Notification of critical or important ICT outsourcing

## Context

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

1. planned, new critical or important outsourcing arrangements;
2. material changes to existing critical or important outsourcing arrangements; and
3. changes to outsourcing arrangements that lead to an outsourced function becoming critical or important.

## Scope of application

In-scope entities shall fill this notification template (the template) to notify the CSSF of a critical or important ICT outsourcing (ITO).

This template shall not be used in the following cases (negative scope), instead in-scope entities shall use the specific templates where available on the CSSF website[[1]](#footnote-1) for:

* Notification template for delegating critical or important UCI administration tasks;
* Notification template for outsourcing a critical or important business process (BPO);
* Support PSF licensed as per articles 29-3, 29-5 or 29-6 of the Law of 5 April 1993 on the financial sector (LFS) and their branches, for partial outsourcing of ICT operator services i.e. some management/operation of client ICT systems under points 124 and/or 125 of the Circular.
* Support PSF licensed as per article 29-3 of the LFS, intending to market services according to point 141.b. of the Circular.

## Instructions

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.

In the case (a) 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 (when resorting to a Luxembourg support PFS) before this date. In the cases (b) and (c) above, the notification shall be done by the in-scope entity without undue delay.

**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.**

# Project identification & in-scope entity details

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| --- | --- | --- | --- |
| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 1.1 | Project short title: |  |  |
| 1.2 | Internal reference *(optional)*: |  |  |
| 1.3 | Name of the in-scope entity(ies) submitting the notification:*You may submit this notification for multiple in-scope entities. In this case, fill questions 1.3 - 1.6 for each respective entity.* |  |  |
| 1.4 | In-scope entity identifier(s) assigned by the CSSF: |  |  |
| 1.5 | In-scope entity type(s):(*e.g. Bank, Investment firm, Specialised PFS, …*) |  |  |
| 1.6 | Decision-making body(ies):*Name(s) of the authorised director(s)/manager(s) having reviewed and approved this notification.* |  |  |
| 1.7 | Submission date to the administration: |  |  |
| 1.8 | Planned implementation date of the outsourcing project: |  |  |
| 1.9 | Description of the ICT outsourcing project:*Including a comparison of the current ICT set-up (“as is”), the planned future ICT set-up (“to be”) and the objective, scope, purpose, reason and detailed technical description of the function, types of software licenses acquired via the outsourcing, staffing, remuneration and fee structure.* |  |  |
| 1.10 | Outsourced ICT systems: | [ ]  Client facing system (e.g. ebanking)*[insert name]*[ ]  AML/KYC system*[insert name]*[ ]  Core Banking system*[insert name]*[ ]  Fund accounting system*[insert name]*☐ Transfer agent system*[insert name]*[ ]  Corporate accounting system*[insert name]*[ ]  Business intelligence / Datawarehouse*[insert name]*[ ]  Reconciliation system*[insert name]*[ ]  Centralised access management (Active Directory, IAM)*[insert name]*[ ]  Communication systems (Telephony, fax, video conferencing, chat system)*[insert name]*[ ]  Underlying ICT systems (database, middleware, backup, server OS, firewalls, etc.)*[insert name]* | [ ]  Payment system*[insert name]*[ ]  Customer relationship management (CRM) system*[insert name]*[ ]  Portfolio management system*[insert name]*[ ]  Risk management system*[insert name]*[ ]  Regulatory Reporting system (FinRep / CoRep)*[insert name]*☐ Customer support system*[insert name]*[ ]  Mail server*[insert name]*[ ]  File server / Document management*[insert name]*☐ Desktop virtualisation (VDI)*[insert name]*[ ]  Printing / scanning systems*[insert name]*[ ]  Office productivity systems (word processing, spreadsheets, presentations)*[insert name]* |  |
| Other: *[insert here]* |  |
| 1.11 | Reasons for assessment of criticality / importance:Justify the answer considering Section 4.1.2. of the circular CSSF 22/806[[2]](#footnote-2). |  |  |

# Contact details

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| --- | --- | --- | --- |
| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 2.1 | Contact person's full name: |  |  |
| 2.2 | Job title: |  |  |
| 2.3 | Business address: |  |  |
| 2.4 | Telephone number: |  |  |
| 2.5 | E-mail address: |  |  |

