

COVID-19: Suggested checklist of actions for financial services firms to consider as they respond to the outbreak

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Introduction

The COVID-19 outbreak has been declared a pandemic by the World Health Organization, which is causing a significant impact to people's lives, businesses and the wider economy.

Whilst a significant effort is being made globally to contain the virus, crises such as these can unfold unpredictably. Therefore as the situation develops, firms across all sectors are having to work rapidly to ensure that their business services can continue to operate, their staff (and places of work) remain safe and their customers remain properly and appropriately served.

Effective and successful management of crises such as these is directly related to how well prepared organisations are to respond, and should be key operational resilience considerations for firms.

We have set out below a suggested checklist of actions that financial services clients may wish to consider as they respond to the COVID-19 outbreak. This is built around the four headline actions outlined in our [publication](#) "COVID19: Regulatory aspects for boards to consider". It is intentionally not prescriptive or exhaustive, and should be tailored by each firm to their business model and arrangements.

Given this is a developing situation that has the potential to change rapidly, consideration should also be given to guidance and other publications from the regulators in respect of COVID-19 and operational resilience more broadly.

Suggested actions

ACTION POINT 1: Governance – Assemble a proportionate but robust cross-functional response team

Action detail	Completed?	Follow-up actions / notes
1.1. Board /Executive Committee to appoint a COVID-19 lead point of contact (and deputy) at Executive Management level.		
1.2. COVID-19 lead point of contact and deputy identify key personnel to form COVID-19 response team (consider stakeholders from across the business – Head of Business Lines, HR, communications, IT, operations, customer services, legal, compliance).		
1.3. COVID-19 response team to identify and appoint appropriate deputies to alternate should any members become unwell or unavailable.		
1.4. COVID-19 response team to agree roles and responsibilities of members and communicate these in writing.		
1.5. COVID-19 response team to draft a Terms of Reference to include areas such as MI, reporting, communications protocols and structured meeting agendas.		
1.6. COVID-19 response team review and update crisis response plan and agree the criteria under which the crisis response plan will be enacted (and whether it has been already).		
1.7. COVID-19 response team to agree and schedule regular (i.e. daily) meetings to discuss developments and the organisation's response.		

ACTION POINT 2: Scenario and impact planning – Consider impacts on the crisis response plan

Action detail	Completed?	Follow-up actions / notes
2.1. COVID-19 response team to determine a range of plausible, but severe scenarios that could occur in the short, medium and longer term (e.g. restriction of movement, co-worker diagnosed with the virus etc).		
2.2. COVID-19 response team to determine and agree the organisation's response in respect of the following: <ul style="list-style-type: none"> (a) Staff (b) Systems (c) Operations (d) Customers¹ (e) Regulatory obligations 		

ACTION POINT 2: Scenario and impact planning – Consider impacts on the crisis response plan

¹ Particular consideration should be given to customers considered vulnerable and any specific needs they may have.

Action detail	Completed?	Follow-up actions / notes
<p>2.3. COVID-19 response team to agree communication plan (see action point four for further detail) to key stakeholders including, but not limited to:</p> <ul style="list-style-type: none"> (a) Staff (b) Customers² (c) Regulators (d) The media 		
2.4. COVID-19 response team to agree sources of information it will use to inform its response plan and how it will assess the validity of such information.		
2.5. COVID-19 response team agree detail within communication plan (e.g. key messages to relevant stakeholders, questions and answers etc).		
2.6. COVID-19 response team to agree the criteria under which an "all clear" announcement will be made and potential return to business as usual processes.		

ACTION POINT 3a: Testing crisis response plan and its key components (internal elements)

Action detail	Completed?	Follow-up actions / notes
3.1. COVID-19 response team to perform testing of the plausible, but severe scenarios determined under action point 2.		
<p>3.2. IT representatives (and relevant third parties) confirm remote access capabilities have:</p> <ul style="list-style-type: none"> (a) Sufficient capacity under likely stress (b) Up-to-date and appropriate security protocols 		
3.3. IT representatives (and relevant third parties) confirm video and telephone conference capabilities can perform under likely stress.		
3.4. COVID-19 response team test staff ability to work remotely (e.g. rotate staff working remotely on selected business days and at key periods).		
3.5. IT representatives to develop first and second line monitoring tools to deal with remote working to protect against insider dealing and market manipulation risks. Consider update of compliance and other policies to deal with the situation, in particular issues relating to use of mobile devices		
3.6. COVID-19 communicate to staff the importance of carrying laptop computers, chargers and other relevant equipment home with them at the end of each business day and at weekends.		

² Particular consideration should be given to customers considered vulnerable and any specific needs they may have.

ACTION POINT 3b: Testing crisis response plan and its key components (including key vendors and outside parties)

Action detail	Completed?	Follow-up actions / notes
3.7. IT representatives to ensure that staff are in possession of all relevant technology to be able to perform their role as required from a remote location (e.g. computers, keyboards, docking stations etc).		
3.8. COVID-19 response team to document learnings, agree and execute on action points arising in conjunction with relevant colleagues.		
3.9. Where required, relevant business stakeholders develop back-up / alternative business processes to ensure continuation of critical business services.		
3.10. IT representatives to perform testing of critical service providers that support the business utilising the plausible, but severe scenarios outlined in under action point 2.		
3.11. COVID-19 response team to consider output of testing and whether alternative service providers need engaging. If required, engage appropriate alternative service providers subject to successful completion of relevant testing.		
3.12. Where required, relevant business stakeholders develop back-up / alternative business processes to ensure continuation of critical business services.		

ACTION POINT 4: Communications to stakeholders

Action detail	Completed?	Follow-up actions / notes
<p>4.1. Internal communications representatives execute communication to key stakeholders as determined under action point 2.</p>		
<p>4.2. Ensure all staff are informed of the following:</p> <ul style="list-style-type: none"> (a) When the crisis response plan will be enacted / whether it already has been. (b) What action staff need to take in order to prepare. (c) What action staff need to take when crisis response plan is enacted. (d) How they will be communicated with and the frequency throughout the period of crisis response. (e) How their safety has been considered. 		
<p>4.3. COVID-19 response team to consider whether staff require any subsequent communications or training in order to operate effectively during the crisis response period. If so, relevant representatives to deliver subsequent communications or training as required.</p>		
<p>4.4. Ensure all clients and customers are informed of the following:</p> <ul style="list-style-type: none"> (a) Whether there are any impacts on their ability to communicate with the organisation (and for how long). (b) Details of any alternative communication channels that the organisation intends to use (and for how long). (c) Likely response times / processing times where these deviate from the norm. (d) The reasons behind the above in order to manage the relationship and expectations of customers / clients. 		
<p>4.5. Ensure you are ready to communicate the following to the regulator(s) if requested:</p> <ul style="list-style-type: none"> (a) The key components of your crisis response plan. (b) How you have satisfied yourself that your crisis response plan is sufficiently robust. (c) Details of any testing performed, which informs your response to 4.4(b). (d) Your communication plans to key stakeholders (including staff and customers). (e) Point in time status updates as your organisation responds to the situation. 		

How Norton Rose Fulbright can help

We are able to help financial institutions on their operational resilience journeys and can provide support in the following areas:

- Governance and oversight arrangements in respect of operational resilience matters.
- Management information, reporting and oversight.
- Third party provider risk and controls assessments.
- Scenario planning and building outputs into crisis response plans.
- Preparing for and responding to requests for information from the regulators.
- Monitoring the latest developments from the PRA and FCA.
- Sharing our broader experience in respect of operational resilience matters with relevant management.

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