EMJ.LIFE | PRE-DISCLOSURE EVIDENCE INFRASTRUCTURE

RESPONSE TO BCBS

INTEREST RATE RISK IN THE BANKING BOOK

Additional Pillar 2 guidance
Evidence governance and supervisory information



SUPPORT WITH TARGETED IMPLEMENTATION RECOMMENDATIONS

EMJ LIFE HOLDINGS PTE. LTD.

Singapore | 13 November 2026

Controlled Consultation Response | v1.0 | Final

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13 November 2026

Basel Committee on Banking Supervision
Secretariat
Bank for International Settlements
Basel, Switzerland

Via the BIS consultation submission facility

Response to the IRRBB consultation

Interest rate risk in the banking book
Additional Pillar 2 guidance | November 2026 consultative document

Dear Committee Members,

EMJ LIFE HOLDINGS PTE. LTD. welcomes the opportunity to comment on the proposed additional Pillar 2 guidance on interest rate risk in the banking book. We support the direction of the proposed enhancements within the scope addressed in this response, with targeted implementation recommendations.

We respond as a Singapore-based Institutional Evidence Systems Integrator developing Pre-Disclosure Evidence Infrastructure. Our comments concern the continuity of information supporting model assumptions, management judgements and supervisory reporting. In this setting, that perspective concerns preparation and review before supervisory submission, including information that remains confidential.

We recommend an implementation example linking the data and model basis of a result to the version examined by senior management and subsequently reported to the supervisor. Related guidance could explain material changes in assumptions, management adjustments, third-party inputs and the basis of comparisons over time.

These recommendations build on existing IRRBB documentation and model governance expectations. They do not propose a new reporting return, a prescribed technology or changes to quantitative calibration. The response matrix identifies both the topics addressed and the limits of our contribution.

We consent to publication of this response, including the respondent name and the contact details below. Please direct correspondence to anderson@emj.life.

Yours faithfully,

Anderson Yu
Founder and Chief Executive Officer
For EMJ LIFE HOLDINGS PTE. LTD.
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Response Overview

Field	Information
Consultation	Interest rate risk in the banking book Additional Pillar 2 guidance | November 2026
Recipient	Basel Committee on Banking Supervision
Respondent	EMJ LIFE HOLDINGS PTE. LTD., Singapore
Perspective	Institutional Evidence Systems Integrator Pre-Disclosure Evidence Infrastructure
Overall position	Support within the scope addressed, with targeted implementation recommendations
Document control	EMJ.RESP.BCBS-IRRBB.2026 | v1.0
Issue date and review cut off	13 November 2026
Comment deadline	9 February 2027
Document status	Final public consultation response prepared for submission
Publication consent	Yes | No confidential treatment requested for this response
Contact	Anderson Yu | anderson@emj.life

Executive Summary

We support the proposed strengthening of IRRBB model governance and supervisory information. Our principal recommendation is a practical example showing how a bank can connect a reported result to the data, model and assumptions used, the management judgement applied, and the version examined before submission.

The example should build on existing controls and records. It should help a reviewer understand material changes and reconstruct the basis of an earlier report without requiring a duplicate evidence register or unrestricted circulation of confidential inputs. Supervisory information and public disclosure retain their distinct purposes and access arrangements.

Our recommendations concern implementation and reviewability. We offer no calibration proposal for interest rate shocks, non-maturity deposits, earnings indicators, capital or hedging effectiveness.

Summary of Positions

Recommendation	Requested action	Response section
R1 Assumptions and model changes	Link material changes and management adjustments to their reasons, validation status and affected results.	2.1
R2 Review before submission	Identify the version examined by senior management and explain material changes before or after filing.	2.2
R3 Supervisory information	Illustrate retrievable links to supporting records, including third-party inputs and access limitations.	2.3
R4 Comparability over time	Explain changes in exposure, data, model and reporting basis; retain context for peer comparisons.	2.4
R5 Proportionate implementation	Use existing controls and risk-based detail; test the example before considering additional prescriptions.	3

1 Institutional Profile and Scope of Response

EMJ LIFE HOLDINGS PTE. LTD., operating as EMJ.LIFE, is a Singapore-based Institutional Evidence Systems Integrator developing Pre-Disclosure Evidence Infrastructure. Our work concerns the organisation and preservation of information before formal disclosure and its reuse in institutional analysis. This response applies that perspective to the preparation and review of IRRBB supervisory information.

