

Swedish Bankers' Association

Svenska Bankföreningen

2004-07-02

Committee of European Banking
Supervisors (CEBS)
(email CP02@c-ebs.org)

Consultation paper on high level principles on outsourcing

The Swedish Bankers' Association would like to submit the following comments on the CEBS consultation paper on high level principles on outsourcing.

The Association welcomes this document on outsourcing and agree with most of the principles presented in the paper. However, we have some remarks:

1. Part 1: Definitions. The Association has no objections in substance to the definition of outsourcing, but think that it should be reworded and that the definition should emanate from the outsourcing institutions perspective. The definition could begin like this "Outsourcing means that an authorised institution gives an assignment to (or other proper verb) another entity to ..."
2. Principle V, paragraph 5. "The outsourcing institution should specify..." We are not quite sure how to interpret this sentence. Does it mean that one unit or individual should be responsible for all outsourcing measures or does it mean that there can be different units and individuals responsible? The Association strongly prefers the second meaning of the sentence, since it would be impossible for one unit or individual to have a total responsibility. To clarify the meaning of the sentence we suggest the sentence to be reworded: "The outsourcing institution should **in each individual case** specify... ". The word each could than be deleted in the latter part of the sentence.
3. Principle VII. The Association would suggest that the outsourcing contract should comprise also secrecy provisions stating that the outsourcing service provider must be obliged to keep the same level of secrecy as the outsourcing institution.
4. Principle IX. Paragraph 6. The Association is of the firm opinion that it would be too far-reaching to give the supervisory authority a right to cancel the outsourcing measure. That would be a most unusual intervention in a commercial relationship between the parties of the outsourcing contract, which in Sweden only can be done when prescribed by law. However, the authority should have a possibility to intervene in the form of directives to the outsourcing institution to take actions in order to change an outsourcing agreement or finalise the contract

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Postal address	Office address	Telephone	Telefax	Bankgiro	Postal giro
P.O Box 7603 SE-103 94 STOCKHOLM, Sweden www.bankforeningen.se	Regeringsgatan 38	+46 8 453 44 00	+46-8 796 93 95	700-1779	505-8

if needed. The outsourcing contract should have provisions giving the right to the outsourcing institution to renegotiate or terminate the contract due to an intervention from the supervisory authority.

Yours Sincerely

SWEDISH BANKERS' ASSOCIATION
SVENSKA BANKFÖRENINGEN

Ulla Lundquist
Managing director

Tomas Tetzell
Legal adviser