

Finansinspektionen's Regulatory Code

Publisher: Chief Legal Counsel Eric Leijonram, Finansinspektionen, Sweden, www.fi.se
ISSN 1102-7460



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Regulations

amending Finansinspektionen's regulations and general guidelines (FFFS 2014:1) regarding governance, risk management and control at credit institutions;

FFFS 2021:21

Published on
30 June 2021

decided on 22 June 2021.

Finansinspektionen prescribes pursuant to Chapter 5, section 2, point 5 of the Banking and Financing Business Ordinance (2004:329) that Chapter 1, section 3 of Finansinspektionen's regulations and general guidelines (FFFS 2014:1) regarding governance, risk management and control at credit institutions shall have the following wording.

Chapter 1

Section 3 In these regulations and general guidelines the terms and expressions shall mean the following:

1. *The delegated regulation for MiFID 2*: Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

2. *EEA*: European Economic Area

3. *Remuneration committee*: The same as in Finansinspektionen's regulations (FFFS 2011:1) regarding remuneration systems in credit institutions.

4. *Function*: a unit or a department comprising one person or several people upon whom it is incumbent to perform one or several tasks within the operations.

5. *Internal rules*: policy and governance documents, guidelines, instructions or other written documents through which an undertaking governs its operations.

6. *Control function*: a function for risk control, compliance or internal audit.

7. *Limit*: an established limit for risk exposure pertaining to e.g. a specific customer, customer group, market or product.

8. *Risk management framework*: the undertaking's strategies, processes, procedures, internal rules, limits, controls and reporting procedures that constitute a framework for the undertaking's risk management.

9. *Risk appetite*: level and orientation of the undertaking's risks that are acceptable for achieving the strategic goals of the undertaking.

10. *Risk exposure*: a measure of the risk to which an undertaking is exposed at a certain point in time.

11. *Risk culture*: professional values, attitudes and behaviour that are of crucial significance to how an undertaking manages its risks.

12. *Risk strategy*: a strategy for assuming, steering and exercising control of the risks to which the undertaking is or could become exposed.

13. *Capital Requirements Regulation*: Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012.

14. *Outsourcing agreement*: an agreement between an undertaking and a service provider according to which the service provider performs a process, a service or an activity which would otherwise have been performed by the undertaking itself.

15. *Senior management*: The same as in Finansinspektionen's regulations (FFFS 2011:1) regarding remuneration systems in credit institutions.

These regulations shall enter into force on 07 July 2021.

ERIK THEDÉEN

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