◇ OATHOR

NON-CONFIDENTIAL PUBLIC COMMENT

OATHOR LTD Response to the Basel Committee Consultation on *Consolidated Guidelines and Sound Practices*

Future review of execution-boundary risk in digital and automated operational workflows.

The question is not only whether a system is authorised to operate. It is whether consequential execution should proceed.

OATHOR does not propose that this consolidation exercise introduce new expectations. This public comment identifies a future review topic under Question 3, with a brief reference to Question 2.

SUBMITTED TO

Basel Committee on Banking Supervision

SUBMITTED BY

OATHOR LTD

JURISDICTION

Abu Dhabi Global Market (ADGM)
Abu Dhabi, United Arab Emirates

DATE · CLASSIFICATION

25 June 2026 · Public

RESPONDENT AND SCOPE

A proportional comment on future coverage, not a request for new expectations.

OATHOR LTD is an ADGM-incorporated technology infrastructure company based in Abu Dhabi, United Arab Emirates. OATHOR develops Execution Control Infrastructure for high-consequence digital and automated operational environments, including financial institutions and regulated operational workflows.

This response concerns the Basel Committee consultation on consolidated guidelines and sound practices. It is submitted as a public, non-confidential, category-level comment and does not disclose proprietary mechanisms, seek product recognition, or request endorsement.

OATHOR supports the objective of consolidating existing guidance and sound-practice materials in a clearer, modular, and more accessible form. In relation to Question 2, the consolidation should remain clear that it does not itself create new policy expectations.

RESPONSE FOCUS

Question 3: execution-boundary risk in digital and automated operational workflows.

In relation to Question 3, OATHOR recommends that future Basel review consider execution-boundary risk in digital and automated banking workflows.

Execution-boundary risk is the risk that permissioned digital action proceeds into material operational, financial, customer, market, or prudential consequence without appropriate control before execution.

This issue may arise across payment workflows, customer actions, market operations, credit processes, access restrictions, automated decision-support systems, third-party services, platform infrastructure, and operational chains that may create material banking consequence.

> *The relevant distinction is between system governance and consequence governance: between controls that make a system acceptable to operate and controls that determine whether consequential execution should proceed.*

CONTROL BEFORE CONSEQUENCE

Where existing layers end, and material banking consequence begins.

CONTROL PROTOCOL

POLICY
defines obligation.

SECURITY
protects access.

AUDIT
records occurrence.

CERTIFICATION
evidences compliance.

PRE-EXECUTION CONTROL
governs consequence.

The protocol is not presented as a substitute for policy, security, audit, certification, governance, or supervisory review. Those layers remain necessary. The point is to identify the boundary they do not fully govern: the point where permissioned digital action may become material banking consequence.

This topic is relevant across existing Basel themes, including digitalisation and financial technology risks, operational resilience, third-party risk management, corporate governance, internal control, audit, compliance, and risk management.

AI-enabled systems increase the urgency of the issue, but the underlying control question applies more broadly to digital and automated operational workflows.

CLOSING RECOMMENDATION

OATHOR recommends that future guidance and sound-practice materials consider how controls should apply at the execution boundary, where permissioned digital action may become material banking consequence.

This comment is intended to support future review and does not propose new expectations within the present consolidation exercise.

Mohammed Thameem
Founder and Director, OATHOR LTD · ADGM-incorporated technology infrastructure company · Abu Dhabi, United Arab Emirates
contact@oathor.com · oathor.com