



## Press Release

6<sup>th</sup> July 2011

### **ORX Publishes revised & updated Loss Reporting Standards**

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On June 10 the Board of ORX (Operational Riskdata eXchange [www.orx.org](http://www.orx.org)) approved the publication of the revised loss reporting standards to Members of ORX and Non-Members. ORX continues to make these standards available to its Members and the wider Operational Risk Management community. It is estimated that these standards have been downloaded 12,000 times by the wider Operational Risk Management community.

ORX has been collecting and re-distributing Operational Risk Loss data for several years. To support the consistency of the data collected and re-distributed ORX has published the Operational Risk Reporting Standards (ORRS). The consistency supports the analysis and use of data by Members of ORX whether for benchmarking or use with capital calculations.

The ORRS was first published in 2004 and last reviewed and amended in 2007.

With the current review, the entire document has been revised; the 2011 edition of the ORRS has a radically improved structure. Each section has a definition and reporting requirements followed by examples to be included in reporting to ORX as well as exclusions. This structure allows Members a full and detailed view of specific operational risk items and components. The provision of these examples in their context supports consistency. Cross-references are to ORX and non-ORX (e.g. Basel / CRD) documents.

Also, all of the new data categories, Products, Processes and Large Loss Attributes, are described in detail.

Products and Processes enable more granular benchmarking and understanding of where the events are taking place and their impact on P&L.

The additional detail for Large Losses includes Causes, Jurisdiction, Role of the Firm, Counterparty Type and Environmental Volatility. ORX defines a Large Loss as being equal to, or larger than, €10 Million. This additional information supports Members when comparing these large losses with their own environment and activities. For example a large loss reported with the USA Jurisdiction may be viewed differently by a firm that has no business activity in the USA.

Additional support is provided in the form of a 100 page appendix describing the individual data categories with examples.

The Reporting Standards will continue to be updated as industry and supervisory practice evolves.



## **Operational Riskdata eXchange**

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The Operational Riskdata eXchange Association (ORX) is the world's leading operational risk loss data consortium for the financial services industry. ORX was founded in 2002 with the primary objective of creating a platform for the secure and anonymised exchange of high-quality operational risk loss data. ORX is a not-for-profit industry association, incorporated in Zurich, Switzerland, owned and managed by its members. ORX has 57 member banks. The Global ORX Loss Database contains approximately 210,000 operational risk losses.