

**Press release**  
**5 July 2007**

## **ISO Risk Management Standard Not Needed**

The Federation of European Risk Management Associations (FERMA) believes that a formal international risk management standard, especially with an externally verified compliance regime, is undesirable and would not benefit European companies. This is the gist of the position paper issued this week by FERMA on proposals by the International Organization for Standardization (ISO) to create an ISO risk management standard 2009.

The position paper is intended to assist FERMA's member associations in national working groups and has now been distributed to them.

FERMA believes that an ISO standard would be too inflexible for such a broad discipline as risk management, which is extremely complex and varied in its application. The position paper states that "great caution is required in the development of an ISO standard on risk management." Instead, it urges the use of a term such as "reference guide, framework, general principles or list of best practice" to describe the document which ISO is developing. FERMA says it would support a generic guide entitled "Risk management system: essentials, principles and terminology."

Among the disadvantages of an ISO standard from a candidate's perspective, says FERMA, are substantial internal and external resources needed to implement and maintain the standard, which may have a serious effect on competitiveness, and considerable additional paperwork, without commensurate benefits.

Nor do such standards necessarily accomplish everything they seem to offer, says FERMA. According to the position paper, industry has already accepted compliance with standards in areas such as quality, environment and safety, which are risk management areas. It continues, "However, experience has shown that compliance with a standard has never guaranteed totally satisfactory performance. Accidents continue to happen and product liability claims continue to occur. Compliance with an ISO standard can, therefore, give a false sense of security to regulators, clients, shareholders and third parties. This is often aggravated by a certification process which is not always objective and varies greatly from one country to another."

Representatives of European risk management associations have disputed the need for an ISO standard since the idea was proposed a little over 10 years ago. Instead, they have promoted the idea of guidelines which are, in ISO terminology, less stringent than standards. In the meantime, a variety of standards or standard-like documents, have been developed to address specific risk management areas and received wide acceptance.

### **Notes to journalists:**

Journalists are invited to attend the FERMA Forum, a biennial European wide risk management conference, which will take place in Geneva from 30 September until 3 October

2007. For more information about the FERMA Forum 2007, see the FERMA website at [www.ferma.eu](http://www.ferma.eu). To register, contact Dominique Roels. Her details are below.

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(Florence Bindelle is on maternity leave.)

The national risk management associations of 15 countries form the Federation of European Risk Management Associations – FERMA. It represents over 5,000 individual members and a wide range of business sectors from manufacturing to financial services, charities and health organisations as well as local government organisations. Member associations are from the following countries: Belgium (BELRIM), Bulgaria (BRIMA), Denmark (DARIM), Finland (FinnRiMa), France (AMRAE), Germany (Bfv & DVS), Italy (ANRA), Netherlands (NARIM), Poland (POLRISK) Portugal (APOGERIS), Russia (RusRisk), Spain (AGERS), Sweden (SWERMA), Switzerland (SIRM) and United Kingdom (AIRMIC).

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