The invitation welcomes comments on all aspects of the proposal [1, 2]. This response follows the proposed paragraphs and implementation issues. Paragraph references prefixed SRP31 or SRP98 refer to the November 2026 proposal unless expressly identified as current provisions. Suggested wording is intended for non-mandatory implementation examples.

By continuity of supporting information, we mean retaining sufficient links to explain which information supported a result or decision at the relevant time. Such links can assist review; their presence does not establish the accuracy of a model or the effectiveness of risk management.

Our review is documentary. We have not performed bank field testing, model validation, supervisory examinations or an empirical assessment of implementation costs. Appendix A records the coverage of this response.

2 Detailed Technical Responses

2.1 Assumptions and model changes

R1 | Proposed SRP31.55 to SRP31.62; SRP98.74 to SRP98.76 [1]. Current SRP31.54 to SRP31.60 provide the baseline comparison [3].

We support the added emphasis on testing material behavioural assumptions and examining the justification for changes and their use in management decisions. Documentation, independent validation and model version control already form part of the current framework. Our recommendation concerns how these records remain connected when assumptions or management adjustments change.

For a material change, an implementation example could distinguish an observed change in customer behaviour, a correction to source data, a model recalibration and a management adjustment. The explanation should identify the affected model or assumption, the reason for the change, its effective period, the relevant review or authorisation, and the results or decisions affected. These distinctions help a reviewer assess whether a lower reported sensitivity reflects changed exposure or a changed measurement basis.

Where a temporary adjustment is used while a model limitation is being addressed, the example should preserve its rationale, conditions of use, validation status and review arrangements. It should make outstanding limitations visible to the responsible decision makers. Recording an adjustment does not establish that the adjustment is prudent or that independent validation has been completed.

The relevant relationship may be maintained through existing model inventories, validation reports, change records and calculation files. A bank need not copy every document into a new system. The level of detail should reflect the materiality and model risk involved, with responsibility for accepting limitations remaining within the bank's governance arrangements.

Suggested wording for an implementation example

> *The bank links a material change in an IRRBB assumption or management adjustment to its documented rationale, effective period, review and authorisation status, and the affected measurements. Its supporting records retain the earlier measurement basis and explain how unresolved limitations and temporary compensating controls were communicated to the relevant decision makers.*

We recommend placing this illustration alongside the new validation guidance in SRP98.75 and SRP98.76. It would support the proposed amendment to SRP31.61 without creating a separate validation method or changing quantitative model assumptions.

2.2 Management review before submission

R2 | Proposed SRP31.64 to SRP31.67 and SRP98.77; Section 3.3 of the consultation [1].

We support the proposed consideration of senior management receiving and examining relevant supervisory information before reporting it to supervisors. Its practical value depends on being able to identify what management examined and how that examination relates to the information ultimately submitted.

An example could identify the reporting entity or consolidation scope, reference date, reporting package version, relevant calculations and the responsible management forum or delegated reviewer. A record of the review could link material challenges, identified limitations and resulting actions to the relevant package. It should preserve the distinction between a management examination, a formal approval where required, and independent model validation.

If a material data correction or calculation change occurs after management review and before filing, the example should show how the difference is assessed and routed under the bank's delegated arrangements. The submitted version should be linked to the reviewed version and to the disposition of any material change. We do not propose a new obligation for the full governing body to approve every return.

Urgent reporting should follow applicable supervisory deadlines and instructions. An example could show how a bank reports an unresolved material limitation, applies its escalation process and records subsequent corrections. After filing, later analysis should remain distinguishable from the information available when the earlier submission was prepared. Whether a corrected submission is required remains subject to the applicable supervisory arrangements.

