Notification template for outsourcing a critical or important business process (BPO)

**Context:**

1. According to points 59 and 60 of Circular CSSF 22/806 on outsourcing arrangements (the **Circular**), In-Scope Entities shall notify the competent authority in advance in the following cases of **outsourcing of a critical or important function**:

(a) planned, new critical or important outsourcing arrangements;

(b) material changes to existing critical or important outsourcing arrangements; and

(c) changes to outsourcing arrangements that lead to an outsourced function becoming critical or important.

**Scope of application:**

1. In-Scope Entities[[1]](#footnote-1) shall fill this notification template (the **template**) to notify the CSSF when outsourcing a critical or important business process (Business Process Outsourcing or **BPO**)[[2]](#footnote-2).

Credit institutions wishing to outsource operational tasks of their internal audit function according to point 125 of part II of Circular CSSF 12/552 need to obtain and wait for the approval of the competent authority. However, credit institutions shall also use this template for this purpose.

In-Scope Entities shall use the specific templates made available on the CSSF website for:

* Notification of outsourcing of operational tasks of UCI administration;
* Notification of critical or important ICT outsourcing[[3]](#footnote-3);
* Authorisation requested by a Support PFS licensed as per articles 29-3, 29-5 or 29-6 LFS, for partial outsourcing of ICT operator services or of the management/operation of the ICT systems supporting dematerialisation and/or conservation services (as required in point 127 of the Circular, for the outsourcing arrangements as referred to in points 124 and 125 of the Circular).

**Instructions:**

1. The template shall be submitted in two formats, one PDF version **duly signed by the authorised management**, and one in editable MS Word format, via e-mail or secure communication channel to the CSSF agent in charge of the supervision of the In-Scope Entity.
2. In the case (a) in point 1 above, the prior notification shall be done by the In-Scope Entity as early as possible before the planned implementation date of the outsourcing project but, in any case, at least three (3) months or one (1) month[[4]](#footnote-4) before this date.

In the cases (b) and (c) in point 1 above, the notification shall be done by the In-Scope Entity without undue delay.

1. Should some questions not be applicable to the outsourcing arrangement at hand, please indicate “not applicable” or “N/A” in the template. Items in green are for specific In-Scope Entities only.
2. **Any outsourcing arrangement which has not been notified within the above notification period and/or without using this template and these instructions will be considered as being not notified. The same applies in case of** **incomplete notifications.**

**Definitions, abbreviations and acronyms:**

1. Unless otherwise specified, terms used and defined in the Law of 5 April 1993 on the financial sector (**LFS**), the Law of 10 November 2009 on payment services (**LPS**), Regulation (EU) No 575/2013 (**CRR**) and the Circular CSSF 22/806 shall have the same meaning in this document.

# Project identification & In-Scope Entity(ies) details

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| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 1.1 | Project short title: | Click or tap here to enter text. |  |
| 1.2 | Internal reference *(optional)*: | Click or tap here to enter text. |  |
| 1.3 | Name of the In-Scope Entity submitting the notification: | Click or tap here to enter text. |  |
| 1.3.1 | Name(s) of the In-Scope Entitie(s) on behalf of which the notification has been submitted[[5]](#footnote-5): | Click or tap here to enter text. |  |
| 1.4 | LEI code[[6]](#footnote-6) *(optional)*: | Click or tap here to enter text. |  |
| 1.5 | Corporate registration number[[7]](#footnote-7): | Click or tap here to enter text. |  |
| 1.6 | In-Scope Entity identifier assigned by the CSSF: | Click or tap here to enter text. |  |
| 1.7 | In-Scope Entity type (*e.g. Bank, Investment firm, Specialised PFS, etc*): | Click or tap here to enter text. |  |
| 1.8 | Name(s) of the authorised director(s)/manager(s) having reviewed and approved this notification[[8]](#footnote-8): | Click or tap here to enter text. |  |
| 1.9 | Name(s) and job title(s) of the person(s) in charge of the submission of this notification, and relevant contact details (email and phone number): | Click or tap here to enter text. |  |

