

Dear Committee,

Thank you for circulating the consultation document. With its many meaningful updates, I have no doubt it will serve as a great guidance for risk management and risk management professionals.

That being said, I did notice the document contains references to "three lines of defence". While it has been the longtime terminology for the model of risk management established by Institute of Internal Auditors (IIA), it is worth noting that in IIA's recent publication "The IIA's Three Lines Model - An update of the Three Lines of Defense" (July 2020), the term "three lines of defence" was deliberately updated to "three lines model". The supposed rationale behind the update is that risk management can go beyond "defence" to function in a more active and anticipatory manner.

Given that IIA, the original owner of the "three LoD" terminology, has made such update, suggest the Committee consider aligning references to "three LoD" with IIA in its related document.

Hope the Committee finds my response constructive and relevant.

Yours sincerely,

Yi Zhang

An operational risk manager