

# Conquer BCBS 239 compliance with Collibra



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## A quick recap of BCBS 239

BCBS 239 is an important standard created by the [Basel Committee on Banking Supervision](#) published in 2013 to improve how banks and financial institutions manage risk data. It helps organizations gather, combine and report risk information effectively, which leads to better decision-making and greater resilience during stress.



### Key parts of BCBS 239

The framework includes 14 principles focused on four main areas:

- **Governance and infrastructure:** For effective data management, institutions must establish a governance structure emphasizing accountability and transparent IT systems
- **Risk data aggregation:** Organizations need accurate and timely data aggregation to understand risks, especially during market stress
- **Risk reporting:** Risk reports must be clear, accurate, and relevant, enabling decision-makers to manage risk in real time
- **Supervisory review:** Compliance is mandatory, and it is regularly monitored. Institutions that fail to comply may face penalties and increased scrutiny, which can affect their operations

# Findings of the May 2024 RDARR Report

The [May 2024 RDARR](#) report highlights key issues with banks' BCBS 239 compliance:

## Key findings on compliance status and challenges

- **Gaps in IT and data architecture**

According to Deloitte, "Many banks continue to operate fragmented IT systems and siloed data environments, with only 13% achieving full compliance in data architecture" ([Deloitte, 2024](#)). This hampers data standardization and risk reporting automation

- **Inconsistent data lineage and traceability**

Compliance with data lineage requirements challenges many banks and limits their ability to achieve transparency across data sources. These traceability issues complicate efforts to harmonize risk data and maintain regulatory compliance

- **Data quality and governance shortcomings**

Banks face ongoing data quality issues, especially ensuring risk data's completeness, accuracy and timeliness. Many institutions still rely heavily on manual data cleansing due to inadequate data controls, and compliance is often inconsistent across departments

- **Limited executive oversight and cultural support**

Executive support for BCBS 239 initiatives is uneven, and in some cases, data governance needs more accountability at senior levels. This lack of prioritization contributes to the slow pace of compliance improvements and insufficient resource allocation

- **Dynamic regulatory demands and change management**

Banks are struggling to keep pace with the increasing regulatory expectations for granular and high-frequency data in risk reporting. Rapidly changing requirements, often prompted by recent stress events, demand constant assessments of data policies, which many banks find challenging to implement effectively

## Recommendations for improvement

To address these compliance gaps, the report suggests:

- **Invest in compliance**

Banks are advised to prioritize compliance resources, moving from tactical fixes to strategic investments. This includes enhancing IT systems, streamlining data sources and adopting cloud solutions to support data resiliency and performance

- **Enhanced data governance and accountability**

Create a culture prioritizing data quality. Boards and management should strengthen governance and clarify responsibilities

- **Automate critical data processes**

Reduce reliance on manual processes. Automation will enhance data quality, speed and regulatory compliance

- **Strengthening data lineage and quality controls**

Establishing robust data lineage practices and defining Critical Data Elements (CDEs) are crucial to ensuring data transparency and traceability across reporting processes. Enhanced controls on CDEs can improve data integrity, which is fundamental for reliable and consistent risk reporting

