

Model Risk Management

Model inventory capture and reporting underpinned with robust governance frameworks

When the emergence of new model risks and challenges is increasingly frequent, you need to understand which of these risks matter and have a comprehensive remediation strategy to avoid reputational damage and fines.

Refinitiv Model Risk Management, a solution on our Connected Risk platform, empowers your organization to create and maintain your model inventory using effective workflow management. The solution ensures data, documentation and any issues arising are captured on the go, and allows for enterprise-wide reporting on your organization's entire inventory of model data. This is key to obtaining accurate and viable models and, in turn, helps optimize your capital holding requirements and ensures you can evidence a clear and robust governance framework to regulators.

As these models have become more complex and widespread, the increase in regulatory oversight and governance has grown accordingly, with increasing global regulatory pressure from the Comprehensive Capital Analysis and Review (CCAR), Fundamental Review of the Trading Book (FRTB), Targeted Review of Internal Models (TRIM), International Financial Reporting Standard 9 (IFRS 9), Supervision and Regulation Letter 11-7 (SR 11-7) and Basel III.

Model Risk Management provides you with a holistic approach to model inventory management, enabling your teams to:

- Track all models, across all risk thematic, using a single inventory store, helping to reveal any potential redundancy and duplication within the inventory
- Identify model issues and track through to resolution
- Add supporting documentation to demonstrate methodology and results
- Evidence necessary governance for independent and regulatory review
- Have a faster response to regulatory changes that impact your models

Reduce the risk of noncompliance and recognize potential opportunities

Good modeling allows you to meaningfully quantify whether you have exceeded your risk appetite. Our approach to model governance provides your organization with an efficient governance framework and reduces the risk of model misuse.

Model Risk Management ensures that the full extent and status of your model inventory is visible at all times and that the right people are informed of upcoming deadlines and necessary actions. Your organization is provided with a flexible approach to model governance, tailored to meet your internal policies and evolving regulator requirements.

The solution helps senior managers understand the modeling being used and explain it to regulators and the board, a key requirement under the Senior Managers and Certification Regime (SMCR).

Manage your model inventory with a simple, powerful workflow engine

Model Risk Management empowers your teams to manage workflow processes with an enterprise-wide approach, ensuring greater transparency is achieved across the business through documented approvals and sign-off.

The solution provides a robust and streamlined workflow engine, enabling your teams to demonstrate an ongoing monitoring function and continuous model risk governance, through which they can:

- Approve actions or send them back to required teams for updates and additions
- Capture amendments and evidence all activity to regulators and the board with a complete audit trail
- Add committee meeting minutes and sign-offs as needed
- Perform regular review cycles for the periodic assessment of models
- Reevaluate performance and sign-off in accordance with internal policy guidelines
- Evidence supporting documentation in a single platform

Model Risk Management ensures documentation can be uploaded and mapped to the relevant models, and that other existing document management systems are leveraged. We do this by ensuring updated links are stored and attached to the relevant documentation.

The solution supports document versioning to ensure that the most up-to-date material is always available for your teams to review. This capability ensures your teams can:

- Index documents upon upload, allowing for easier search capabilities
- Perform searches across file names and full body text of attachments, which is critical during policy, report and regulatory content examinations
- Receive complete access to documentation based on the parameters set up for individual users through our multitiered security model
- Flag documents as mandatory in the system before key milestone sign-offs, preventing gaps in your document library

All reports can be produced across our full document library and filtered by model characteristics and document type. For ease of reference, all documents that are related to a particular model are stored in the associated files along with any other information pertaining to that model's related issues, actions and reports.

Identify and track issues through to resolution

With Model Risk Management, you can perform issue identification via our model life cycle for point-of-source capture in real time. Issues can be managed through simple resolution and sign-off workflows, which allow you to track progress with responsible owners, as well as monitor expected due dates with associated email alerts.

The solution's issue tracking functionality allows your teams to:

- Fully integrate issues into model inventory and life cycle management with the ability to relate issues to one or many models
- Visualize issue log data from many perspectives through report extracts and charting dashboards to quickly identify critical issues
- Extract related issues for inclusion in model reports and documentation

Integrated Reporting

Connected Risk provides sophisticated integrated reporting that can be applied to all solutions that sit on the Connected Risk platform. This offers a comprehensive and advanced business intelligence reporting capability that allows your teams to build and embed visually appealing and interactive reports on their Connected Risk dashboards.

The following are some of the key benefits:

- Centralize data designs and report management requirements
- Build data designs using Connected Risk elements
- Manage, publish, and organize reports to support the needs of specific user communities
- Enable users to reformat and filter reports to articulate specific insights and areas of focus
- Automatically extract reports to PowerPoint and other presentation formats
- Export your charts to Excel, including the underlying data set, enabling additional reporting options

Meet regulatory needs through flexible data mapping and integrated reporting

The solution utilizes enhanced drag-and-drop and powerful data mapping capabilities for creating additional taxonomies and linkages into neighboring risk areas.

Model Risk Management is highly configurable and can help your teams:

- Tailor the solution to meet your organization's growing regulatory needs
- Ensure evolving regulatory needs and internal policy updates are incorporated into the organization's model inventory management
- Provide evidence of the latest taxonomies and relationships with our integrated reporting capabilities

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