Letter to Service Provider re Outsourcing

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[Name of Service Provider]

[Address of Service Provider]

[Date]

Dear [Person in charge],

**Outsourced Services in Compliance with MAS Guidelines on Outsourcing**

On 27 July 2016, the Monetary Authority of Singapore (‘MAS’) has issued amended Guidelines on Outsourcing (the ‘Outsourcing Guidelines’) to financial institutions(‘FIs’) outlining the framework and procedures that FIs are required to implement in respect of all their outsourcing arrangements.

MAS expects is that every FI that has entered into or intends to enter into an outsourcing arrangement with a service provider to evaluate the said arrangements in light of the Outsourcing Guidelines and take appropriate actions for the effective management of outsourcing risk.

[Company Name] is a [holder of a capital markets services license for fund management / registered fund management company], and is thus subject to the Outsourcing Guidelines. As a result, we are held to ensure that our existing and future outsourcing arrangements comply with the Outsourcing Guidelines.

# Requirements for Service Provider

As a provider of outsourced services to our company, a financial institution, your company is held to meet certain requirements under the Outsourcing Guidelines.

* Confidentiality of our data;
* Security of our data, including adequate IT and physical security;
* Segregation of our data;
* Policies and procedures regarding technology risk, preferably meeting the MAS Technology Risk Management Guidelines;
* Business continuity management, including a business continuity plan and business continuity exercises;
* Assessment of employees regarding crime, disciplinary measures and insolvency;
* Internal audit and/or independent reviews.

Please note that these requirements also apply to sub-contractors where you engage sub-contractors for your services to us.

Furthermore, please note that your company must answer questions and give access to pertinent information regarding your outsourced services to us, our internal auditor, our external auditor MAS as well as our and their agents. Similarly, we request you to forward us your internal and external audit reports as well as any independent review reports (or the sections thereof, as applicable) regarding the outsourced services you provide to us.

For the full scope and details of requirements regarding the outsourced services you provide for us, please consult the Outsourcing Guidelines (<http://www.mas.gov.sg/~/media/MAS/Regulations%20and%20Financial%20Stability/Regulatory%20and%20Supervisory%20Framework/Risk%20Management/Outsourcing%20Guidelines_Jul%202016.pdf>).

For our documentation, we kindly request you to return the confirmation in the annex to us. In addition to this confirmation, we may need to contact you for further, specific information to comply with the due diligence requirements imposed on our company.

Thanks for your co-operation to ensure services that comply with the requirements by MAS.

Best regards,

[Name]

[Position]

# Confirmation of Suitability for Outsourced Services

We confirm, that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, our company, and our services to [name of FI] meet the essential standards under the Guidelines on Outsourcing by the Monetary Authority of Singapore applicable to outsourced service providers and outsourced services. Namely, we have and implement policies and/or procedures regarding

* Confidentiality of data;
* Security of data, including adequate IT and physical security;
* Segregation of data received and/or produced for the outsourced service;
* Policies and procedures regarding technology risk;
* Business continuity management, including a business continuity plan and business continuity exercises;
* Assessment of employees regarding crime, disciplinary measures and insolvency;
* Internal audit or independent reviews.

We will grant [name of FI], its internal and external auditors and the Monetary Authority of Singapore as well as their agents, access to information and reply to their questions regarding our outsourced service to [name of FI].

Company name:

Signature:

Name:

Position: