



Comments on the Consultative Document

Principles for effective risk data aggregation and risk reporting

KNF – Polish Financial Supervision Authority welcomes the initiative of the Basel Committee to address the important issues concerning the process of risk data aggregation and risk reporting. The principles formulated by the BCBS are universal, and may be implemented not only by the G-SIBS, but also by other banks, if their risk profile or scale of business activity justifies such behavior. The comments listed below aim at clarification of some expressions and at filling the identified gaps in the proposed framework.

1. In our opinion an additional principle in the first section should be added. It should specify the requirements relating to the security of the processing of the data, that would take into account the need to preserve the confidentiality of the banking data. This is even more important as the document allows for the outsourcing of the risk reporting activity.
2. The confidentiality of the information is mentioned in the first principle, but this principle seems to be generally more focused on the quality and integrity of the systems. Therefore we suggest including the confidentiality requirements in an additional principle (as mentioned above) and to substitute the word “confidentiality” used in first principle with the word “coherent” or any other with the similar meaning.
3. The additional principle on confidentiality could encompass also the issues relating to the security of the IT systems. Alternatively these issues could be included in the second principle. These issues are also covered by the Basel Committee document “Risks in computer and telecommunication systems”, but this document is outdated (published in 1989) and needs revision.
4. We suggest more precise formulation of the risk indicators mentioned in paragraph 37. It could be done by inserting the following sentence: “Liquidity risk data such as flow/settlements and funding needs data, especially in the light of maturities of the products and balance sheet dynamics”. In operational risk indicators we see it beneficial to specify that the systems availability relates to transactional ones.
5. The interpretation of the paragraph 49 is in our opinion unclear. On one side supervisors expect the reports to be complete and on the other side it is a bank who determines the risk reporting requirements. We suggest substituting the word “complete” with the expression “adequate to the bank’s risk profile”.
6. In our opinion the outcome of the process described in the document should be properly reflected in the ICAAP.