Regulators Address Cloud Computing

Apr 30, 2020

This press release was issued by the FFIEC

FFIEC Issues Statement on Risk Management for Cloud Computing Services

The Federal Financial Institutions Examination Council (FFIEC) on behalf of its members today issued a statement to address the use of cloud computing services and security risk management principles in the financial services sector.

Security breaches involving cloud computing services highlight the importance of sound security controls and management’s understanding of the shared responsibilities between cloud service providers and their financial institution clients. The statement does not contain new regulatory expectations, though it highlights that management should not assume that effective security and resilience controls exist simply because the technology systems are operating in a cloud computing environment.

The statement highlights examples of risk management practices for a financial institution’s safe and sound use of cloud computing services and safeguards to protect customers’ sensitive information from risks that pose potential consumer harm. The statement also provides a list of government and industry resources and references to assist financial institutions using cloud computing services.

Additional information on general risk management and outsourcing practices is available in the FFIEC Information Technology Examination Handbook’s “Outsourcing Technology Services” booklet and other documents published by FFIEC members.
The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. It also conducts schools for examiners employed by the five federal member agencies represented on the FFIEC and makes those schools available to employees of state agencies that supervise financial institutions. The Council consists of the following six voting members: a member of the Board of Governors of the Federal Reserve System; the Chairman of the Federal Deposit Insurance Corporation; the Director of the Consumer Financial Protection Bureau; the Comptroller of the Currency; the Chairman of the National Credit Union Administration; and the Chairman of the State Liaison Committee.