**The scheme of the risk taxonomy**

**Internal fraud/Intentional mismarking**

Please clarify what types of operational risk events does this category include.

Should this category include events such as intentional increasing of client's creditworthiness while granting a loan? If not, what category should such events (i.e. circumvent company policy in credit process in order to meet sales plans) be assigned?

**Internal fraud/ Internal fraud committed against other stakeholders**

Does this category include damage to clients' assets, too (e.g. when funds are stolen from clients' accounts as a result of a fraud)? If so, shouldn't there also be a possibility to choose Social risk here?

**Internal fraud/ Internal fraud committed against the institution**

Please clarify in which specific operational risk events in this category should receive the attribute Governance risk? Does fraud committed by, for example, one employee or many employees, despite the internal regulations and controls, mean that the management system is not working properly and therefor it should receive the attribute Governance risk? Most internal frauds are committed in violation of the regulations and controls and, with this assumption, all internal frauds should receive the attribute Governance risk.

In our opinion, Governance risk only occurs when, for example, a penalty/fine is imposed on the institution due to lack or insufficient management system,eg. someone arbitrarily states that mistakes have been made in management.

**Internal fraud/ Malicious physical damage to employees, institution's physical assets and public assets**

Why the physical damage to internal parties cannot receive the attribute Social risk? What is the general principle of assigning a "Social" tag to operational events?

**Internal fraud/ Intentional sanctions violation**

How to distinguish between intentional and unintentional violation of sanctions?

Are sanctions understood to mean sanction lists only or also regulations/rules?

If not, what category should an intentional violation of internal or external regulations by an employee, e.g. when selling a product, be assigned with?

**External fraud/ Third party fraud**

Should a case when a fraudster modifies clients data and as a result steals funds from his account, be assigned with this category or Data theft and manipulation?If a fraudster modifies a customer's data and as a result steals funds from their account, do we classify it in this category or Data theft and manipulation?

**Clients, Products & Business Practices/ Data privacy breach/confidentiality mismanagement**

Why, in case of confidentiality mismanagement, the losses in this category may not receive the attrubute Governance risk/Social risk, e.g. in case of a penalty imposed on institutions due to violating the GDPR?

**Clients, Products & Business Practices/ Insider Trading on firm's account**

Why is Insider Trading on firm's account not covered by the category Internal frauds? Please provide examples of specific operational risk events.

**Clients, Products & Business Practices/ Sale service failure**

Does this category include errors in the loan granting process, e.g. a loan granted to a client with no creditworthy?

If this category includes mis-selling, why losses does not receive the attribute of Social risk?

**Business Disruption and System Failures/ Hardware failure not related tomanagement of transactions**

What categorry should be assigned with, an operational risk event related to destruction of the institution's server room as a result of a terrorist attack, which led to the the failure of IT systems and networks? Business Disruption and System Failures, External fraud or Damage to Physical Assets?

**Business Disruption and System Failures/ Inadequate bussines continuity planning/event management**

Why is a poorly designed business continuity plan not flagged as a governance risk?

**Business Disruption and System Failures/** **Network failure not related to management of transactions**

What is the reason for dividing the categories into transaction and non-transaction events? What will this distinction be used for?