



# **FINANCING COMPANIES OPERATIONAL RISK MANAGEMENT MODULE**



| <b>MODULE</b>            | <b>OM Operational Risk Management</b> |
|--------------------------|---------------------------------------|
| <b>Table of Contents</b> |                                       |

|  | <b>Date Last<br/>Changed</b> |
|--|------------------------------|
| <b>OM-A Introduction</b>                                     |                              |
| OM-A.1 Purpose   | 01/2014                      |
| OM-A.2 Module History  | 07/2022                      |
| <b>CM-B Scope of Application</b>                             |                              |
| OM-B.1 Scope   | 01/2014                      |
| <b>OM-1 General Requirements</b>                             |                              |
| OM-1.1 Overview  | 01/2014                      |
| OM-1.2 Developing an Appropriate Risk Management Environment | 01/2014                      |
| OM-1.3 Identification and Assessment                         | 01/2014                      |
| OM-1.4 Monitoring  | 01/2014                      |
| OM-1.5 Control and Mitigation                                | 04/2022                      |
| OM-1.6 Succession Planning                                   | 01/2014                      |
| OM-1.7 Disclosure  | 01/2014                      |
| <b>OM-2 Outsourcing Requirements</b>                         |                              |
| OM-2.1 Outsourcing Arrangements                              | 07/2022                      |
| OM-2.2 [This Section was deleted in July 2022]               | 07/2022                      |
| OM-2.3 [This Section was deleted in July 2022]               | 07/2022                      |
| OM-2.4 [This Section was deleted in July 2022]               | 07/2022                      |
| OM-2.5 [This Section was deleted in July 2022]               | 07/2022                      |
| OM-2.6 [This Section was deleted in July 2022]               | 07/2022                      |
| OM-2.7 [This Section was deleted in July 2022]               | 07/2022                      |
| OM-2.8 [This Section was deleted in July 2022]               | 07/2022                      |
| OM-2.9 [This Section was deleted in July 2022]               | 07/2022                      |
| <b>OM-3 Electronic Financing Activities</b>                  |                              |
| OM-3.1 Electronic Financial Services                         | 01/2021                      |
| <b>OM-3.2 Secure Authentication</b>                          | <b>xx/2023</b>               |



| <b>MODULE</b>            | <b>OM Operational Risk Management</b> |
|--------------------------|---------------------------------------|
| <b>Table of Contents</b> |                                       |

|             |  | <b>Date Last<br/>Changed</b> |
|-------------|--|------------------------------|
| <b>OM-4</b> | <b>Business Continuity Planning</b>              |                              |
| OM-4.1      | General Requirements                             | 01/2014                      |
| OM-4.2      | Board and Senior Management Responsibilities     | 01/2014                      |
| OM-4.3      | Developing a Business Continuity Plan            | 01/2014                      |
| OM-4.4      | BCP – Recovery Levels & Objectives               | 01/2014                      |
| OM-4.5      | Detailed Procedures for the BCP                  | 01/2014                      |
| OM-4.6      | Vital Records Management                         | 01/2014                      |
| OM-4.7      | Other Policies, Standards and Processes          | 01/2014                      |
| OM-4.8      | Maintenance, Testing and Review                  | 01/2014                      |
| OM-4.9      | Cyber Security Risk Management                   | 10/2016                      |
| <b>OM-5</b> | <b>Security Measures for Financing Companies</b> |                              |
| OM-5.1      | Physical Security Measures                       | 10/2019                      |
| OM-5.2      | Internet Security                                | 04/2018                      |
| OM-5.3      | Cyber Security Measures                          | 10/2016                      |



|         |                                       |
|---------|---------------------------------------|
| MODULE  | OM: Operational Risk Management       |
| CHAPTER | OM-3: Electronic Financing Activities |

## OM-3.2 Secure Authentication

**OM-3.2.1** Licensees must take appropriate measures to authenticate the identity and authorisation of customers when the customer accesses the online or digital platform or when a transaction is initiated on the platform. Licensees must, at a minimum, establish adequate security features for customer authentication including the use of at least two different elements out of the following three elements:

- (a) Knowledge (something only the user knows), such as pin or password;
- (b) Possession (something only the user possesses) such as mobile phone, smart watch, smart card or a token; and
- (c) Inherence (something the user is), such as fingerprint, facial recognition, voice patterns, DNA signature and iris format.

**OM-3.2.2** For the purpose of Paragraph OM-3.2.1, licensees must ensure that the authentication elements are independent from each other, in that the breach of one does not compromise the reliability of the others and are sufficiently complex to prevent forgery.

**OM-3.2.3** For the purposes of Subparagraph OM-3.2.1 (b), where a customer's mobile device is registered/marked as 'trusted' using knowledge, biometric or other authentication methods through the licensee's application, the use of such mobile device would be considered as meeting the 'possession' element for authentication of future access or transactions using that device.