



How to improve EBA compliance with Ivalua

EBA Guidelines Webinar Sessions

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Speakers



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Content

1. Introduction – EBA guidelines
2. Results of the survey
3. Demo - Ivalua
4. Q&A

01

Introduction

EBA Outsourcing Guidelines

EBA outsourcing guidelines

Key focus areas

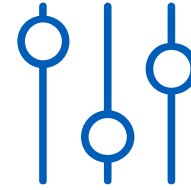
Control and governance framework

Outsourcing lifecycle management

Third party risk management (TPRM)



Proportionality & **Sufficient oversight** resources



Strict control and **governance framework** with detailed outsourcing policy



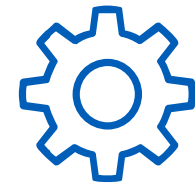
Understanding **Critical or important functions**



Detailed **third party risk** management



Exit Strategy for outsourced critical/important functions



Contingency Plans (substitute or re-integrate)

02

Results

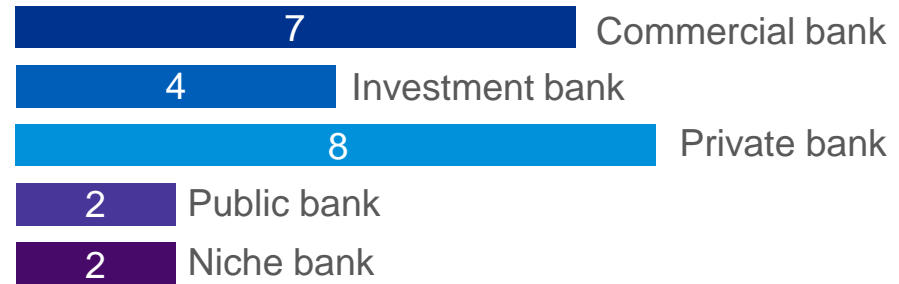
KPMG EBA survey 2021

Profile of Respondents

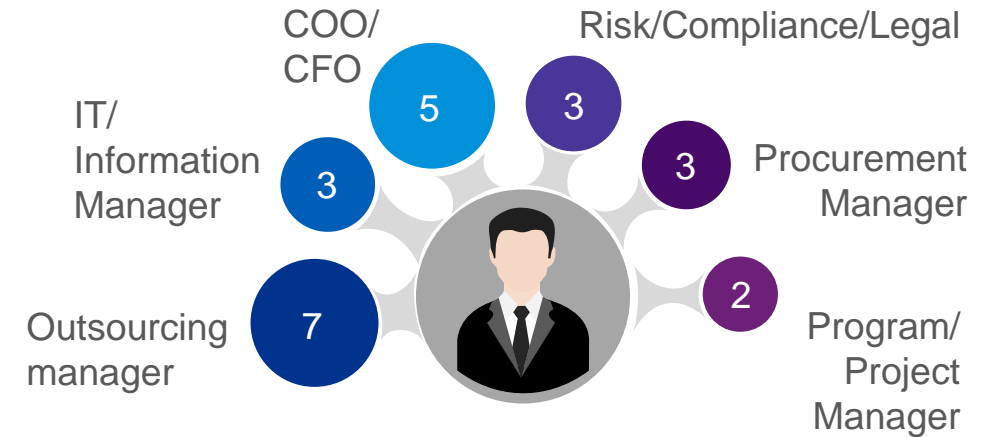
Split per country



Split per type of bank



Split per function



“70% of the survey respondents receives services from outside the EU/EEA”

