

The background of the entire page is a deep blue image of the Earth as seen from space. A network of white lines connects various points across the globe, creating a digital or interconnected feel. In the top left corner, there is a grid of squares in shades of blue and grey, some of which are slightly offset or faded, adding a layered, technological aesthetic.

NTT DATA

DORA

**The financial sector challenge in
combating digital risk**

**FUTURE
ATHEART**



WHAT IS DORA?

The financial sector is facing the challenge of digitalization and digital security. The proliferation of cyber-attacks on a global scale has demonstrated the need and the urgency to mitigate their impact and to ensure the operational resilience of a particularly sensitive sector.

With this objective in mind, the European Council has approved the Digital Operational Resilience Act (DORA), an European proposal that focus on regulating the way in which financial companies manage digital risk, whether it's their own (in IT infrastructures) or the risk of suppliers that manage the storage and processing of banking operations. DORA contains the requirements aimed at the financial sector and its suppliers, meant to unify different standards of operational resilience and cybersecurity, avoiding the current discontinuity of regulations.

In 2023 DORA will become a reality that will affect the main players in the EU financial sector (banks, insurance companies, financial markets, investment and pension funds, etc.) as well as their ICT service providers.

The main target areas were defined according to European and international best practices aimed to improve the cyber and operational resilience of the financial sector.

DORA aims to achieve the following objectives:

- Improve and streamline **ICT risk management** by financial institutions.
- Establish **comprehensive resilience testing** on ICT systems.
- **Increase awareness** of cyber risks and ICT-related incidents.
- **Empower supervisors** of risks arising from the reliance of financial institutions on third-party ICT service providers.
- Create a consistent **incident reporting** mechanism that will help reduce administrative burdens for financial institutions and strengthen supervisory effectiveness.
- Enable **information sharing** among financial institutions regarding **cyber threat** intelligence and information.

WHAT WILL DORA DEMAND?

DORA introduces ambitious requirements related to digital risk management, the classification and notification of ICT-related incidents, digital operational resilience tests, agreements between ICT service providers and financial entities, supervision for service providers, etc.

Here are DORA main requirements:

- The prevention and control measures that DORA will require to be implemented, will demand a significant effort from the entities and will entail a change in their ICT risk management culture, which needs to be imposed and overseen by the **Board of Directors**.
- **Third-party risk management** is one of the fundamental pillars of DORA and it affects both contractual and operational relationships of the entities with their ICT service providers. Outsourcing is one of the most common origin of ICT risks, so its management and control framework, as well as its operations, must be improved.
- DORA is a regulation that will need to **involve and coordinate multiple organizationally dispersed areas**. To this end, mechanisms must be articulated and appropriate procedures established to ensure compliance. This will affect areas that report to the CTO, CISO and CDO, as well as transversal areas such as purchasing and compliance.
- Prioritize the need to **formalize governance, policy and procedures**. ICT risk must be aligned with strategic aspects and must be properly formalized. For its operation, it must have sufficient human and technological resources, as well as investments approved at the highest level.
- The content of the regulation will enable the development and empowerment of **areas of the entities that are becoming more and more visible**, such as the second line of ICT risks (CTRO, Chief Technology Risk Officer) and the management of third party risks.
- **Enterprise architecture frameworks** (e.g. TOGAF) make it possible to establish bidirectional relationships between business processes and the different technological layers that support them (systems, services, processes and IT assets). Technological risk management should be sustained by the enterprise's architecture modelling, to map the ICT systems that support the business, therefore facilitating compliance with DORA's requirements.
- **Operational resilience testing**, closely related to business continuity, takes on an outstanding importance in this regulation. Therefore, it's vital to establish a robust and comprehensive testing program.

A woman with long dark hair is looking intently at a laptop screen. The background is dark with blue and orange light effects. Overlaid on the image are several vertical bar charts in red and blue, and some faint, illegible text that appears to be financial data or code.

HOW TO PREPARE FOR DORA?

The implementation of DORA will challenge financial institutions to adapt their systems, processes and capabilities to comply with the new regulation. NTT DATA, the sixth largest technology consulting services group in the world, offers professional services related to regulatory, technological risk

and cybersecurity and accompanies companies around the world in their journey to become compliant. NTT DATA consulting services to help companies in the financial sector prepare for the regulatory change that comes with DORA, revolve around three main blocks:

- 1. Analysis.** NTT DATA's experts are capable of performing an individualized, exhaustive and precise diagnosis of each case, evaluating the risks derived from the use of technological tools, cyberattacks and the degree of resilience against eventualities that may pose a risk to regulatory compliance. Therefore, our experts can discover areas of improvement and define the objectives that should be achieved.
- 2. Strategy.** Once the level of maturity of each company has been established, the team of consultants designs a strategic plan that defines the impact that DORA has on the processes and organizational structure of each company, and designs a roadmap that helps to adapt to this new European regulation.
- 3. Fine tuning.** NTT DATA offers comprehensive consulting services with expert business and technology teams, which means that we accompany the client throughout the entire process, from design to implementation, ensuring clients take the right steps in order to obtain maximum guarantees and optimal results.

WHY NTT DATA?

NTT DATA is the right partner to help navigate the process of adjusting to DORA because of several benefits:



Receive support from a partner that will ensure **compliance with the new regulation**. NTT DATA, the sixth technology consulting services group in the world, has been collaborating with leading financial institutions for **more than 25 years**.



Rely on a team of experts capable of **objectively diagnosing** the real risk situation, as well as identify areas for improvement.



Work with a **single partner** to respond to all **functional, operational and technological changes**.



NTT DATA

EXPERTS IN THE FINANCIAL SECTOR

At NTT DATA we accompany the financial sector and advise our clients in a comprehensive manner about the best ways to comply with the requirements established by DORA.

With over 25 years of extensive experience in the industry, we have accompanied leading financial institutions on their digital transformation journeys.

Additionally, we have experience in providing professional services adapted to the needs of our clients such as:

- **Cybersecurity**
- **Technological risk management**
- **Governance**
- **Business continuity**
- **Operational risk management**
- **Process reengineering**
- **Outsourcing and cloud outsourcing**
- **Enterprise architecture**

NTT DATA, part of the NTT Group, is an innovative global IT and business services company. We help our clients in their transformation journey through consulting, industry solutions, business process services, IT and digital modernization, and managed services.

We are the best technological partner in capacity to carry out long-term projects, in efficiency and effectiveness.