Suggested wording for an implementation example

> *The bank identifies the version of supervisory information examined by senior management, the relevant review or delegated decision, and its relationship to the submitted version. Where a material change intervenes, the supporting record explains its assessment, escalation and disposition. Subsequent corrections remain linked to the earlier submission and their reasons, following applicable supervisory procedures.*

This would make the new governance consideration easier to apply without prescribing a universal sign-off format. Existing committee minutes, management reports and submission records may already provide the necessary support when their relationships are retrievable.

2.3 Supporting supervisory information

R3 | Proposed SRP31.51 to SRP31.62, SRP31.74 to SRP31.78 and SRP98.77 [1]. Current SRP31.50 to SRP31.60 already address source documentation and model governance [3].

The proposed supervisory information table brings together modelling practices, stress testing, controls, embedded losses and earnings indicators. We support its purpose of making the basis of management decisions more accessible to supervisors. A short implementation example could explain how a summary report leads to the relevant underlying records when more detail is needed.

For a selected material result, useful connections include its reference date and scope, the data snapshot used, the applicable model and assumption set, the calculation run, material management adjustments and the reporting package. These are illustrative relationships, not proposed mandatory fields. The supervisor should be able to follow the basis of the result without receiving every supporting file with every routine submission.

Third-party inputs require particular care. The example could distinguish provider data from assumptions selected or customised by the bank. Where a provider revises a dataset, the bank should be able to explain which release informed the reported calculation and how it assessed suitability for its own business. Existing validation responsibilities remain with the bank.

The example should also recognise contractual restrictions, confidentiality and cross-border access conditions. Relevant records could identify a material access limitation, its implication for review and the responsible escalation or remediation. Such constraints should be addressed through appropriate arrangements; they do not remove the bank's responsibilities or qualify supervisors' applicable information powers.

Suggested wording for an implementation example

> *For selected material supervisory information, the bank maintains retrievable links between the reported result and the relevant data, model and assumption versions, management adjustments and review records. Supporting information remains in existing controlled systems, with access arrangements appropriate to applicable supervisory powers, confidentiality and data protection requirements.*

The guidance should preserve the distinction between information supplied to supervisors and public disclosure under Principle 8. Reusing a record should retain its access conditions and reporting purpose. A structured format can assist retrieval where useful, while the substantive supervisory assessment continues to depend on the information and professional judgement involved.

2.4 Comparability across periods and banks

R4 | Proposed SRP31.53, SRP31.75 to SRP31.83 and SRP98.79 to SRP98.80 [1].

We support the proposed use of supervisory information in peer comparisons and trend analysis. Interpretation will depend on whether differences in the underlying exposures can be distinguished from differences in data, assumptions, model implementation and reporting scope. A common metric label alone does not establish comparability.

For material movements between periods, an example could explain changes in balance sheet composition, customer behaviour, source coverage, model or assumption versions, scenario settings and hedging treatment. It should distinguish the reporting reference date, the calculation date and the effective period of a change. Reviewers could then understand what was known at each reporting point and why a later result differs.

A bridge between results may use quantitative analysis where practicable and qualitative explanation where effects interact or cannot be reliably isolated. A controlled comparison using a common portfolio or method may be helpful in some cases. We do not propose a mandatory rerun of all historical calculations or require attribution beyond what the analysis supports.

For peer analysis, contextual information may include consolidation level, relevant currencies, business model, deposit segments, time horizon, balance sheet assumptions and whether hedging is included. These considerations supplement the proposed reference-group dimensions. They should not become a universal disclosure checklist or imply that banks in the same group have identical risks.

Suggested wording for an implementation example

> *The comparison identifies material differences in the scope and basis of the measurements, including changes in data, models, assumptions and hedging treatment. Where practicable, the analysis distinguishes changes in exposure from changes in measurement basis and explains limitations relevant to interpreting the comparison.*

The consultation also proposes moving the updated SRP98 guidance into MIR20, subject to the separate consequential-amendments process [1, 2]. A final cross-reference table should allow users to follow the guidance after migration and distinguish relocation from substantive revision. We use the consultation's SRP98 numbering without assuming that it is the final MIR20 numbering.