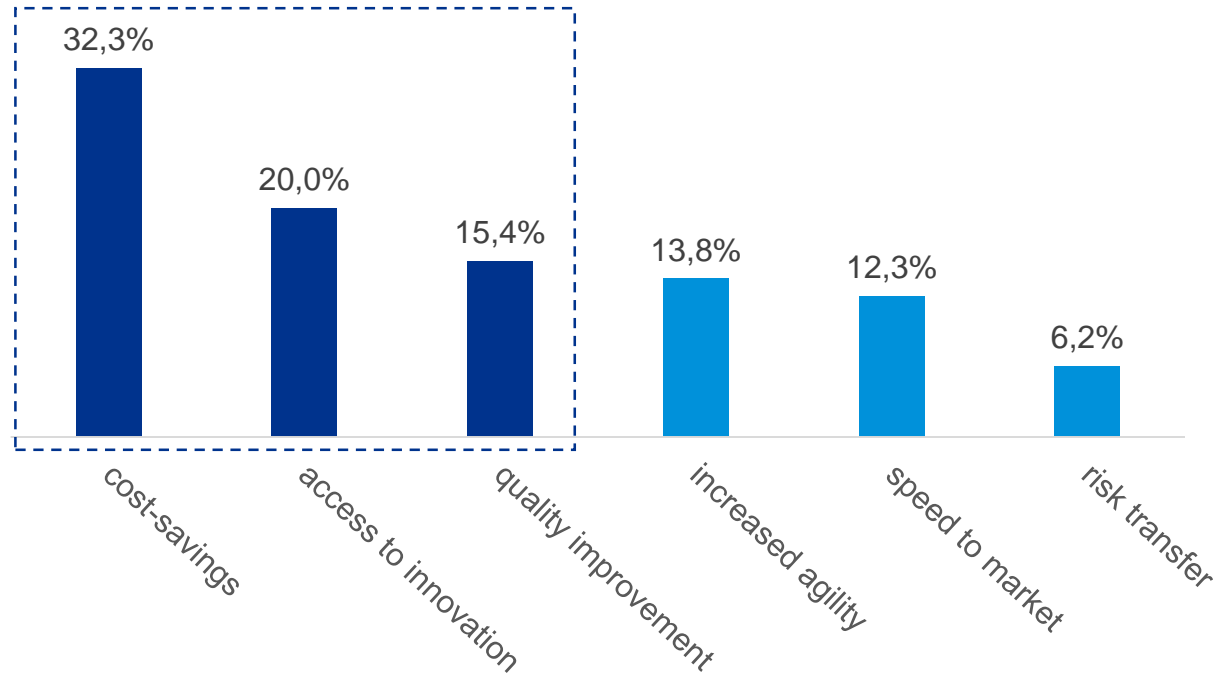
Key findings

Outsourcing objectives



“What are the **main objectives** within your company for outsourcing?”