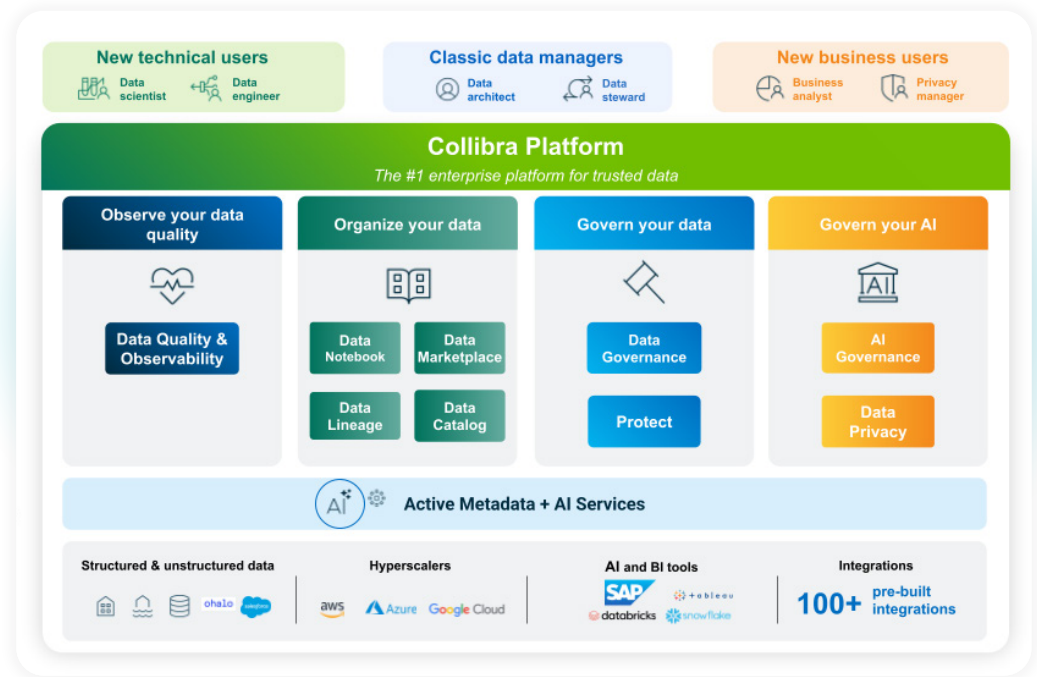
- **Regularly assess data systems**

Conduct check-ups on data systems and reporting processes to identify weaknesses and target improvements

In conclusion, banks must adopt a strategic approach to BCBS 239 compliance. Institutions can meet regulatory standards and enhance risk data management by improving IT, governance and automation.

# How the Collibra Platform can help

The Collibra Platform helps companies manage their data better. It addresses the challenges from the [European Central Bank 'Guide on effective risk data aggregation and risk reporting' \(RDARR\) report](#). By following the recommended improvements, Collibra helps companies close compliance gaps and meet BCBS 239 standards.



Here's how Collibra addresses each challenge:

### 1. Fragmented IT and data architecture

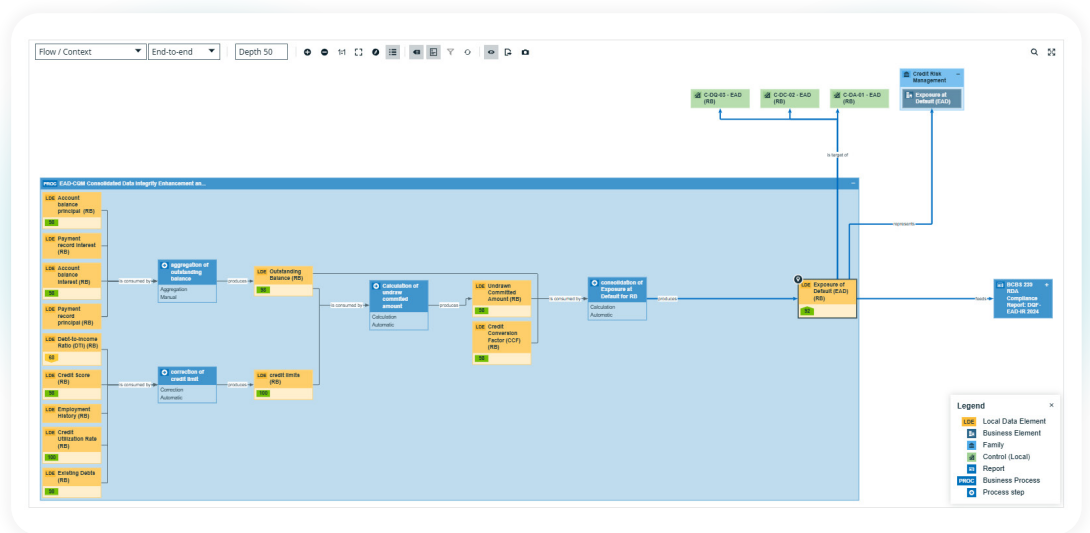
Collibra helps by:

- Locating and analyzing data across various systems, ensuring consistent use even in older IT setups
- Centralizing data assets and metadata, making it easier for departments to access and understand data
- Monitoring data flow, identifying issues and ensuring smooth reporting
- Centralizing and standardizing data to improve compliance with BCBS 239 requirements

### 2. Inconsistent data lineage and traceability

Collibra helps by:

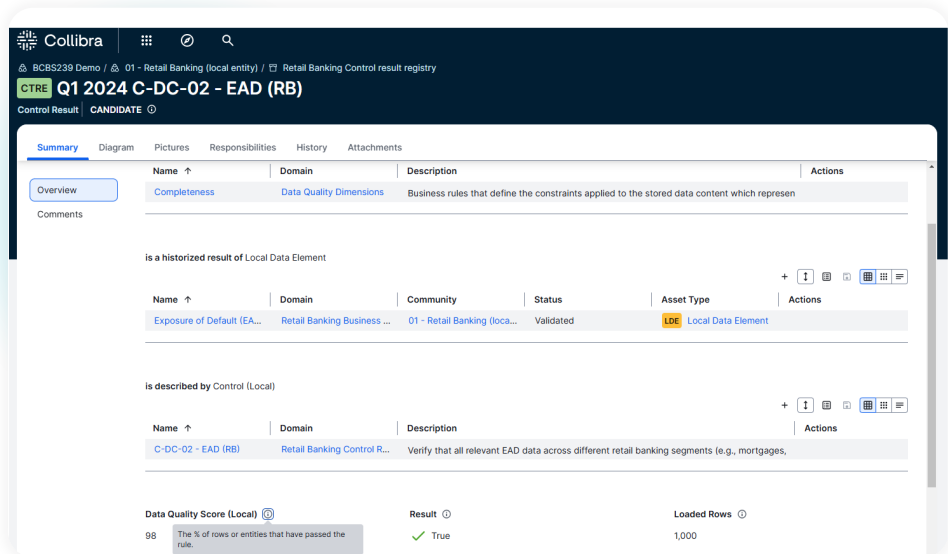
- Providing complete tracking of data from source to use, meeting BCBS 239 transparency standards
- Enhancing discoverability with a centralized data catalog, including detailed lineage information
- Helping organizations identify and manage Critical Data Elements (CDEs) for better quality and consistency
- Supporting audit readiness and providing transparent data tracking to meet BCBS 239 standards



### 3. Data quality and governance shortcomings

Collibra helps by:

- **Data quality policies and business rules:** Collibra allows companies to set quality standards and business rules for data, establishing benchmarks for accuracy, completeness and consistency across departments
- **Quality monitoring and validation:** Collibra’s monitoring tools continuously track data quality, providing real-time validation to ensure data meets established standards. Automated checks and alerts help maintain data integrity
- **Proactive notification and issue management:** Collibra’s issue management capabilities enable automatic alerts for data quality issues, allowing teams to identify and resolve problems before they impact reporting
- **Compliance improvement:** These quality and governance capabilities ensure that data meets BCBS 239’s standards for reliability, reducing the risk of compliance failures due to data errors

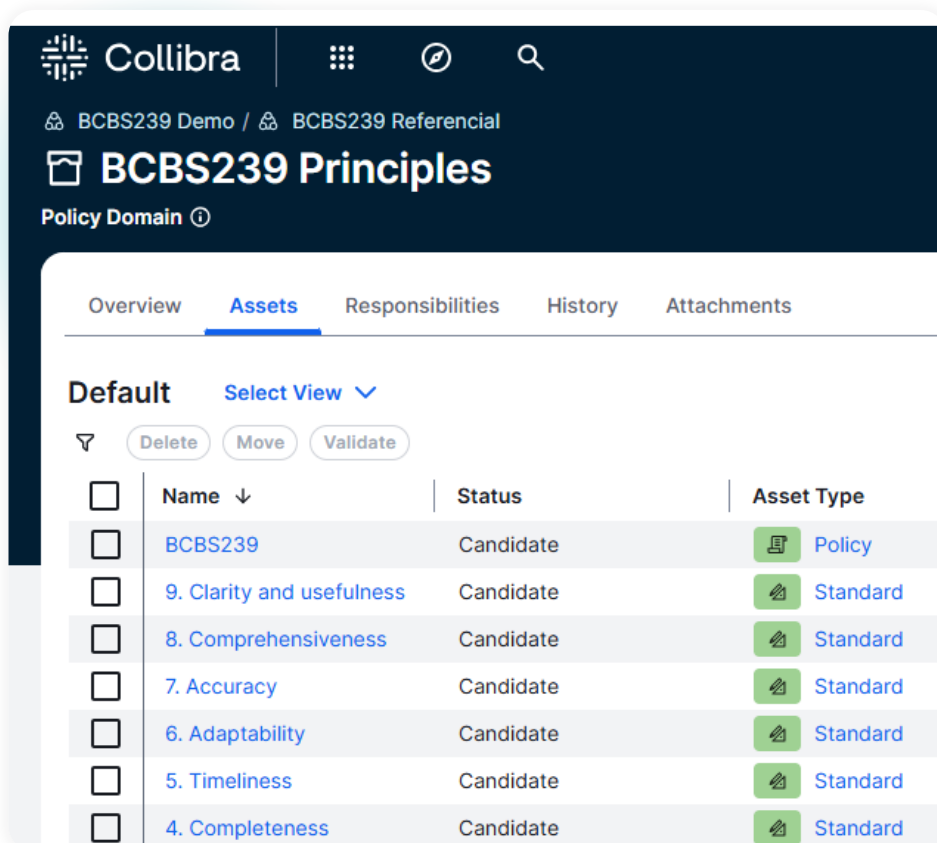




## 4. Limited executive oversight and cultural support

How Collibra helps:

