FINANSTILSYNET

Basel Committee on Banking Supervision

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Comments to Consultative Document on Pillar 3 disclosure requirements - updated framework

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We thank the Basel Committee on Banking Supervision for the opportunity to comment on the Consultative Document on Pillar 3 disclosure requirements – updated framework.

The Danish Financial Supervisory Authority (DFSA) generally supports disclosure of relevant financial information in order to promote transparency for credit institutions. The DFSA strongly supports disclosure of capital distribution constraints as proposed in the Consultative Document. Furthermore the DFSA suggests that the Basel Committee on Banking Supervision further investigates the option to disclose institution's individual capital requirement.

Disclosure of capital requirements broken down to capital reservation on specific risks with an accompanying qualitative description gives market participants a deep insight into which risks the institution is particularly exposed to.

Danish credit institutions have been disclosing individual capital requirements for several years. It is the firm belief of the DFSA that disclosure of capital requirements promotes discipline among institutions in regards to the risks that the institutions expose themselves to.