Only 26% of respondents says they fully achieve these objectives

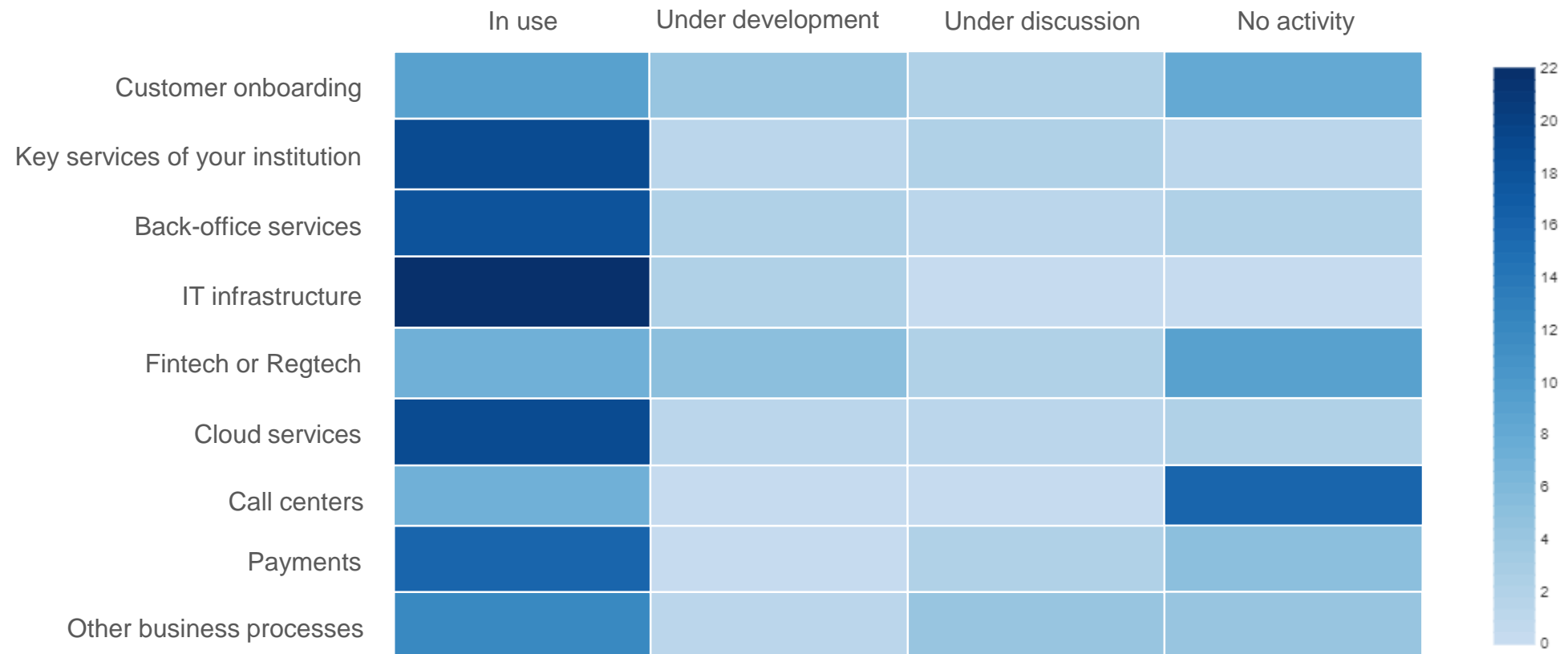


“Outsourcing is seen as a quick way to get access to innovation, quality improvement and cost reduction”

Outsourcing objectives



“What is the level of **involvement** at your company to use outsourcing solutions in the **following areas?**”



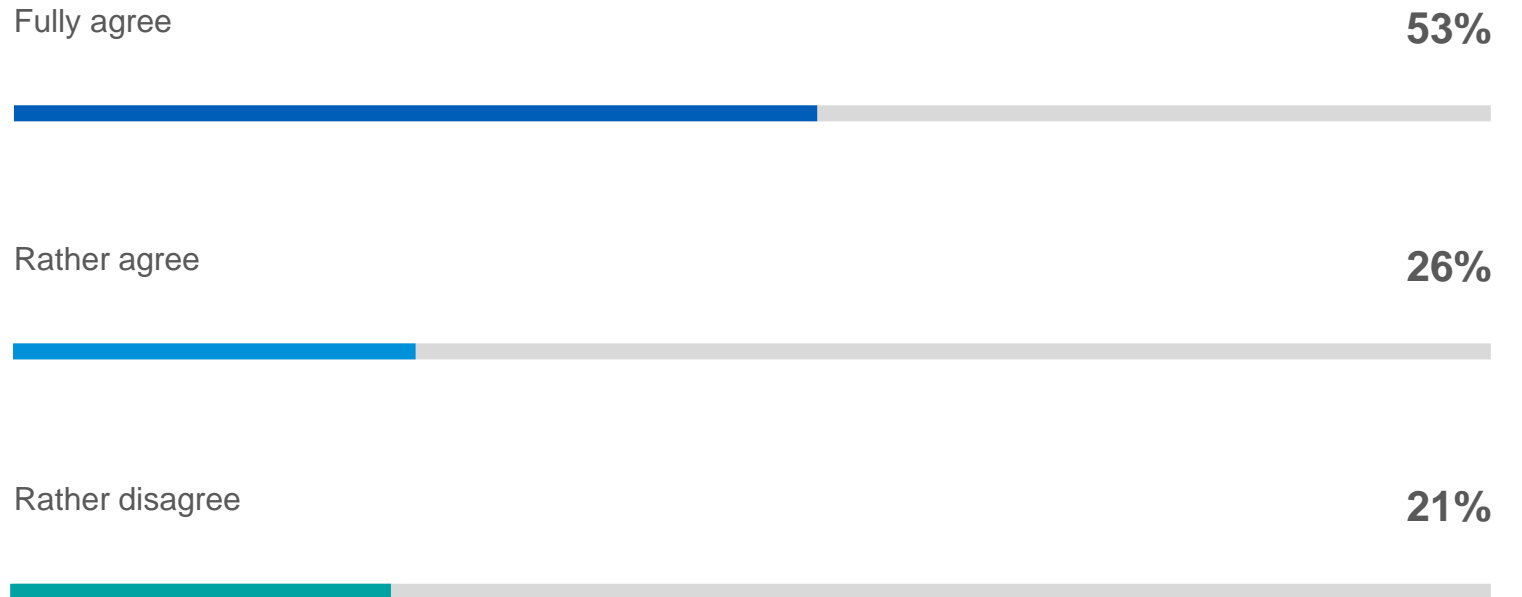
Outsourcing objectives



“All the banks that are part of a group structure engage in **intragroup outsourcing**”

19 out of **23** respondents engage in intragroup outsourcing

“Similar rules and requirements are applied to **intragroup outsourcing** arrangements as to outsourcing arrangements with external service providers.”



