UK Finance

UK Finance's response to the BCBS's Consultation on Machine-readable Pillar 3 disclosure

5 March 2026

Introduction

1 UK Finance[1] welcomes the opportunity to respond to the BCBS[2]'s consultation paper on **Machine-readable Pillar 3 disclosure**. This response reflects views from a broad range of UK Finance member firms of different sizes, complexity, business models and customer bases.

2 We express our concerns to the overall benefits of the proposal to implement machine-readable Pillar 3 disclosure across jurisdictions ("this proposal") in the "Overarching View" section below.

3 In addition to the above point, we respond to the related consultation questions, supported by clear rationale and member feedback grounded in practical industry experience.

4 Finally, we outline a set of recommendations for the UK regulator (the PRA[3]) on how existing UK reporting infrastructures and planned programmes, particularly the Future Banking Data (FBD) programme, could be leveraged to implement the proposed requirements more efficiently. We highlight the opportunity to centralise data transformation.

Overarching View

5 We acknowledge the BCBS's initiative to standardise Pillar 3 disclosures. We found the Committee outreach calls on 3 - 4 February 2026 very helpful to understand the BCBS's objectives and perspectives from data users.

6 On review we strongly believe that the cost of implementation exceeds the limited benefits. Based on discussion with members regarding the fast-evolving AI-driven data extraction technologies and the narrow demand for Pillar 3 reports observed by our members, we have material concerns about whether the overall effort and cost required to implement this proposal would be proportionate.

7 We consider that the proposed wide-ranging and costly project is disproportionate given users are mainly interested in a small number of templates being machine-readable. Furthermore, more than half of the proposed templates are "flexible", limiting comparability even if they are in a machine-readable format.

8 In just the past few years, frontier models have made major leaps in extracting structured information from unstructured documents, and their usability will continue to increase as AI capabilities mature. As of March 2026, the shift from extractive AI to toward agentic AI enables these tools to better navigate complex regulatory filings. Recent releases like GPT 5.3 and Claude 4.6 show that the industry is moving toward a future where AI can pull data directly from traditional reports without needing them to be in a specific machine-readable format.

9 Given this trajectory, it is highly probable that AI-driven data-tool development will outpace the proposed implementation timeline (1 January 2029), and even more advanced capabilities will further reduce the limited value of mandating machine-readable formats for data users.

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[1] UK Finance is the collective voice of the banking and finance industry. Representing over 300 firms, we're a centre of trust, expertise and collaboration at the heart of financial services, championing a thriving sector and building a better society.
[2] The Basel Committee on Banking Supervision
[3] The Prudential Regulation Authority

10 As noted by rating agencies during the 3 February outreach call, they have successfully used AI tools to extract and analyse data information from Pillar 3 PDF reports. While AI tools could not yet make reliable analysis on its own as pointed out, we highlight that they have been successfully combined with programming techniques to scrape data from PDFs with high accuracy, for human analysts to conduct quantitative analysis.

11 We recognise the Committee's concern that AI tools cannot guarantee full data comparability across firms[4] in the way taxonomies can. However, as several data users noted during the outreach calls, their primary comparability challenges arise not from difficulty matching data fields across PDFs, but from differences in how jurisdictions define particular data points. In other words, the underlying compatibility issues that this proposal aims to address may persist regardless of the format.

12 Alongside technological developments, member insights also point to limited data user needs. Members noted that Pillar 3 reports published on their websites typically receive very low traffic, as equivalent or similar information is often available through other sources[5].

13 We understand from the outreach calls that for some rating agencies, the process of collecting and inputting Pillar 3 data is not yet fully automated, and this proposal would meet their needs for machine-friendly data. However, both our members and rating agencies confirmed[6] that these needs are already being met through bilateral channels: when agencies require specific Pillar 3 information, banks provide it in machine-friendly formats upon request. The infrequency of these requests suggests that there is limited unmet data demand.

14 Finally, we question the necessity of mandating machine-readable formats for all quantitative templates. Feedback from members indicates that the majority of users tend to focus on only a small subset of key tables. Of the 60+ quantitative templates included in the consultation scope, we anticipate that many would receive little or no use from the public even if made machine-readable. This was also highlighted by users during the BCBS's recent outreach.

15 In conclusion, we strongly believe that the significant implementation, maintenance, and data governance costs for all firms (likely millions of pounds sterling for larger banks), would strongly outweigh the future benefit given the combination of current low data user demand and the evolution of technological solutions.

16 Should the BCBS continue with these proposals, we have set out responses to the consultation questions, including industry recommendations.

[4] In this paper, "firms" refers to banks, building societies, investment firms, and Capital Requirements Regulation consolidation entities who all publish Pillar 3 disclosure in the UK regulatory context.
[5] e.g. annual reports, interim and quarterly management statements.
[6] On the 4 February BCBS outreach call, ratings agencies confirmed the bilateral channels exists.