# Key highlights / Description of the outsourcing project

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| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 2.1 | Submission date of the notification to the CSSF: | Click or tap to enter a date. |  |
| 2.2 | Planned implementation date of the outsourcing project: | Click or tap to enter a date. |  |
| 2.3 | Scope of the notification (*choose only one*): | New, planned outsourcing arrangement of a critical or important function  Material changes to an existing outsourcing arrangement of a critical or important function[[9]](#footnote-9)  Changes to outsourcing arrangement that lead to the outsourced function becoming of a critical or important function  Reference of the previous submission, if applicable:  *[insert here]* |  |
| 2.3.1 | Additional specificities: | Extension of outsourced functions:  the In-Scope Entity has already other outsourcing arrangements with the same service provider.  Change of service provider:  the In-Scope Entity had already previously outsourced the functions to another service provider and will now change the service provider.  This is a new function to be outsourced to a new service provider by the In-Scope Entity.  Other: *(please specify)* |  |
| 2.4 | Category of the outsourced function[[10]](#footnote-10): *(choose the appropriate ones)* | Operational tasks of AML/CFT[[11]](#footnote-11)  ☐ Depositary tasks for Undertakings for Collective Investments (UCIs)  Investment services and activities linked to financial instruments and ancillary services where these are connected to such services and activities[[12]](#footnote-12)  *(please specify)*  Operational tasks of the internal control function[[13]](#footnote-13):  risk control function  compliance function  internal audit function[[14]](#footnote-14)  Operational tasks of the accounting and financial function  Operational tasks of core business activities or of licenses  *(please specify)*  Banking activities, payment services activities[[15]](#footnote-15)  Non-core support services as described in Article 1(17) of ECB Decision 2019/322[[16]](#footnote-16)  Other: (*please specify*) |  |
| 2.5 | Description of the outsourcing project, including a comparison of the current set-up (“as is”) and the planned future set-up (“to be”)[[17]](#footnote-17): | *(please describe e.g. objective, scope, purpose, reasons for outsourcing and detailed technical description of the function, including the data that are outsourced, e.g.*  *describe the type and classification of the data stored / processed (type: e.g. client identifying data, sensitive payment data, transaction data; classification: e.g. confidential, non-confidential.*  *Please indicate if there is /are an or several outsourcing already in place for the same function.)*  Click or tap here to enter text.  *(In case of outsourcing of operational tasks of internal audit function, please indicate also e.g. the external resources to be contracted and the name of the head of the external team fulfilling the internal audit duties as well as the person in charge of this outsourcing within the In-Scope Entity. Please attach to this notification, the resume/CV, a copy of the ID card, a declaration of honor and an extract of criminal records of the head of the external team).* |  |
| 2.6 | To which extent are IT systems of the In-Scope Entity concerned by this project: | *(please insert a brief description of the IT systems used[[18]](#footnote-18))* |  |
| 2.7 | Reason for assessment of the outsourced function as of a critical or important function[[19]](#footnote-19): | a defect or failure in its performance would materially impair the continuing compliance with the conditions of its authorisation and/or its other legal and regulatory obligations  a defect or failure in its performance would materially impair its financial performance  a defect or failure in its performance would materially impair the soundness or continuity of its services and activities  outsourcing of operational tasks of internal control functions  outsourcing of operational tasks of the financial and accounting function  outsourced banking activities or payment services that would require authorisation by a competent authority[[20]](#footnote-20)  outsourced functions related to core business lines / critical functions according to the BRRD law[[21]](#footnote-21)  other reason (*please specify*) |  |
| 2.8 | Intra-group outsourcing[[22]](#footnote-22): | Yes  No |  |
| 2.9 | The outsourcing arrangement includes the possibility that the service provider sub-outsources critical or important functions, or material parts thereof: | Yes  No |  |
| 2.10 | Country/countries where the service is to be performed: | Luxembourg  Other EEA Member State  *(please specify)*  Third country  *(please specify)* |  |
| 2.11 | Country/countries where data will be stored/processed: | Luxembourg  Other EEA Member State  *(please specify)*  Third country  *(please specify)* |  |
| 2.12 | Management of systems and data: | Systems and data are managed by the service provider[[23]](#footnote-23)  Systems and data are managed by the In-Scope Entity[[24]](#footnote-24)  Other: *(please specify)* |  |
| 2.13 | Confidential, personal or otherwise sensitive data will be transferred out of the premises of the In-Scope Entity: | Yes  No |  |
| 2.14 | The outsourced function supports business operations that are time critical (e.g. they need to be permanently available): | Yes  No |  |
| 2.15 | Estimated financial impact (in EUR): | *(please indicate e.g.:*  *1) the estimated implementation cost of the outsourcing project;*  *2) the estimated recurring cost;*  *3) the net turnover represented by the outsourcing and the related recharges paid to the service provider;*  *4) the estimated cost savings)*  Click or tap here to enter text. |  |
| 2.16 | Impact of the outsourcing project on the In-Scope Entity’s resources: | *(please indicate e.g.:*  *1) the current staff/FTE number impacted by the project;*  *2) the staff/FTE number post implementation of the outsourcing project;*  *3) the number of persons in charge of the oversight of the outsourced function at the In-Scope Entity)*  Click or tap here to enter text. |  |
| 2.17 | Type and estimated number of clients concerned by this outsourcing: | *(please indicate, where applicable, e.g.:*   1. *the type of clients (companies, regulated funds, unregulated funds, natural persons, etc.);* 2. *the total number of clients to which the activity is performed;*   *3)the total number of clients concerned by the outsourcing)*  Click or tap here to enter text. |  |