# ICT service provider(s) details / sub-contractor(s) details

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| --- | --- | --- | --- |
| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 3.1 | Name of the service provider(s):*e.g. In the case of cloud outsourcing, name of the cloud computing service provider. Information on the resource operator in this case is to be provided as from point 3.9* |  |  |
| 3.2 | Location and registered address of the service provider(s): | [ ]  Luxembourg[ ]  Other EEA Member State:*[insert here]*[ ]  Third country:*[insert here]*Registered address of the service provider:*[insert here]**[duplicate as necessary]* |  |
| 3.3 | Name of the competent authority supervising the service provider(s) (if applicable): |  |  |
| 3.4 | Ultimate parent name: |  |  |
| 3.5 | Ultimate parent country:*Country in which the parent's global operating headquarters are located.* |  |  |
| 3.6 | Name(s) and details of key 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]**(duplicate as necessary)* |  |
| 3.7 | *In the case of cloud outsourcing:*Identify the resource operator as defined in Circular CSSF 22/806:*The natural or legal person that uses the client interface to manage the cloud computing resources.* | [ ]  You *(notifying in-scope entity)*[ ]  Group entity – Corporate name: *[insert here]*[ ]  Third party – Corporate name: *[insert here]* |  |
| 3.8 | *In the case of cloud outsourcing:*Location and registered address of the resource operator: | [ ]  Luxembourg[ ]  Other EEA Member State: *[insert here]*[ ]  Third country:*[insert here]*Registered address of the service provider:*[insert here]**[duplicate as necessary]* |  |
| 3.9 | *In the case of cloud outsourcing:*Where several participants act as resource operators, explain the configuration with the different resource operators: |  |  |
| 3.10 | *In the case of cloud outsourcing:*Where the outsourcing arrangement involves several sub-contracted cloud computing service providers, explain the configuration with the different service providers: |  |  |

