

# Finalised Guidance

## Material Third Party Reporting

FG26/4

March 2026

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# 1 Introduction

- 1.1 This Finalised Guidance sets out our expectations of how firms should comply with our requirements for material third party arrangements. This guidance covers:
- How to assess if a third party arrangement is material.
  - The related definitions in our Handbook.
  - Examples of third party and material third party arrangements.
  - How to complete and submit the material third party notification and register template.
- 1.2 This guidance is relevant to:
- Enhanced scope SMCR firms.
  - Banks.
  - Designated investment firms.
  - Building societies.
  - Solvency II firms.
  - CASS large firms.
  - UK RIEs.
  - Authorised electronic money institutions and authorised payment institutions.
  - Consolidated tape providers.
- 1.3 Firms should note that the scope of this guidance differs in some respects from the scope of our Operational Incident Reporting guidance [FG26/3](#), reflecting the different regulatory obligations that underpin each regime.
- 1.4 This guidance should be read in conjunction with:
- [PS26/2: Operational Incident and Material Third Party Reporting](#).
  - SUP 15.19 and SUP 16.33.
  - PRA SS 2/21 (dual regulated firms).

## 2 Background

- 2.1 We need to have visibility on all material third party arrangements – whether outsourcing or non-outsourcing – which can cause serious incidents at firms and across the sector. This approach aligns with internationally recognised best practices such as the [FSB toolkit for enhancing third-party risk management and oversight](#), the [BCBS updated principles for the sound management of third party risk](#) and the EU Digital Operational Resilience Act (DORA) [ICT services register](#).
- 2.2 PS26/2 expanded the scope of firms' third party notifications to cover both material outsourcing and material non-outsourcing arrangements. We now collectively refer to these as 'material third party arrangements'. This reflects the increasing importance of firms' non-outsourcing third party arrangements which help to deliver and support their activities, services and processes.
- 2.3 Receiving information on a wider range of material third party arrangements means we can understand and respond to the risks posed by third parties at individual firms, as well as the systemic risks when many firms rely on the same third party.
- 2.4 Our updated rules also structure notifications by providing a standard template. This will make it easier for us to make the most of this information to identify risks in the sector, in line with our strategic priority to be a smarter regulator.
- 2.5 We also require firms to maintain a register of their material third party arrangements and submit it to us annually. Previously, there was no requirement for firms to provide this information in a structured way. The register will further help us to understand the risk of incidents originating from third parties and manage systemic third party risks. This includes identifying potential critical third parties (CTPs) which we will recommend to the Treasury to consider for designation as a CTP.
- 2.6 Feedback to CP24/28 highlighted the need for alignment between different regulatory regimes. This is why the FCA, PRA, and Bank of England now use a single notification template and register template, submitted through the same portal.
- 2.7 Once we have collected the data, we will continue working with industry bodies to share insights and trends. Thematic analysis will support early intervention by firms and by supervisors, to reduce disruption to consumers and the market. We do not share individual firm data.

# 3 Identifying material third parties

## Introduction

- 3.1 This chapter explains how firms should identify and assess the materiality of their third party arrangements.
- 3.2 We provide guidance on factors the FCA expects firms to consider, possible indicators that a third party arrangement is material and examples. We also clarify categories of third party arrangements that firms are not expected to report under this policy.
- 3.3 Firms can use these indicative examples to guide them, but they are not exhaustive. Firms must evaluate the materiality of their third party arrangements on a case-by-case basis under the Handbook definition.

## Definitions

- 3.4 In the Handbook we define a 'third party arrangement' as:
  - An arrangement of any form between a firm and a person who provides a product or service to the firm, whether or not the product or service is:
    - (a) one which would otherwise be provided by the firm itself,
    - (b) provided directly or by a sub-contractor, or
    - (c) provided by a person within the same group as the firm.
- 3.5 In the Handbook we define a 'material third party arrangement' as:
  - a third party arrangement which is of such importance that a disruption or failure in the performance of the product or service provided to the firm could:
    - (a) cause intolerable levels of harm to the firm's clients,
    - (b) pose a risk to the soundness, stability, resilience, confidence or integrity of the UK financial system, or
    - (c) cast serious doubt on the firm's ability to satisfy the threshold conditions, or meet its obligations under the Principles, or under SYSC 15A (Operational resilience).

## Third party arrangements – outsourcing and non-outsourcing

- 3.6 The FCA's [Handbook Glossary](#) sets out the definition of outsourcing. In most instances, a firm would be outsourcing if they have an arrangement with a service provider to perform a process, service or activity which the firm would otherwise carry out itself. For example, a firm can outsource hosting a data centre or business process to a third party.

- 3.7 Third parties can also provide services that are not classed as outsourcing. Examples of non-outsourcing third party arrangements may include buying or acquiring hardware, software and other Information and Communication Technology (ICT) products, such as:
- Designing and building an on-premise IT platform,
  - Purchasing data collated by third party providers, generally known as data brokers, (for example, geospatial data or data from in-app device activity or social media),
  - Advanced analytics models, including AI, machine learning, as well as samples of the data, including synthetic data, used to train and test models; open source software and machine learning libraries developed by third party providers, and
  - For insurers, the use of aggregators, such as pricing comparison platforms and delegated underwriting.
- 3.8 These indicative examples illustrate the concept of a non-outsourcing arrangement. They do not imply that these arrangements would be material. This should be assessed on a case-by-case basis as set out in the rest of this chapter. Examples of non-outsourcing arrangements that we would not generally consider to be material are listed under 3.18.
- 3.9 An intragroup third party arrangement occurs when a firm enters into an arrangement with a company in the same group, including with parent or sibling companies outside the UK. The Handbook definition of a third party arrangement includes intragroup arrangements (products and services 'provided by a person within the same group as the firm').
- 3.10 We expect firms to apply the same standard to both intragroup arrangements and external third party arrangements when assessing operational risks. Firms should not treat an intragroup arrangement as being automatically less risky when assessing its materiality and should consider the risks on a case-by-case basis.
- 3.11 However, to reduce the reporting burden most firms are only required to report intragroup arrangements (or for ring-fenced bodies, arrangements where the provider is a permitted supplier) only where an external third party dependency exists. The exception to this is UK RIEs.