# Service provider(s) details / sub-contractor(s) details

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| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 3.1 | Service provider’s corporate name(s): | Click or tap here to enter text. |  |
| 3.2 | LEI code: | Click or tap here to enter text. |  |
| 3.3 | Corporate registration number[[25]](#footnote-25): | Click or tap here to enter text. |  |
| 3.4 | Service provider’s type *(e.g. Bank, Investment firm, Specialised PFS, accounting firm, etc.)*: | Click or tap here to enter text. |  |
| 3.5 | Location and registered address of the service provider(s): | Luxembourg  Other EEA Member State  *(please specify)*  Third country  *(please specify)*  Registered address of the service provider:  *[insert here]*  *(Multiply as necessary)* |  |
| 3.6 | Service provider(s) supervised by a competent or supervisory authority: | Yes  No  *(Multiply as necessary)*  *(If yes, please indicate the name of the authority)* |  |
| 3.7 | Ultimate parent name: | Click or tap here to enter text. |  |
| 3.8 | Ultimate parent country[[26]](#footnote-26): | Click or tap here to enter text. |  |
| 3.9 | Name(s) and details of main sub-contractor(s) if the outsourcing arrangement includes the possibility that the service provider sub-outsources critical or important functions, or material parts thereof: | Name of sub-contractor:  *[insert here]*  Registered address:  *[insert here]*  Country/countries where the service will be performed:  *[insert here]*  Country/countries where data will be stored/processed:  *[insert here]*  *(Multiply as necessary)* |  |

# Risk assessment

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| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 4.1 | The In-scope Entity has performed an initial risk analysis and will continue to perform a risk analysis on the service provider(s) while the outsourcing is in place and provide the frequency (no less than yearly) of the risk analysis: | Yes  No  Frequency: *[insert here]* |  |
| 4.2 | Risks listed in the Circular CSSF 22/806 inherent to the outsourcing arrangement have been assessed, documented and communicated to the management body: | Yes  No  *[Please describe the main risks identified and the measures taken to ensure compliance with the Circular CSSF 22/806]*  Click or tap here to enter text. |  |
| 4.3 | The potential impact on operational risk has been assessed: | Yes  No  *[Please describe]* |  |
| 4.4 | The risk assessment result has been taken into account in the decision to outsource: | Yes  No  *[Please describe]* |  |
| 4.5 | The risk assessment includes scenarios of possible risk events, including high-severity operational risk events: | Yes  No  *[Please describe]* |  |
| 4.6 | The risk assessment takes into account the expected benefits and costs of the proposed outsourcing arrangement: | Yes  No  *[Please describe]* |  |
| 4.7 | The risk assessment takes into account the risks of sub-outsourcing or long and complex chains of sub-outsourcing | Yes  No  *[Please describe]* |  |
| 4.8 | The risk assessment identifies the expectations regarding data and systems as well as the location of the service provider as laid out in the Circular CSSF 22/806: | Yes  No  *[Please describe]* |  |
| 4.9 | The risk assessment is regularly updated and communicated to the management body based on the outcome of ongoing monitoring: | Yes  No  *[Please describe]* |  |

