



## Template for comments

### ECB Guide on effective risk data aggregation and risk reporting

#### Institution/Company

South East Technological University, Ireland

#### Contact person

##### Mr/Ms

Mr

##### First name

Charlie

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Browne

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Please tick here if you do not wish your personal data to be published.

#### General comments

I am a former Head of Valuations and IPV for Lloyds Banking Group with a background on technology / data management. I was Head of the Derivatives Valuation Explain Team for the Lehman Brothers Administration. I am now a PhD student researching "A Taxonomic Approach to Risk Factors in Derivative Pricing". I believe my that my area of research could benefit RDARR. My research is investigating whether FRTB and related market risk regulation lacks a common taxonomy for market risk factors. A consistent approach to aggregating market risk positions, sensitivities and other data would significantly benefit a common taxonomy.

## Template for comments

### ECB Guide on effective risk data aggregation and risk reporting

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	3.5 Group-wide data quality management and standards		4	Amendment	The section could benefit from a distinction between the categories of risk data (and risk factors) that the new RDARR guidelines will cover. At a high level, risk data is stored by risk factor. Those risk factors relate typically to either credit risk or market risk.	<p>Examples of risk data would help the audience understand the types of risk factors in scope for the regulation. For example in linear securities portfolios notional values of bonds and equities are typically aggregated. Whereas in derivatives and other portfolios where non-linear pricing risks exist, it is typically risk sensitivities such IR Delta, IR Vega, FX Delta and FX Vega that are aggregated.</p> <p>This section would also benefit from a description of standard aggregation keys. For example, in trading portfolios risk data will be aggregated using one or more of the following aggregation keys: instrument identifier, book, desk, business, counterparty, issuer, segment.</p>	Browne, Charlie	Publish
2	3.4 Integrated data architecture		9	Amendment	While market risk and the subject of taxonomies are mentioned, there is no specific reference made to market risk factors. For market risk/FRTB a common risk factor taxonomy would e.g. allow a) more collaborative discussions during regulatory consultative process, b) a common tool for audit of many market risk-related regulations including BCBS239 and RDARR.	Clear taxonomies / industry standards for risk factors are required in order for risk data to be effectively aggregated.	Browne, Charlie	Publish