### **Assessing if a third party arrangement is material**

- 3.12 To make sure we collect relevant information at a proportionate cost to firms, we require firms to report only **material** third party arrangements.
- 3.13 Firms should assess on a case-by-case basis whether a third party arrangement is material. This assessment should consider the impact of the arrangement, taking into account factors including:
- The direct connection to the firm's performance of:
    - (a) Regulated activities.
    - (b) Activities that constitute dealing in investments as principal, disregarding the exclusion in article 15 of the Regulated Activities Order (Absence of holding out etc).
    - (c) Ancillary activities.
    - (d) Ancillary services for MiFID or equivalent third country business.

- (e) Collective portfolio management.
- (f) Provision of payment services and issuing electronic money, and activity connected to these (whether or not the activity of issuing electronic money is specified in article 9B of the Regulated Activities Order).
- (g) Any other unregulated activities in a prudential context, or
- (h) Data reporting services provided by a consolidated tape provider.
- The size and complexity of the business areas or functions supported by the third party arrangement.
- The potential impact of a disruption or failure in performance of the third party arrangement on the firm's:
  - (a) Business continuity, operational resilience and operational risk.
  - (b) Ability to comply with legal and regulatory requirements.
  - (c) Ability to conduct appropriate audits of the relevant function, service or service provider.
  - (d) Ability to identify, monitor and manage all risks.
  - (e) Obligations under the FCA Handbook.
  - (f) Obligations to protect data and the potential impact of a confidentiality breach or failure to ensure data availability and integrity of the firm and its clients, including the UK General Data Protection Regulation and the Data Protection Act 2018, or
  - (g) Clients or counterparties.
- The firm's ability to scale up the third party service.
- The firm's ability to substitute the service provider or bring the service back in-house in both stressed and non-stressed scenarios, including the estimated costs, operational impact, risks, and timeframe of doing so.

### **Possible indicators of material third party arrangements**

- 3.14 As well as the factors listed above, if a third party arrangement requires a high degree of scrutiny before: entering into the arrangement; making changes to the arrangement; or on an ongoing basis - this could indicate that the arrangement is material. For example:
- Escalating a decision to enter or make significant changes to the arrangement to one or more senior management functions, the executive committee, or the board for approval, or
  - The firm concludes the arrangement meets its internal criteria for significant due diligence, ongoing monitoring, business continuity and contingency planning.

### **Examples of third party arrangements which are normally material**

- 3.15 To help firms assess the materiality of their third party arrangements, we have provided some examples we will normally expect firms to classify as material.

3.16 Below are some examples of material third party arrangements which the FCA would generally expect to meet the above criteria:

- Services for storing sensitive information, such as data centres, cloud, hosting services or managed service providers.
- Using cybersecurity services built and monitored by a third party provider (for example, distributed denial-of-service (DDoS) mitigations), or
- Using third party services that are key to delivering one or more of a firm's important business services, such as:
  - (a) Cloud services which are required to run software and access additional processing capacity (Software-as-a-Service or SaaS).
  - (b) Using third-party services such as payments, settlements and annuities.
  - (c) Using AI models for trading.
  - (d) Providing real time market data and analytics (eg data feeds for benchmarking or pricing funds).
  - (e) Using a third-party to provide the physical movement of cash.

### **Types of third party arrangements which firms should not normally report to us**

3.17 There are some kinds of third parties that firms do not need to report under this regime:

- An intragroup arrangement without an external third party dependency, except for UK RIEs (see SUP15.19.7R(1) and SUP16.33.7R(1)).
- For ring-fenced bodies only, certain arrangements specified by the PRA (see SUP15.19.7R(2) and SUP16.33.7R(2)).

3.18 Below is a non-exhaustive list of examples of third-party arrangements we would not generally expect to be classified as material under this regime:

- Processing support services without privileged access or functions that are legally required to be performed by a service provider (for example, consultancy services, professional services, statutory audit and legal services).
- Providing basic utilities (for example, electricity, gas, water and telecommunication services which constitute the provision of a public electronic communications network or a public electronic communication service within the meaning of section 151 of the Communications Act 2003).
- Providing non-vital support services (for example, advice from an architect, providing a legal opinion, maintaining the firm's premises, providing medical services to the firm's staff, servicing company cars, catering, vending machine services, clerical services, travel services, post-room services, receptionists, administrative support and switchboard operators).
- Procuring goods (for example, plastic used for credit/debit cards, card readers, office supplies and furniture).
- Purchasing data collated by third party providers, generally known as data brokers, (for example, geospatial data or data from in-app device activity or social media).

- Analytical tools that are built by a third party provider (for example, website traffic monitoring, employee activity monitoring and project monitoring tools).
- 3.19 In all cases, firms remain responsible for assessing whether an arrangement meets the definition of a material third party arrangement. The above indicators and examples should not replace the firm's own assessment.
- 3.20 Firms should develop their own processes for assessing materiality as part of their third party risk management policy, referring to the definition provided in the Handbook.

# 4 Material third party notifications

## Introduction

- 4.1 This chapter explains the requirements for firms to notify the FCA of any new or significant changes to material third party arrangements under SUP 15.19. This information, together with the material third party arrangements register information collected under SUP 16.33, will help the FCA better understand and oversee firms' third party risks.