# Due diligence / Conflicts of interest

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| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 5.1 | The selection and assessment process for the service provider(s) has been conducted and documented and are assessed as being suitable[[27]](#footnote-27): | Yes  No |  |
| 5.2 | The In-Scope Entity has identified material conflicts of interest: | Yes  No  *(if yes, please describe)* |  |
| 5.3 | The service provider implements appropriate technical and organisational measures to protect confidential, personal or otherwise sensitive data and acts consistently with the ethical and socially responsible values (e.g. ESG) and code of conduct of the In-Scope Entity[[28]](#footnote-28): | Yes  No |  |
| 5.4 | In case of outsourcing of operational tasks of the internal control functions[[29]](#footnote-29):  - The service provider is placed under the oversight of, and report to, the person in charge of the relevant internal control function of the In-scope Entity (e.g. the Chief Compliance Officer, the Chief Risk Officer or the Chief Internal Auditor):  - Where In-scope Entities outsource the full range of operational tasks of their internal control function, the service provider shall report to the member of the management body in charge of the internal control function: | Yes  No  Not applicable  Yes  No  Not applicable |  |
| 5.5 | In case of outsourcing of operational tasks of the internal audit function[[30]](#footnote-30):  - The service provider has a direct access to the management body in its supervisory functions or, where appropriate, to the chairperson of the audit committee[[31]](#footnote-31):  - The service provider is independent from the statutory auditor (*réviseur d’entreprises agréé* or *cabinet de révision agréé*) in charge of the statutory audit of the In-Scope Entity and from the group to which the statutory auditor belongs:  - The service provider has sufficient human and material resources adapted to the complexity of the activities of the In-Scope Entity:  - The service provider has sufficient technical knowledge of the activities carried out by the In-Scope Entity and the risks arising therefrom as well as a current knowledge of the regulations (laws, regulations and circulars, etc.) applicable to the In-Scope Entity:  - The service provider has sufficient applied knowledge of the international standards of the Institute of Internal Auditors or equivalent international standards:  - The quality of the work of the service provider is considered satisfactory and the service provider is of good repute appropriate to the internal audit function: | Yes  No  Yes  No  Yes  No  Yes  No  Yes  No  Yes  No |  |

# Details of the outsourcing agreement

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| --- | --- | --- | --- |
| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 6.1 | Details on the outsourcing agreement:  Name/Reference of the agreement:  Signatories of the agreement:    Duration of the agreement:  Start date of the agreement:  End date of the agreement (if applicable):  Next agreement renewal date (if applicable):  Notice period for exit of the agreement for the In-Scope Entity:  Notice period for exit of the agreement for the service provider:  Governing law of the agreement: | *[insert here]*  *[insert here the names of the parties to the agreement]*  *[insert here]*  *[insert relevant dates here*  Click or tap to enter a date.  Click or tap to enter a date.  *[insert number of units (e.g. “30 days”, “1 month”) here]*  *[insert number of units (e.g. “30 days”, “1 month”) here]*  *[insert here]*  (*Multiply as necessary*)[[32]](#footnote-32) |  |
| 6.2 | Terms of the outsourcing agreement are compliant with Circular CSSF 22/806, notably:   * point 77 (contractual clauses) * points 78 and 80 (in case of sub-outsourcing) * point 85 (data and system security requirements) * point 87 (data protection) * points 88 to 90 (access, information and audit rights) * points 101 to 103 (termination rights) | Yes  No  *[describe e.g. areas where the agreement is non-compliant]* |  |
| 6.2.1 | The contractual agreement ensures that the service provider complies with: | Appropriate IT security standards  Data and system security requirements as defined by the institution  Data protection laws and regulations applicable to the institution  Requirements for penetration testing  Requirements to document operational and security incident handling procedures including escalation and reporting |  |
| 6.2.2 | The contractual agreement explicitly grants the unrestricted right to inspect, audit, perform on-site visits, and gather information from the service provider and sub-outsourcing providers (if contractually permitted), including in the event of insolvency, resolution or discontinuation. This right is granted to: | The outsourcing In-Scope Entity and any other person appointed by the institution  Competent authorities (incl. resolution authorities) and any other person appointed by such authorities |  |
| 6.2.3 | Sub-outsourcing is contractually permitted: | Generally permitted  Permitted for certain activities  Generally prohibited  Prohibited for certain activities  Permitted and prohibited for certain functions  Not clarified |  |
| 6.2.4 | The contractual agreement defines service level agreements, which include precise quantitative and qualitative performance targets: | Yes  No |  |
| 6.2.5 | The contractual agreement includes the reporting obligations of the service provider, i.e. to inform the In-Scope Entity about developments with a material impact on the outsourced function or severe events such as incidents: | Yes  No |  |
| 6.2.6 | The contractual agreement grants the In-Scope Entity the right to monitor the performance of the service provider: | Yes  No  *(if no, please specify)* |  |

