

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

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To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

FFIEC Information Technology Examination Handbook

On February 6, 2015, the Federal Financial Institutions Examination Council (FFIEC) issued updated guidance for examiners, financial institutions, and technology service providers (TSPs) to explain the components of an effective third-party management program that can identify, measure, monitor, and control the risks associated with outsourcing. The guidance, which is included in the FFIEC Information Technology Examination Handbook, is an update to the “Business Continuity Planning Booklet,” issued in March 2008. The Federal Reserve concurrently issued this guidance as [SR letter 15-3, FFIEC Information Technology Examination Handbook](#).

The addition of Appendix J, “Strengthening the Resilience of Outsourced Technology Services,” to the Business Continuity Planning (BCP) Booklet highlights the importance of BCP at TSPs that perform or support critical operations for financial institutions. This appendix discusses four elements of BCP that financial institutions should address to promote the resilience of outsourced technology services.

1. *Third-party management* addresses a financial institution’s responsibility to control the business continuity risks associated with its TSPs and their subcontractors.
2. *Third-party capacity* addresses the potential impact of a significant disruption on a third-party servicer’s ability to restore services to multiple clients.
3. *Testing with TSPs* addresses the importance of validating business continuity plans with TSPs and provides considerations for a robust third-party testing program.
4. *Cyber resilience* addresses aspects of BCP unique to disruptions caused by cyber events.

Electronic versions of the Business Continuity Planning Booklet, as well as the other FFIEC Information Technology Examination Handbook booklets, are available at <http://ithandbook.ffiec.gov/it-booklets.aspx>.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco’s website, at <http://www.frbsf.org/banking-supervision/publications/district-circular-letters/>.

For additional information, please contact:

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