

RESPONSE TO CONSULTATION PAPER

Please note that all submissions received will be published and attributed to the respective respondents unless they expressly request MAS not to do so. As such, if respondents would like:

- (i) their whole submission or part of it (but not their identity), or
- (ii) their identity along with their whole submission,

to be kept confidential, please expressly state so in the submission to MAS. MAS will only publish non-anonymous submissions. In addition, MAS reserves the right not to publish any submission received where MAS considers it not in the public interest to do so, such as where the submission appears to be libellous or offensive.

Consultation topic:	Notices to Banks and Merchant Banks on Management of Outsourced Relevant Services
Name¹/Organisation: ¹if responding in a personal capacity	Bank of Montreal Singapore Branch
Contact number for any clarifications:	██████████
Email address for any clarifications:	██
Confidentiality	
I wish to keep the following confidential:	<i>(Please indicate any parts of your submission you would like to be kept confidential, or if you would like your identity along with your whole submission to be kept confidential. Your contact information will not be published.)</i>

Question 1. MAS seeks comments on the proposed annexes of the proposed Notices as follows:

- a. List of relevant services commonly performed by banks or MBs in Singapore (Annex A of the proposed Notices)
- b. List of relevant services that are not commonly performed by banks or MBs, and thus, are excluded from the definition of outsourced relevant service (Annex B of the proposed Notices)
- c. List of relevant services that are not commonly performed by banks or MBs, but are considered by MAS as outsourced relevant services (Annex C of the proposed Notices)
- d. List of exempted outsourced relevant services (Annex D of the proposed Notices)

Respondents should provide the rationale to support their suggestions to add or remove services from the annexes.

List a: no concerns.

List b: no concerns.

List c: Item 4 Express letter and parcel delivery services, we are using DHL and Fedex for mails and parcels, which are currently deemed as not-outsourcing. Based on Annex C, we believe these are now considered outsourcing? Why is this included as outsourcing now or have we misunderstood?

Item 5 card embossing services. What type of card is mentioned in this scenario?

List d: no concerns.

Question 2. MAS seeks comments on the requirement for a bank or an MB to submit to MAS a register of outsourced relevant services (as described in paragraph 3.1) semi-annually or upon request.

Semi-annually submission of the Register to MAS is agreed. No concerns.

Question 3. MAS seeks comments on the requirements pertaining to the management of material ongoing outsourced relevant services and evaluation of service providers.

No Concerns.

Question 4. MAS seeks comments on the requirement for banks and MBs to enter into outsourcing agreements for their material ongoing outsourced relevant services and to ensure the inclusion of certain terms in these agreements.

No concerns.

Question 5. MAS seeks comments on the terms required to be included in the outsourcing agreements.

No concerns.

Question 6. MAS seeks comments on the requirements pertaining to the protection of customer information.

No concerns.

Question 7. MAS seeks comments on the requirements pertaining to the use of sub-contractors for material ongoing outsourced relevant services.

For the use of subcontractors, does a Bank need to report use of material subcontractor regardless of % of services subcontracted out? Based on MAS requirements, Bank needs to determine if subcontractor is to be assessed within 30 days. We wish to clarify that the assessment does not have to be completed within 30 days.

Question 8. MAS seeks comments on the requirements pertaining to the audit requirements for material ongoing outsourced relevant services.

The audit list mentioned in Section 4.18, is it the same requirements from the MAS Outsourcing Register column W and Column X?

Question 9. MAS seeks comments on the requirements pertaining to the termination of material ongoing outsourced relevant services.

No concerns.

Question 10. MAS seeks comments on the requirements in paragraph 4.22 pertaining to an ORFI's provision of material ongoing outsourced relevant services.

If SG branch has outsourced services to an intragroup service provider (BMO (Canada in US), BMO HK Branch, BMO China Co. Ltd.), are intragroup agreements exempted from the requirements of OFRI given it is the parent company or a subsidiary of the parent company? Recommend that intragroup agreements be exempt from this requirement.

Question 11. MAS seeks comments on the requirement in paragraph 4.23 on a bank or an MB to provide MAS with a confirmation from the overseas supervisor of the ORFI and the scope of such a confirmation.

Are the bank policies and procedures in relation to how we, Singapore entity, will deal with requests from regulator of OFRI regarding the customer information of Singapore's legal entity?

Question 12. MAS seeks comments on the requirements applicable to outsourced relevant services that involve the disclosure of customer information, and for the meaning of "customer" which will apply to these requirements to include companies which carry on banking business, merchant banking business or investment banking business.

No concerns.

Question 13. MAS seeks comments on the requirement for a bank or an MB incorporated in Singapore to implement a group policy on outsourced relevant services.

No concerns.

Question 14. MAS seeks comments on the effective dates of the proposed Notices.

Do all requirements from the MAS consultation paper need to be updated in the contract within 12 months (Dec 2021), or within 12 months from the date the Notice is published?

For outsourcing agreements, what is the difference between complying with the Notice "12 months from the date of issuance of the proposed Notice" as opposed to "from the date on which the bank enters into a new agreement"? Is the reference to a "new agreement" meaning that contracts are updated with new terms (MAS requirements) when the existing agreement is being renegotiated? If so, how is that different from renewal agreement? Is it acceptable that existing contract is not updated for a few years with new terms, or until we begin renegotiations at expiry of existing contract?

Any other comments:

<Please fill in your response here>