



25 September 2026

Beyond Outsourcing: EBA Introduces a Broader Framework for Non-ICT Third-Party Risk

On 18 September 2026, European Banking Authority (EBA) published its final Guidelines on the sound management of third-party risk regarding non-ICT services. The Guidelines replace EBA's 2019 outsourcing framework and establish a broader approach to third-party risk management, reflecting the increasing reliance of financial entities on external service providers. They are intended to complement the Digital Operational Resilience Act (DORA), which governs ICT-related third-party risk, and to create a more comprehensive and consistent framework for the management of non-ICT service providers.



A Broader Concept of Third-Party Risk: A central feature of the new framework is the expansion from traditional outsourcing arrangements to the wider concept of third-party arrangements. While outsourcing remains within scope, it is now treated as only one category of a broader set of recurring or ongoing relationships with external service providers. As a result, financial entities are expected to assess a wider range of external dependencies and service-provider relationships when managing operational and governance risks. The framework also applies to intragroup arrangements, which are not automatically considered lower risk than arrangements with external providers and remain subject to the same core governance expectations.

Critical or Important Functions at the Centre of the Framework: The most stringent requirements apply where third-party providers support critical or important functions. A function is considered critical or important where its disruption could materially impair regulatory compliance, financial performance, or the continuity of a financial entity's services and activities. Financial entities are therefore expected to establish documented methodologies for identifying



and periodically reassessing such functions. EBA has aligned this concept with the corresponding definition under DORA in order to promote consistency across ICT and non-ICT third-party risk frameworks.

Responsibility Remains with the Financial Entity: EBA reiterates that reliance on third-party providers does not transfer responsibility away from the regulated entity. Management bodies remain fully accountable for risk management, operational resilience, regulatory compliance and oversight of third-party arrangements. Financial entities must retain sufficient internal expertise, resources and decision-making capacity and avoid becoming “empty shell” or “letter-box” institutions that rely excessively on external providers for the performance of key functions.

Stronger Governance, Monitoring and Concentration Risk Management: The Guidelines introduce enhanced obligations throughout the lifecycle of a third-party arrangement, including risk assessments, due diligence procedures, contractual safeguards, ongoing monitoring and exit planning. Particular emphasis is placed on subcontracting arrangements, concentration risk and business continuity planning. Financial entities are required to maintain appropriate records of third-party arrangements and monitor not only individual provider risks but also dependencies on a limited number of providers. EBA highlights that excessive reliance on the same third-party service providers may create concentration risks capable of affecting both individual institutions and the wider financial system. The framework also promotes alignment with DORA, allowing firms to adopt integrated approaches to ICT and non-ICT third-party risk management.

Key Takeaway: EBA’s new Guidelines reflect a significant shift from an outsourcing-focused regime towards the broader management of third-party dependencies. Financial entities are expected to adopt a holistic framework covering governance, concentration risk, operational resilience and oversight of both external and intragroup service providers, while ensuring that critical functions and key decision-making capabilities remain within the institution. Firms should therefore review their existing third-party arrangements, governance structures and contractual frameworks to ensure alignment with the new supervisory expectations and their existing DORA compliance programmes.



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