# Oversight of outsourced functions

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| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 7.1 | Please describe the organisation of the department (number of persons, time spent, etc…) or the time spent by the person in charge of the coordination and the oversight of the activities performed by the service provider at the In-Scope Entity.  Please indicate the name of the person responsible of the outsourcing at the In-Scope Entity. | Click or tap here to enter text. |  |
| 7.2 | The In-Scope Entity monitors the service provider on an ongoing basis to ensure it meets appropriate performance and quality standards via the use of the following instruments[[33]](#footnote-33) (*choose the appropriate ones)*: | Performance reports from service provider  Key performance indicators[[34]](#footnote-34)  Key control indicators  Service delivery reports  Self-certification  Independent Reviews[[35]](#footnote-35)  Reports on Business Continuity Measures  Testing reports  Other relevant information: *(please describe this below)*  Click or tap here to enter text. |  |
| 7.3 | The ongoing monitoring measures the In-Scope Entity has in place (to ensure that its service provider meets the appropriate performance and quality standards) apply to the entire outsourcing chain: | Yes  No  *Only if “No” is ticked, provide a justification and a detailed description of the implemented mitigating measures:*  Click or tap here to enter text. |  |
| 7.4 | Date of last audit of service provider by the In-Scope Entity, where relevant[[36]](#footnote-36): | Click or tap to enter a date.  *(if applicable)]* |  |
| 7.5 | Date of next audit of service provider by the In-Scope Entity, where relevant[[37]](#footnote-37): | Click or tap to enter a date.  *(if applicable)]* |  |
| 7.6 | If access to confidential data is granted to third parties (e.g. IT resource operator, group entity), the In-Scope Entity ensures compliance with the provisions of Article 41, paragraph 2a of the LFS (or Article 30, paragraph 2a of the LPS), if applicable[[38]](#footnote-38): | Yes  No  Not applicable |  |
| 7.7 | The In-Scope Entity complies with data protection laws and regulations (i.e. GDPR) as well as with the requirements of the Luxembourg competent authority in this area, namely the “Commission Nationale pour la Protection des Données” (CNPD)[[39]](#footnote-39): | Yes  No |  |

# Security of data and systems

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| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 8.1 | Accesses including privileged accesses to data and systems are only granted to persons (employees, service providers, the resource operator, contractors, subcontractors or any other third party) whose functions so require, for a specific purpose, and their privileges shall be limited to the strict necessary minimum to exercise their functions (i.e. the “need-to-know” and “least-privilege” principles)[[40]](#footnote-40): | Yes  No |  |
| 8.2 | In case the systems and data are managed by the Service Provider (refer to question 2.12), the service provider performs prior access approvals as well as regular access reviews in line with the requirements defined by the In-Scope Entity: | Yes  No  Frequency:  *[insert here]* |  |
| 8.3 | In case the systems and data are managed by the In-Scope Entity (refer to question 2.12), the In-Scope Entity will perform the prior access approvals as well as the regular access reviews of the accesses granted to the service provider to its systems and data: | Yes  No  Frequency:  *[insert here]* |  |

