

# FSB Public Consultation on Format for Incident Reporting Exchange (FIRE)

## Survey response 1

### Respondent's Information

<b>Name of jurisdiction:</b>
Germany
<b>Name of jurisdiction: [Other]</b>
<b>Please provide your information:</b>
Name: - Dusan Ristic Email address: - dusan.ristic@deutsche-boerse.com Name of organisation: - Duetsche Börse Group
<b>Do you agree with your responses being made public on the FSB website?</b>
Yes

### General

<b>1. Please provide any general comments to the FIRE design. Please elaborate on the preconditions (for instance, extent of uptake by individual authorities, extent of convergence) you deem necessary in order for FIRE to be successful.</b>
<p>Deutsche Börse Group supports the general streamlining of reporting obligations and formats. Among other advantages, the FIRE design allows to combine the reporting of different types of incidents (such as system failures or financial theft) within one framework, which can increase efficiency compared to having to maintain separate reports for different types of incidents. We also welcome and support the flexibility that the FIRE framework allows and would like to emphasize the importance of maintaining the design of FIRE this way. Flexibility is crucial to ensure that FIRE can be effectively implemented and adapted to the capabilities of the different financial entities in scope (e.g. trading venues, banks, etc.).</p> <p>We believe that the majority of data fields should remain “optional”, allowing financial entities to report them only if they possess the relevant data, preventing complex and excessive collection of data that do not necessarily enhance supervision. In other words, a one-size-fits-all approach shall be avoided as it could increase complexity and ultimately put undue burden on financial entities. Likewise, supervisory authorities could benefit from reduced complexity and a leaner approach to reporting fields, allowing for more efficient supervision.</p> <p>On a related note, Deutsche Börse Group welcomes the reporting phase optionality in the FIRE framework as referred to in chapter 1.2.2 of the consultation report. As the consultation report rightly states, the priority for the reporting entity is to respond to the incident and avoid harm to the financial institution itself, customers and other stakeholders, thus excessive reporting requirements should be avoided, particularly (but not exclusively) in the initial reporting phase. The available information and understanding of the situation may also be limited, thus adding to the challenges of providing comprehensive information on incidents.</p>
<b>2. Please give examples of the various ways in which FIRE can be used in your company’s incident reporting, and/or of use cases of FIRE, and whether the design adequately facilitates these use cases.</b>

### Scope of FIRE

**3. Is the FIRE design appropriately scoped? Please elaborate in the comment field. Which, if any, amendments to the definitions of ‘operational’, ‘operational event’, and ‘operational incident’ as used in FIRE, would be needed?**

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**4. In addition to the primary scope covering incident reporting by financial institutions to their regulators, does the FIRE design appropriately facilitate its use for reporting of incidents to the financial institution by third-party service providers? Please elaborate in the comment field. Which, if any, amendments to the current design would be helpful to fully cover this use case?**

**4. In addition to the primary scope covering incident reporting by financial institutions to their regulators, does the FIRE design appropriately facilitate its use for reporting of incidents to the financial institution by third-party service providers? Please elaborate in the comment field. Which, if any, amendments to the current design would be helpful to fully cover this use case? [Comment]**

### Specific questions and technical questions

**5. For each of the FIRE pillars, is the design appropriate? Please consider: (a) number and nature of information elements, (b) their requested and permissible content, and (c) their relevance for the different reporting phases in the lifecycle of an incident.**

- (i) Reporting details (section 1.1 of the Design) / (a) The number and nature of information elements -
- (i) Reporting details (section 1.1 of the Design) / (b) The requested and permissible content of the information elements -
- (i) Reporting details (section 1.1 of the Design) / (c) The relevance of the information elements for the different reporting phases in the lifecycle of an incident -
- (ii) Incident details (section 1.2 of the Design) / (a) The number and nature of information elements -
- (ii) Incident details (section 1.2 of the Design) / (b) The requested and permissible content of the information elements -
- (ii) Incident details (section 1.2 of the Design) / (c) The relevance of the information elements for the different reporting phases in the lifecycle of an incident -
- (iii) Impact assessment (section 1.3 of the Design) / (a) The number and nature of information elements -
- (iii) Impact assessment (section 1.3 of the Design) / (b) The requested and permissible content of the information elements -
- (iii) Impact assessment (section 1.3 of the Design) / (c) The relevance of the information elements for the different reporting phases in the lifecycle of an incident -
- (iv) Incident closure (section 1.4 of the Design) / (a) The number and nature of information elements -
- (iv) Incident closure (section 1.4 of the Design) / (b) The requested and permissible content of the information elements -
- (iv) Incident closure (section 1.4 of the Design) / (c) The relevance of the information elements for the different reporting phases in the lifecycle of an incident -

**5. Please provide comments on your answer to the question above, in the related comment box for each FIRE pillar.**

(i) Reporting details (section 1.1 of the Design) - We propose not to include the incident forwarding functionality, as this would add unnecessary complexity and leads to confidentiality issues. It would be very difficult to enforce the need-to-know principle using such a setup.

(ii) Incident details (section 1.2 of the Design) - Deutsche Börse Group agrees with FIRE's approach to make use of three reporting phases (initial, intermediate, final), as this mirrors the different phases of incidents well. Furthermore, it is in line both with existing regulations (e.g. DORA) and industry practices.

(iii) Impact assessment (section 1.3 of the Design) - The field name "affected parties" should contain the word "types", as the field values are types. This would be in line with other field names such as "FIRE report type" or "incident type".

Field name "related affected entities": The naming should consistently speak of either entities or parties. Furthermore, the meaning of "affected entities related to the reporting entity" should be clarified. It would be sensible to limit the definition of "related affected entities" to entities within the same group structure as the reporting entity, in order to avoid unnecessary complexities and hence overly onerous regulatory burden and costs.

Section "Affected transactions": We recommend focusing on the most important fields such as "affected transaction number", "affected transaction percentage" and "affected transaction value" in order to limit the regulatory burden for reporting entities.

Chapter 1.3.4 "Impact": We recommend foregoing the inclusion of the fields in this chapter in the regular incident reporting, as this information is highly confidential and it would be very challenging to ensure the need-to-know principle, especially if incidents are forwarded by the recipients. Furthermore, obtaining the information would be complex and time-consuming, involving different departments of the financial entity, while the focus of all efforts should be on the mitigation of incidents, as the FIRE consultation paper rightly states in chapter 1.2.2. The information regarding impact should be sent to the authorities only on the basis of their specific requests, both helping to ensure the need-to-know principle and efficiency of the process.

(iv) Incident closure (section 1.4 of the Design) - We agree with the FIRE approach to put a strong emphasis on a systematic analysis of the causes of incidents and the implementation of a lessons learned process, which should help to limit the repetition of similar incidents. Moreover, it is sensible to perform the analysis in the final reporting phase, when the information on the causes of an incident should be available, and the focus is no longer on finding a solution. In this context, this information should not be prescribed as mandatory by authorities in the initial and intermediate phases of an incident.

**6. Please provide any comments on the data model and/or the XBRL taxonomy that are part of the consultation package.**