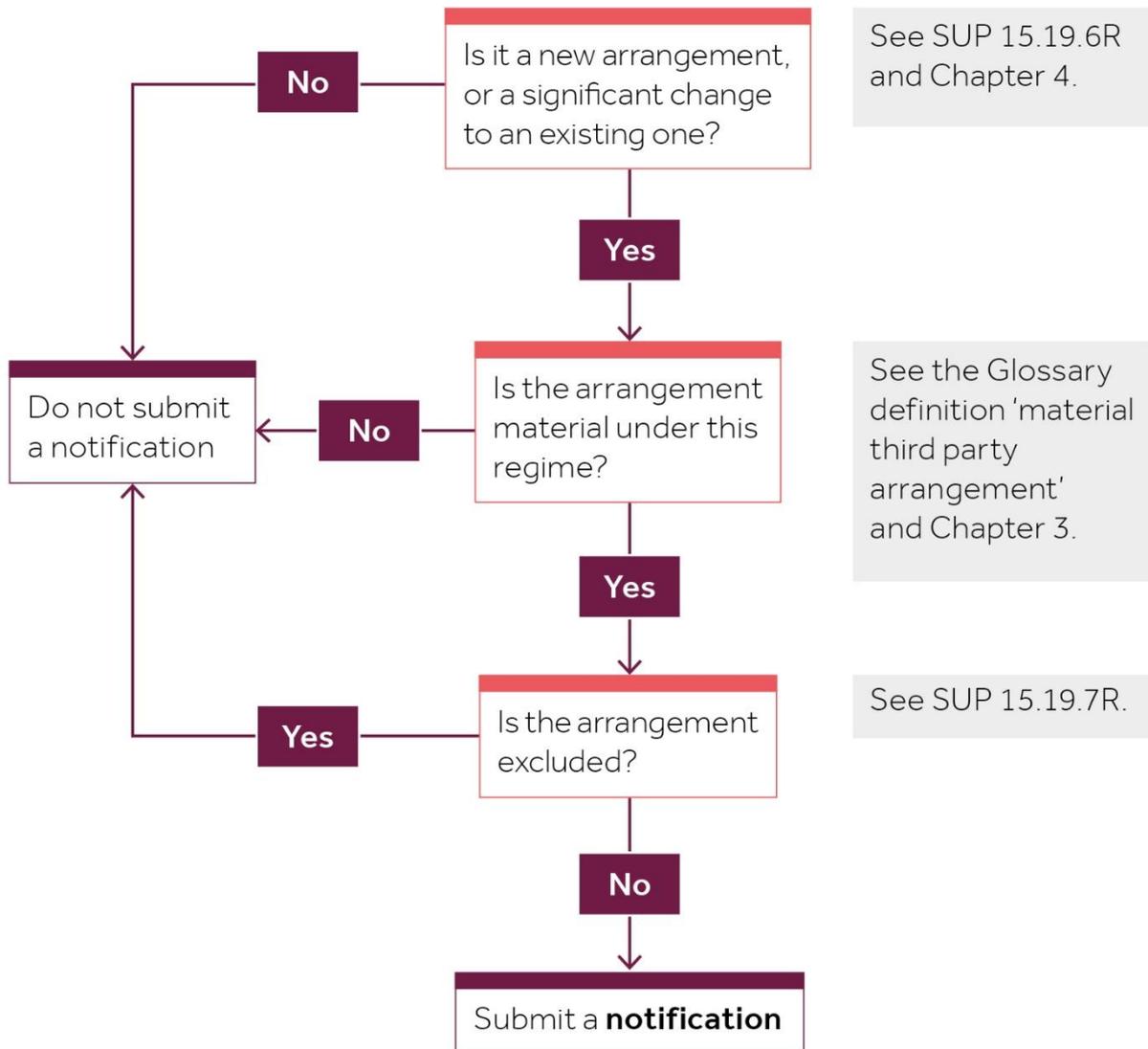
## Firms in scope of notifications rules

- 4.2 The firms specified in SUP 15.19.1R must submit notifications. These firms are listed at para 1.2
- 4.3 We have excluded third country branches of international firms from the notification requirements under SUP 15.19.1R. However, they remain in scope of our requirement to annually submit a material third party register as set out in Chapter 5.

## Submitting notifications

4.4 The following flow chart helps to show when a firm needs to submit a notification of a third party arrangement.

**Figure 1: submitting notifications**



**Note:**

*While an arrangement may not be reportable under this regime, firms should consider if they should notify us through another channel as part of their broader regulatory obligations.*

*This flowchart illustrates considerations firms should make when assessing whether a third party arrangement needs to be notified to the FCA. It does not dictate firms' internal processes.*

## Material third party notification template

- 4.5 The template is to notify the regulator of **planned** material third party arrangements or **significant changes** to existing ones, at an early stage in the process.
- 4.6 A significant change is one that materially alters the nature, scale or complexity of the risks inherent to the material third party arrangement. This could include:
- A material increase or decrease in the scope of services provided.
  - A change in how the third party stores, processes or accesses sensitive data.
  - Moving data storage to a new location.
  - A material change to the ownership or financial position of the third party.
  - A change in third party or key sub-contractor.
- 4.7 A firm should submit the notice to the FCA by filling the [template](#) and submitting this online through the appropriate systems accessible from the FCA's website.
- 4.8 We have not prescribed timelines for submitting or reviewing notifications. However, we expect a firm to notify us at an early stage and to submit the notice before making any internal or external commitments. Firms should notify the FCA sufficiently early in the firm's decision-making process to allow for any engagement before the firm becomes contractually or operationally committed. However, the FCA does not approve notifications, and we may not respond to a given submission. This does not mean that the data will go unused, as it will also inform broader thematic and industry-wide analysis.

# 5 Material third party register

## Introduction

- 5.1 Under SUP 16.33, we require firms to maintain a register for their material third party arrangements, and to submit it to the FCA annually. Firms should submit the register in the standardised format provided. This will help the regulators identify systemic third party risk, particularly where many firms rely on a small number of third parties. The regulators will collectively use the information to help identify and recommend potential CTPs to the Treasury. The register information will also help the regulators better respond to incidents originating from a third party.
- 5.2 This chapter explains which firms are required to complete the annual register, its purpose and how firms are required to complete this.