# Business continuity, termination rights and exit plan

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| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 9.1 | The In-Scope Entity **and** the service provider have business continuity and contingency plans in place that ensure the continuous performance of outsourced services and ensure that these are regularly tested: | Yes  No  *[please describe]* |  |
| 9.2 | When outsourcing operational tasks of the accounting function, the In-Scope Entity has, at the closing of each day, unconditional and unrestricted access to the balance of all accounts and of all accounting movements of the day in order to provide the competent authority or any other body, as required by applicable laws and regulations, with this information[[41]](#footnote-41):  When using an accounting system that is located outside of Luxembourg (accounting system hosting outsourcing) independently or in connection with the outsourcing of operational tasks of the accounting function, the In-Scope Entity has, at the end of each day, a secure backup of all end of day accounting positions, including client positions, in a readable format, to guarantee an autonomous preparation of a balance sheet, a profit and loss statement and client positions[[42]](#footnote-42):  This backup is stored at the premises of the In-Scope Entity in the EEA, of a group entity located in the EEA, or of another service provider (i.e. a service provider different from the one to whom the accounting system is outsourced) located in the EEA:  The accounting system allows keeping regular accounts in accordance with the applicable accounting framework in Luxembourg, the preparation of statutory accounts and the preparation of the prudential reports to the competent authority: | Yes  No  Not applicable  Yes  No  Not applicable  Yes  No  Not applicable  Yes  No  Not applicable |  |
| 9.3 | The In-Scope Entity has established a documented exit strategy in line with the outsourcing policy, business continuity plans and exit plans that ensures that the In-Scope Entity can exit the outsourcing arrangement without undue disruption to its business activities, without limiting its compliance with regulatory requirements and without any detriment to the continuity and quality of its provision of services to clients: | Yes  No  *[please describe]* |  |
| 9.4 | Outcome of the assessment of the service provider’s substitutability (e.g. the possibility of reintegration or the impact of service discontinuation): | Easy  Difficult  Impossible  *[please describe]* |  |
| 9.5 | Explain the In-Scope Entity’s exit strategy, duly taking into consideration the “lock-in” risk:  Provide:   * an analysis of alternatives to the current outsourcing solution, e.g.: transfer of the function to alternative service providers / reinstatement of the function / discontinue the activity / alternative solutions; * alternative service providers; and * an estimation of time, cost and impact of the exit plan. | Click or tap here to enter text. |  |
| 9.6 | The contractual agreement clearly sets out the obligations of the service provider and an appropriate transition period in case of a transfer of the outsourced function (to another service provider or back to the In-Scope Entity) including appropriate and duly documented tools and technical solutions to eliminate any data: | Yes  No |  |
| 9.7 | The outsourcing agreement gives the In-Scope Entity the right to terminate it at least in the following situations: | Breach of law, regulations or contractual provisions  In the case of undue sub-outsourcing  In case a sub-contractor has material effects on the outsourced function or would lead to a material increase of risk  Identification of impediments capable of altering the performance of the service provider  Material changes affecting the outsourcing arrangement or the service provider  Weaknesses in management and security of data or information  Upon instructions by the In-Scope Entity’s competent authority |  |

# Additional information for outsourced AML/CFT related functions

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| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 10.1 | Detailed description of the In-Scope Entity’s outsourced AML/CFT related functions, which includes at least:   * purpose of each outsourced function within the entire process; * frequency of execution; * scope (ex-post/ex-ante)[[43]](#footnote-43); * the detailed provisions on the procedures to apply when using a service provider, as well as the relevant criteria determining the choice of this service provider[[44]](#footnote-44); * for each service provider / sub- contractor: roles/responsibilities/duties concerning these AML/CFT related functions, and name of the department(s) of the service provider /sub-contractor in charge of the outsourced function and the country where the service provider is located and/or where the service is performed; * requirement of being informed about any further sub-outsourcing and any related material changes | *(please provide a description of these outsourced operational tasks related to the AML/CFT activities here or in a dedicated document attached to this template)*  Click or tap here to enter text. |  |
| 10.2 | Detailed description of IT-systems involved (types and names): | Screening system (PEP, sanctions, payments, adverse media, etc.)  *[insert name]*  Transaction monitoring system  *[insert name]*  Other AML/CFT / KYC/ TFS system (e.g. video identification system)  *[insert name]* |  |
| 10.3 | Have either the Compliance / the Chief Compliance Officer (CCO) and/or the Compliance Officer in charge of the control of compliance with the professional obligations (RC) been involved in the outsourcing project? | Yes  No  *(if yes, please specify the degree of involvement of Compliance / the CCO, e.g. review of the outsourcing project, approval of the outsourcing project)*  Click or tap here to enter text. |  |
| 10.4 | Where certain AML/CFT training activities are outsourced to a service provider, has Compliance/the Chief Compliance (CCO) ensured (i) that the service provider has the required AML/CFT knowledge to guarantee the quality of the training to be provided, (ii) that the management conditions of the outsourcing are set and respected, and (iii) that the content of this training is adapted to the specific features of the concerned In-Scope Entity? | Yes  No  Not applicable |  |
| 10.5 | Has the staff from the service provider carrying out the outsourced AML/CFT functions been trained to Luxembourg legal and regulatory framework relating to AML/CFT/Sanctions? | Yes  No  Not applicable  *(please specify)* |  |
| 10.6 | Description of the controls implemented by the In-Scope Entity on the outsourced AML/CFT related functions, in the frame of the initial validation and the regular controls of the terms of this outsourcing project, in order to comply with Article 39 of RCSSF 12-02: | *(please provide a description of the implemented controls and whether they have been added to e.g. the annual Compliance Monitoring Plan)*  Click or tap here to enter text. |  |
| 10.7 | The outsourcing project will at no time prevent or restrain the In-Scope Entity in complying with its obligations resulting from Article 5 of the AML/CFT Law and Article 33(2) of the RCSSF 12-02: | Yes  No  *(please specify)* |  |
| 10.8 | Please confirm that the conditions of the Article 37 of the RCSSF 12-02 are met? | Yes  No  *(please specify)* |  |

