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Advancing operational and non-financial risk data exchange

**Introducing the future of ORX data services
& our next generation data exchange platform**

Advancing risk management together

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We have a clear vision for the future of data exchange

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ORX exists to support the operational risk community to **solve challenges and advance the discipline by sharing**. Whether it's exchanging ideas and knowledge at events and meetings, or data exchange via our digital platforms, facilitating the sharing of insights is our reason for being.

We have expanded our offering hugely since our formation 20+ years ago as a way of exchanging loss data. However, **data exchange remains firmly at the heart of what we do**.

Following many discussions with risk leaders across the world, and our work on developing standards and reference libraries, we know that the operational risk needs around data have changed significantly over the past decade. **People now need data for effective and dynamic management of risk and to contribute to the success of their firm, not only for capital modelling**.

We have a clear vision of what the future of data exchange looks like, and we want to continue to be at the forefront of the industry in this area. **We are therefore improving our data services and building a next generation platform for effective data exchange – launching in mid-2025.**

We are developing a new data exchange platform

- We know that our current platform (Insight) is no longer meeting your needs and the technology is becoming outdated

- We are therefore using this as an opportunity to make improvements to our data services by transitioning to a next generation platform

- By mid-2025, ORX will have developed a new state-of-the-art, highly secure platform built on Amazon Web Services (AWS) cloud technology that delivers **industry-grade security, availability, reliability and scalability**

- This will be used to host all of our various data services, including:

  ⇒ **Global loss data services – Banking & Insurance**
  (only available to members)

  ⇒ **Regional loss data services**
  (available to members and regional loss data service subscribers)

  ⇒ **ORX Scenarios Library** (as part of the ORX Scenarios service)

  ⇒ **ORX Cyber data exchange** (as part of the ORX Cyber service)

We are developing a new data exchange platform

Benefits of the new platform will include:

Streamlined processes to provide a far superior and efficient user experience

The ability to connect data sets from different services

More automation and support for data upload and QA

Opportunities to leverage modern analytical tooling

We are improving our loss data services

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To achieve our vision and meet the changing needs of our members and service subscribers, we know we need to improve our loss data services.

Improvements to our loss data services will include:

⇒ **Adding the <u>ORX Reference Taxonomy</u> to all losses on a go-forward basis**

How will this benefit you?
  ✓ Based on <u>research by ORX</u>, this **provides a more modern data set** that reflects current risk landscape (i.e. information security, more granular view of conduct risks etc.) Therefore, in the future it will be easier for members to identify losses relating to Anti Money Laundering, for example
  ✓ It will **enable members to cross reference with other ORX libraries** such as Controls, Risk Indicators and Key Processes, which are all organised around the Reference Taxonomy
  ✓ The **addition of risk flags alongside the taxonomy will enable tagging of themes that cut across multiple events types**, such as Climate or Third Party. We understand that reporting on some of these themes is an increasing focus for regulators

Most of the data you submit will stay the same allowing for historical comparison, but these additions will bring big benefits in terms of what you can do with the data.

We are improving our loss data services

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Improvements continued…

⇒ **Tidying and simplifying the data schema**

How will this benefit you?

✓ The submission template will be easier to use, with unused and redundant fields removed

⇒ **Combining the data submission for global and regional loss data services**

How will this benefit you?

✓ If your organisation subscribes to both global and regional loss data services, you will only have to upload one set of data to get both global and regional insights, saving time and effort