3 Proportionality and Implementation

R5 | Proposed SRP31.5 and SRP31.33; consultation Sections 2 and 3.3 [1]. Relevant background: BCBS 239, Principles 1 to 3 and 7 to 9, within its applicable scope [4].

We recommend testing the proposed illustrations with banks of different sizes and business models before prescribing additional recordkeeping detail. The depth of supporting information should reflect the nature, size and complexity of the bank, its IRRBB profile and the materiality of the model, assumption or decision concerned.

A simple implementation may use a controlled report, referenced calculation files and existing review minutes. A more complex bank may need automated links across data, model and reporting systems. Both should enable an authorised reviewer to locate the relevant basis of a material result. The illustration should accommodate existing identifiers, naming conventions and systems, with automation proportionate to the bank's circumstances.

BCBS 239 provides relevant background on governance, data architecture and risk reporting [4]. Our recommendation is to reuse applicable controls and avoid parallel records. We do not propose extending that document's applicability to all banks through this consultation, or treating alignment with its principles as proof that IRRBB requirements have been met.

Practical testing of the example

A limited pilot could ask bank staff and an independent reviewer to trace a selected material result, explain an assumption change, identify the version examined by management and retrieve the basis of an earlier submission. It could also examine whether vendor access restrictions or inconsistent definitions impede the review. The pilot should use appropriate confidentiality arrangements.

Useful observations would include retrieval time, unresolved relationships, contradictory versions, manual reconciliation effort and the additional work required to maintain the links. These would be pilot observations, not evidence of market-wide savings. Supervisors and banks could assess whether the example improves reviewability at a reasonable incremental burden.

Suggested wording for an implementation example

> *The bank uses existing controls and records, with detail commensurate with its risk profile and the materiality of the information. A simpler bank links its report, calculation files and review minutes; a more complex bank uses controlled references across its systems. In each case, an authorised reviewer can retrieve the relevant basis of a material result.*

Applicable retention obligations and supervisory access requirements should govern retention arrangements. We propose no universal retention period, additional assurance engagement or restriction on supervisory discretion.

4 Illustrative Reporting Example

The following hypothetical example demonstrates R1 to R4. It is an EMJ.LIFE illustration, not a bank case study or a BCBS example. The identifiers are illustrative, and no quantitative parameters or calibration choices are proposed.

A bank prepares an IRRBB report using a non-maturity deposit model. The reporting reference date remains unchanged through the first three stages. After management review, a material source-data correction is identified before submission. A later review considers a behavioural assumption change.

Stage	Records retained and linked	Review implication
1 Initial calculation	Data D1; approved model M1; assumption set A1; calculation C1; reference date and portfolio scope.	The reviewer can locate the basis of C1 and distinguish source observations from assumptions.
2 Management examination	Package P1 contains C1. Review record V1 identifies the package examined, material challenges, limitations and actions.	A record of the examination identifies what management saw; it does not certify model accuracy.
3 Correction before filing	Corrected data D2 produce C2 using M1 and A1. Revised package P2 links to P1, the correction rationale and its disposition under delegated review. Submission S1 identifies P2.	The submitted result is linked to the relevant review. Earlier versions remain retrievable without being presented as current.
4 Later reassessment	A proposed assumption set A2 is separately identified, with its rationale, validation status and any authorised temporary adjustment. A later run is linked when the applicable governance steps are completed.	Later knowledge is distinguishable from the basis of S1. The bank considers any reporting consequences under supervisory procedures.

This example preserves the data correction separately from a subsequent assumption change. A reviewer can follow both the submitted result and the chronology of management knowledge. Keeping the links does not establish that either assumption set is valid, that the temporary adjustment is acceptable or that capital is adequate.

5 Closing Remarks

We recommend focused implementation examples that connect existing records to the proposed supervisory information. They should help banks and supervisors explain the basis of a material result, the information examined by management and the reasons for changes over time, while retaining proportionality and appropriate access controls.

Appendix A Response Matrix

The matrix follows the consultation's key areas of change. Support is confined to the governance and implementation matters discussed. Topics on which we offer no technical recommendation are identified expressly.

