

Chapter 11

Disclosure (Pillar 3)

11.4 Technical criteria on disclosure: General criteria

Criterion for materiality

- 11.4.1 **R** A *firm* must regard information as material in disclosures if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.
- [Note: BCD Annex XII Part 1 point 1]

Criteria: Proprietary or confidential information

- 11.4.2 **R**
- (1) A *firm* must regard information as proprietary information if sharing that information with the public would undermine its competitive position.
 - (2) Proprietary information may include information on products or systems which, if shared with competitors, would render a *firm's* investments therein less valuable.
- [Note: BCD Annex XII Part 1 point 2]

- 11.4.3 **R** A *firm* must regard information as confidential if there are obligations to customers or other counterparty relationships binding the *firm* to confidentiality.
- [Note: BCD Annex XII Part 1 point 3]

Criteria: Frequency of publication

- 11.4.4 **R**
- (1) A *firm* must assess the need to publish some or all disclosures more frequently than annually in the light of the relevant characteristics of its business such as:
 - (a) scale of operations;
 - (b) range of activities;
 - (c) presence in different countries;
 - (d) involvement in different financial sectors;
 - (e) participation in international financial markets; and
 - (f) participation in payment, settlement and clearing systems.
 - (2) In making its assessment under (1) a *firm* must pay particular attention to the possible need for more frequent disclosure of:

- (a) items of information laid down in ■ BIPRU 11.5.3 R (2) and ■ BIPRU 11.5.3 R (5), and ■ BIPRU 11.5.4 R (2) - ■ BIPRU 11.5.4 R (5);
- (b) information on risk exposure and other items prone to rapid change.

[Note: BCD Annex XII Part 1 point 4]

Disclosures: Significant subsidiaries

11.4.5

R

A firm which is a significant subsidiary of:

- (1) an EEA parent institution; or
- (2) an EEA parent financial holding company; or
- (3) an EEA parent mixed financial holding company;

must disclose the information specified in ■ BIPRU 11.5.3 R to ■ BIPRU 11.5.4 R on an individual or sub-consolidated basis.

[Note: BCD Annex XII Part 1 point 5]