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Basel Committee on Banking Supervision
Bank for International Settlements
Centralbahnplatz 2
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Re: IIF/ISDA/GFMA Public Comment on the Basel Committee’s Consultative Document on “Machine-readable Pillar 3 disclosure”

The Institute of International Finance (IIF), the International Swaps and Derivatives Association (ISDA) and Global Financial Markets Association (GFMA) (together the “Associations”) appreciate the opportunity to provide public comments to the Basel Committee (“BCBS” or the “Committee”) on its request for comment on the Consultative Document, “Machine-readable Pillar 3 disclosure” issued on December 5, 2025 (hereafter “the Consultative Document” or “CD”). The IIF is the global association of the financial industry, with around 400 members from over 60 countries, including commercial and investment banks, asset managers, insurance companies, ratings agencies, market infrastructure providers, and professional services firms. ISDA has worked to make the global derivatives markets safer and more efficient, with over 1,000 member institutions from 77 countries, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, international and regional banks, exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. The GFMA represents the common interests of the world’s leading financial and capital market participants, to provide a collective voice on matters that support global capital markets. We advocate on policies to address risks that have no borders, regional market developments that impact global capital markets, and policies that promote efficient cross-border capital flows to end-users by efficiently connecting savers and borrowers, benefiting broader global economic growth.

Overarching comments

Our member banks stress that the success of the initiative will depend on global consistency, interoperability, and clarity of implementation, as experience with regulatory reporting shows that divergent interpretations and firm-specific implementations drive fragmentation and unnecessary cost. To address this, the Associations strongly encourage the publication of requirements not only as legal text but also as unambiguous, machine-executable logic, leveraging existing open and market-tested standards such as the Common Domain Model (CDM) and ISDA's Digital Regulatory Reporting (DRR), rather than creating new frameworks from scratch. This would promote consistent implementation, reduce duplication and long-term maintenance costs, improve data quality, and support integration with other regulatory datasets. Members also emphasize the importance of avoiding parallel, non-interoperable taxonomies, permitting widely used formats such as Inline XBRL, and ensuring early clarity on scope, taxonomy, and governance, alongside a proportionate and phased implementation timeline.

Response to specific questions in the CD

Q1. 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?

We support the Committee's proposed focus on quantitative templates as an initial phase. Members noted that this approach is pragmatic and reflects the areas with the highest comparability and user value. At the same time, global implementation readiness remains uneven, with some jurisdictions yet to issue domestic guidance on machine-readable or structured disclosure. A phased approach focused initially on core quantitative templates would therefore mitigate operational and architectural complexity, particularly for smaller internationally active banks and those in emerging markets.

Analogously, we have seen that an ongoing challenges with regulatory reporting has been the consistent interpretation and implementation of reporting rules across all market participants. While the introduction of more reporting standards over recent years (for example, the Critical Data Elements (CDE) and Unique Product Identifier (UPI)), alongside more complete guidelines from regulators (for example the [ESMA Guidelines for reporting under EMIR](#)),¹ have led to greater consistency in how market participants report transactions, each entity ultimately implements its own reporting logic within the reporting systems. Additionally, regardless of how extensive regulatory guidelines may be, there will always be products and scenarios not catered for.

To address this perennial problem of inconsistent interpretation and implementation of reporting requirements the Associations advocate for establishing regulatory rules as unambiguous, machine executable, logic that is published alongside legal text. The logic would use a standardised and freely available model and will allow market participants to either benchmark their own reporting code against the regulator published "golden source", or to implement the transaction reporting rules as code directly into their reporting systems

¹ https://www.esma.europa.eu/sites/default/files/2023-10/ESMA74-362-2281_Guidelines_EMIR_REFIT.pdf

and processes. This second approach would require limited additional interpretation or manual intervention, and once in place, only minimal costs would be incurred when future changes to requirements are published.

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?

Our member banks have underscored the risk of duplication arising from parallel, non-interoperable digital reporting initiatives across jurisdictions. Many banks already maintain multiple reporting infrastructures to comply with domestic Pillar 3 requirements (e.g., the US 10-Q/10-K and EBA Pillar 3 guidelines). Absent a clear interoperability strategy, the proposed framework could require additional data mapping, reconciliation, and system changes, materially increasing IT and governance costs without commensurate user benefit.

Prior to establishing a machine executable model of reporting rules, the transaction and reference data required for reporting must be fully standardised and freely available to the industry. To reduce development time and help ensure any such standard is fit for purpose, we encourage the Committee to explore existing standards within the market as opposed to developing them from scratch. One such example of an existing common, open-source data standard for financial products already being utilised is the [Common Domain Model](#) (CDM)², which is under the governance of the [Fintech Open Source Foundation](#) (FINOS)³, a subsidiary of the Linux Foundation. This provides the foundation for initiatives to digitise regulatory reporting, key collateral management processes, and other post-trade lifecycle processes. The CDM is an increasingly used standardised, machine-readable and machine-executable data and process model facilitating the trade processing of repo, securities lending, bond and derivatives transactions and is based on cross-industry collaboration. As an open source model, the CDM is freely available to all market participants, including regulators, and can be applied as the foundation for producing machine executable reporting rules.