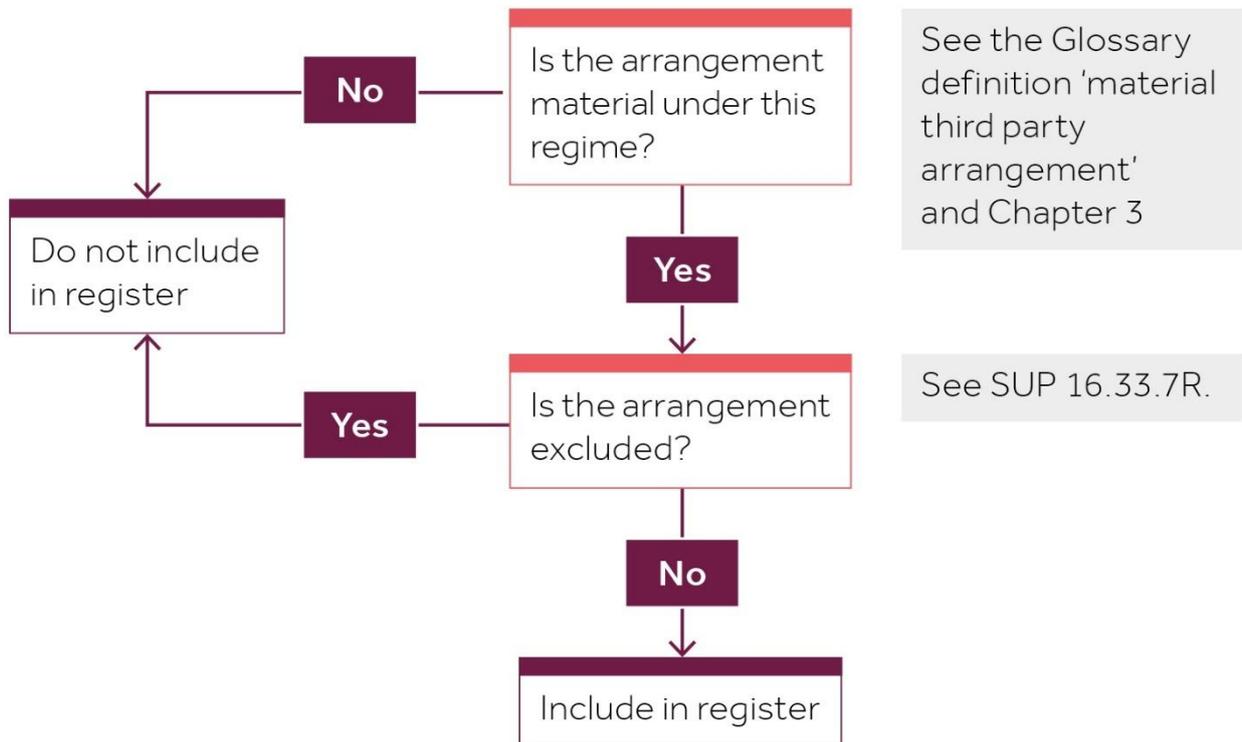
## Scope

- 5.3 The register proposals apply to firms specified in SUP 16.33.1R, listed at para 1.2. Unlike the scope for notifications, we require third country branches to submit an annual register to help us identify systemic third party risk.

## Register submission

- 5.4 The flowchart in figure 2 illustrates considerations firms should make when assessing whether a third party arrangement needs to be included in its register submission. It does not dictate firms' internal processes.
- 5.5 While firms may not need to include a particular arrangement in their register, they should consider if they need to notify us through another channel as part of their broader regulatory obligations.
- 5.6 Firms only need to submit the register annually, when invited to do so. The submission will capture existing material third party arrangements at a specified date. Regulators will notify relevant firms of their register reporting requirements when the annual submission window opens. These firms will have 90 calendar days to make their submission using the [template](#) provided.

**Figure 2: when to include a third party arrangement in the register**



# 6 Filling in the notification and register templates

## Introduction

- 6.1 This guidance aims to help firms complete the material third party register and material third party notification templates. The FCA, PRA and Bank of England use the same template.
- 6.2 Firms are only required to make a single submission of a material third party notification and the register to the FCA on the online reporting portal. The FCA will transfer the submission to the PRA and Bank of England where relevant.

## Guidance on filling in the material third party notification and register

- 6.3 The table below shows all data fields and gives a description of each field within the register and notification templates. As the register and notifications have different purposes, we make it clear which fields may be 'Required' when submitting a notification but 'Optional' or 'N/A' when using the register template (and vice versa). Section 4, 'Columns Explained', shows differences in data requirements between the register and notification templates.
- 6.4 We may ask firms to resubmit if their template does not follow the expected format. This includes but is not limited to:
  - Not providing responses for Required and, where relevant, Required conditional fields.
  - Not using dropdown menus when available, or
  - Entering one value per field and, where multiple answers apply to one field, splitting these over multiple rows. We cannot accept multi-select of dropdown options within one cell at the moment. Please refer to Section 'Multiple Responses' for further guidance on how to represent this instead.
- 6.5 Once the firm has entered its data into the relevant template, it should click on the 'Checks' tab before submitting. This will flag any fields that have not been filled correctly and that may cause resubmission.
- 6.6 Please note that firms should **only** use the descriptions and examples given in the table below for completing the material third party reporting templates.
- 6.7 The table contains fields that also apply to firms dual-regulated by the FCA and PRA, as well as to financial market infrastructures (FMIs) regulated by the Bank of England. The requirements listed in the table should be interpreted and applied as appropriate.

