EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS
The Co-operative Difference : Sustainability, Proximity, Governance

Brussels, 1 March 2023
FINAL

EACB comments on the ESAs'

Joint Guidelines on the estimation of aggregated annual costs and losses caused by major ICT-related accidents

March 2023

Question 1 - Do you agree with paragraph 7 and 9 of the Guidelines on the assessment of gross and net costs and losses of major ICT-related incidents? If not, please provide your reasoning and alternative approach(es) you would suggest.

In general, the EACB agrees with paragraphs 7 and 9 of the Guidelines. We understand that the added value of the aggregated report in the submitted form for the supervisory authority is that the final costs and losses of incidents can differ from those declared in the final report of the major incident. We propose to report the costs and losses only once, either in the final report or in the annual report. Our preferred option would be to report only in the annual report (this would be in line with our preference to report detailed breakdowns of incidents in the annual report, as set out in our response to question 4 of the ESAs consultation on the draft RS on major incident reporting).

Question 2 - Do you agree with paragraphs 5, 6 and 8 of the Guidelines on the specification of the one year period, the incidents to include in the aggregation and the base of information for the estimation of the aggregated annual gross and net costs and losses of major ICT-related incidents? If not, please provide your reasoning and alternative approach(es) you would suggest.

Regarding paragraph 8, we find that it would be difficult to establish a link with the items in the profit and loss account. The RTS and ITS for reporting serious ICT-related incidents provide a scheme for the inclusion of certain categories of costs that do not clearly correspond to items in the bank's income statement.

Requirements from DORA and accounting should not be mixed. We propose to delete the part "if legally required, are validated by an independent entity".

Furthermore, in order to stay consistent with the reporting of Operational Risk incidents under the CRR framework (COREP-Reporting and other Regulatory Technical Standards) we suggest to ensure uniform reporting requirements under both regimes. In particular, we suggest to exclude “costs associated with internal and external communication” and “losses due to forgone revenues” as especially the latter are usually not part of any financial reporting statement (no profit and loss account available).

For further information or questions on this paper, please contact:

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