

Annex – Details of the problem statements

Ref	Themes	Problem statements
1	Governance, Risk and Compliance (GRC) – Maintaining an inventory of all internal and external compliance obligations	<p>How might we use technology to optimise regulatory compliance specifically related to:</p> <ul style="list-style-type: none"> • Automating and streamlining the process of finding and assessing new regulations to be reviewed; • Making available an up-to-date list, accessible by all, of the relevant bank-wide regulatory obligations indicating responsibility and how those responsibilities will be met; and • Deliver assurance on and monitoring of the above-mentioned controls. <p>This will ensure institutions comply in full, while saving time and costs.</p>
2	Conduct & customer protection – Product Due Diligence & Risk Rating	<p>How might we use technology to support financial product developers as well as risk and compliance teams with their product due diligence and product risk rating assessments, specifically:</p> <ul style="list-style-type: none"> • Data collection given product data can take many forms and the process of collection is not standardised; • Interpretation of requirements especially for complex products and from both the customer and the organisation (reputational) points of view; • Consistent Product Risk Rating modelling, ensuring standard application of relevant requirements across different products; • Maintenance of supporting platform and compliance process including ongoing product due diligence and risk rating assessments; and • Making real time product info e.g. risk ratings available to Relationship Managers and other frontline staff to ensure compliant selling process. <p>Ultimately the solution(s) will save product, risk and compliance teams time, and ensure compliance while protecting customers from being offered unsuitable products/ not receiving the relevant full disclosures.</p>

3	Conduct & customer protection - Customer data privacy	<p>With many data breaches occurring due to internal issues rather than external factors and with the significant increase in employees working remotely during the pandemic, how might we use technology-based solutions to help banks protect customer data and privacy especially in addressing increasing concerns around cyber risks and related regulatory compliance.</p> <p>This problem statement is not concerned with monitoring for employee productivity purposes but rather, focused on employee security, risk and compliance aspects.</p> <p>Some specific solution features could include:</p> <ul style="list-style-type: none"> • Analyse anomalies around data access and usage; • Alert potential security breaches; • Detect leaks and prevent data loss/ notify relevant parties where appropriate; and • Remote data deletion/ recovery.
4	Risk Management – Stress Testing	<p>Stress testing in banks is strategically important and it is a requirement from regulators to model specific scenarios and report on the outcomes. A broad variety of risks are modelled at different frequencies including for example large exposures, market, liquidity, credit, reputational and strategic risk.</p> <p>How might we, through a technology solution, support the delivery of the stress testing requirements by the different risk, compliance and business unit teams and reduce the resources required by for example:</p> <ul style="list-style-type: none"> • Integrating and consolidating different requirements for coordinated stress testing result delivery; • Standardise outputs in a consistent manner and bring efficiencies to the stress testing processes; and • Consolidate data requirements for different stress tests and ringfence the datasets required to be managed and updated centrally for easy access when running the models.