Consultation area and proposed reference	Position and scope	Response section
3.1(a) Model risk management SRP31.55 to 31.62; SRP98.74 to 98.76	Support stronger validation and assumption-change governance. Recommend linked rationale and review status. No model calibration proposal.	2.1, 2.3
3.1(b) Stress testing SRP31.32 to 31.38; SRP98.31 to 98.33	Comments limited to identifying scenario and assumption versions and comparison context. No technical proposal on shock magnitudes, scenario severity or test frequency.	2.3, 2.4
3.1(c) IRRBB controls SRP98.77	Support traceable responsibilities and decision records. No recommendation on instrument selection or quantitative hedging effectiveness.	2.2, 2.3
3.1(d) Embedded losses SRP31.39; SRP98.34 and 98.77	General supporting-record recommendations may apply. No separate technical position on valuation, accounting treatment or capital impact.	2.3
3.1(e) Earnings indicators SRP98.30 and 98.77	Recommend retaining definitions and measurement context where comparisons are made. No proposal on indicator selection, formula calibration or thresholds.	2.4
3.2 Supervisory approaches SRP31.81 to 31.83; SRP98.79 to 98.80	Support interpretation of peer and trend analysis with explicit scope and measurement context. No prescribed reference-group design.	2.4
3.3 Supervisory information SRP31.64; SRP98.77	Support the proposal and recommend an example connecting management examination, submitted versions and supporting records.	2.2, 2.3, 4
2 Scope and migration SRP31.5; proposed SRP98 to MIR20 migration	Retain proportionality; reuse existing controls. Recommend a final numbering crosswalk. No comment on other consequential amendments.	2.4, 3

No technical recommendation is made on the standardised measurement methodology, supervisory outlier thresholds, capital calibration or accounting recognition. The recommendations do not determine compliance or the adequacy of a bank's risk management.

Appendix B Scope and Review Record

Institutional independence

This independent response is issued by EMJ LIFE HOLDINGS PTE. LTD. It is not issued on behalf of BCBS, BIS or a bank. No endorsement, acceptance or adoption is claimed. Public availability of the response does not imply substantive agreement by the Committee.

Our recommendations concern supporting information and implementation. They do not provide model validation, assurance, a compliance assessment or an empirical finding on risk reduction. Responsibility remains with banks, their governing bodies, relevant supervisors and qualified professionals in their respective roles.

Review method and version

We reviewed the supplied November 2026 consultation, checked the official consultation page and compared selected proposed provisions with the current SRP31 text. Existing provisions and proposed amendments are distinguished in the relevant sections. The hypothetical example and all suggested additions are EMJ.LIFE recommendations. Source documents retain their respective rights.

Version	Date	Record
1.0	13 November 2026	Final public consultation response prepared for submission. No submission or publication by BIS is asserted.

Appendix C Source Documents

[1] BCBS. Interest rate risk in the banking book. November 2026 consultative document. ISBN 978-92-9279-006-6. Principal references: Sections 2 to 3.3; proposed SRP31 and SRP98 paragraphs identified in the response. Printed pages 17 to 21 and 49 to 53 contain the main passages discussed. Consultation document

[2] BCBS. Interest rate risk in the banking book - additional Pillar 2 guidance. Official consultation page, published 9 November 2026. Comment deadline: 9 February 2027. Submission facility available from the page. Official consultation page

[3] BCBS. Basel Framework SRP31, Interest rate risk in the banking book. Current version effective 1 January 2026, last updated 16 July 2024. Selected baseline provisions: 31.50 to 31.60 and 31.62 to 31.64. Numbering differs from the consultation. Current SRP31

[4] BCBS. Principles for effective risk data aggregation and risk reporting. January 2013, commonly known as BCBS 239. Background reference to Principles 1 to 3 and 7 to 9, within the document's applicable scope. BCBS 239

Review cut off: 13 November 2026. References to the consultation describe proposed guidance, not a final requirement. Proposed SRP98 references do not anticipate the final MIR20 numbering. Descriptions of source materials are paraphrased.