



May 25, 2018

Submitted electronically

William Coen
Secretary General
Basel Committee on Banking Supervision
Bank for International Settlements
CH-4002 Basel
Switzerland

Re: Consultative Document: *Pillar 3 Disclosure Requirements – Updated Framework*

Dear Mr. Coen:

World Council of Credit Unions (World Council) appreciates the opportunity to comment on the Basel Committee on Banking Supervision’s (Committee) *Consultative Document: Pillar 3 Disclosure Requirements – Updated Framework*.¹ Credit unions are cooperative depository institutions and World Council is the leading trade association and development organization for the international credit union movement. Worldwide, there are over 68,000 credit unions in 109 countries with USD 1.8 trillion in total assets serving 235 million physical person members.²

In response to your request on views on the proposed disclosure requirements, World Council strongly supports the Committee’s proposal that limits the scope of most aspects this standard to “internationally active banks at the top consolidated levels” as indicated in Section 5.1.1. We urge the Committee to finalize this aspect of the consultative document as proposed. Credit unions rarely operate on a cross-border basis and limiting the application of most aspects of this standard to internationally active banks is a proportional regulatory approach that limits unnecessary reporting burdens on community-based financial institutions. Further, World Council does not support expanding the scope to resolution groups and urge the retention of the application to the consolidated group.

We note that Part 2: Credit Risk, Table CRB-A, related to additional disclosures related to prudential treatment of problem assets and Part 9, Template CDC: Capital Distribution Constraints provide discretion for implementation by national supervisors at the jurisdictional level. While we support providing jurisdictions with national discretion in this area, we urge the Committee to emphasize that prudential regulators should consider proportionality when implementing these disclosures so as to not subject less

¹ Basel Committee on Banking Supervision, *Consultative Document: Pillar 3 Disclosure Requirements – Updated Framework* (February 2018), available at <https://www.bis.org/bcbs/publ/d432.pdf>.

² World Council of Credit Unions, *2016 Statistical Report* (2017), available at https://www.woccu.org/impact/global_reach/statreport.



complex institutions with a lower risk profile to unnecessary disclosures. The average credit union asset size worldwide is approximately USD 25 million in total assets.³ The drain on resources associated with the regulatory burden increases significantly for a smaller, less complex credit union as they lack the scale compared to the larger institutions to absorb the significant increase in reporting.

World Council appreciates the opportunity to comment on the Basel Committee's *Consultative Document: Pillar 3 Disclosure Requirements – Updated Framework*. Please do not hesitate to contact me aprice@woccu.org or phone at +1 202-508-6776 should you have any questions regarding our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew T. Price', written in a cursive style.

Andrew T. Price
Regulatory Counsel
World Council of Credit Unions

³ *Id.*