RegTech for CNPD Collaboration LIST / CNPD

Novembre 2016

RegTech for CNPD
Objectives

- **Develop awareness** to Data Protection rules

- **Facilitate compliance** management and **risk** management by the regulated companies

- **Facilitate supervision** by the regulator

- **Anticipate** application of GDPR

- **Contribute** to the national **governance** between regulators

RegTech for CNPD
Context of the project

A complex ecosystem contributing to the financial sector
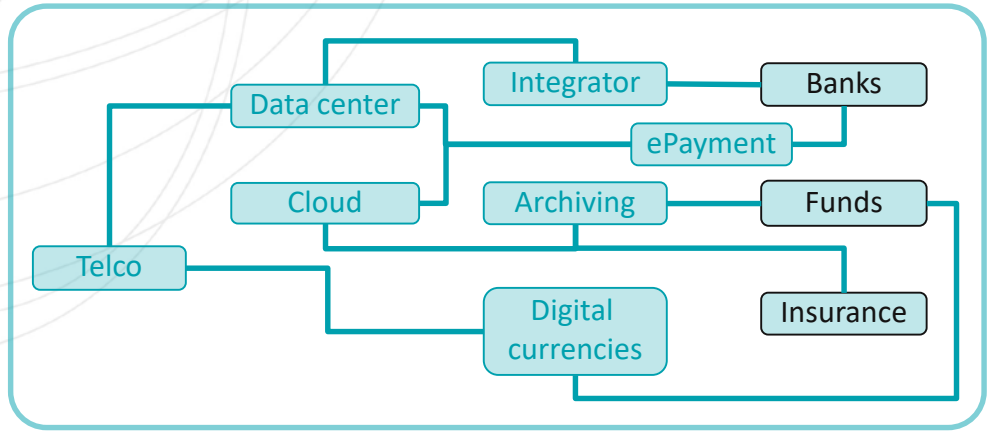
A set of regulators

Trusted Financial Ecosystem

Right trade-off between *regulation and innovation*, between *regulation and implementation costs*,

Dynamic adaptation of the ecosystem to new risks and new legal and regulatory requirements

RegTech for CNPD
The GDPR

- The GDPR has a **risk-based approach**:
  - What has to be assessed is the risk represented by the processing to the rights and freedoms of the affected data subjects (DS)

- **Accountability**: responsible for and be able to demonstrate compliance
- Measures of both organizational and technical nature have to be put in place to mitigate this risk
  - Non-exhaustive list of potential measures:

1. Establishment of an **internal data protection policy** supported by C-level management
2. Setting up **written and binding data protection policies** to be considered and applied to new data processing operations (e.g. compliance with data quality, notice, security principles, access etc.) which should be available to the DS
3. **Mapping of procedures** to ensure proper identification of all data processing operations and maintenance of an inventory of data processing operations
4. Establishment of **internal procedure** prior to the creation of new data processing operations (internal review, assessment etc.)

RegTech for CNPD

The GDPR

- Non-exhaustive list of potential measures:

