broader strategic planning. This will ensure meaningful insights into banks' readiness for transition.

4. Make disclosure of financed emissions mandatory, covering Scope 3. This significant exposure must be measured and managed. Methodologies should be clarified to ensure comparability.

5. Make disclosure of facilitated emissions mandatory. Capital markets activities substantially enable high-emission sectors, generating material climate risks.

6. Finalize requirements expeditiously, targeting implementation in 2025. Climate impacts are intensifying rapidly, and financial resilience depends on timely disclosures. Phasing-in key elements like forward-looking metrics can help smooth adoption.

7. Complete the review of Pillars 1 and 2 by late 2024 as planned. Disclosure requirements, while positive, must be complemented by substantive integration of climate risks into capital and risk management frameworks.

We believe these measures will create a robust global baseline for climate risk management in banking, particularly in Asia. Thank you for spearheading this initiative and considering our recommendations. We stand ready to assist with further development of the framework.