### Fields to be populated by firms

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
1.01	Reporting date	N/A	Required	<p><b>Register:</b> This field is pre-populated with the reporting period end date in YYYY-MM-DD format (eg 2025 register will be 2025-12-31)</p> <p><b>Notifications:</b> Please enter date when notification submission was made in YYYY-MM-DD format</p>	<p><b>Register:</b> 2025-12-31 (pre-populated)</p> <p><b>Notifications:</b> 2025-10-31</p>
1.02	Submission ID	Required	Required	Integer from 1, each resubmission should increase the Submission ID by 1 so that the Submission ID for the second submission would be 2 and so on.	1
1.03	Submission type	N/A	Required	<p><b>Register:</b> This field is pre-populated as 'Annual Material Third Party Register' – no action required by firms</p> <p><b>Notifications:</b> Please specify submission type by choosing an option from the given dropdown.</p>	<p><b>Register:</b> Annual Material Third Party Register (pre-populated)</p> <p><b>Notifications:</b> Notification - New contract</p>
1.04	Firm name	Required	Required	Please provide your firm name as recorded in the FCA Financial Services Register.	Firm A Limited

<b>ID</b>	<b>Name</b>	<b>Requirement – Register</b>	<b>Requirement – Notifications</b>	<b>Description</b>	<b>Sample Response (Please refer to taxonomy for full list)</b>
1.05	FRN	Required	Required	Please provide your Firm Reference Number (FRN) as recorded in the FCA Financial Services Register.	123456
1.06	FRN of group holding company (if applicable)	Required	Required	Please provide the FRN of the group holding company if the firm is registered or authorised with the FCA to provide financial services. If your firm is already the holding company, please enter 'N/A'.	678910
1.07	If contract renewal, please provide details of significant changes made (if any)	N/A	Required conditional	If you choose 'Contract renewal' for 'Submission type', please provide a short description of the changes made to the contract.  We only expect a renewal notification if there is a significant change in the contractual arrangement.	Contract renewed with additional services added that were previously performed by another third party

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
2.01	Contract Arrangement Reference Number	Required	Required	<p>Identify the contractual arrangement between the financial entity or, in case of a group, the group subsidiary and the direct third-party service provider.</p> <p>The contractual arrangement reference number is the internal reference number of the contractual arrangement assigned by the financial entity.</p> <p>The contractual arrangement reference number shall be unique and consistent over time at entity, sub-consolidated and consolidated level, where applicable.</p> <p>The contractual arrangement reference number shall be used consistently across the template when referring to the same contractual arrangement.</p> <p>When you have multiple answers for the subsequent fields relating to the same contractual arrangement, please refer to Section 'Multiple Responses'.</p>	001
2.02	Legal name of service provider	Required	Required	Please specify the legal name of the service provider stated in your contract and use it consistently throughout the submission.	Third-Party X, Inc

<b>ID</b>	<b>Name</b>	<b>Requirement – Register</b>	<b>Requirement – Notifications</b>	<b>Description</b>	<b>Sample Response (Please refer to taxonomy for full list)</b>
2.03	Legal Entity Identifier	Required	Required	Please specify the Legal Entity Identifier (LEI) of the service provider.  Where an LEI is not available, please enter "N/A".	2549000I2ABCDEFGH I75
2.04	Is the material third party contractual arrangement outsourcing or non-outsourcing?	Required	Required	Please specify whether the contractual arrangement is material third party outsourcing or non-outsourcing by choosing from the given dropdown.	Outsourcing
2.05	Type of Service Provided	Required	Required	Please specify the type of service provided by choosing from the given dropdown.  If more than one option applies, please refer to Section 'Multiple Responses'.	Artificial intelligence & machine learning
2.06	If the contractual arrangement is on cloud, please state the cloud deployment model	Required	Required	Please specify the cloud model by choosing from the given dropdown.  If more than one option applies, please refer to Section 'Multiple Responses'.	Private

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
2.07	Short description of product/service provided	Required	Required	Please provide a short description of the product/service provided.	SaaS complaints logging and management system
2.08	Supply Chain Ranking	Required	Required	<p>Where the service is provided through an intragroup arrangement, that intragroup arrangement should be denoted as supply chain ranking 0.</p> <p>Where the Service Provider has a direct relationship with the firm and is considered to be the first external Service Provider, please denote its ranking as 1.</p> <p>Where the Service Provider supports the delivery of a service through another Service Provider, i.e. a 4th party, please denote its ranking as 2. Similarly a 5th party would be denoted as a ranking of 3, and so on.</p> <p>We expect you to identify the most critical elements of a supply chain and not every element.</p>	0
2.09	Date of commencement of the contractual arrangement	Required	Required	Please enter the start date of the contractual arrangement as stipulated in the contract. Please enter in the format of YYYY-MM-DD.	2023-01-01

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
2.10	Date of service commencement	Optional	Required	<p>Please enter the date the service started in the format of YYYY-MM-DD.</p> <p><b>For Notifications only:</b> Where this is a new contract, please enter the date that the service is expected to start, in the format of YYYY-MM-DD.</p> <p>A start date may for example include when actual customer data is used in a test environment.</p>	2023-01-01
2.11	Next contract renewal date or end date	Required	Optional	<p>Please enter the renewal or end date as stipulated in the contract, in the format of YYYY-MM-DD.</p> <p>If the contract is continuous and has no end date (ie is evergreen), please enter '9999-12-31'.</p>	2027-01-01
2.12	Notice period for the service provider	Required	Required	<p>Please enter the shortest notice period for terminating the contractual arrangement by the direct third-party service provider in a business-as-usual case.</p> <p>The notice period should be expressed as number of (calendar) days from the date the request is received by the counterparty to terminate the third-party service.</p> <p>Please provide a numeric value only. If there is no notice period, or if it is with immediate effect, please enter '0'.</p>	90

