

EBA 2019 Outsourcing Guidelines

How KY3P® (Know Your Third Party) can help

Financial Institutions are more dependent than ever on the products and services of third parties, particularly technology providers and outsourcing partners. These relationships represent significant operational risks if not effectively managed.

The European Banking Authority (EBA) has published guidelines relating to third party risk management and outsourcing. They will replace earlier guidelines and recommendations from 2006 and 2017 and represent a new high watermark in expectations of financial institutions, standards to be adopted and enforced by national regulatory authorities (PRA, FCA, BaFin and others).

Firms are required to:

1. have **sound governance arrangements** for third party risk management
2. meet **new documentation requirements** including a register of any outsourcing arrangements
3. provide specific information about **cloud providers** and for **critical or important functions**

Beginning **30th September 2019** the EBA Guidelines apply to all financial institutions within EBA mandate, meaning **credit institutions** and **investment firms** subject to the Credit Requirements Directive, in addition to payment and electronic money institutions. A transition period applies through to December 2021 in relation to documentation of existing outsourcing arrangements.

“institutions and payment institutions should have a holistic institution-wide risk management framework.. should identify and manage all their risks, including risks caused by arrangements with third parties”

EBA GUIDELINES ON OUTSOURCING ARRANGEMENTS – FEBRUARY 2019

The solution is KY3P®



Onboarding & Oversight

Attestation driven documentation of outsourcing arrangements. Standardized onboarding, inherent risk modeling and oversight of vendors through the lifecycle.



Monitoring & Due Diligence

Due Diligence Questionnaires and responses. Monitoring and alerts leveraging sources including cyber health, sanctions, financial health and news. Remediation tracking and comprehensive audit trail.



Shared Assessments

Standardised assessments by accredited partners based on market standard criteria, and the KY3P® Due Diligence Questionnaire question set. Cost-efficient shared model.

For more information visit ihsmarkit.com/ky3p or contact ky3psales@ihsmarkit.com