

Service Offering

DORA: Efficient Contract Compliance

May 2024

Digital Operational Resilience Act (DORA) Contract Compliance Challenges

Five Pillars of DORA



Relevant facts

about Regulation (EU) 2022/2554 (DORA):

- Compliance is mandatory by January 17, 2025
- Contracts with ICT third-party service providers play a major role in DORA compliance
- Many market players have already started implementation

Deloitte Legal offers an end-to-end solution for DORA contracting projects. We combine proven processes, legal expertise, technology and near shore contract negotiation capability for efficient DORA contract remediation.

Financial institutions must ensure their contracts with ICT third-party service providers contain the provisions outlined in DORA. In practice, complying with these requirements sets a number of **key challenges**:



Identification and collection of relevant ICT contracts (typically >1000 contracts per institution)

Many impacted providers are unfamiliar with regulatory requirements

Distinction between contracts supporting critical functions versus non-critical function

Project size make addressing within business-as-usual legal or contract management capability challenging

Incoherent in-scope contract landscape due to the wide range of providers and services falling under DORA

DORA requirements may be resisted by providers or lead to cost re-negotiations

Need to avoid extensive negotiations with providers due to high volume of contracts

17 January 2025 deadline is fast approaching (no transition period)

Exemplary compliance project structure

End-to-end solution

Project phases

Preparation

- Identify legal cornerstones (e.g., criteria for identification of ICT services and contracts supporting important/critical functions)
- Predefined best case / minimum contractual standards
- Initial assessment of the existing contractual landscape (e.g., template agreements used, procurement standards, type of ICT agreements)
- Set up project governance and project plan in the context of the overall DORA implementation project

Tailored project plan and governance

Gap Analysis

- Technology-enabled legal gap analysis of contracts with providers regarding compliance with DORA requirements
- Definition of suitable contract remediation measures (e.g., standard DORA annex or individualized approach)
- Proposal of an implementation approach considering the contractual landscape, identified gaps and best practices
- Optional: Extension of scope to additional topics (e.g., GDPR compliance, commercial)

Summary of the findings and recommendation for the implementation approach

Implementation

- Adaptation of ICT contracts based on standard DORA annex or individualized amendments
- Support in all contracting steps possible (document creation, negotiation, signing, Legal PMO)
- Playbook-based negotiation approach ensures standardization and efficient process (e.g., standardized DORA annexes)
- High acceptance rate through focus on realistic negotiation positions and industry standard clauses
- If required, prioritization (e.g., based on critical or important functions, complexity of the changes etc.)

All identified gaps closed and DORA compliance of all ICT contracts achieved

Deloitte Legal's tech-enabled approach

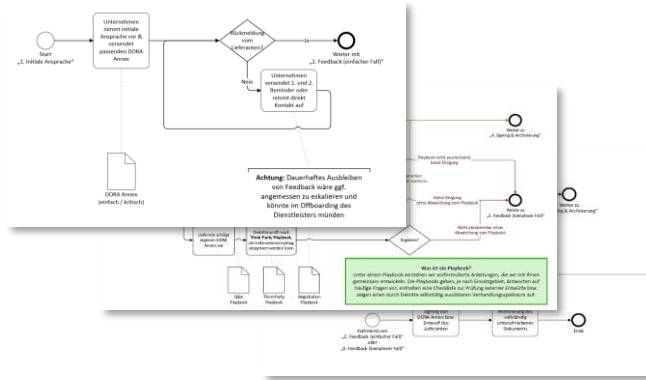
We leverage the latest industry-grade and next-gen technology to achieve the best results for all our clients with maximum cost efficiency.

Our legal experts and near-shore teams use proven tools and accelerators for each of the project phases.

Implementation

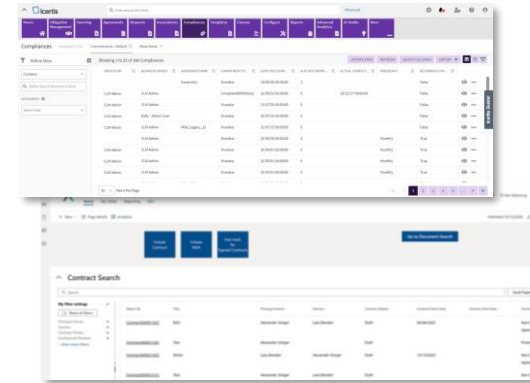
Deep Dive

Standardized and structured contract change process



Featuring technologically-enhanced solutions, our contract change process offers a new level of standardization and control. Efficient resource distribution is at its core, encapsulated within a predefined playbook. Custom changes are also seamlessly accommodated, achieving an equilibrium between standardization and individuality. The result is a highly-efficient, less wasteful system capable of implementing both generic and specialized contract changes.

Seamless integration into existing CLM tool



Our project approach is expertly designed to integrate amended contracts and/or contract appendices into any existing CLM systems securely and effectively.

Where necessary, we optimize contract databases in light of (future) compliance requirements and to facilitate management of large contract volumes by e.g., automated metadata acquisition.

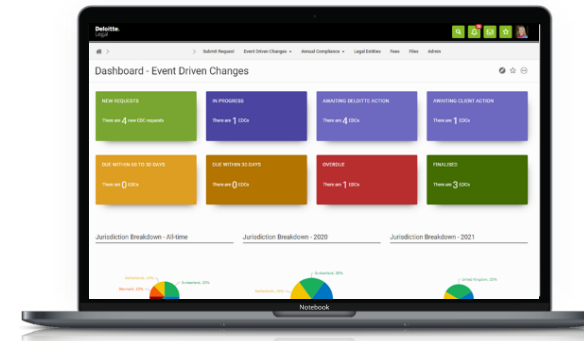
Cost efficiency by leveraging near-shore resources



We are committed to achieve cost-effective solution for our clients. By leveraging our near-shore Deloitte Center of Excellence and Delivery Centers, we specialize in expedited contract change management and negotiation. Our expert team excels in operating on a playbook basis, propelling us to reduce contracting time and significantly lower cost-per-contract.

