Date: [Insert Date]

To: [Name of Responsible Executive/Head of Market Risk]
Department: [Department Name]
Entity: [Institution Name]

Subject: Notice of Deficiency: Market Risk Data Aggregation and Reporting

Dear [Recipient Name],

This letter serves as formal notification regarding identified deficiencies in the market risk data aggregation capabilities of [Institution Name]. Following a recent review of our risk management framework and data infrastructure, it has been determined that current processes do not fully meet the required standards for data accuracy, completeness, and timeliness.

Identified Deficiencies:

- **Inaccuracy in Risk Sensitivities:** Discrepancies found between front-office systems and risk reporting engines.
- **Data Lineage Gaps:** Inability to trace specific market data inputs from the source through to the final Value-at-Risk (VaR) calculations.
- **Manual Interventions:** Excessive reliance on manual data adjustments and spreadsheets, increasing the risk of operational error.
- **Aggregation Speed:** Failure to produce consolidated risk reports within the mandated T+1 timeframe during periods of high market volatility.

Required Actions:

The Risk Management and IT departments are required to submit a Remediation Plan by [Insert Date]. This plan must include:

1. A root cause analysis of the data integrity failures.
2. A timeline for automating manual data workflows.
3. Enhanced validation controls for end-of-day market price feeds.
4. A schedule for periodic independent testing of the aggregation engine.

Failure to address these deficiencies may result in increased capital add-ons or regulatory non-compliance findings. Please acknowledge receipt of this letter and provide the name of the designated project lead for this remediation effort.

Sincerely,

[Your Name]
[Your Title]
[Risk Oversight/Compliance Department]

CC:
Chief Risk Officer
Chief Data Officer
Internal Audit Department