

FiSer Regulatory Roadmap – BCBS 239/PERDARR

| Regulation | Details | Key elements and impacts |
|--|---|---|
| <p>BCBS 239/PERDARR (Principles for effective risk data aggregation and risk reporting)</p> | <p>Basel Committee on Banking Supervision’s article 239 (BCBS 239) is a set of principles with a clear general objective: ‘to strengthen banks’ risk-data aggregation capabilities and internal risk-reporting practices (the principles) to enhance risk management and decision-making processes at banks.’ The 14 principles cover four topics: the first three topics address the banks and the last one addresses supervisors. The initial scope is to address only global and domestic systemically important banks (SIB). Nevertheless, as per the standard, local supervisors may also apply the principles to other banks.</p> <p>An aggressive timeline is in place: G-SIBs must comply by January 2016 and D-SIBs three years after their designation as domestic systemically important bank.</p> | <p>Enhance the infrastructure for reporting key information, particularly that used by the board and senior management to identify, monitor and manage risks. Aggregation of risk data a key callout. Ability to define, gather and process risk data according to banks risk reporting requirements. Provides a platform to measure against the risk tolerance/appetite.</p> <p>Improve the decision-making process throughout the banking organisation</p> <p>Reduce the probability and severity of losses resulting from risk management weaknesses</p> <p>Improve the speed at which information is available and hence decisions can be made</p> <p>Improve the organisation’s quality of strategic planning and the ability to manage the risk of new products and services.</p> |