

## **Chief Risk Officer (CRO)**

### **Roles and Responsibilities:**

1. Responsible for overall risk management related activities of the AMC and Mutual Fund Schemes
2. Responsible for implementation and governance of RMF across the AMC and the Mutual Fund Schemes
3. Ensure all risk-related policies are defined, reviewed, and updated periodically and placed at the relevant risk management committee for approval.
4. Establishing an organisation wide risk conscious culture.
5. Formulate and implement structured reporting process for risk monitoring and reporting to CEO, Risk Committees and Board of the AMC and Trustee
6. Monitor and ensure adherence and compliance to RMF across the AMC and Mutual Fund Operations.
7. Perform periodic review and update the ERMF defined by the AMC and place the same to the RMCs for approval.
8. Formulate and recommend changes to roles and responsibilities including KRAs relating to risk management activities and place these at the RMCs for approval.
9. Periodically review the DoP covering daily risk management, risk reporting and corrective actions at the level of Fund manager, CIO and CEO
10. Review and suggest changes to the risk appetite and risk metrics for the AMC and scheme as defined by the CEO
11. Ensure formulation and implementation of adequate mechanism for –
  - a. Generating early warning signals;
  - b. Conducting stress testing for investment, credit and liquidity risks basis approved parameters;
  - c. Defining the tolerance limits for each of the risk parameters;
  - d. Measurement and review of the AMC and scheme specific risks including RCSA and the person responsible to monitor the risks;
  - e. Assessment and review of credit risk policies
  - f. Assess liquidity risk at a scheme level
  - g. Formulation of Fraud Risk Registers and Frauds response plan / strategies
  - h. Escalation matrix for reporting and resolution of incidents (loss, near miss, fraud etc.)
  - i. Ensure review of operations for material outsourced activities at least on an annual basis;

- j. Adequate framework to detect and prevent security market violation, frauds and malpractices by the AMC and reporting framework on the same to the ERM and board Trustee on half yearly basis.
12. Review and report the following to the ERM and Board Risk Committee of AMC and Trustee –
    - a. Risk reports capturing deviations to risk thresholds, risk appetite across the AMC and Scheme
    - b. Results of monitoring of early warning signals by respective functions
    - c. Result of stress testing based on defined parameters for investment, credit and liquidity risks, etc.
    - d. Internal and external fraud incidents reported / identified by CXOs including evaluation of fraud risk scenarios
    - e. Near miss and loss incidents identified and reported by the respective departments
    - f. Monitor liquidity risk at scheme and portfolio level vis-à-vis internally approved and defined liquidity model on a monthly basis
    - g. Major findings and corrective actions prepared by the CXOs
    - h. Monitor delays in implementation of corrective actions by CXOs
    - i. Monitor control breaches as a result of periodic RCSA review and mitigating actions put in place by the management and risk function.
  13. Independently assess reporting of risks to various committees and CEO.
  14. Report outcomes of the risk management function to the CEO at least once a month.
  15. Define process to assess the control against each of the identified risk capturing following elements:
    - a. Measurement tool for each risk (RCSA, Stress Testing etc.)
    - b. Monitoring and reporting frequency
    - c. Reporting of breaches
  16. Identify, assess and estimate emerging risks and their possible impact on the AMC and mutual fund schemes
  17. Report existing and emerging risks associated with the MF and the AMC activities in a structured manner to the Risk Management Committee of Board of AMC and Trustee