# EUROPEAN BANKING AUTHORITY NEW GUIDELINES ON OUTSOURCING: A CALL TO ACTION FOR BANKING

SECTOR PROCURENT



WHEN? From when do these guidelines apply?

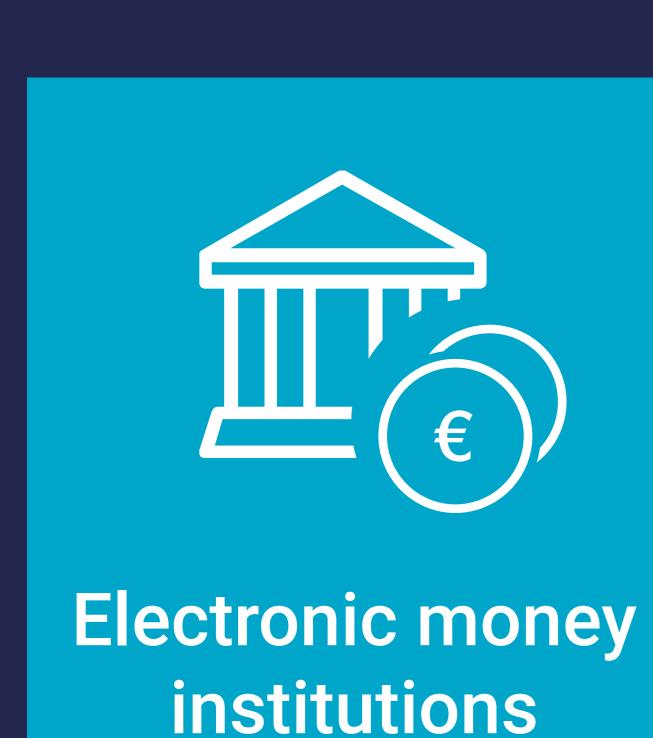
Live September 30th of 2019



Which financial institutions are concerned?

The scope of financial institutions that must follow these guidelines has been extended from strictly banking organizations to any financial organization

#### Extended scope











### 

What kind of outsourced activity is concerned?

All activity which is essential to the financial institutions core business. EBA's definition of essential activity is broader than before, which includes virtually all information system outsourcing.

#### Broader definition



IT services Back office Cloud services



Cleaning

Catering Lawyers Consultants

## DOES YOUR PROCUREMENT ORGANIZATION CHECK ALL THESE BOXES REQUIRED BY THE EUROPEAN BANKING AUTHORITY?



Full control over offshoring

Clear outsourcing limits

Outsourcing policy documentation

Strict control process

(incl. Concentration risk)

Detailed 3<sup>rd</sup> party risk mapping

Contract exit provisions

Back up plan (substitute provider / re-internalization)

## WILL YOU TAKE THE BENEFITS OR THE SANCTIONS FROM THESE NEW RULES?



BENEFITS

A strengthened supplier base A mitigated risk situation A competitive advantage



SANCTIONS

Banking activity limitations Suspension of banking authorization Dismissal of management

