

Press release

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FINMA revises circular on operational risks of banks

The Swiss Financial Market Supervisory Authority FINMA is revising its circular on the operational risks of banks, in order to incorporate the latest principles of the Basel standards. FINMA will conduct a consultation on this up to 11 July 2022.

In March 2021, the Basel Committee on Banking Supervision published revised principles for the sound management of operational risks and new principles for operational resilience. These aim to increase the banks' capacity to overcome severe, complex, systemic or prolonged operational problems.

FINMA's supervisory practice with regard to the qualitative requirements is based on these principles, meaning that it implements the Basel standards in a principles-based, technology-neutral and proportional way. To this end it is completely revising its Circular 2008/21 "Operational risks – banks" and conducting a consultation until 11 July 2022.

Through the revision FINMA is clarifying its supervisory practice with regard to the management of operational risks, particularly in connection with information and communication technology, handling critical data and cyber risks. Furthermore, requirements for operational resilience will be incorporated into the circular. Through the adjustments FINMA is also adopting and updating the recommendations recognised as minimum standards in the area of business continuity management by the Swiss Bankers Association. By contrast, the capital requirements for operational risks will cease to apply, as these will later be transferred to the Federal Council's Capital Adequacy Ordinance (CAO). In addition, subsequent amendments to Circular 2013/3 "Auditing" are necessary.