<b>ID</b>	<b>Name</b>	<b>Requirement – Register</b>	<b>Requirement – Notifications</b>	<b>Description</b>	<b>Sample Response (Please refer to taxonomy for full list)</b>
2.13	Notice period for the firm	Required	Required	<p>Please enter the shortest notice period for terminating the contractual arrangement by the firm in a business-as-usual case. The notice period should be expressed as number of (calendar) days from the date the request is received by the counterparty to terminate the third-party service.</p> <p>Please provide a numeric value only. If there is no notice period, or if it is with immediate effect, please enter '0'.</p>	90
2.14	The governing law of the contractual arrangement	Required	Required	<p>Please specify the jurisdiction whose laws apply to the contractual arrangement by choosing an option from the given dropdown.</p> <p>If more than one option applies, please refer to Section 'Multiple Responses'.</p>	United Kingdom
3.01	Reason for materiality	Required	Required	<p>Please specify why the contract is assessed as material by choosing from the given dropdown.</p> <p>If more than one option applies, please refer to Section 'Multiple Responses'. If all options apply, please select 'All of the above'.</p>	All of the above
3.02	Date of the most recent materiality assessment	Required	Required	<p>Please specify the date of the most recent materiality assessment in the format of YYYY-MM-DD.</p>	2020-10-01

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
3.03	Function Category	Required	Required	<p>Please specify the function that the contractual arrangement supports by choosing an option from the dropdown.</p> <p>You may only select 'CF: Enterprise: Most functions or IBSs within the organisation' from the dropdown if 'Type of Service Provided' is 'Security &amp; Identity' or 'Networking &amp; Operations'.</p> <p>Note:</p> <p>CF: Central Function, for example HR or payroll</p> <p>BF: Business Function, for example deposit taking.</p>	BF: Benchmark Activities: Providing data in relation to a regulated Benchmark
3.04	Does the contractual arrangement support an Important Business Service?	Required	Required	Please specify whether the contractual arrangement supports an Important Business Service (IBS) by choosing an option from the given dropdown.	Yes

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
3.05	If yes, which Important Business Service does the contractual arrangement support	Required conditional	Required conditional	If you choose 'Yes' for 'Does the contractual arrangement support an Important Business Service?', please state the Important Business Service in a short sentence.	Make and receive a BACS credit transfer
3.06	Does the service provider support a core element of the Important Business Service?	Required conditional	Required conditional	<p>If you choose 'Yes' for 'Does the contractual arrangement support an Important Business Service?', please specify whether the service provider supports a core element of the IBS by choosing an option from the given dropdown.</p> <p>Core support is where a disruption of the material third party leads to a significant disruption in the delivery of the IBS. In contrast, non-core means the IBS would not be significantly impacted, interrupted or damaged; hence, the disruption can be resolved quickly and with minimal impact on the IBS.</p> <p>For example, disruption of the material third party supporting core payment flows could be regarded a core, whilst disruption of a material third party affecting ancillary payment services, such as reporting or statement productions, may not be regarded as core.</p>	Yes

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
3.07	Impact Tolerance - PRA Safety and Soundness	Required	Required	<p>If you choose 'Yes' for 'Does the contractual arrangement support an Important Business Service?', please enter the impact tolerance in a numeric value in hours (including weekends). If your impact tolerance is less than 1 hour, please use decimals.</p> <p>You should enter 'N/A' if you choose 'No' for 'Does the contractual arrangement support an Important Business Service?', and/or if you are not a PRA-regulated firm.</p> <p><b>For Notifications only:</b> If you have not set the impact tolerance, please enter 'Not done'.</p>	24
3.08	Impact Tolerance - PRA Financial Stability	Required	Required	<p>If you choose 'Yes' for 'Does the contractual arrangement support an Important Business Service?', please enter the impact tolerance in a numeric value in hours (including weekends). If your impact tolerance is less than 1 hour, please use decimals.</p> <p>You should enter 'N/A' if you choose 'No' for 'Does the contractual arrangement support an Important Business Service?', and/or if you are not a PRA-regulated firm.</p> <p><b>For Notifications only:</b> If you have not set the impact tolerance, please enter 'Not done'.</p>	48

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
3.09	Impact Tolerance - PRA Policy holder Protection	Required	Required	<p>If you choose 'Yes' for 'Does the contractual arrangement support an Important Business Service?', please enter the impact tolerance in a numeric value in hours (including weekends). If your impact tolerance is less than 1 hour, please use decimals.</p> <p>You should enter 'N/A' if you choose 'No' for 'Does the contractual arrangement support an Important Business Service?', and/or if you are not a PRA-regulated firm.</p> <p><b>For Notifications only:</b> If you have not set the impact tolerance, please enter 'Not done'.</p>	48
3.10	Impact Tolerance - FCA - Client harm	Required	Required	<p>If you choose 'Yes' for 'Does the contractual arrangement support an Important Business Service?', please enter the impact tolerance in a numeric value in hours (including weekends). If your impact tolerance is less than 1 hour, please use decimals.</p> <p>You should enter 'N/A' if you choose 'No' for 'Does the contractual arrangement support an Important Business Service?', and/or if you are not an FCA-regulated firm.</p> <p><b>For Notifications only:</b> If you have not set the impact tolerance, please enter 'Not done'.</p>	12

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
3.11	Impact Tolerance - FCA - Market integrity	Required	Required	<p>If you choose 'Yes' for 'Does the contractual arrangement support an Important Business Service?', please enter the impact tolerance in a numeric value in hours (including weekends). If your impact tolerance is less than 1 hour, please use decimals.</p> <p>You should enter 'N/A' if you choose 'No' for 'Does the contractual arrangement support an Important Business Service?', and/or if you are not an FCA-regulated firm.</p> <p><b>For Notifications only:</b> If you have not set the impact tolerance, please enter 'Not done'.</p>	48
3.12	Impact Tolerance – Bank as FMI regulator (Only applies to FMIs)	Required	Required	<p>If you choose 'Yes' for 'Does the contractual arrangement support an Important Business Service?', please enter the impact tolerance in a numeric value in hours (including weekends). If your impact tolerance is less than 1 hour, please use decimals.</p> <p>You should enter 'N/A' if you choose 'No' for 'Does the contractual arrangement support an Important Business Service?', and/or if you are not an FMI.</p> <p><b>For Notifications only:</b> If you have not set the impact tolerance, please enter 'Not done'.</p>	48

