

Guidance for firms outsourcing to the ‘cloud’ and other third party IT services

Financial Conduct Authority

RPC rating: **validated**

Description of the measure

This measure provides guidance on existing FCA outsourcing rules in respect of outsourcing to the ‘cloud’. It is not a new or amended regulatory activity. Firms should already be complying with existing outsourcing rules. This guidance aims to provide firms with clarity regarding the existing rules. The guidance is not binding and is intended to illustrate ways in which firms can comply with the relevant rules.

Impacts of the measure

The guidance will be relevant to all regulated firms where they are using, or considering using, the cloud and other third-party IT services. Given that the guidance is permissive and its impact is expected to be small, the FCA believes it would be disproportionate to try to quantify the impact fully.

The RPC verifies the estimated equivalent annual net direct benefit to business (EANDCB) of £0.0 million. This is a qualifying regulatory provision.

Quality of submission

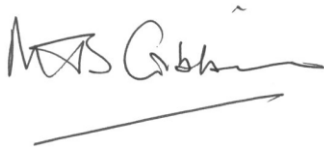
The assessment would have benefitted from assessing the cost to business of reading the guidance. However, the assessment provides sufficient information to support the assumption that the impact on business will be less than £50,000 per annum.

Departmental assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	£0.0 million
Business net present value	£0.0 million

RPC assessment

Classification	Qualifying regulatory provision
EANCB – RPC validated	£0.0 million
Business Impact Target (BIT) Score	£0.0 million



Michael Gibbons CBE, Chairman