5. Appointment of a **data protection officer** (DPO) and other individuals with responsibility for data protection
6. Offering adequate **data protection training and education** to staff members and the allocation of **sufficient resources** for data protection management - i.e. Human resources directors, IT managers, developers, director of business units
7. Setting up of **procedures to manage access, correction and deletion requests** which should be transparent to DS
8. Establishment of an internal **complaints handling mechanism**
9. Setting up internal procedures for the effective management and reporting of security **breaches** setting up "incident management" in order to notify an incident, the DC/DP first needs to be able to (technically) identify it
10. Performance of **data protection impact assessments** in specific circumstances (even if it is not mandatory)
11. Internal/external **audits**
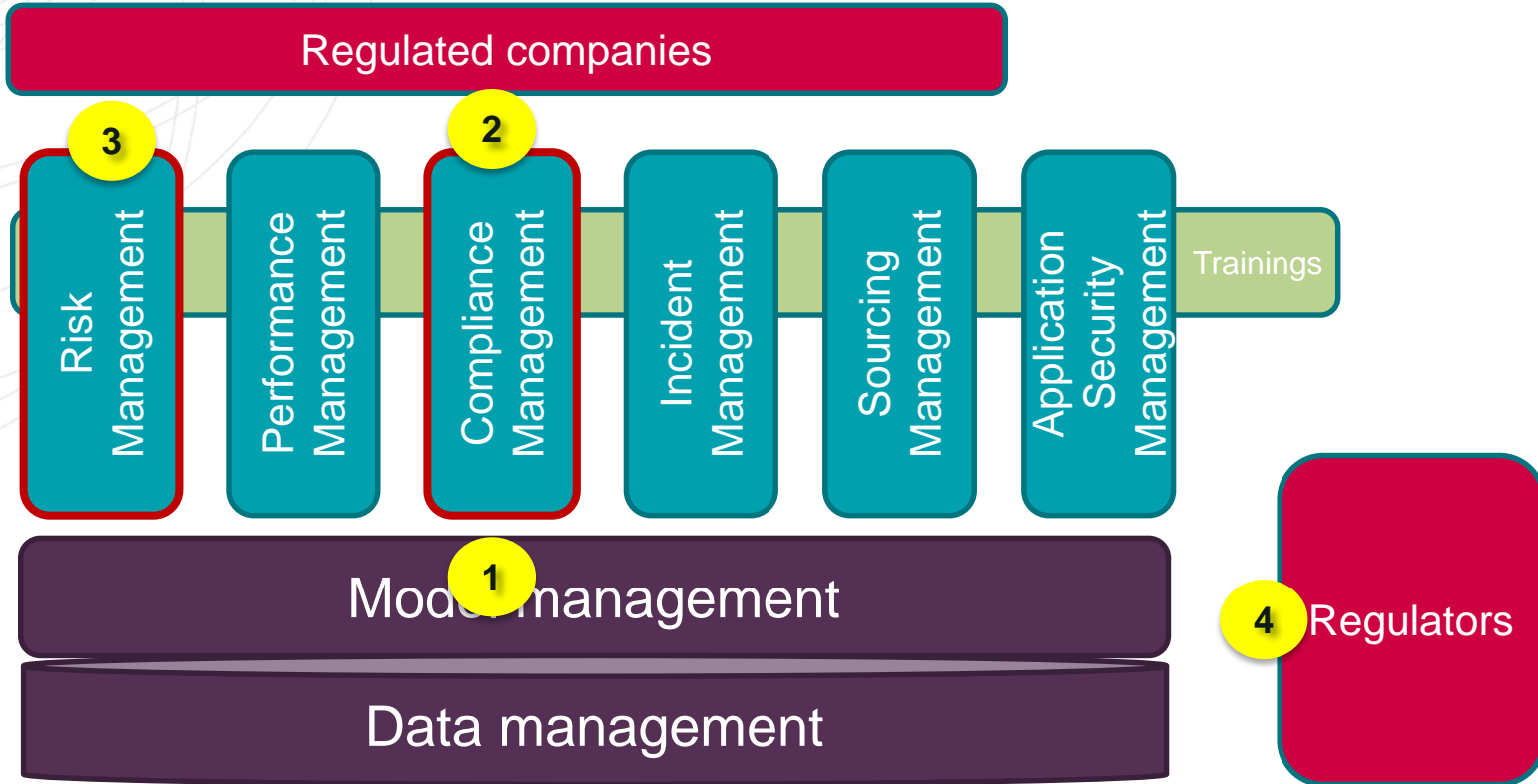12. **Sub-contracting** management (with DP)

RegTech for CNPD

The GDPR

- Need to be able to show "**evidence of compliance**": i.e. policies, procedures, records, results of audits, DPIA

- **Transparency** vis-à-vis the DS, DPAs, and the public in general (Art. 5.1a, Art. 12)
    - i.e. through the publication of annual reports

- Mapping data processing activities and keeping **detailed records** thereof
    - ✓ Record keeping is an obligation incumbent to both DC and DP (Art. 30)
    - ✓ The GDPR provides for a list of information to be contained in such records
    - ✓ All records shall be written, including in electronic form

RegTech for CNPD

An integrated RegTech Platform

RegTech for CNPD

Expected results

*Customized **Tool***

RegTech for CNPD

3 projects to design a first set of services

- Risk management tool
- Compliance evaluation tool
- Data analysis tool
- Training

European Directive & 2011/02/27 Law

Telcos

RegTech National Platform

- Risk management tool
- Compliance interface
- Training
- Data analysis tool

CSDR & RAR Circular

CSD & PSFs

- Risk assessment tool
- Compliance management tool
- Audit preparation tool

GDPR

Critical sectors

RegTech program
National Commitment

- Estimated budget: 5 – 10 M€ for 5 years

- Support by **ministries and national agencies:**
  - **Ministry of the Economy**
  - **Ministry of Finance**
  - **Service Media et Communication**
  - **Ministry of Higher Education and Research**
  - **Luxembourg National Research Fund**
  - **Luxinnovation**

- Large contribution of regulators:
  - **CSSF**
  - **CNPD**
  - **ILR**

RegTech program

First tool

RegTech program

First tool

Part 1 · CSD Requirements

Part 1 - CSD Requirements

Draft

Part 2 · CSD Banking Type Ancillary Services - Capital Requirements

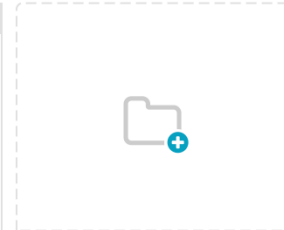Part 2 - CSD Banking Type Ancillary S ...