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
3.13	Country where the data is stored	Required	Required	<p>Please select the country where data is stored at rest from the dropdown menu.</p> <p>If multiple countries apply, limit your selection to those with the greatest impact on the firm’s operations under this contract—typically the 5 to 10 most significant countries.</p> <p>If more than one option applies, please refer to Section ‘Multiple Responses’.</p>	United Kingdom
3.14	Country where the service is delivered from	Required	Required	<p>Please select the country where the service is delivered from, from the dropdown menu.</p> <p>If multiple countries apply, limit your selection to those with the greatest impact on the firm’s operations under this contract—typically the 5 to 10 most significant countries.</p> <p>If more than one option applies, please refer to Section ‘Multiple Responses’.</p>	Australia

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
3.15	Annual Contract Value	Required	Required	<p>Please specify the annual cost or budget in GBP for the use of the product or service under the contractual arrangement. This is different from the total cost or budget.</p> <p>For example, if the total budget for the contract is £1bn over 5 years, this should be apportioned over the 5 years by dividing by 5, equalling 200 million. Please enter '200000000' in this case.</p> <p>If your contractual arrangement spans across multiple rows, please enter the Annual Contract Value again on each row.</p> <p>Firms with material third party contracts denominated in foreign currency (eg USD, Euro) should use the exchange rate prevailing at the reporting period end date.</p>	200000000
4.01	Date of the most recent risk assessment	Required	Required	<p>Please provide the date of the most recent risk assessment in the format of YYYY-MM-DD.</p> <p>If you choose 'Ongoing' for 'Outcome of the most recent risk assessment', please enter the date that the assessment started. If you choose 'Not done', please enter '9999-01-01'.</p>	2025-12-31

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
4.02	Outcome of the most recent risk assessment	Required	Required	<p>Please specify the outcome of the most recent risk assessment by choosing an option from the given dropdown.</p> <p>The outcome of the risk assessments should align with the risk presented to your own governance forums.</p>	Non-satisfactory
4.03	Commentary box for risk assessment	Optional	Optional	Please highlight any key areas where the risk assessment of the contractual arrangement is 'Non-satisfactory' or any other relevant remarks.	Material findings identified across information security and business continuity
4.04	Date of the most recent audit	Required	Required	<p>Please specify the date of the most recent audit in the format of YYYY-MM-DD.</p> <p>Audits include any appropriate method (for example, internal, external, pooled audits, etc) that enables firms to meet their legal, regulatory, operational resilience, and risk management obligations, amongst others.</p> <p>If you choose 'Ongoing' for 'Outcome of the most recent audit', please enter the date that the audit started. If you choose 'Not done', please enter '9999-01-01'.</p>	2025-08-31

<b>ID</b>	<b>Name</b>	<b>Requirement – Register</b>	<b>Requirement – Notifications</b>	<b>Description</b>	<b>Sample Response (Please refer to taxonomy for full list)</b>
4.05	Outcome of the most recent audit	Required	Required	Please specify the outcome of the most recent audit by choosing an option from the given dropdown.  If the contractual arrangement has not been audited, please select 'Not done'	Satisfactory
4.06	Date of financial due diligence	Required	Required	Please provide the date of the most recent financial due diligence.  If you choose 'Ongoing' for 'Outcome of financial due diligence', please enter the date that the assessment started. If you choose 'Not done', please enter '9999-01-01'.	2025-08-31
4.07	Outcome of financial due diligence	Required	Required	Please provide the outcome of the financial due diligence by choosing an option from the given dropdown.	Ongoing
4.08	Date of cyber risk due diligence	Required	Required	Please provide the date of the most recent cyber risk (including information security) due diligence.  If you choose 'Ongoing' for 'Outcome of cyber risk due diligence', please enter the date that the assessment started. If you choose 'Not done', please enter '9999-01-01'.	2025-08-31
4.09	Outcome of cyber risk due diligence	Required	Required	Please provide the outcome of the cyber risk (including information security) due diligence by choosing an option from the given dropdown.	Ongoing

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
4.10	Does the contractual arrangement comply with the relevant rules and requirements (eg FCA rules such as PS21/3, PRA rules such as SS2/21 and FMI rules etc.)	Required	Required	<p>Please specify whether the contractual arrangement complies with the relevant Regulatory rules and expectations as of the reporting date.</p> <p>The expectations include but are not limited to: the FCA Principles of Business; Outsourcing and Operational Resilience Parts of the FCA Handbook; ; the Outsourcing Parts and Operational Resilience Parts of the PRA Rulebook; and the expectations set out in the PRA SS2/21 Outsourcing and third party risk management.</p>	Yes
4.11	Please summarise how future assurance is obtained and, if any gaps are identified, please specify when and how these will be resolved.	Required conditional	Required conditional	If you choose 'No' for 'Does the contractual arrangement comply with the relevant rules and requirements', please provide a short description of how any compliance gaps will be resolved, or any necessary remarks.	Short text