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| --- |
| **Signatures of the authorised director(s)/manager(s) having reviewed and approved this notification**:  Name(s): Click or tap here to enter text.  Position(s): Click or tap here to enter text.  Signature(s):  Date: Click or tap to enter a date. |

1. Significant credit institutions shall also use this template to notify the ECB to the extent that no ECB specific notification template is available. [↑](#footnote-ref-1)
2. A Business Process Outsourcing (BPO) is an outsourcing that is not purely ICT in nature, i.e. the outcome of the BPO is primarily of a business nature, even in the case where the outsourced service is delivered by the service provider on IT systems used or managed by the same service provider. This is by opposition to a “pure” ICT outsourcing where the outcome is exclusively of an ICT nature (e.g. data storage, hosting services, system administration, etc.). [↑](#footnote-ref-2)
3. An ICT outsourcing means an arrangement of any form between the In-Scope Entity and a service provider (including of the same group) by which that service provider performs an ICT process, an ICT service or an ICT activity that would otherwise be undertaken by the In-Scope Entity itself. The services are pure ICT services in nature. [↑](#footnote-ref-3)
4. When resorting to a Luxembourg support PFS governed by Articles 29-1 to 29-6 LFS, the notice period is reduced to one (1) month. [↑](#footnote-ref-4)
5. If row 1.3.1 is relevant, please fill in rows 1.4 – 1.7 for the concerned In-Scope Entity(ies). [↑](#footnote-ref-5)
6. The LEI code is a twenty-digit alphanumeric company identifier that is being established as an international standard for companies in the financial market. The LEI code of the companies can be found on the website of the [Global Legal Entity Identifier Foundation](https://search.gleif.org/#/search/). [↑](#footnote-ref-6)
7. e.g. the Luxembourg Trade and Companies Register (RCS) number. [↑](#footnote-ref-7)
8. Please sign the notification template. [↑](#footnote-ref-8)
9. In this case, please clearly indicate the reference to the previous notification in point 2.3, and only indicate material changes throughout this template, compared to the information provided in the previous notification. [↑](#footnote-ref-9)
10. The category assigned by the In-Scope Entity that reflects the nature of the outsourced function, which shall facilitate the identification of different types of arrangements. [↑](#footnote-ref-10)
11. If ticked, please fill in also section 10 of this template. [↑](#footnote-ref-11)
12. Investment services and activities provided or performed in accordance with Annex II of the LFS. [↑](#footnote-ref-12)
13. For credit institutions and investment firms, please refer to point 120 of the Circular CSSF 12/552 as amended and point 118 of the Circular CSSF 20/758 as amended, which provide for specific requirements for the outsourcing of operational tasks of internal control functions. [↑](#footnote-ref-13)
14. Credit institutions wishing to outsource the operational tasks of their internal audit function must obtain and wait for their competent authority’s approval of their notification. [↑](#footnote-ref-14)
15. Applicable to credit institutions, payment institutions and electronic money institutions as well as POST Luxembourg, only when the requirements of points 61 to 63 of Circular CSSF 22/806 are applicable. [↑](#footnote-ref-15)
16. Only applicable to credit institutions. [↑](#footnote-ref-16)
17. *When planning to outsource the operational tasks of the internal audit function, the notification shall also include in particular the specific information provided for in point 125 of part II of Circular CSSF 12/552 as amended or point 122 of part II of Circular CSSF 20/758, as amended.*  [↑](#footnote-ref-17)