When looking at the 19 banks that engage in intragroup outsourcing:

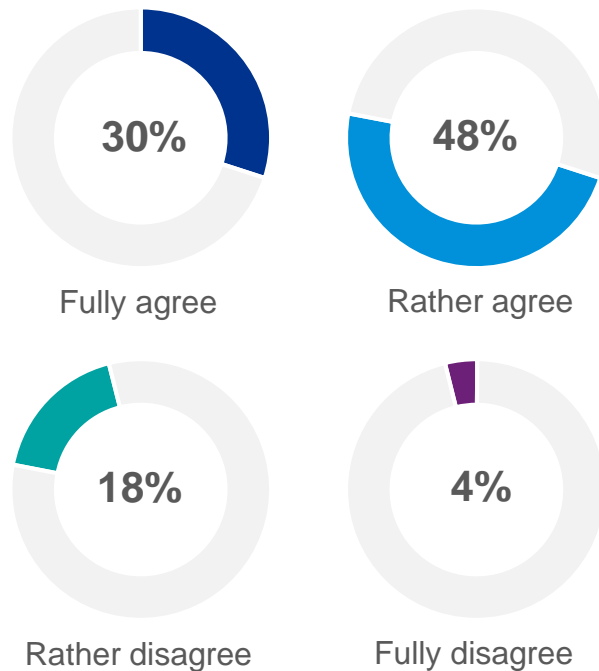
Key findings

Outsourcing guidelines confidence

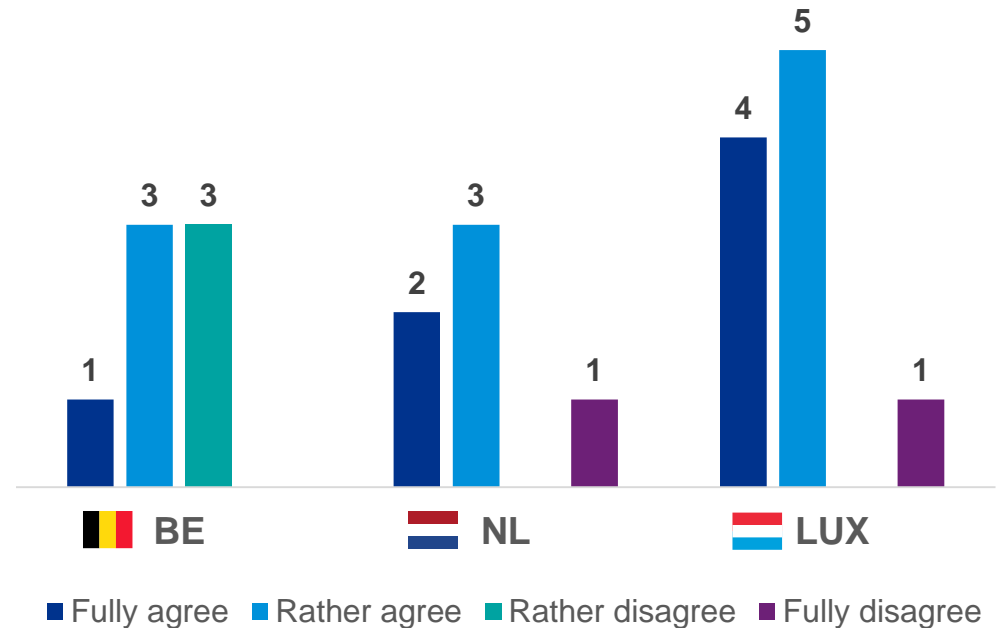


“Only 30% of respondents feels very confident their organization is **compliant** with the EBA outsourcing guidelines”

