

Affiliates Risk Management and TPRM:

One Lifecycle,
Two Lenses

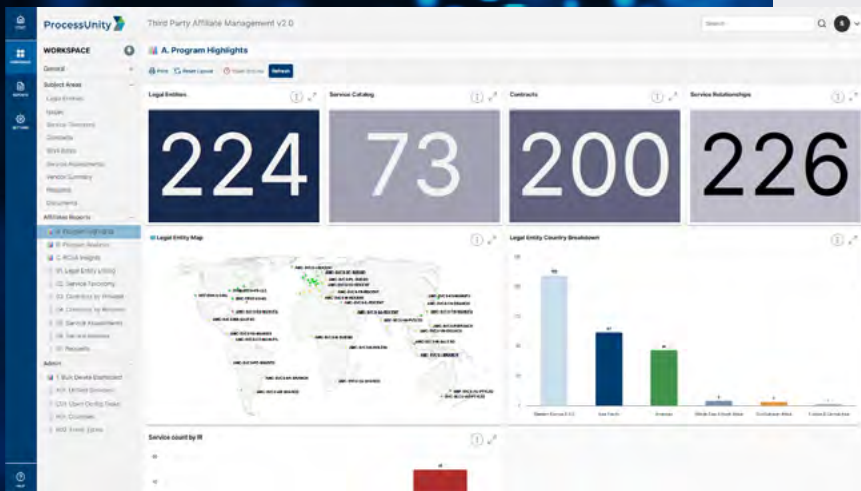


Introduction

Risk and compliance leaders face mounting pressure to demonstrate control over intra-group outsourcing. Regulators across the globe now expect the same rigor applied to internal affiliate relationships that has long applied to third parties, yet most organizations lack a clear inventory of which legal entity(ies) provides what service(s) to whom, where concentration risk sits inside the corporate family, and how to produce a regulator-ready register on demand. Spreadsheets and TPRM tools repurposed for affiliate tracking buckle under the recursive nature of the problem: the same legal entity is often both provider and receiver, and a single service can cross multiple jurisdictions.

Affiliates Risk Management (ARM) and Third-Party Risk Management (TPRM) share a lifecycle and a methodology, but they answer different questions. TPRM looks outward to ask “What are my third parties doing for me?” and runs in one direction from customer to supplier. ARM looks inward across the corporate family and asks “Which of my legal entities is providing what to which other legal entity?” and must pivot to any entity in the structure. The data models diverge accordingly: TPRM treats the vendor as parent to its services, while ARM treats legal entities as peers connected by intra-group contracts against a shared Service Taxonomy.

ProcessUnity Affiliates Risk Management (ARM) is purpose-built to organize this inward view. A proprietary data model captures the full chain of outsourcing, from legal entity, to service, to third-party service, to third party within an enterprise. ARM runs standalone or connects into an existing TPRM program, giving customers the visibility regulators are asking for without forcing a rebuild of governance they already have in place.



ProcessUnity Affiliates Risk Management Dashboard displays drilldown program highlights, including legal entities, service catalog, contracts, legal entity map, and legal entity country breakdown. All elements are configurable to program requirements.

Stand Alone by Design, Ecosystem-Ready When You Need It

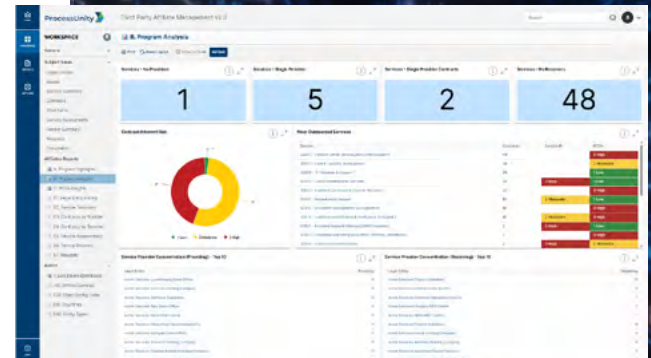
By design, ProcessUnity ARM is a stand-alone solution. ProcessUnity ARM runs in its own environment, meaning that it does not require a TPRM program to be deployed alongside it. Importantly, it does not borrow TPRM configuration or seats. The standalone design grants greater autonomy to implement an ARM program before, after, or apart from TPRM.

