

Central Bank update on DORA

The Director of Financial Regulation, Policy and Risk at the Central Bank of Ireland (the “Central Bank”), Mr. Gerry Cross, recently gave a speech on the implementation of the Digital Operational Resilience Framework (“DORA”) to the Institute of International Finance. The implementation date of DORA, 17th January 2025, is looming fast so these insights are highly valuable in understanding the status of the implementing measures of this legislation, the regulatory approach to it and related ongoing work.

Background

DORA was passed in January 2023 and once effective will essentially require European financial services providers to put in place specific measures to support their digital operations with a view to ensuring that they have the necessary resilience, including to safeguard against cyber-attack etc.

Regulatory Approach to DORA

In approaching DORA and its practical implementation five key overriding principles were adopted by the regulatory authorities: momentum, pragmatism, quality, proportionality and engagement. The primary DORA legislation is further supported by regulatory technical standards (“RTS”) and Implementing Technical Standards (“ITS”). These are being prepared in a two phase approach with separate but concurrent 12 and 18 month timelines respectively.

Phase 1 and 2 Measures

Three RTS from the first phase were adopted by the European Commission (“EC”) in March of this year and were published in the Official Journal (“OJ”) on 25th June. These relate to ICT Risk Management

requirements, Criteria for classification of ICT-related incidents and Prescription of the required elements of policies for outsourcing ICT services, respectively. An ITS providing a template for the register of ICT outsourcing is also being developed in this 1st phase for approval in January. Following related public consultations separate RTS are being prepared under phase 2 dealing with the requirements for subcontracting ICT Services, the conduct of penetration tests and the content, timelines and templates for reporting major incidents. These are expected to be delivered to the EC by 17th July.

Work is also being conducted on the new oversight regime for entities to be designated as critical third-party service providers (“CTPPs”). Joint Examination Teams (JETs) will be established under a Lead Overseer for ongoing oversight of CTPPs.

How Clerkin Lynch Can Help

Clerkin Lynch’s financial services team can assist with preparation for compliance with DORA as well as related preparatory work. Reach out to the contact details below for more information.



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