Total sample



Sample per country

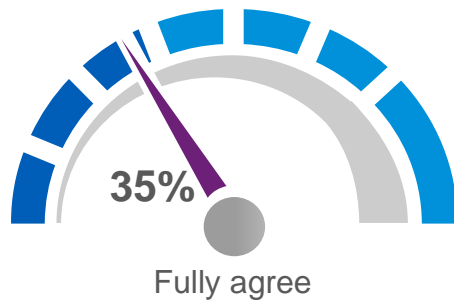
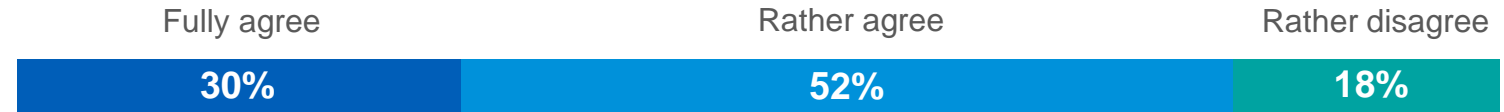


Key findings

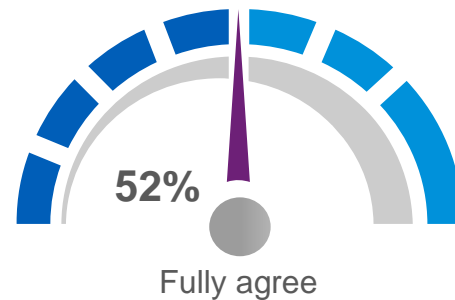
Control and governance framework



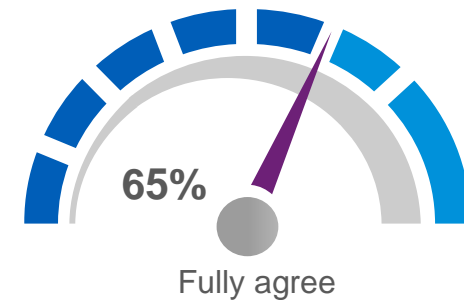
“You are able to **properly monitor, document, report and decide** on all key service providers.”



Management body yearly review of critical/important arrangements



Up-to-date outsourcing register



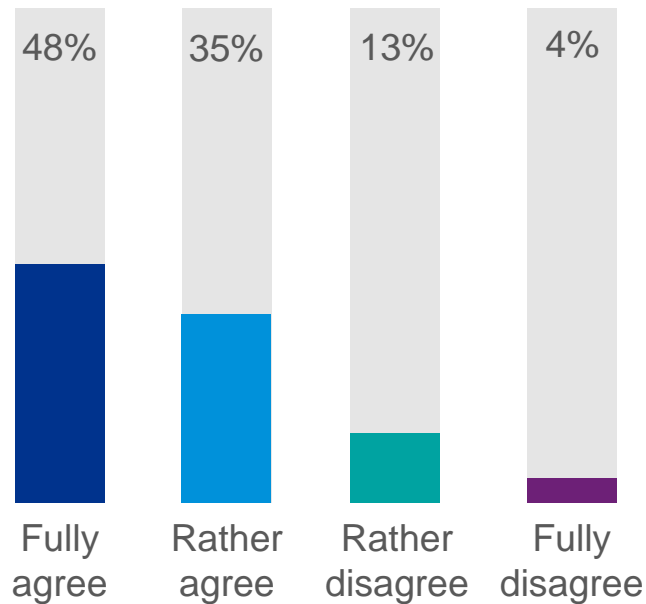
Clear responsibilities on documentation and control of outsourcing arrangements

