



# DORA decoded

**Your gateway to digital resilience  
in financial landscapes**

Digital Trust



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# DORA: Enhancing digital resilience

The Digital Operational Resilience Act (DORA), implemented by the EU, strengthens the financial sector's resilience in the digital era. Effective from January 2025, it mandates robust cybersecurity measures, incident response plans, and reporting obligations for financial institutions. Co-operation among stakeholders is encouraged to bolster collective cyber resilience. DORA creates a regulatory framework whereby the financial firms will have to

make sure they can withstand, respond to and recover from all types of Information and Communication Technology (ICT) related disruptions and threats, with an objective to prevent and mitigate cyber threats. By setting clear requirements and promoting information sharing, DORA addresses evolving cyber threats, safeguarding financial stability.

## Who is impacted?

**Financial entities and their critical ICT providers are mutually dependent on each other to ensure the operational resilience of the financial sector in compliance with DORA. By working together effectively, they can strengthen cybersecurity measures, enhance incident response capabilities, and contribute to the overall stability and integrity of the financial system.**

### Financial providers

- Management companies
- Payment institutions
- Institutions for occupational retirement provision
- Secularisation repositories
- Credit institutions
- Crypto asset service providers
- Investment firms
- Trade repositories
- Central counterparts
- Data reporting service providers
- Electronic money institutions
- Admission critical benchmarks
- Insurance/reassurance undertaking
- Central security depositories
- Insurance ancillary intermediary
- Trading venues
- Crowdfunding service providers
- Credit rating agencies
- Account information service provider
- Management of alternate investment fund

### ICT providers

- Cloud computing providers
- Data processing providers
- Network connectivity providers
- Cybersecurity providers



# Five pillars of DORA

The five pillars of DORA underscore critical aspects of safeguarding digital infrastructure and ensuring operational continuity in the face of evolving threats. DORA validates the effectiveness of implemented measures and identifies areas for improvement, enabling organisations to continually enhance their preparedness and response capabilities.



### ICT incident management

Establishes an ICT incident management process, including incident classification, monitoring, and reporting major incidents to relevant authorities, as per proposed guidelines.

### ICT risk management

The financial entity's management must ensure a robust ICT risk management framework, including regular testing of response and recovery activities, to minimise risks effectively.

### Digital operational resilience testing

Implements a risk-based digital operational resilience testing program, including independent testing and internal resources, with annual testing for critical systems and triennial 'threat-led penetration testing' for non-micro financial entities.

### Cyber threat information sharing

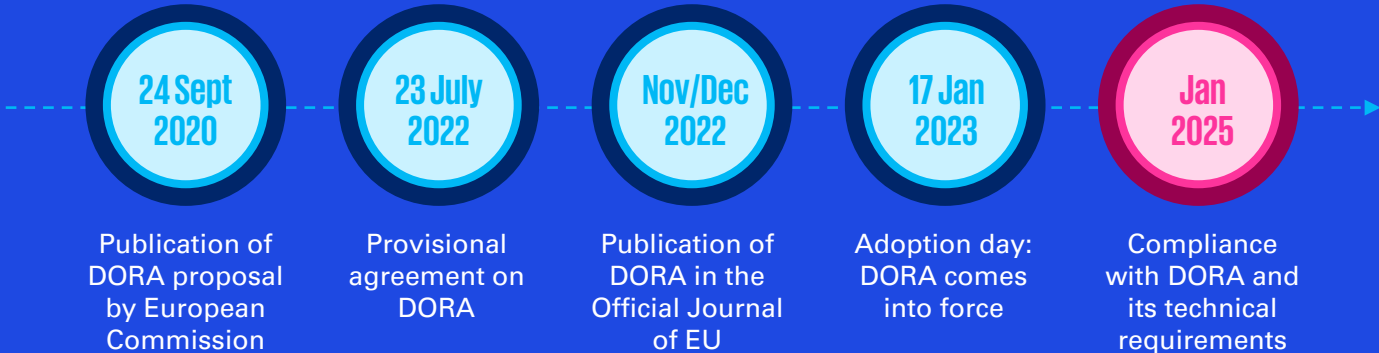
Financial entities share cyber threat information to bolster digital operational resilience, within trusted communities and in compliance with relevant laws, aiming for mutual protection.

### ICT third-party risk management

Integrates ICT third-party risk into the risk management framework, including strategy adoption, maintaining a register of contracts, and conducting assessments as per European Supervisory Authorities (ESA) requirements.

# Timeline


Emerging as a pivotal framework within the European Union, DORA charts a course towards a reinforced digital fortitude. It paves a way for cultivating a resilient and interconnected digital landscape, equipped to navigate the complexities of modern challenges.



# Key challenges


Navigating the key challenges in implementing DORA present significant hurdles for organisations across various sectors as follows:

01




Monitoring ICT third-party risk. Service providers can be placed under the control of competent authorities. Reporting of serious incidents, which requires a rapid, efficient and comprehensive response capability.

02




Complexity in a harmonised ICT risk management framework and management design increases significantly, considering market participants and all relevant risks and scenarios. This means increased testing requirements - especially for the execution of threat led penetration testing.

