



Template for comments

ECB Guide on effective risk data aggregation and risk reporting

Institution/Company

Austrian Federal Economic Chamber - Division Bank and Insurance

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General comments

From the perspective of Austrian banks, the guidelines represent an important step towards concretizing the BCBS-239 requirements.

Given the focus of the supervisory authorities on data aggregation and risk reporting by banks, the explicit formulation of the requirements in this regard is essential. Nevertheless, we are critical of the following points – see next page.

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Please enter all your feedback in this list.

When entering feedback, please make sure that:

- each comment deals with a single issue only;
- you indicate the relevant chapter/ section/ paragraph, where appropriate;
- you indicate whether your comment is a proposed amendment, clarification or deletion; and
- you include a rewording suggestion in case of a proposed amendment.

Deadline: 6 October, 2023

ID	Chapter/ section	Sub-point/ bullet/ paragraph	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data
1	3.3 Effective data governance framework	Chapter 3.3.1, p. 7-8	p 7-8	Clarification	The guidance assigns responsibility for data controls and classification of key risk data to the respective data owner/data steward. However, especially for complex end-to-end processes such as regulatory or risk reporting, these staff members typically do not have all the subject-specific information needed to establish data controls on their own. However, data users (data requestors) typically have this subject-specific knowledge to establish data controls and classify risk data. Similarly, the data user (data requestor) should also be involved in monitoring data quality and actively participate in identifying and remediating data quality issues. In general, effective data governance must foster collaboration between data owner/data steward and data user (data requestor). Thus, the focus should be on a collaborative approach in which both parties work together to ensure data quality and regulatory compliance. Clarification in this regard is needed in the Guide.			Publish

2	3.3 Effective data governance framework	Chapter 3.3.3.	p. 8	Clarification	<p>The paragraph in question introduces a validation function within the "2nd line of defense" to oversee RDARR processes. However, several of the activities and responsibilities envisioned for this function, such as periodic assessments, oversight of outsourced activities, and IT change initiatives, are already addressed in Chapter 3.1, which defines the responsibilities of the governing body. In addition, chapter 3.3.4 describes the role of internal audit, which includes assessment of risk management processes and controls, including data aggregation and reporting. There is thus overlap between the intended validation function and internal audit or the governance body.</p>			Publish
3	3.6 Timeliness of internal risk reporting	Chapter 3.6, p. 10	p. 10	Deletion	<p>The paragraph establishes a maximum time period for the preparation of risk reporting of 20 working days without taking into account the specifics or requirements of different forms of risk reporting. In particular, as the requirement is not substantiated (mere reference to a general understanding "generally understood") and this cannot be derived from existing regulatory requirements in this form, this paragraph should be viewed extremely critically. Due to this lack of substantiation, the explicit requirement "risk reporting to be prepared within 20 working days" should not be included in the final guidance.</p>			Publish