Key findings

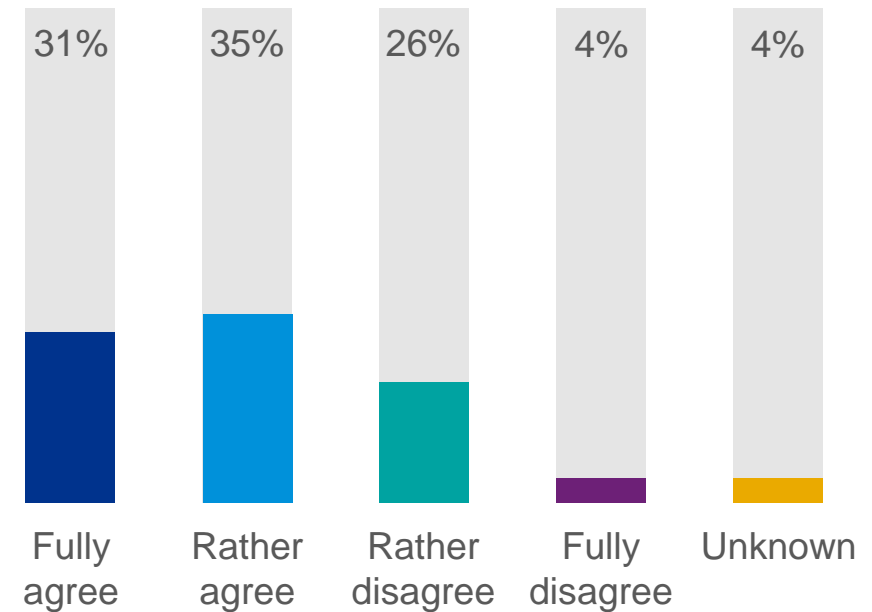
Outsourcing Lifecycle Management



“Appropriate **business continuity plans** with regard to the outsourcing of critical or important functions are in place and maintained.”



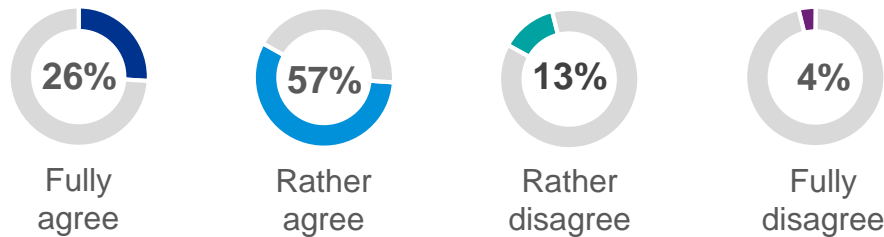
“For the outsourced critical or important functions (covering business processes and/or IT systems) a **documented exit strategy** exists.”



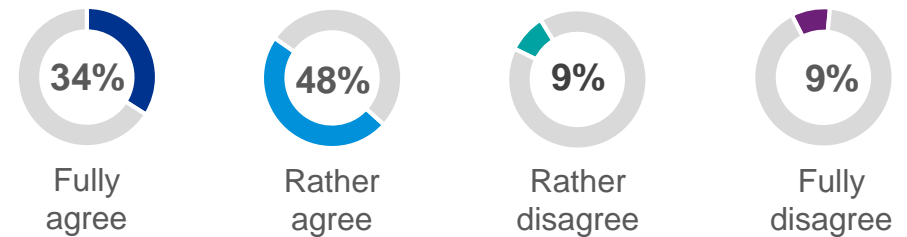
Outsourcing Lifecycle Management



“The outsourcing agreements between my organization and service providers are (if necessary adjusted and) **in accordance with the Outsourcing Guidelines** (including mandatory clauses).”



“The **performance** of the service providers with regard to all outsourcing arrangements is monitored on an ongoing basis.”



“Do you **actively test** (yearly or higher frequency) your critical business processes with the key services providers?”



