Template for comments

Public consultation on the revised ECB guide to internal models

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Mazars

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General comments

N/A
**Template for comments**

Public consultation on the revised ECB guide to internal models

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.

**Deadline:** 15 September 2023

<table>
<thead>
<tr>
<th>ID</th>
<th>Chapter</th>
<th>Section</th>
<th>Paragraph</th>
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<th>Type of comment</th>
<th>Detailed comment</th>
<th>Concise statement as to why your comment should be incorporated</th>
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<tr>
<td>1</td>
<td>Credit risk</td>
<td>2.2 IT systems: infrastructure and implementation testing</td>
<td>7</td>
<td>61</td>
<td>Clarification</td>
<td>Is the model monitoring process expected to be implemented when applying for a new IRB model or model change</td>
<td>To add clarity of the ECB's expectation on implementation of model monitoring process for new IRB models.</td>
<td>Wu, Guixian</td>
<td>Mazars</td>
<td>Publish</td>
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<tr>
<td>2</td>
<td>Credit risk</td>
<td>5.2 PD risk quantification</td>
<td>128</td>
<td>104</td>
<td>Clarification</td>
<td>It may be helpful to add clarification regarding the ECB's expectation on the use of COVID data for the purpose of calculating the LRA default rate.</td>
<td>Given the governance supports impact the default rate during COVID periods, the default rate may not be representative to the future and may lead to a bias to the LRA default rate estimation.</td>
<td>Wu, Guixian</td>
<td>Mazars</td>
<td>Publish</td>
</tr>
</tbody>
</table>