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Secretariat of the Basel Committee
on Banking Supervision (BCBS)
Bank for International Settlements
CH-4002 Basel, Switzerland

Dear Basel Committee members:

Re: CBA[1] Comments on BCBS Consultative Document Disclosure of climate (ISSB) framework and provide a common disclosure baseline for internationally active banks. [illegible]
CRFR2.

- Align with the ISSB, including on the definition of materi
- Align the scope of financed emissions requirements with
- Allow banks to use a materiality threshold when determi financed emissions calculations and disclosure.

[1] The Canadian Bankers Association is the voice of more than 60 domestic and foreign banks that help drive Canada's economic growth and prosperity. The CBA advocates for public policies that contribute to a sound, thriving banking system to ensure Canadians can succeed in their financial goals. www.cba.ca

disclosures such as energy efficiency levels of real estate exposures in the mortgage portfolio (Template CRFR3); emission intensity per physical output and by sector the ISSB uses the terms “climate-related risks” or “sustainability-related risks”.

- The BCBS framework uses "forecasts" while the ISSB uses the term "targets" as highlighted above.

As such, we recommend the following:

- We recommend against including the tables and templates in the consultation for public disclosures.
- We request

given that in Canada there is no finalized implementation date for IFRS S2 or S1, we propose that the implementation date of the Pillar 3 disclosures be at the discretion of the local jurisdiction with consideration of each jurisdiction's ISSB implementation date and that a longer gap is allowed after the local implementation of the ISSB standards – specifically, two years rather than one year.

Scope of reporting

We propose to report at the consolidated level for both physical risk and transition risk (e.g., GHG emissions). Disclosure requirements for individual subsidiaries could provide an incomplete, and perhaps misleading, picture of the risks in the wider group. Moreover, banks neither measure nor manage climate-related risks and strategy at this level. To date, climate-related disclosures at the subsidiary level have provided limited benefit to market participants
We

maturity, and this creates a false expectation that maturity is an automatic exit point (versus the reality that most loans are renewed or restructured, rather than paid out). Also, at this level of granularity, disclosures start to become commercially sensitive.

Liquidity Risk: We do not believe the Committee should explore climate liquidity disclosures for a Pillar 3 framework. While there are many factors that can affect a bank's liquidity sensitivity to external events, including those driven by climate, any attempted disclosure of climate information in isolation, would likely be insufficient or not comprehensive for the wide range of implications and timing of such events, and could be misleading in their ultimate implications for a bank. The Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) and Enhanced Disclosure Task Force (EDTF) disclosures are the standardised approach to assessing a bank's liquidity resilience for any idiosyncratic or systemic instigating liquidity challenges based on the history of client actions under systemic crises or reactions to individual bank failures.

We also believe that climate-related deposits and funding disclosure on its own could create confusion and unintended consequences to a normally functioning bank's liquidity access prior to any realised climate related impacts, possibly destabilising liquidity in banking systems and making them prone to speculation. For instance, a bank with a large mix of depositors in a region who may need their funds as a result of climate driven events, does not preclude that bank from adjusting its funding sources or recapturing the lost deposits through its other clients in the same region in order to support its assets.in (q2.2 (t)-1t)-1.1 .1