

Chapter 11

Disclosure (Pillar 3)

11.3 Disclosures: Information to be disclosed; Frequency, media and location of disclosures; Verification

Information to be disclosed

11.3.1 **R** A *firm* must publicly disclose the information laid down in ■ BIPRU 11.5 subject to the provisions laid down in ■ BIPRU 11.3.5 R to ■ BIPRU 11.3.7 R.

[Note: BCD Article 145(1), CAD Article 39]

11.3.2 **R**

- (1) A *firm* which has an *IRB permission* must publicly disclose the information laid down in ■ BIPRU 11.6.1 R to ■ BIPRU 11.6.4 R.
- (2) A *firm* which recognises *credit risk mitigation* in accordance with ■ BIPRU 5 must publicly disclose the information laid down in ■ BIPRU 11.6.5 R.

(3) [deleted]

[Note: BCD Article 145(2), CAD Article 39]

Disclosure policy

11.3.3 **R**

- (1) A *firm* must adopt a formal policy to comply with the disclosure requirements laid down in ■ BIPRU 11.3.1 R and ■ BIPRU 11.3.2 R and have policies for assessing the appropriateness of its disclosures, including their verification and frequency.
- (2) A *firm* must also have policies for assessing whether its disclosures convey its risk profile comprehensively to market participants. Where those disclosures do not convey its risk profile comprehensively to market participants, a *firm* must publicly disclose the information necessary in addition to that required according to ■ BIPRU 11.3.3R (1). However, a *firm* may omit one or more items of information if those items are not, in the light of the criterion specified in ■ BIPRU 11.4.1 R, regarded as material, or if those items are, in the light of the criteria specified in ■ BIPRU 11.4.2 R and ■ BIPRU 11.4.3 R, regarded as proprietary or confidential.

[Note: BCD Article 145(3)]

Rating decisions

11.3.4 **R** A *firm* must, if requested, explain its rating decisions to SMEs and other corporate applicants for loans, providing an explanation in writing when

asked. The administrative costs of the explanation have to be at an appropriate rate to the size of the loan.

[Note: BCD Article 145(4)]

Exemption from disclosure: Materiality

- 11.3.5 **R** A *firm* may omit one or more of the disclosures listed in ■ BIPRU 11.5 if the information provided by such disclosures is not, in the light of the criterion specified in ■ BIPRU 11.4.1 R, regarded as material.

[Note: BCD Article 146(1)]

Exemption from disclosure: Proprietary or confidential information

- 11.3.6 **R** A *firm* may omit one or more items of information included in the disclosures listed in ■ BIPRU 11.5 and ■ BIPRU 11.6 if those items include information which, in the light of the criteria specified in ■ BIPRU 11.4.2 R and ■ BIPRU 11.4.3 R, is regarded as proprietary or confidential.

[Note: BCD Article 146(2)]

- 11.3.7 **R** In the exceptional cases referred to in ■ BIPRU 11.3.6 R, a *firm* must:

- (1) state in its disclosures:
 - (a) the fact that the specific items of information are not disclosed; and
 - (b) the reason for non-disclosure; and
- (2) publish more general information about the subject matter of the disclosure requirement, except where these are to be classified as secret or confidential under the criteria set out in ■ BIPRU 11.4.2 R and ■ BIPRU 11.4.3 R.

[Note: BCD Article 146(3)]

Frequency of publication

- 11.3.8 **R** A *firm* must:
- (1) publish the disclosures required under ■ BIPRU 11.3.1 R to ■ BIPRU 11.3.5 R on an annual basis at a minimum;
 - (2) publish disclosures as soon as practicable.

[Note: BCD Article 147(1)]

- 11.3.9 **R** A *firm* must also determine whether more frequent publication than is provided for in ■ BIPRU 11.3.8 R is necessary in the light of the criteria set out in ■ BIPRU 11.4.4 R.

[Note: BCD Article 147(2)]

Media and location of publication

11.3.10

R

- (1) A *firm* may determine the appropriate medium, location and means of verification to comply effectively with the disclosure requirements laid down in ■ BIPRU 11.3.1 R to ■ BIPRU 11.3.4 R.
- (2) To the degree feasible, a *firm* must provide all disclosures in one medium or location.
- (3) Equivalent disclosures made by a *firm* under accounting, *listing* or other requirements may be deemed to constitute compliance with ■ BIPRU 11.3.1 R to ■ BIPRU 11.3.4 R.
- (4) If disclosures are not included in the financial statements, a *firm* must indicate where they can be found.

[Note: BCD Article 148]