

POSITION PAPER



ESBG response to EFRAG's consultation on Implementation Guidance (IG) regarding Set 1 ESRS (sector agnostic)

ESBG (European Savings and Retail Banking Group)

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Dear Sir/Madam,

Thank you for the opportunity to comment on the EFRAG consultation on Implementation Guidance (IG) regarding Set 1 ESRS (sector agnostic). The European Savings and Retail Banking Group (ESBG) would like to provide you with the comments below, which we hope will be considered by the EFRAG.

ESBG remarks:

We support the development of draft implementation guidance documents on Materiality Assessment (MAIG) and Value Chain (VCIG) by EFRAG. We believe that the draft MAIG and VCIG provides clear guidance and examples on how reporting entities can approach issues pertaining to the MA and VC. Furthermore, the non-authoritative guidance disclaimer in both document will allow preparers to exercise their own judgment in applying the ESRS.

However, while we acknowledge that the two guidance documents will be helpful for non-financial entities, and we do not foresee any major amendments at this stage, we welcome the development of sector specific guidance for the financial industry (currently being set up by EFRAG through the dedicated Advisory Panels), as the specificities of financial institutions need to be taken into account prior to the development of the future sector specific standards.

We would also like to stress that this sectorial guidance should be available as soon as possible. As preparers, we are in the process of adapting our processes to implement in FY24 the new disclosure requirements contained in ESRS. As a consequence, financial institutions are taking implementation decisions without the adequate implementation materials needed. In practice, this will generate debate between financial institutions on how to interpret the reporting requirements, which will likely result in divergencies in applying ESRS disclosure requirements and the corresponding lack of comparability.



About ESBG (European Savings and Retail Banking Group)

ESBG is an association that represents the locally focused European banking sector, helping savings and retail banks in 17 European countries strengthen their unique approach that focuses on providing service to local communities and boosting SMEs. An advocate for a proportionate approach to banking rules, ESBG unites at EU level some 871 banks, which together employ 610,000 people driven to innovate at 41,000 outlets. ESBG members have total assets of €6.38 trillion, provide €3.6 trillion loans to non-banks, and serve 163 million Europeans seeking retail banking services.

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