Detailed Responses to Consultation Questions

Q1. What are your views on the scope of the requirement for machine-readable Pillar 3 disclosure? In particular, what are your views on the proposed initial focus on quantitative disclosure regarding the templates marked as "Maybe" in Table 4?

17 We support the BCBS's initial focus on quantitative disclosures. However, we note that 36 out of 67 quantitative templates in Table 4 of the consultation are classified as "flexible" format, allowing for reporting inconsistency which limits comparability across banks and jurisdictions. Without stronger standardisation, the overall value to users may remain limited – particularly given the already low level of data user demand for these tables perceived by members (as mentioned in paragraph 12).

Q2. 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?

Technical formats and exchange standards

18 Overall, among the proposed technical formats, our members strongly favour the XBRL-CSV format due to its prevalence in regulatory reporting – many international members are already using this format for their EU entities' Pillar 3 disclosures. Moving to new formats such as JSON Schema, XBRL-JSON, or SDMX-CSV would require new tooling, vendor development, and testing, increasing complexity.

19 For those firms who do not currently submit via XBRL-CSV, members highlight the practical challenges in moving from the current Excel based submission process to XBRL. In practice, firms typically use their finalised Excel templates to generate XBRL outputs. Inconsistencies might emerge between the formats which then require manual intervention, creating operational risk such as reporting errors, increases cost, and may lead to submission delays. For firms, this introduces additional complexity without clear incremental benefit.

API Structures

20 We agree that API[7] links would provide useful public access and are technically feasible for firms to produce. However, effective implementation requires several conditions: stable and well-defined API endpoints, clear and consistently applied schema definitions, strict versioning controls, and access to test environments well in advance of going-live. API-driven models also introduce ongoing obligations around monitoring, security validation, and operational resilience, all of which must be carefully considered.

21 We recommend that jurisdictional regulators generate and host standardised API links, rather than requiring each firm to develop its own. A centralised API ensures consistency and speeds up implementation by simplifying integration for firms. By following jurisdictional regulatory frameworks, these APIs provide well-

[7] Application Programming Interface

documented, predictable structures. This allows for easier enforcement of uniform standards, making the entire integration process more efficient. In the UK, regulators already provide submission APIs (such as the PRA's use of RegData[8]) which demonstrates that centralised API infrastructure is both feasible and effective. We therefore recommend the BCBS to encourage jurisdictional regulators to produce the standardised public APIs for Pillar 3 disclosures under a centralised approach.

Taxonomy

22 Clear and consistent guidance for taxonomy standards is particularly important. We strongly recommend the construction of a single consolidated manual and an Excel-based data dictionary covering all templates. The current UK taxonomy for Pillar 3 tables (along with its associated guidance materials) have multiple guidance documents and Excel artefacts which complicate navigation. We propose an approach similar to the PRA's UK STDF[9] manual and data dictionary, consolidating all guidance into one manual and offering a comprehensive data dictionary with clear definitions for every column and row.

Q3. Are there formats other than PDF that should be considered for human-readable disclosure?

23 Most members currently only produce PDF disclosures. Some, however, suggest that the HTML format should also be considered, as it is more accessible across devices, works well with assistive technologies, is easier to find through search engines, and most importantly, is simpler to update and maintain than PDF.

24 We recognise that adopting HTML would create additional costs and effort for firms, therefore we recommend that HTML be offered as an optional format alongside PDF, rather than a mandatory requirement.

Q4. 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?

Operational benefits

25 We identify two long-term operational benefits for firms:

1. Pillar 3 disclosure quality will improve as machine-readable formats require more structured validation and control from firms.
2. Operational efficiency will improve as machine-readable formats lead to increased automation, resulting in cost savings once systems and processes mature.[10]

Operational Challenges

26 We classify identified operational challenges into three categories. First, pre-implementation issues focus on costs and resource allocation. Second, data-

[8] FCA's data collection platform for gathering regulatory data from firms.
[9] Stress Test Data Framework: https://www.bankofengland.co.uk/-/media/boe/files/stress-testing/2022/stdf-manual-2022.pdf
[10] Albeit noting that these solutions are likely to be a duplication of services already available in the market by the time of implementation and so represent a net cost increase – see Overarching View (paragraphs 8-10).

related challenges involve maintaining quality, managing late adjustments, and ensuring users do not overlook qualitative context. Third, long-term concerns centre on jurisdictional complexity, data assurance, and error correction, alongside the uncertainty and costs introduced by future policy changes.