ProcessUnity ARM is ecosystem-ready. ARM can be integrated into TPRM (or into any other ProcessUnity instance) so a single service taxonomy reads through both sides and data moves between environments in either direction: external third-party data into ARM, or legal entity and service-relationship results back into TPRM. This integration creates the convenience of seamless data sharing between a separate TPRM and ARM environment.

That is how the full chain of outsourcing becomes visible end-to-end:

Legal Entity → Service → Third-Party Service → Third Party.

This is the picture that regulators are now asking for, captured in one platform.



The Program Analysis dashboard displays the highest concentrations of risk across service providers and legal entities.

Two Questions, Two Lenses

See how traditional TPRM and Affiliates Risk Management compare in purpose and function:

	Traditional TPRM	Affiliates Risk Management
The question	What are my third parties doing for me?	Who is providing what to whom inside my corporate family, and where do those services get sourced from?
The lens	Always through the customer (the contracting organization) toward the supplier (the contracted organization), viewed through this single direction.	Pivots to any legal entity. Flip the filter to ask "who am I and what am I providing or receiving" from any point in the structure.
The data model	The third party is the parent. Vendor service is a child of the vendor and is unique to it. The relationship runs one way.	Legal entities are peers. A shared service taxonomy sits across them. Intra-group schedules connect provider legal entity to receiver legal entity. The same legal entity can be both - supported by a many-to-many data structure.
The risk posture	External relationships generally carry a higher risk than internal ones; full Inherent Risk Questionnaire (IRQ) and due diligence rigor applies.	Affiliated relationships generally carry lower risk than non-affiliated. The methodology scales back appropriately by leveraging existing risk assessments such as RCSA while still meeting regulatory and resilience requirements.
The owner	Vendor Risk, Procurement, CISO, Operational Resilience.	Group Risk, Operational Resilience, Legal Entity Governance, Regulatory Reporting.

The TPRM Lifecycle, Applied to Affiliates

Designed around a similar lifecycle, ProcessUnity ARM extends the same TPRM lifecycle inward, applied to the services that affiliates provide to each other internally:

- ▶ **Onboarding:** Sourcing / RFx, risk assessment, due diligence, contracting.
- ▶ **Ongoing Monitoring:** Service review, SLA monitoring, performance management, due diligence refresh.
- ▶ **Administration:** Reporting and metrics across the program.
- ▶ **Incident and Issue Management:** Incident capture, remediation, and accountability.
- ▶ **Offboarding:** Transition services securely, handle data, close out risk exposure.

The methodology is identical. Rather than relearning governance; you re-target it to focus inwards.

What's Different About ProcessUnity ARM

Most home-grown tools break (or require duplication of data) the moment that a legal entity has to play two roles at once – provider in one contract, receiver in another. ProcessUnity ARM is built around that reality. Three features make the difference:

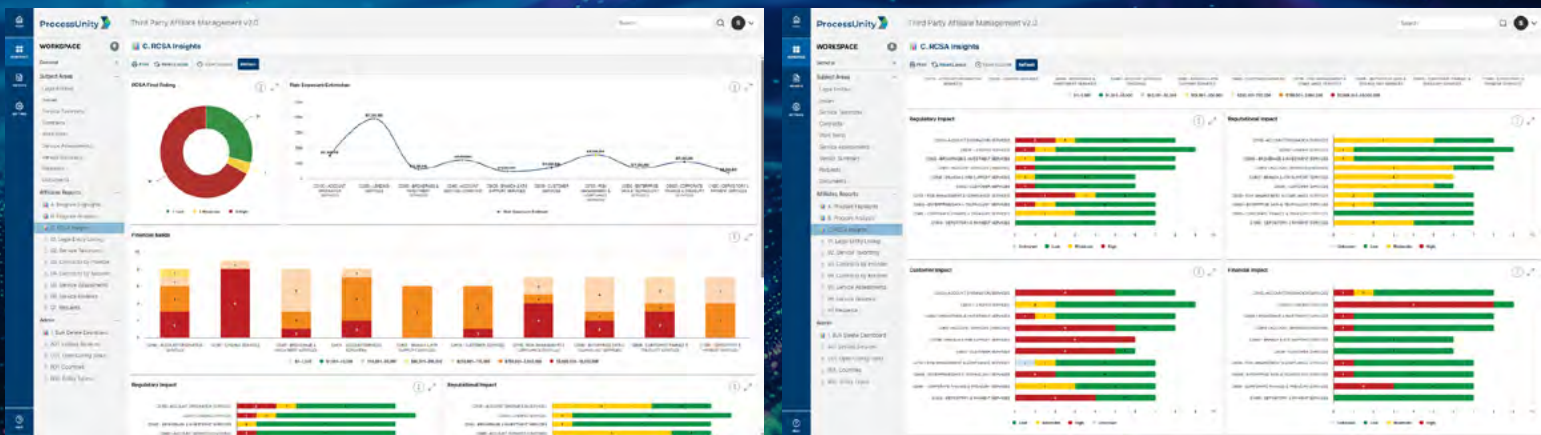
- ▶ **Flow patterns built for how affiliate work actually happens.** Roughly 95% of intra-group activity comes in through bulk import of allocation, finance, and transfer-pricing data, not one-by-one request forms. ARM handles that volume natively, alongside request workflows, periodic service IRQs, per-relationship reviews with override and attestation, and RCSA results piped in from a GRC tool.
- ▶ **Contracts structured by provider, not by service.** When a provider-receiver pair already has a contract, new services append to it. ProcessUnity delivers flexibility in reporting to view relationships as either provider-based or receiver-based.
- ▶ **SLAs that can be tailored to fit any requirement.** One click at the provider level generates a distributable SLA per receiver. This is the exact document an EBA, DORA, or OCC examiner expects to see, drawn from live production data rather than reconstructed from spreadsheets.