⇒ **Bringing together data sets from various ORX services for richer insights**
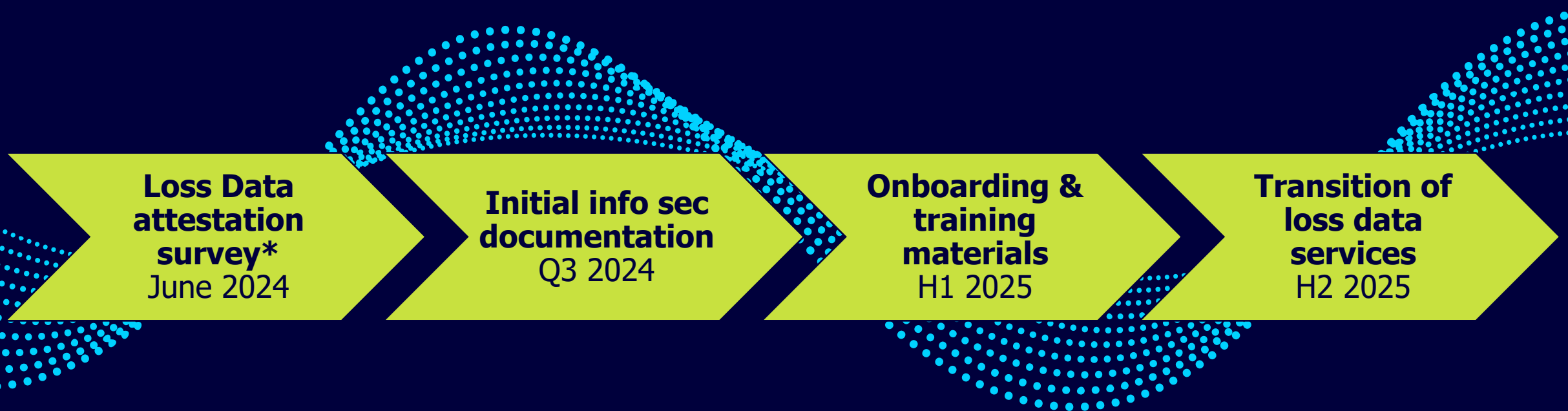
How will this benefit you?

✓ These data collection improvements and our new platform's ability to bring together datasets from different exchanges enables the production of richer analytics and insights

As well as global and regional loss data, moving to a new platform also enables us to review future improvements to **ORX Scenarios** and **ORX Cyber** data exchange, plus provides an opportunity to add new ORX services.

We need your support!

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- We are reliant on the cooperation of our members and subscribers to be able to make these vital improvements to our services and data exchange platform

- Below is an outline of what will be involved, and we will be in regular contact with leads at each organisation to ensure these activities happen in a timely manner

- **THANK YOU** in advance for your support in advancing operational risk data exchange for the whole industry!

| **Loss Data attestation survey*** June 2024 | **Initial info sec documentation** Q3 2024 | **Onboarding & training materials** H1 2025 | **Transition of loss data services** H2 2025 |

*Relevant to ORX members and those who to submit to our Regional Loss Data Services only. See FAQs on page 9 for more details

We're here to answer your questions

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Below are answers to questions we anticipate from our members and service subscribers. But please do not hesitate to contact us at communications@orx.org if you have any other queries.

Question	Answer
1. Will this change the data I need to submit?	Most of the loss data fields submitted to ORX will remain the same. In addition, we will require firms to code all loss events with the ORX Reference Taxonomy for event types, and the ORX Reference Taxonomy for Causes for large events. There will also be the option to tag events with flags for risk themes such as Climate. We will be sending all organisations who submit loss data in Insight a data attestation survey, including asking you to confirm whether you are able to submit data according to the ORX Reference Taxonomy and to the Banking or Insurance Operational Risk Data Standards.
2. What more will I be able to get from the ORX data with these changes?	We currently ask you to submit your data with a specific set of reports in mind, but in this new model of data exchange, reporting isn't tied to a specific data set. Therefore, longer term our objective is for you to be able to report across the various services you subscribe to.
3. Will I need to change my internal processes for submitting loss data?	The data submission process will remain as an Excel template. However, the template will be updated to reflect the ORX Reference Taxonomy and removal of redundant fields. There will be one data submission for both global and regional loss data. If you have any automations set up to complete the Excel template currently, these may need to be updated.
4. Will anything change for ORX Scenarios participants?	When the system launches, the process and data collected for ORX Scenarios will remain largely consistent with Insight (although there may be subtle improvements to the Excel templates). However, the new platform allows the opportunity to improve our ORX Scenarios data in future.
5. Will anything change for ORX Cyber participants?	When the system launches, the process and data collected for ORX Cyber will remain largely consistent with Insight (although there may be subtle improvements to the Excel templates). However, the new platform allows the opportunity to improve our ORX Cyber data in future.
6. Can I access all of our organisation's historical data?	Yes, we will be migrating all historical data onto the new platform.
7. Will the user permissions be the same in the new platform as in Insight?	The user permissions will be reviewed as part of this project and will likely be updated but not drastically different to the current Insight permissions. We will be working on user permission requirements over the coming months and will provide detailed onboarding and user training in due course.
8. Is the new platform as secure as Insight for our highly sensitive data?	Yes, we are building a highly secure platform on Amazon Web Services (AWS) cloud technology that delivers industry-grade security. We will be sending further documentation to you about how the new platform aligns with high standards of information security.

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If you have any further questions, please contact ORX at communications@orx.org

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