

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



Japanese Bankers Association

JBA comments on BCBS consultative document: “Machine-readable Pillar 3 disclosure”

Dear Basel Committee members:

The Japanese Bankers Association¹ (JBA) appreciates the opportunity to provide its comments on the Basel Committee on Banking Supervision’s (BCBS) consultative document: “Machine-readable Pillar 3 disclosure” (the “Consultative Document”) released on 5 December 2025.

The JBA supports the BCBS’s efforts to enhance the comparability, availability, and accessibility of banks’ disclosure data across jurisdictions through the introduction of machine-readable disclosures, thereby further strengthening market discipline. At the same time, however, given the current differences in disclosure practices and underlying data across jurisdictions and banks, implementing machine-readable disclosures may impose significant systems-related and operational burdens on banks, and the increased complexity of implementation could affect the reliability of disclosures.

We therefore respectfully request that the BCBS provide a sufficiently long preparation period for implementing the disclosure framework. In addition, we encourage the BCBS to reconsider certain requirements—such as allowing greater flexibility in disclosure formats than those currently proposed in the Consultative Document and rationalising the framework by eliminating duplicative disclosures between machine-readable and existing human-readable formats—to mitigate banks’ operational burden while maintaining robust and reliable disclosure practices.

We hope that our comments will contribute to further discussions at the BCBS.

Question 1: What are your views on the scope of the requirement for machine-readable Pillar 3 disclosure, in particular the proposed initial focus on quantitative disclosure regarding the templates marked as “Maybe” in Table 4?

The templates marked as “Maybe” in Annex 2, Table 4 allow a significant degree of discretion across banks in terms of disclosure items, level of granularity, and aggregation standards, resulting in material differences in the

¹ The Japanese Bankers Association is the leading trade association for banks, bank holding companies and bankers associations in Japan. As of 1 March 2026, the JBA has 111 Full Members (banks), 3 Bank Holding Company Members (bank holding companies), 78 Associate Members (banks & bank holding companies), 49 Special Members (regionally-based bankers associations) and one Sub-Associate Member for a total of 242 members.

content of disclosures. For these categories, human-readable disclosure therefore remains the more appropriate format. If these templates were to be standardised and brought within the scope of machine-readable disclosure, banks would need to introduce additional processes and undertake further system development. Therefore, a longer preparation period should be provided for these templates than for those marked as “Yes.”

For certain templates marked as “Yes,” the scope should be limited to the tables that can be aggregated based on identical definitions across jurisdictions. In practice, aggregation standards differ across jurisdictions—and even within the same region—for example, in the asset classes in CR6 and CCR4, the units of measurement in CR8, and the probability-of-default (PD) ranges in CR9.

Furthermore, for both the “Yes” and “Maybe” templates, the implementation timeline should be aligned within each respective category. If, for instance, implementation timelines were to differ even within the “Yes” category, banks would need to undertake multiple rounds of system development and establish separate validation processes. Such divergent approaches across templates would complicate validation processes, increase operational burden, and heighten the risk of disclosure errors, thereby undermining the overall reliability of the disclosures.

Question 2: Do you have any comments on the technical data formats and standards, the API structure and the general concept of the taxonomy proposed for quantitative machine-readable Pillar 3 disclosure? Are there other formats and solutions that should be considered?

We agree with the proposed API structure and the general concept of the taxonomy; however, from the perspectives of feasibility and burden mitigation, the following several additional points should be taken into consideration.

With respect to technical data formats and standards, given that Inline XBRL is already widely adopted in Japan, we respectfully request that it be permitted as a disclosure format. Requiring the use of other formats would inevitably necessitate new system development by Japanese banks and impose substantial additional burden. Inline XBRL is also widely used for financial reporting in many other jurisdictions. From the perspective of minimising the number of supported formats in order to reduce the burden on data users, we therefore recommend Inline XBRL as a technical data format.

Regarding the taxonomy, accurate mapping between the quantitative disclosure taxonomy and existing disclosure formats is essential to ensure the accuracy and comparability of disclosures. A sufficiently long consultation period should therefore be provided before finalising the taxonomy. In addition, taxonomy version management—including the assurance of compatibility and clearly defined migration procedures—should be conducted in a strict and disciplined manner. Each update to the taxonomy triggers migration and validation work; insufficient version control would increase operational burden and could undermine the accuracy of disclosures.

Question 3: Are there formats other than PDF that should be considered for human-readable disclosure?