03



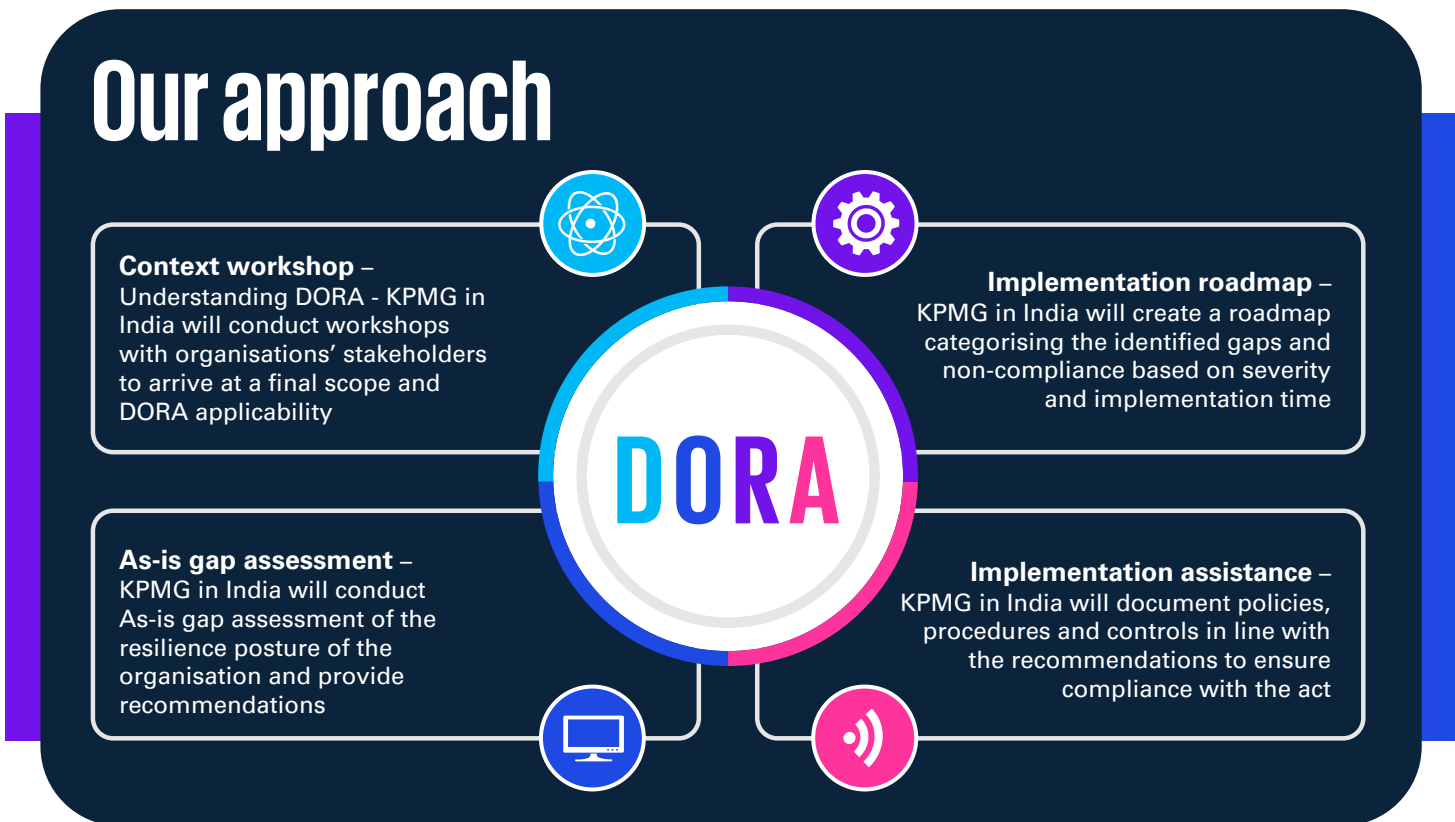
DORA interfaces with various security disciplines, including IT operations, Information Security Management (ISM)/ Information Risk Management (IRM), Crisis Management, Business Continuity Management (BCM) / IT Service Management (ITSM) and outsourcing. Alignment of security disciplines & interfaces to ensure optimal resilience in operational business can be challenging.

04



Overlap of incident reporting as mandated by DORA and Network and Information Security Directive (NIS-2).

## Our approach



# Why KPMG in India?

## 01 KPMG in India: DORA regulation expertise

KPMG in India excels in DORA regulation disciplines, offering consulting ISM, IRM, BCM, outsourcing, and cloud solutions to support clients extensively.

## 02 Expertise in control management and risk assessment

With a profound understanding of processes, risks, controls, and governance structures, we provide expert support for effective control and risk management.

## 03 Industry tailored solution

KPMG in India provides extensive project experience in the industry and valuable insights, enabling them to understand clients' challenges and develop custom services tailored to their specific needs.

## 04 Global expertise for financial sector solution

Access to global expertise for financial services through our extensive global network of member firms, collaborating closely with international teams to tailor services for the sector.

## 05 GRC tool implementation and vendor management

We offer expertise in implementing market standard GRC tools for efficient risk and control management, along with tools for effective third-party vendor management in the ICT domain.



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