Credit Institution : **Credit Institution 1**

Sent

Part 2 - CSD Banking Type Ancillary S ...

Credit Institution : **Credit Institution 2**

Draft

Part 3 · CSD Interoperable Link Requirements
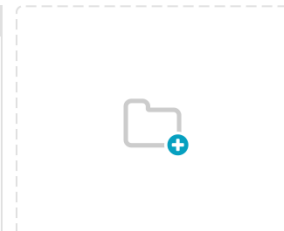
Part 3 - CSD Interoperable Link Require...

CSD IOP Linked : **CSD 1**

Draft

Part 3 - CSD Interoperable Link Require...

CSD IOP Linked : **CSD 2**

Draft

RegTech program

First tool

11 · Requirements for CSD links
CSDR Title III Central Securities Depositories | Chapter II - Requirements for CSDs | Section 5 - Requirements for CSD links | Art.48 of the CSDR

11.1 · Monitoring and management of additional risks resulting from the use of the indirect links or intermediaries to operate CSD links
ESMA RTS Chapter XI CSD Links | (Art.48(5) of the CSDR)

ESMA RTS Art.85.1

The applicant CSD has procedures to ensure that where it, as requesting CSD, uses an indirect link, it ensures that:

→| ① **CR761 / ESMA RTS Art.85.1a**

the intermediary is one of the two following:	F ⋮
💬 📄 💬	✔

→| ① ② **CR762 / ESMA RTS Art.85.1a(i)**

a credit institution as defined in Art.4.1.1 of EU Regulation 575/2013 that complies with the following requirements	F ⋮
💬 📄 💬	✖

→| ① ② ③ **CR763 / ESMA RTS Art.85.1a(i)(a)**

it complies with the Art.38.5 of CSDR [CR282 to CR284]	F ⋮
💬 📄 💬	✔

① ② ③ **CR764 / ESMA RTS Art.85.1a(i)(a)**

it complies with the Art.38.6 of CSDR [CR285, CR286]	F ⋮
💬 📄 💬	✔

RegTech program
First tool

ESMA RTS Art.85.1

The applicant CSD has procedures to ensure that where it, as requesting CSD, uses an indirect link, it ensures that:

① **CR761 / ESMA RTS Art.85.1a**

the intermediary is one of the two following:

F

| - *(empty)* |
| **N**one |
| **P**artially |
| **L**argely |
| **F**ully |
| **N**ot **A**pplicable |

① ② **CR762 / ESMA RTS Art.85.1a(i)**

a credit institution as defined in Art.4.1.1 of EU Regulation 575/2013 that complies with the following requirements

F

① ② ③ **CR763 / ESMA RTS Art.85.1a(i)(a)**

RegTech program
First tool

CNPD
COMMISSION
NATIONALE
POUR LA
PROTECTION
DES DONNÉES

LUXEMBOURG
INSTITUTE
OF SCIENCE
AND TECHNOLOGY

LIST

Digital
Lëtzebuerg

① ② ③ **CR766** / *ESMA RTS Art.85.1a(i)(c)*

it has low credit risk

F ⋮

💬 📄 💬 ✔

① ② ③ **CR767** / *ESMA RTS Art.85.1a(i)(c)*

this low credit risk assessment is established by an internal assessment performed by the requesting QSD

F ⋮

💬 📄 💬 ✔

→| ① ② ③ ④ **CR768** / *ESMA*

To perform the internal

F ⋮

💬 📄 💬 ✔

① ② ③ ④ **CR769** / *ESMA*

To perform the internal

F ⋮

💬 📄 💬 ✖

Linked Document(s)

Document(s) List

📄 Ref. 001 File_financial_r

🔗 add a link with a ne

📁 Linked Document(s) ✕

Ref.001 File_financial_reporting.xls 🔗

Ref.002 File_financial_001.xls 🔗

Ref.003 File_financial_002.xls 🔗

Ref.004 File_financial_003.xls 🔗

Ref.005 File_financial_004.xls 🔗

Ref.006 File_financial_005.xls 🔗

Ref.007 File_financial_006.xls 🔗

Cancel   Update Doc. List

RegTech program

First tool

(drop a file in this area to add document in your library)
only xls, pdf, doc, jpeg, png are allowed,
no macro allowed

Ref.001 / *File_financial_reporting.xls*

Related to : CR01, CR02

Ref.002 / *File_financial_001.xls*

Related to : CR01, CR02

Ref.003 / *File_financial_002.xls*

No related requirement(s)

🗑 Delete doc.

Ref.004 / *File_financial_003.xls*

Related to : CR01, CR02

Ref.005 / *File_financial_004.xls*

Related to : CR01, CR02

Ref.006 / *File_financial_005.xls*

Related to : CR01, CR02