Pre-implementation: cost of infrastructure and potential lack of skilled experts

27 The primary operational challenge is the significant implementation cost associated with developing or acquiring the necessary reporting technologies and infrastructure. Firms will need to build in-house solutions, engage external vendors, or most commonly adopt a hybrid approach to meet the new reporting requirements. In frequent cases, where firms need vendor support to generate XBRL-CSV outputs, there is additional uncertainty regarding vendor capacity between 2027–2029, which adds to the implementation challenge.

28 The availability of skilled resources within members available to oversee the implementation is an additional concern since they will be shared across multiple regulatory initiatives in the projected timeframe: e.g. Basel 3.1, climate and sustainability risk related reporting, cryptoassets, stablecoins and operational resilience. In addition, many members are undertaking large scale internal transformation projects in data and regulatory systems over the same period.

Data related challenges

29 Maintaining high data quality during the transition period is a key challenge for firms. The initial process of aligning existing data to new taxonomies will require significant validation and reconciliation. Ensuring that data is accurate, consistent, and complete across systems will create additional operational burden, particularly in early phases.

30 Members highlight that late adjustments will become more difficult under a machine-readable reporting model. Firms currently manage late changes through typeset[11] drafts, making manual edits directly to the final PDF. Under the new framework, even minor amendments may require updates to large datasets, increasing effort and reducing flexibility close to submission deadlines, potentially undermining any use of data.

31 There is also the risk that qualitative context will be overlooked. Although full narrative explanations will remain available in PDFs, the ease of accessing structured quantitative data in the proposed format may inadvertently discourage users from engaging with the underlying qualitative information.

Long-term and future concerns

32 We highlight the complexity and operational burden created by the myriads of reporting and disclosure regimes faced by firms that operate in multiple jurisdictions, including the US, EU and the UK. Basel standards are implemented at national discretion, leading to non-uniform requirements creating data silos and hindering cross-border integration. We suggest that the BCBS and jurisdictional

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[11] Typesetting is the process of arranging text and images on a page to create a visually appealing, readable, and structured layout for printing or digital display.

regulators follow a similar approach to the EBA's[12] P3DH[13], or apply enhanced alignment requirements only to larger, internationally active banks, to avoid multiple processes for the same activity.

33 A key practical concern is how firms will provide assurance over their machine-readable data. Boards currently sign off the Pillar 3 disclosure PDF, but it is unclear how equivalent assurance could be applied to large XBRL-CSV datasets. If firms are required to provide the same level of assurance, this may necessitate additional audit of the datasets, adding cost and time. It is also unclear which version would be treated as the authoritative source if discrepancies arise, and whether firms would face regulatory penalties.

34 Error corrections after data submission/publish present additional challenges. Correcting a PDF disclosure is currently straightforward and proportionate, typically by uploading a revised document to a firm's website. In a machine-readable context, even minor corrections may require full re-submission of datasets (especially if firms need to prepare all 60+ templates and feed into a centralised repository). Regulators should therefore establish a clear, simplified process for proportionate error handling.

35 Future changes to Pillar 3 requirements introduce further uncertainty and cost. Any post-implementation changes to formats, taxonomies, or technical standards would force firms to redesign data sourcing, reporting processes, and IT infrastructure. It is therefore critical that the BCBS and jurisdictional regulators stabilise core design features before implementation.

Impact on current disclosure processes

36 A limited positive impact on firms' current disclosure would be the possible reduction in ad hoc data requests, as machine-readable disclosures will give users more direct access to the information. However, this comes with the more significant drawback regarding the duplication of reporting: firms would need to maintain both the PDF and machine-readable formats, significantly increasing the workload without providing meaningful benefit to data providers and potentially extending reporting timelines.

Q5. Do you believe the proposed effective date would provide sufficient time for implementation of machine-readable Pillar 3 disclosure?

37 Yes, the proposed implementation date of 1 January 2029 appears technically feasible to members provided several conditions are met:

38 First, taxonomies and supervisory guidance must be provided in a timely manner by both the BCBS and subsequent jurisdictional regulators. In most cases, members expect around 3 months of development and testing once the taxonomy is finalised. If the BCBS publishes the final standard by the end of 2026 as proposed in the consultation, and if jurisdictional regulators finalise subsequent domestic implementation within 6 months, this should allow 18 months' time for the timely implementation by members.

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[12] European Banking Authority

[13] Pillar 3 data hub: https://www.eba.europa.eu/risk-and-data-analysis/pillar-3-data-hub

39 Second, jurisdictional regulators would need to not materially change the existing disclosure formats or content, nor make parallel changes to Pillar 3 requirements during the same period.

40 Third, we expect that other regulatory initiatives will not significantly deplete the limited pool of technical and regulatory reporting expertise / vendors, as noted in the answers to Question 4 (paragraphs 27-28).

Q6. 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?

