Leaflet minimum content of business continuity directives for financial institutions according to Art. 17 FinIA

1. General remarks

All financial institutions shall be appropriately organized in accordance with the Federal Act on Financial Institutions FinIA. In this regard, the supervisory organizations and the Swiss Financial Market Supervisory Authority particularly check that the financial institution set up comprehensive and appropriate directives concerning its planned and performed activities which comprise all possible risks, conflicts and duties within the meaning of the Financial Services Act FinSA.

Such documentation and identification of business relevant risks particularly include directives on continuation of business activity during extraordinary circumstances (so-called „business continuity"). It shall be evidenced that such situations are identified and, in case of an event, related explanations given or precautions for business continuity implemented.

There are two aspects of *business continuity*: on the one hand, it must be documented how continuation of business activities is regulated in terms of personnel (by deputies, usually at least two qualified managing directors are appointed, with delegation partners, etc.). Usually, this aspect is primarily documented in the organizational regulations as well as graphic company and group presentation. On the other hand, business continuity also encompasses (infra) structural and organizational precautions (to be) taken to ensure continuation of business operations in the event of unusual situations (e.g. failure of IT systems, pandemics, etc.).

This leaflet is not exhaustive but lists all aspects which usually need to be laid down and reflect the minimum content from OSFINcontrol Ltd's perspective. The way in which business continuity aspects are regulated may vary. OSFINcontrol Ltd reviews compliance with above-mentioned aspects on the occasion of the (preliminary) affiliation as well as in the context of the ongoing supervision. Business continuity provisions – in particular under the aspect of ensuring (personnel) continuation of business operations - also form a mandatory document for approval by the Swiss Financial Market Supervisory Authority FINMA.

2. Content of directives

	Subjects to be addressed	Remarks
1.	Objective / basis / target	The directives shall initially describe the subject area and its goals: - Definition of what qualifies as serious circumstances triggering the measures provided for in the directives - Enabling employees to understand and implement any measures in case of extraordinary circumstances - Regulation of responsibilities within the institution in case of above-mentioned circumstances. Furthermore, the directives shall reference their underlying legal and regulatory principles.

		Finally, the directives shall clarify to whom they do apply (usually to all employees of the financial institution, including its highest governing body).
2.	Definition of circumstances and corresponding (list of) measures	The directives shall describe which circumstances lead to extraordinary situations for the financial institution and what kind of measures and provisions on business continuity do exist. Circumstances with such impact particularly include: - Events preventing work at the office (e.g. damages to nature, fire, political unrest, etc.) - Failure of telecommunication - Pandemics - IT access issues - IT hacker attacks - other For such events, the directives shall contain rough expectations. It shall be clear to every employee how to behave – and the financial institution must provide appropriate (remote) infrastructure for the entire staff which enables continuation of business operations despite special circumstances.
3.	Responsibility for action management	Responsibility (person or department wise) within the financial institution for coordination and management of special circumstances shall be defined. This shall ensure existence of clear reporting lines and conduct rules as well as delivery of comprehensible instructions to every employee.
4.	Communication	Internal communication – especially for the client-relevant units of the institution – shall be guaranteed, even during exceptional or special circumstances. In addition, it shall be regulated to what extent and in what form clients and third parties are to be informed about specific structures and organization adapted for the duration of exceptional circumstances.
5.	Duty of documentation	To be documented: - Preparation for the respective circumstances - Examination/checking whether preparatory measures are (still) up-to-date, measures (still) suitable - Clarification of responsibility for the respective circumstances - Documentation during special circumstances By documenting compliance with the directives during special circumstances it may be assured that client relevant activities and interactions are still recorded.