- **Data governance policy management:** Collibra provides a framework to define and enforce data governance policies, ensuring clear roles, responsibilities and accountability across the organization
- **Executive dashboards and reporting:** Collibra's dashboards provide real-time compliance and data quality metrics, allowing executives to monitor data health and compliance status directly
- **Change management and compliance training:** Through Collibra University and its governance framework, Collibra supports training and awareness programs that foster a compliance-centric culture
- **Compliance improvement:** By enhancing visibility into compliance metrics and supporting governance accountability, Collibra strengthens executive oversight and promotes a data-responsible culture



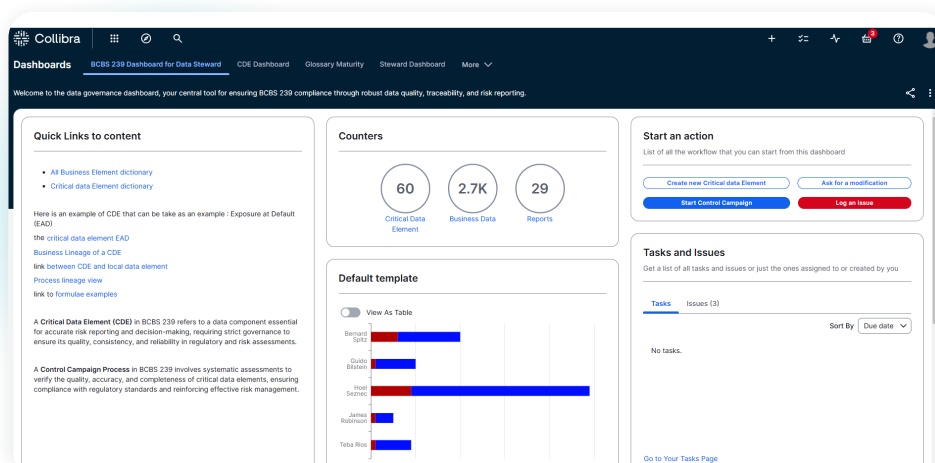
The screenshot displays the Collibra interface for 'BCBS239 Principles' under the 'Policy Domain'. The 'Assets' tab is selected, showing a table of assets. The table has columns for Name, Status, and Asset Type. The assets listed are BCBS239, 9. Clarity and usefulness, 8. Comprehensiveness, 7. Accuracy, 6. Adaptability, 5. Timeliness, and 4. Completeness, all with a status of 'Candidate'.

	Name ↓	Status	Asset Type
<input type="checkbox"/>	BCBS239	Candidate	Policy
<input type="checkbox"/>	9. Clarity and usefulness	Candidate	Standard
<input type="checkbox"/>	8. Comprehensiveness	Candidate	Standard
<input type="checkbox"/>	7. Accuracy	Candidate	Standard
<input type="checkbox"/>	6. Adaptability	Candidate	Standard
<input type="checkbox"/>	5. Timeliness	Candidate	Standard
<input type="checkbox"/>	4. Completeness	Candidate	Standard

## 5. Dynamic regulatory demands and change management

How Collibra helps:

- **Flexible data policy and governance framework:** Collibra's adaptable policy management allows financial institutions to adjust governance policies as regulatory demands change, ensuring compliance with evolving requirements
- **Real-time data monitoring and reporting:** Collibra's real-time observability supports on-demand regulatory reporting, making it easier to respond to regulatory updates or stress events
- **Data stewardship and ownership:** Collibra assigns clear data stewardship roles, ensuring that any regulatory changes are communicated and implemented effectively across data processes
- **Compliance improvement:** Collibra's flexibility and real-time monitoring ensure that organizations can adjust quickly to new regulations, meeting BCBS 239's standards for adaptability and responsiveness