41 A global database hosted by the BCBS would be more beneficial for regulators and data users than for data providers. Regulators could gain better access to cross-jurisdictional banking data, facilitating greater benchmarking. Visualisation tools and industry aggregates could further enhance its usefulness.

42 However, given the rapid advancement of AI and data-analytics technologies, the long-term value of a centralised dashboard is likely to diminish. By the time such a platform is implemented after 2029, users may already be able to retrieve and analyse Pillar 3 data efficiently from multiple, potentially more convenient, sources using AI.

PRA Considerations

43 As highlighted in the "Overarching View" section, we do not recommend that the BCBS implement these proposals. Should the BCBS proceed, we strongly urge the PRA not to adopt these standards within the UK. Were the UK to decide to implement these proposals we would add the following conditional comments. We welcome the Committee's clarification during the outreach calls that the intention of this proposal is to encourage jurisdictions to build on existing infrastructures rather than develop entirely new systems. In this context, we strongly recommend the PRA to leverage the ongoing Transforming Data Collection – FBD[14] programme, which is already designed to modernise the UK's regulatory data collection framework.

44 The PRA's recent DP1/26[15] further reinforces this direction by outlining plans to collect granular, reusable data from firms to replace fixed reporting templates. This strategic shift – aimed at reducing duplication and complexity – naturally aligns with the needs of machine-readable Pillar 3 disclosures.

45 If the PRA proceeds with implementing the Basel proposal, we believe a centralised, FBD-enabled model would be the most efficient and proportionate approach. Under such a model, firms would continue submitting granular datasets through the FBD framework, and the PRA would convert these datasets into machine-readable Pillar 3 disclosures consistent with Basel standards.

46 By acting as a centralised hub, the PRA could generate Pillar 3 datasets directly from the granular submissions and provide standardised APIs for public access, similar to the EBA's planned API rollout in 2026 for P3DH (as they stated in the 4

[14] Future Banking Data
[15] Discussion Paper (DP) 1/26 on FBD: https://www.bankofengland.co.uk/prudential-regulation/publication/2026/february/future-banking-data-discussion-paper

February outreach call). This approach would significantly reduce the need for firms to source for vendors to prepare for API and XBRL submissions, lowering implementation costs and ensuring consistency across firms.

47 If, however, the PRA decides not to integrate Pillar 3 production into the FBD programme, we recommend an alternative centralised approach using other well-established UK reporting channels – such as BEEDS[16] and RegData, where COREP[17], FINREP[18], and stress testing data are submitted to. These platforms already incorporate taxonomies, validation rules, and structured data capabilities that could be leveraged for Pillar 3 purposes.

48 Should the PRA still require firms to submit individual Pillar 3 data templates under this centralised model, we recommend they issue detailed data-mapping guidance, like the approach taken by the EBA for P3DH. Given that a significant portion of Pillar 3 disclosures is directly derived from COREP and FINREP data, such guidance would materially reduce the burden on firms and promote consistency across the industry.

UK - Specific comments to consultation questions 1 and 4

Q1: Comments on scope in the context of UK adaptation

49 Certain templates in Table 4 of constitution are not part of the current UK disclosure suite (such as DIS45 - Sovereign exposures and DIS55 - Cryptoasset exposures). We urge that these templates will remain out of scope once implemented in the UK – not resulting in additional or revised disclosure requirements for UK firms.

50 Among the 60 quantitative templates marked as "Yes" in Table 4 of the consultation, 2 templates require clarification in the UK context. We urge that these templates will not be reclassified or redesigned solely for the purpose of machine-readable reporting:

1. The CCA template (regulatory capital instruments and TLAC eligible instruments) is currently defined by the PRA as a mix of qualitative and quantitative information.
2. The IRRBB template (risk management objectives and policies) is currently defined by the PRA as purely qualitative.

51 Among the 7 quantitative templates marked as "Maybe" in Table 4 of the consultation, 3 templates raise similar concerns as above: CRB, CRB-A and LIQA. Under the PRA framework, these templates are defined as "Qualitative" instead of "Qualitative/Mix". We urge that once implemented in the UK; their existing formats will not be revised by the PRA.

Q4: UK-specific operational challenge

52 UK banks already produce XBRL outputs for PRA submissions (e.g., COREP), and most international banks already provide machine-readable Pillar 3 disclosures for the EBA's P3DH. Material divergence between EU and UK specifications – or

[16] Bank of England Electronic Data Submission portal
[17] Common Reporting
[18] Financial Reporting

between current UK reporting and implementation of this Basel proposal – would impose significant analytical burdens, operational challenges, and costs on UK firms.

Engagement

53 We appreciated the opportunity to share our initial views during the BCBS outreach calls and would be happy to facilitate further engagements with our members.

54 UK Finance is content with the BCBS and the PRA publishing this consultation response on their websites.

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