<b>ID</b>	<b>Name</b>	<b>Requirement – Register</b>	<b>Requirement – Notifications</b>	<b>Description</b>	<b>Sample Response (Please refer to taxonomy for full list)</b>
4.12	Has this contractual arrangement been reviewed and signed off by an SMF holder or an accountable person of an FMI?	Required	Required	Please specify whether an SMF or an accountable person - either a board member and/or senior executive of an FMI - has reviewed and signed off on the contractual arrangement by choosing an option from the given dropdown.	Yes
4.13	If not, which governance committee reviewed it?	Required conditional	Required conditional	If you choose 'No' for 'Has this contractual arrangement been reviewed and signed off by an SMF holder or an accountable person of an FMI?', please specify which governance committee or body has reviewed the contractual arrangement.	Senior Risk Committee
4.14	Date of Governance Approval	Required	Required	Please specify the date that the contractual arrangement was approved in the format of YYYY-MM-DD.	2021-12-31

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
5.01	Substitutability of the service provider	Required	Required	<p>Please specify your firm's ability to substitute the service provider by choosing an option from the given dropdown.</p> <p>The chosen value should be as per the firm's own process and rating methods.</p> <p>This should be assessed independently of the response to the assessment of the product or service's reintegration and the impact of discontinuing the contractual arrangement.</p>	Not substitutable
5.02	Ability of reintegration of the service	Required	Required	<p>Please specify the firm's ability to reintegrate the product or service provided back in-house, or within another entity in the Group, by choosing an option from the given dropdown.</p> <p>The chosen value should be as per the firm's own process and rating methods.</p> <p>This should be assessed independently of the response to the assessment of the service provider's substitutability and the impact of discontinuing the contractual arrangement.</p>	Impossible

ID	Name	Requirement – Register	Requirement – Notifications	Description	Sample Response (Please refer to taxonomy for full list)
5.03	The impact of discontinuing the contractual arrangement	Required	Required	<p>Please specify the impact on the firm if the contracted product or service is discontinued.</p> <p>The chosen value should be as per the firm’s own process and rating methods.</p> <p>This should be assessed independently of the response to the assessment of the service provider's substitutability and product or service reintegration.</p>	High

## Multiple Responses

- 6.8 Where a firm has more than one response for a data field, it should enter each of the additional responses in a separate row, keeping other (Required) columns constant where applicable. Firms can refer to Section 4 'Columns Explained' to see which columns are Required.
- 6.9 In the worked example of a correct approach below, the firm has one contractual arrangement that supports multiple Function Categories. Since there is more than one response for the 'Function Category' field, each additional response has been input as a new row, using the drop-down and keeping other Required columns constant where applicable.

### Worked example:

<b>Contractual Arrangement Reference Number</b>	<b>Function category</b>	<b>Does the contractual arrangement support an important business service?</b>	<b>If yes, which important business service does the contractual arrangement support</b>	<b>Does the service provider support a core element of the Important Business Service?</b>
A001	BF: Payments: Payment services	Yes	Electronic Payments In	Yes
A001	BF: Capital Markets & Investment: Asset management such as activities related to Recognised Investment Exchanges	Yes	Client payments out	No
A001	BF: Clearing, Custody & Settlement: Settlement services	Yes	Clear & Settle transactions at CREST	No
A001	BF: Wholesale Funding Markets: Securities financing	Yes	Collateral margin & valuation services	No

6.10 Common errors that could lead firms to need to resubmit include:

- Merging multiple responses into one row – eg the 'Function Category' column below.
- Leaving Required fields blank – refer to Section 4 'Columns Explained' to see which columns are Required.
- Overwriting the dropdown menus provided with a custom value.

- Summarising responses with vague statements such as 'All Important Business Services'.
- Referring to values in previous rows with statements such as 'see above'.

### **Required details if the response chosen is "Other"**

- 6.11 It is possible to choose 'Other' from the dropdown menu for the following data fields:
- Function Category
  - Type of Service Provided
- 6.12 For Function Category please make sure to describe 'Other' using the following columns:
- 'Short description of product/service provided'; and
  - 'If yes then which important business service does the contract support?'
- 6.13 If the taxonomy of Function Categories or Type of Service Provided do not contain a value that accurately covers your activity, and you would like to suggest an addition, please do so via your supervisory contact.

## 7 Submitting a material third party notification and register

### **Mechanisms for submitting third party notification template**

- 7.1 Firms are required to notify the FCA of planned material third party arrangements, or significant changes to existing ones. We have not prescribed a timeline but expect to be notified at an early stage in the process.
- 7.2 Firms should submit their notification to the FCA using our online reporting portal ('FCA Connect'). Where relevant the FCA will transfer the submission to the PRA and Bank of England.
- 7.3 We **do not** expect firms to resubmit their register of material third party arrangements each time they make a notification to us.

### **Mechanisms for submitting the structured register of firms' material third party arrangements**

- 7.4 The FCA will notify firms in scope of register reporting requirements when the annual submission window opens, and they will have 90 calendar days to make their submission via FCA's material third party register reporting platform ('FCA RegData').
- 7.5 The data submitted should be accurate as of 31 December of the previous year. For example, a register submission made in 2027 would reflect the period ending 31 December 2026.

# Annex 1 Policy References

## **FCA**

- SYSC 8 Outsourcing
- SYSC 13 Operational risk: systems and controls for insurers
- SYSC 15A Operational resilience
- SUP 15 Notifications to the FCA
- SUP 16 Reporting Requirements
- PRIN 2.1 The Principles

## **PRA**

- SS2/21 Outsourcing and third party risk management
- Operational Resilience Parts of the PRA Rulebook
- SS1/21 Operational resilience: Impact tolerances for important business services
- Operational Continuity Part of the PRA Rulebook
- Notification Parts of the PRA Rulebook
- Regulatory Reporting Parts of the PRA Rulebook
- PRA Fundamental Rules

## **Bank Of England**

- The Bank of England's policy on outsourcing and third party risk management for FMIs
- FMI Rulebook: Notification of third-party arrangements and operational incident reporting rules for UK CCPs and UK CSDs
- Operational resilience and Notifications and Regulatory Reporting Parts of the Payment Systems Code of Practice
- The Bank of England policy on operational resilience of FMIs