## Summary table of required capabilities

Challenge	Required capabilities
Fragmented IT and data architecture	Data discovery and profiling, data catalog and metadata management, data observability
Inconsistent data lineage and traceability	Data lineage tracking, data cataloging, CDE identification and management
Data quality and governance shortcomings	Data quality policies and business rules, quality monitoring and validation, proactive notification and issue management
Limited executive oversight and cultural support	Data governance policy management, executive dashboards and reporting, change management and compliance training
Dynamic regulatory demands and change management	Flexible data policy and governance framework, real-time data monitoring and reporting, data stewardship and ownership

These capabilities provide a foundation for addressing BCBS 239 compliance challenges and supporting the bank's ability to accurately and consistently aggregate, trace and report risk data. By implementing these targeted data management and governance tools, institutions can effectively mitigate risks associated with non-compliance and position themselves to meet evolving regulatory expectations.

## The benefits of using Collibra for BCBS 239 compliance

Collibra's platform offers significant advantages in achieving and maintaining BCBS 239 compliance.

Collibra's platform significantly improves four key areas crucial for BCBS 239 compliance, all underpinned by the ability to drive more accurate decision-making: increasing compliance, improving risk management, reducing costs and increasing revenue.



### Increasing compliance: How Collibra enhances BCBS 239 compliance

**Strengthened data governance controls:** Collibra establishes a centralized, auditable system for managing data access, usage and modification, ensuring data integrity and compliance. Role-based access control, data lineage tracking and enforced data quality rules minimize the risk of non-compliance penalties.

**Improved data quality:** Collibra's data quality rules and monitoring capabilities proactively identify and correct issues, leading to more reliable risk reporting. The platform ensures data consistency, which is critical for accurate regulatory reporting.

**Increased automation and productivity:** Automated processes minimize manual intervention, reducing human error and enabling consistent adherence to regulatory standards. This frees staff to focus on higher-value tasks, improving overall efficiency.

**Enhanced audit trail:** Collibra's comprehensive audit trail simplifies regulatory audits and facilitates quick resolution of compliance questions, ensuring transparency and accountability.

## Improving risk management: How Collibra strengthens risk management

**More accurate risk assessments:** Collibra's governance controls ensure high-quality data for precise risk assessments, enabling effective mitigation strategies and proactive management.

**Improved Data-Driven Decision Making:** The platform offers insights into risk exposures and trends, allowing for informed decisions on risk mitigation and capital allocation, moving from reactive to proactive management.

**Enhanced Scenario Planning:** Collibra facilitates advanced analysis for realistic scenario planning and stress testing, preparing organizations for a broader range of potential events.

## Reducing Costs: How Collibra helps

**Lower compliance costs:** Improved data quality and automation reduce the need for manual corrections and audits.

**Preventing Costly Errors:** Accurate data and strong governance reduce the risk of compliance failures and penalties.

**Better Resource Allocation:** Enhanced efficiency allows more focus on strategic initiatives, boosting overall operations.

## Increasing Revenue: How Collibra contributes to revenue generation

**Enabling Informed Business Decisions:** Access to high-quality data empowers more informed strategic decisions across all business areas, ultimately improving profitability.

**Supporting New Business Opportunities:** Effective risk management and streamlined operations enable banks to pursue new business opportunities with greater confidence.

**Attracting Clients:** A strong reputation for data governance and regulatory compliance enhances a bank's credibility, attracting more investors and clients.

Compliance with BCBS 239 is essential for building a resilient and profitable bank through proactive risk management. The advantages of compliance outweigh the costs of non-compliance.

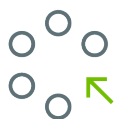
Collibra significantly enhances BCBS 239 compliance by providing a robust data governance framework that empowers financial institutions to make accurate decisions at every level. This leads to improved risk management, increased efficiency, cost reductions, and enhanced revenue generation. The platform's impact goes beyond mere regulatory compliance; it fosters a culture of data-driven decision-making that strengthens the organization and boosts its resilience.

## How Collibra can help

Collibra's Platform equips financial institutions with essential data management and governance tools to meet BCBS 239 standards. By addressing fragmented IT systems, improving data lineage, ensuring data quality, enhancing executive oversight and supporting regulatory adaptability, Collibra helps organizations close compliance gaps and strengthen their data governance framework.



Ready to accelerate your BCBS 239 compliance? Contact Collibra's [Professional Services team](#). With our four-week BCBS 239 Accelerator, Collibra architects will benchmark your end-user experience, Catalog performance, operating model, and metadata processing and provide recommendations for maximizing the success of your BCBS 239 compliance program powered by Collibra.



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