18. In case of AML/CFT outsourced related function, please fill also question 10.2. [↑](#footnote-ref-18)
19. Refer to point 18 and 19 of the Circular CSSF 22/806. [↑](#footnote-ref-19)
20. Refer to point 18.c. of the Circular CSSF 22/806. [↑](#footnote-ref-20)
21. Refer to point 19 of the Circular CSSF 22/806. [↑](#footnote-ref-21)
22. Refer to point 1.9) of the Circular CSSF 22/806. [↑](#footnote-ref-22)
23. This includes systems and data located at the service provider and those outsourced by the service provider to another service provider. [↑](#footnote-ref-23)
24. This includes systems and data located at the In-Scope Entity and those outsourced by the In-Scope Entity to another service provider. [↑](#footnote-ref-24)
25. e.g. the Luxembourg Trade and Companies Register (RCS) number or the identification number given by any other national trade and companies register or any other number (e.g. VAT number). [↑](#footnote-ref-25)
26. Country in which the parent's global operating headquarters are located. [↑](#footnote-ref-26)
27. The service provider shall comply with the applicable suitability requirements and shall have the appropriate and sufficient technical knowledge and experience. In particular, the service provider shall demonstrate an appropriate and up-to-date knowledge of the regulatory framework that applies to the In-Scope Entity. [↑](#footnote-ref-27)
28. Refer to point 75 of the Circular CSSF 22/806. [↑](#footnote-ref-28)
29. Refer to point 24 of the Circular CSSF 22/806. For the avoidance of doubt, the extent of the outsourcing of operational tasks of internal control functions must be in line with the relevant provisions on the internal control framework of In-Scope entities. [↑](#footnote-ref-29)
30. Credit institutions wishing to outsource the operational tasks of their internal audit function should also attach to their notification the information requested by the two final bullets of point 125 of part II of CSSF Circular 12/552. [↑](#footnote-ref-30)
31. Refer to point 25 of the Circular CSSF 22/806. [↑](#footnote-ref-31)
32. Please list the relevant agreements including Service Level Agreements (SLAs) with relevant service providers/sub-contractors throughout the outsourcing chain. [↑](#footnote-ref-32)
33. Refer to point 108 of the Circular CSSF 22/806. [↑](#footnote-ref-33)
34. Including IT KPIs. [↑](#footnote-ref-34)
35. e.g. SOC report, ISAE report. [↑](#footnote-ref-35)
36. Only applicable to existing outsourcing arrangements. This date relates to audits conducted by the internal audit department or any other additional qualified personnel of the In-Scope Entity, a joint team together with other clients of the same service provider (“pooled audit”), or a third party appointed by the In-Scope Entity to audit the service provider. [↑](#footnote-ref-36)
37. This date relates to audits to be conducted by the internal audit department or any other additional qualified personnel of the In-Scope Entity, a joint team together with other clients of the same service provider (“pooled audit”), or a third party appointed by the In-Scope Entity to audit the service provider. [↑](#footnote-ref-37)
38. Refer to point 8 of the Circular CSSF 22/806. [↑](#footnote-ref-38)
39. Refer to point 9 of the Circular CSSF 22/806. [↑](#footnote-ref-39)
40. Refer to point 83 of the Circular CSSF 22/806. [↑](#footnote-ref-40)
41. Refer to point 27 of the Circular CSSF 22/806. [↑](#footnote-ref-41)
42. Refer to point 28 of the Circular CSSF 22/806. [↑](#footnote-ref-42)
43. Only for credit institutions. [↑](#footnote-ref-43)
44. in accordance with article 37, paragraph (2) of the CSSF Regulation No 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended (**RCSSF 12-02**). [↑](#footnote-ref-44)