Regulatory Pressure Drives ARM

Competent authorities and regulatory bodies globally now treat internal legal entities as third parties if they provide services to other legal entities. ProcessUnity ARM enables organizations to work towards intra-group compliance based on the growing list of regulations as below. ARM allows customers to understand the structure of their legal entities and enterprise service taxonomy, track who is providing services to each other, visually see where the risk lies in those outsourcing arrangements, and enable service and contract owners to remediate and lessen the riskiest relationships through targeted Service improvements.

Region	Authority	What it says
US	OCC 2013-29	Third parties include services provided by affiliates and subsidiaries.
US	FRB SR 13-19	Service providers include affiliated entities in any contractual relationship.
US	FDIC	Firms must apply effective risk-management process to affiliate relationships.
EU	EBA Outsourcing Guidelines	Register all outsourcing; pre-notify for critical or important.
EU	DORA, B_02.01 and B_02.03	Register and oversight obligations apply to intra-group services.
UK	PRA / FCA	PRA pre-notification for material outsourcing; FCA Principle 11 notifications.
APAC	MAS / HKMA	MAS semi-annual register submission; HKMA three-month advance notification.
Australia	APRA CPS 230 / 231	Post-signing notification; event-based notifications under CPS 230.
Canada	OSFI B-10	Enterprise inventory; 24-hour notification for technology or cyber incidents.



The RCSA Insights dashboard reveals RCSA results across the entire Affiliates portfolio, displaying exposure estimates, financial bands, and regulatory, reputational, customer, and financial impacts.

Achieve ARM Clarity on Day One

Compliance and Visibility: Meets EBA, DORA, OCC, FRB, MAS mandates with vendor-level rigor applied internally. Maps internal services, providers, and receivers. Surfaces hidden dependencies, single-sources of failure, and generates real-time regulator-ready register output from production data.

Operational Resilience: Traces service flows for business continuity and recovery planning. Identifies concentration risk and chained-outsourcing vulnerabilities. Closes the loop on RCSA coverage with continuous monitoring.

Auditability and Scale: Standardized contracts and auto-generated SLA documentation. Bulk import, auto-close logic, scheduled reviews. Ten times the volume without ten times the staff.

Ready to get started with ProcessUnity Affiliates Risk Management?

Explore our resources at processunity.com/affiliates-risk-management/ or contact your ProcessUnity Account Manager to learn more.



ABOUT PROCESSUNITY

ProcessUnity is **THE Third-Party Risk Management (TPRM) Company**. Our software platforms and data services protect customers from cybersecurity threats, breaches, and outages that originate from their ever-growing ecosystem of business partners. By combining the world's largest third-party risk data exchange, the leading TPRM workflow platform, and powerful artificial intelligence, ProcessUnity extends third-party risk, procurement, and cybersecurity teams so they can cover their entire vendor portfolio. With ProcessUnity, organizations of all sizes reduce assessment work while improving quality, securing intellectual property and customer data so business operations continue to operate uninterrupted.

See how at www.processunity.com.

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