Experience a faster, affordable, and efficient service with us.

Experienced Legal PMO and tool-based collaboration



Our Legal PMO services fuse expert talent to streamline legal project solutions, utilizing market-standard methodologies to boost efficiency. We work collaboratively with our clients using tool-based systems to manage custom and standard projects within predefined frameworks effectively, merging traditional methods with innovation. The result is a dynamic and efficient Legal PMO system.

Tools & Accelerators

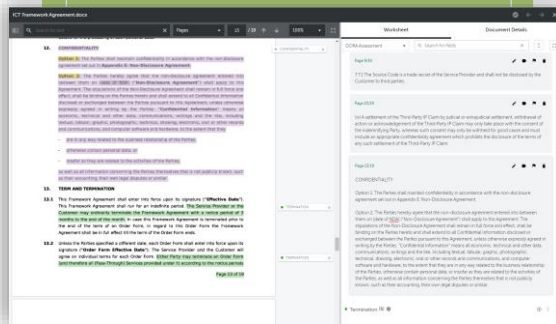
We offer a proven, industry-grade toolset to ensure efficient DORA contracting compliance to support our project structure



Analyze

Identify relevant contracts and contractual clauses and extract contract metadata

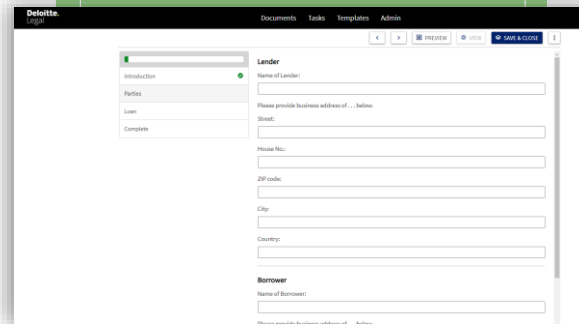
with AI-powered, automated document analysis fine-tuned to DORA requirements.



Create

Efficient mass-production of individualized DORA-amendment agreements

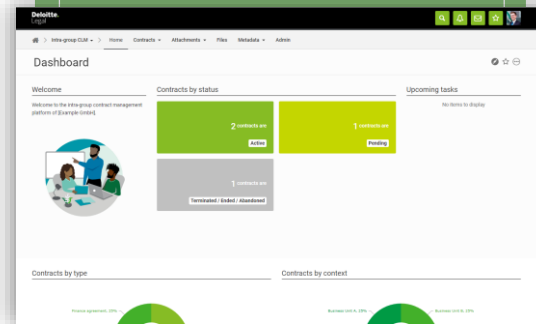
with our industry-grade document automation toolset.



Collaborate

Seamless collaboration, project management and status reporting

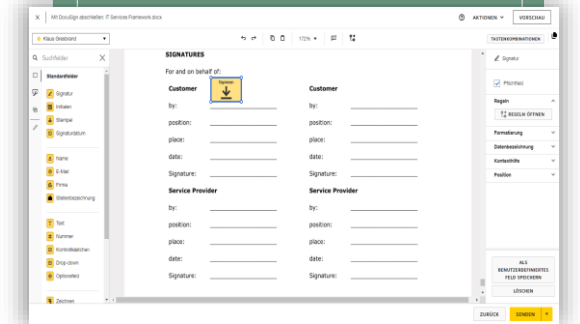
sharing documents and information between all stakeholders through a central communications hub "LegalHub".



Execute

Digital signature, as good as ink-on-paper

through Qualified Electronic Signature (QES), if desired. Complex signing and document interaction workflows allow for much more than just a signature.

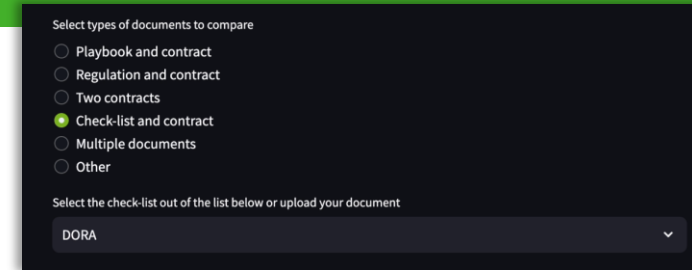


Tools & Accelerators

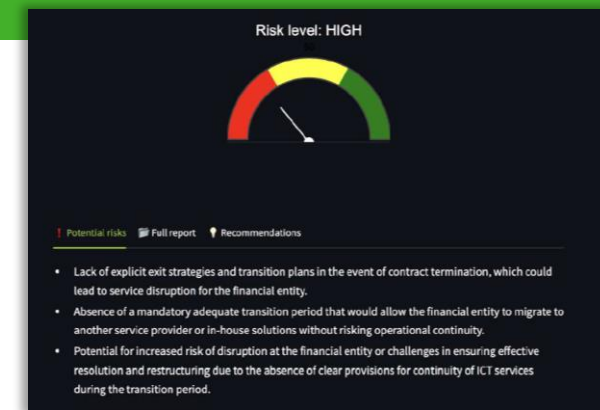
Our cutting edge generative AI tool “DocuMentor” will further streamline the review and drafting process



Automated DORA-relevance check through genAI-powered **document comparison functionality**



GenAI-powered DORA compliance risk scoring enables highly efficient prioritization



Under active development
available in PoC scenarios only

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