# Description of the ICT outsourcing project

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| --- | --- | --- | --- |
| ***Row*** | ***Information requirement*** | ***Response*** | ***Reserved for the CSSF*** |
| 4.1 | Scope of this notification: | [ ]  New, planned outsourcing arrangement of a critical or important function[ ]  The outsourced function has or will become critical or important[ ]  Material changes to the existing outsourcing arrangementReference to the previous submission, if applicable:*[insert here]*  |  |
| 4.2 | Intra-group outsourcing as defined in Part I Chapter 1. Definition 9 of Circular CSSF 22/806: | [ ]  Yes[ ]  No |  |
| 4.3 | Governing law of the outsourcing agreement(s), including with key sub-contractor(s) listed in point 3.6:*In the case of cloud outsourcing:*Provide details for the outsourcing agreement with the resource operator as well as for the outsourcing agreement with the cloud service provider. |  |  |
| 4.4 | Start date of the outsourcing agreement(s): |  |  |
| 4.5 | Notice period (in days) for the in-scope entity to exit the outsourcing agreement(s): |  |  |
| 4.6 | Notice period (in days) for the service provider to exit the outsourcing agreement(s): |  |  |
| 4.7 | Provide a list of all supervised (group) entities that sign the outsourcing agreement(s) (including the in-scope entity, if applicable): | Entity: Country: *[duplicate as necessary]* |  |
| 4.8 | *In the case of cloud outsourcing:*Contractual clauses – Outsourcing arrangement law and possibility for derogation (as defined in paragraph 143 of circular CSSF 22/806). The outsourcing agreement signed with the cloud computing service provider shall be subject to the law of one of the Member States of the EEA. In the case where the outsourcing agreement signed is a group contract aiming at allowing the in-scope entity as well as other entities of the group to benefit from the cloud computing services, the outsourcing agreement may also be subject to the law of the country of the signing group entity, including when this country is outside the EEA.Is the governing law of the outsourcing agreement in line with this statement? | [ ]  Yes – Outsourcing agreement is subject to the Law of a member state of the EEA[ ]  Yes – Group contract, subject to the Law of the country of the signing group entity[ ]  No If no, provide detailed arguments for the derogation request justifying the use of the cloud computing service provider and why in particular the governing law of the outsourcing agreement is not possible to be in line with this statement: *[insert here]* |  |
| 4.9 | *In the case of cloud outsourcing:*Contractual clauses – Resiliency of services and possibility for derogation (as defined in paragraph 143 of circular CSSF 22/806).The outsourcing agreement signed with the cloud computing service provider shall provide for a resiliency of the cloud computing services provided to the in-scope entity in the EEA. In this way, in case of spread of processing, data and systems over different data centres worldwide, at least one of the data centres shall be located in the EEA and shall, if necessary, allow taking over the shared processing, data and systems in order to operate autonomously the cloud computing services provided to the in-scope entity. If all data centres backing the cloud computing services are located within the EEA, the resiliency requirement for the cloud computing services in the EEA is by default fulfilled. In the case where the outsourcing agreement signed is a group contract aiming at allowing the in-scope entity as well as other entities of the group outside of the EEA to benefit from the cloud computing services, the resiliency in the EEA is not mandatory but recommended and should be considered in the in-scope entity's risk analysis.Is the resilience of services in line with this statement? | [ ]  Yes – At least one of the data centres is located in the EEA [ ]  Yes – Group contract, and the non-resiliency in the EEA has been considered in the risk analysis[ ]  No If no, provide detailed arguments for the derogation request justifying the use of the cloud computing service provider stating precisely the resiliency measures planned in case of this service provider’s failure or failure of connections allowing access thereto:*[insert here]* |  |
| 4.10 | Country / countries where the service is to be performed: |  |  |
| 4.11 | Country / countries where data will be stored / processed: |  |  |
| 4.12 | For each outsourced system, 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). |  |  |
| 4.13 | Where access to confidential data is granted to third parties (e.g. resource operator, group entity), the in-scope entity ensures compliance with the provisions of Article 41, paragraph 2a of the Law of 5 April 1993 (or Article 30, paragraph 2a of the Law of 10 November 2009). | [ ]  Yes[ ]  No[ ]  Not Applicable |  |
| 4.14 | Confirm that 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): | [ ]  Yes[ ]  No |  |
| 4.15 | *In the case of cloud outsourcing:*Cloud service model(s):In case of multiple (sub-outsourced) cloud service providers, specify which cloud service model is provided by which service provider. | [ ]  SaaS – Service provider name: *[insert here]*[ ]  PaaS – Service provider name:*[insert here]*[ ]  IaaS – Service provider name:*[insert here]*[ ]  Other, describe below:*[insert here]* |  |
| 4.16 | *In the case of cloud outsourcing:*Cloud deployment model(s): | [ ]  Private cloud[ ]  Community cloud[ ]  Public cloud[ ]  Hybrid cloud |  |
| 4.17 | *In the case of cloud outsourcing:*Confirm whether the cloud outsourcing project is in line with the 5 essential characteristics of a cloud infrastructure and the 2 specific requirements for cloud outsourcing.*As defined in paragraph 135 and 136 of Circular CSSF 22/806 as amended.* | 5 essential characteristics: [ ]  On-demand self-service[ ]  Broad network access[ ]  Resource pooling[ ]  Rapid elasticity[ ]  Measured service2 specific requirements:[ ]  No access to data by the cloud provider[ ]  No manual interaction by the cloud provider |  |
| 4.18 | *In the case of cloud outsourcing:*Details regarding the cloud officer:*The Cloud Officer* ***must be*** *an employee of the resource operator.* | Name: *[insert here]*Function/job title: *[insert here]* |  |
| 4.20 | The outsourced function supports business operations that are time critical (e.g. they need to be permanently available).  | [ ]  Yes[ ]  No |  |
| 4.21 | Indicate compliance with the following requirements: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:* Covered by point 28 of Circular CSSF 22/806 shall have, 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 the autonomous preparation of a balance sheet, a profit-and-loss statement, and client positions.
* Covered by point 80 of Circular CSSF 22/811 (i.e. UCI administrators) shall have a secure backup of all accounting and registrar positions in a readable format at the end of each NAV calculation day.

This backup shall be 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. | [ ]  Not applicable – Outsourcing of the accounting system is not subject to this notification[ ]  Not applicable – Accounting system is located inside Luxembourg[ ]  Yes – Accounting system backups are stored at the premises of the in-scope entity in the EEA[ ]  Yes – Accounting system backups are stored at the premises of a group entity in the EEA[ ]  Yes – Accounting system backups are stored at the premises of another service provider, different from the one to whom the accounting system is outsourced, in the EEA[ ]  No*Only if “No” is ticked, provide a description:* |  |

1. Or contact the CSSF agent in charge of the in-scope entity. [↑](#footnote-ref-1)
2. For further guidance refer to the FAQ on the CSSF website. [↑](#footnote-ref-2)