We consider PDF to remain the most appropriate format for human-readable disclosures, and replacement with

other formats is not necessary. On the other hand, from the perspective of enhancing searchability and accessibility for users, it would be reasonable to allow banks, on a voluntary basis, to provide disclosures in HTML in addition to PDF. While PDF is an internationally standardised format, HTML offers superior searchability, linkability, and accessibility compared with PDF alone. Allowing HTML alongside PDF for human-readable disclosures could help reduce the risk of misinterpretation and improve the efficiency with which users review and reference disclosures.

Question 4: In your view, which are the main operational benefits and challenges that this project would bring to banks? Would you see any other positive or negative impacts on your current disclosure process?

Machine-readable disclosures can improve comparability and enhance monitoring efficiency for supervisors and market participants through automated aggregation and analysis. However, from the perspective of banks, both the initial preparation cost and the ongoing operational burden would be substantial, while the practical benefits would be limited. Implementing machine-readable disclosures would require banks to incur costs related to initial system development, responding to ongoing taxonomy updates, and managing a broader scope of impact when corrections are made. In particular, whereas corrections have traditionally been addressed by updating each bank's website or disclosure report, a centralised approach may also require banks to ensure consistency with supervisory databases.

From the standpoint of banks as users of disclosure information, the current disclosure framework already provides sufficient access to, and the capability to analyse, other institutions' information. Even if a new database were to be established, its practical usefulness would be limited. Moreover, there is no assurance that all jurisdictions would implement this initiative to the same standard, which raises concerns about maintaining consistent data quality at the international level.

Question 5: Do you believe the proposed effective date would provide sufficient time for implementation of machine-readable Pillar 3 disclosure? Would smaller internationally active banks need additional time?

Given that the Basel III finalisation—including the output floor—has not yet been fully implemented across all jurisdictions, mandating machine-readable disclosures may not ensure comparability and could mislead market participants. Moreover, jurisdictions are likely to progress at different speeds in implementing this initiative. For these reasons, the implementation timeline for machine-readable disclosures should be determined only after all jurisdictions have completed the implementation of the Basel III finalisation, including the output floor.

If, nevertheless, the initiative were to proceed before the Basel III finalisation has been fully implemented on a global basis, the implementation timeline proposed in the Consultative Document cannot be regarded as sufficient under the current circumstances. Even if all requirements for machine-readable disclosure were finalised during 2026, legislative processes in each jurisdiction would likely require approximately one year. In addition, following the publication of the final taxonomy, banks would need adequate lead time to complete requirements definition, system development, testing, internal control preparations, and budget allocation. In

light of these steps, a transition by 2029 would be difficult to achieve. While jurisdictions that have already advanced preparations for machine-readable disclosures may be able to meet the proposed timeline, there remains a significant risk that preparations in Japan would not be completed in time. Accordingly, we respectfully request that the effective date be deferred by at least one year.

Furthermore, as the time required for system development varies significantly across institutions, additional lead time or a phased implementation approach should be considered, particularly for smaller banks.

Question 6: How useful would data users consider a global database on the BCBS's website? Would visualisation tools and industry aggregates make a global repository meaningfully more useful?

A global database could offer certain benefits in enhancing cross-jurisdictional and cross-bank comparability; however, its overall effectiveness would depend heavily on whether all jurisdictions and institutions are able to provide data of comparable quality within the same timeframe. Without such assurance, the benefits would be limited.

Additionally, features such as collections of links, cross-bank search functionality, and industry-wide aggregation could indeed improve user convenience. At the same time, however, differences in definitions, scope, and units can easily lead to misunderstanding. It is therefore essential to develop and maintain comprehensive metadata—such as explanatory notes, glossaries, reporting periods, consolidation scopes, definitions, and revision histories—to ensure accurate interpretation and comparability.

Other Comments

We do not oppose the introduction of machine-readable disclosures; however, maintaining duplicative disclosures in both machine-readable and existing human-readable formats would significantly increase operational burden. Appropriate burden-mitigation measures should therefore be implemented. In particular, if only quantitative information is required to be disclosed in a machine-readable format, the disclosure framework should be rationalised so that duplicative disclosures in human-readable formats are not required.

* * *

We thank the BCBS again for the opportunity to comment on the Consultative Document and hope our comments will contribute to further consideration in the BCBS.

Yours faithfully,

Japanese Bankers Association