

## Chapter 4

# Operational risk and resilience requirements

## 4.3 Requirement 2: Risk management

### 4.3.1

**R**

A *critical third party* must manage effectively risks to its ability to deliver a *systemic third party service* including by:

- (1) identifying and monitoring relevant external and internal risks;
- (2) ensuring that it has in place risk management processes that are effective at managing those risks; and
- (3) regularly updating its risk management processes to reflect issues arising and lessons learned from:
  - (a) *CTP operational incidents*;
  - (b) engagement with the *regulators*;
  - (c) new and emerging risks; and
  - (d) any associated testing and exercising, including but not limited to that carried out in accordance with **CTPS 5** (Assurance, scenario testing and incident management playbook).