The Associations also highlight the [ISDA Digital Regulatory Reporting](#) (DRR)⁴ initiative as an example of how reporting rules can be represented as machine executable logic. DRR uses the open-source CDM to transform an industry-agreed interpretation of new or amended regulatory reporting rules into unambiguous, machine-executable code, making implementation more efficient and cost effective. The DRR presents a single, unambiguous model to implement reporting requirements. As an open access model, market participants can utilise the DRR logic within their own reporting systems to ensure consistency of reporting across the industry, and accuracy in populating data fields. Because DRR is a single and openly available digital representation of the reporting requirements, any updates to the code only needs to be done once to the central model, and all market participant using the DRR can reflect that same change within their own reporting systems. This enables cross-industry consistency, compliance with the rules, a drastic reduction in manual intervention, and lower costs.

² <https://cdm.finos.org/>

³ <https://www.finos.org/>

⁴ <https://www.isda.org/isda-solutions-infohub/isda-digital-regulatory-reporting/>

We encourage the Committee to consider the DRR as a template for producing disclosure reporting rules as machine executable code, and recognise that any such digital model of the requirements should be technology agnostic. As previously highlighted, this will result in a more consistent and cost-effective implementation of reporting requirements, and simultaneously lead to more accurate and reliable data received by regulatory authorities.

Other member banks have also requested that Inline XBRL be permitted as a disclosure format. Inline XBRL has gained substantial acceptance in many jurisdictions, including the United States, where it is used for SEC filings. Requiring other formats would inevitably necessitate new system development by banks and impose a substantial additional burden. From the perspective of data users as well, Inline XBRL would help minimize the number of supported formats.

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

Members have no strong objections to the continued use of PDF as the primary human-readable format.

Note that while not precluding the use of PDF format, machine-readable rules can be represented in a human-readable format too. This is the approach taken by CDM and DRR.

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?

From an operational perspective, member banks have highlighted the fact that implementation would require changes across data architecture, reporting tools, validation engines, and internal controls. These changes are particularly costly where firms must support multiple taxonomies and formats in parallel. Ongoing costs related to taxonomy updates, system maintenance, and internal governance may exceed initial implementation costs, especially if revisions are frequent or not aligned with other regulatory initiatives.

Anchoring the machine-readable Pillar 3 framework in CDM-based data definitions and DRR-style executable rules would materially strengthen the initiative by promoting global consistency in the interpretation and calculation of Pillar 3 metrics, reducing implementation and maintenance costs through the reuse of common models and code, improving data quality and reconciliation across internal risk, finance and regulatory systems, and enabling more seamless integration of Pillar 3 disclosures with other regulatory and risk datasets.

Using projection capabilities built into CDM and DRR already, these models would act as a golden source representation which does not prevent the use of existing formats such as ISO20022, JSON etc. which firms may find easier to produce initially.

Q5. 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?

Early and stable clarity on the scope of required disclosures and the proposed taxonomy is essential from an operational perspective. Banks require sufficient lead time to map regulatory concepts to internal data structures, develop controls, and test outputs. Meanwhile, smaller internationally active banks and banks in jurisdictions where domestic guidance has not yet been issued may require additional time. Members therefore support a phased implementation approach and encourage the Committee to consider proportionality based on size, sophistication, and jurisdictional readiness.

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?

Members caution that the value of a global repository will depend critically on consistency with other jurisdictional disclosure frameworks. If banks are required to submit similar data separately to multiple authorities using different taxonomies or update cycles, the operational burden would increase significantly and would not be justified by the overall outcome of the project. Alignment of definitions, update frequency, and taxonomy governance would therefore be essential to ensure the global database reduces duplication. It would be helpful for the Committee to assess interoperability across jurisdictions again, including alignment with existing local taxonomies and disclosure frameworks, to ensure the proposed approach can be implemented consistently and efficiently on a global basis.

Again, since CDM can support the mapping to and projection of different formats, it is suggested that CDM could be the basis of a golden representation in a global repository serving multiple national taxonomies. DRR has already solved this problem for differences in regulatory reporting jurisdictions globally (including CFTC, EMIR (EU and UK), JFSA, ASIC, MAS, Canada, and HKMA) all operating from the same base transaction representation.

Conclusion

The Associations support the Committee's objective to enhance Pillar 3 disclosures through machine-readable formats and agree with the proposed phased approach, while strongly encouraging the Committee to anchor the framework in interoperable, open, and globally consistent standards, drawing on existing models such as CDM and DRR to express requirements as machine-executable logic alongside legal text. This approach would reduce implementation risk and cost, improve consistency and data quality, and avoid duplication across jurisdictions, while permitting widely adopted formats such as Inline XBRL and maintaining flexibility for human-readable outputs. With early clarity on scope and taxonomy and a proportionate implementation timeline that reflects differences in size and jurisdictional readiness, the initiative can deliver meaningful benefits to both preparers and users of Pillar 3 disclosures.

Thank you for your consideration of these comments. On behalf of the IIF, ISDA and GFMA memberships, we hope that these global industry perspectives will contribute constructively to your efforts. We would be happy to further discuss our comments; we invite you to contact Andres Portilla (aportilla@iif.com), Panayiotis Dionysopoulos (pdionysopoulos@isda.org), Olivier Miart (omiart@isda.org), and Allison Parent (aparent@global.gfma.org) should you have questions or comments.

Yours Sincerely,



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