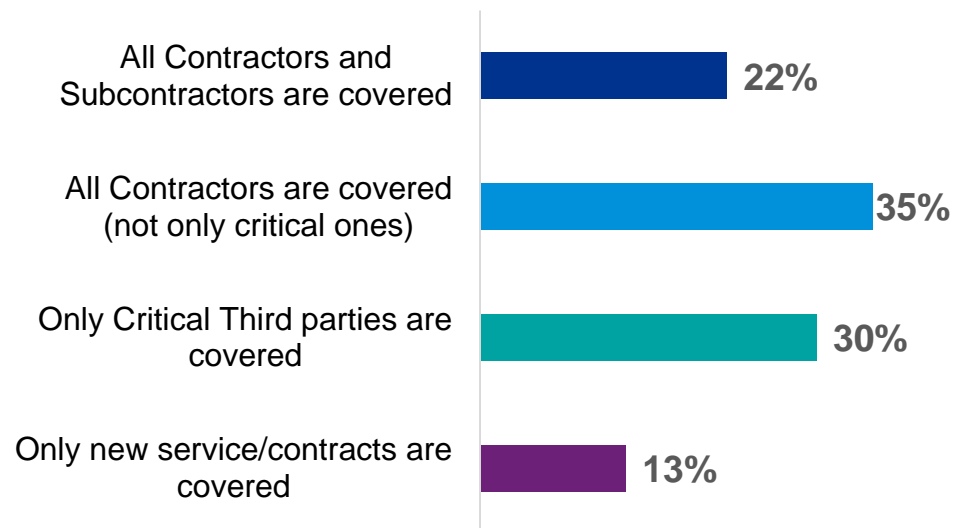
Key findings

Third Party Risk Management



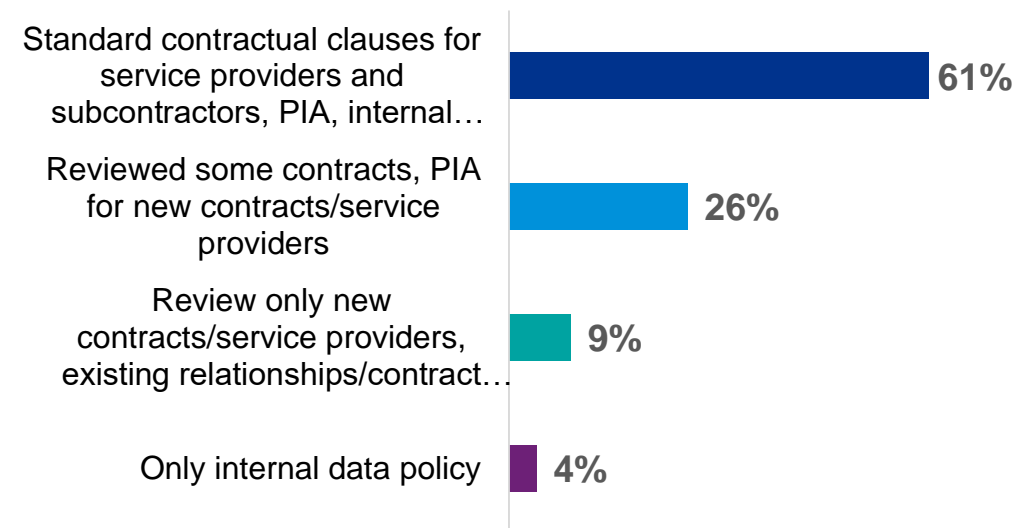
“How would you describe the **current risk coverage** of your contractors/subcontractors?”

None of the respondents chose the following option:
“All Contractors and Subcontractors and Subcontractors of Subcontractors (Fourth or Fifth parties) are covered”



“What level of **data protection safeguards** apply at your company?”

The majority of the banks in the sample chose the option which provides for the strongest data protection.



Control and governance framework



“Do you have a **selection process** and **criteria** in place to onboard service providers?”



87%



13%



“Is **procurement** involved from the beginning in the selection process?”



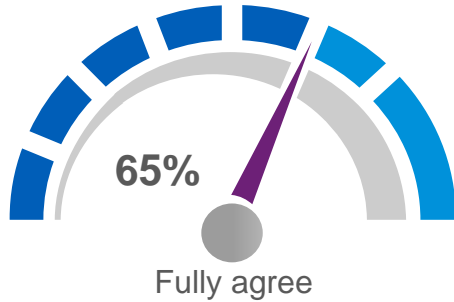
70%



30%

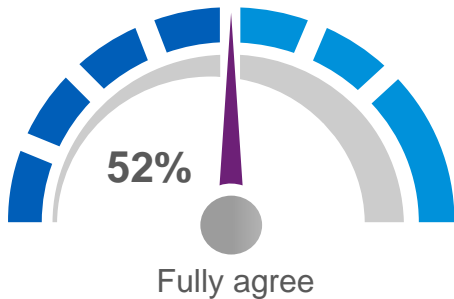


Outsourcing Lifecycle Management



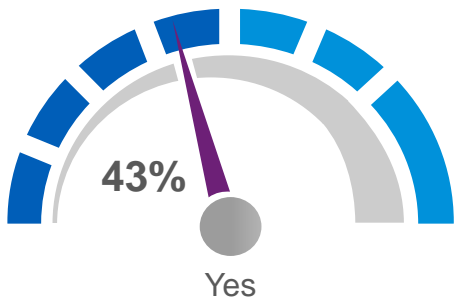
“**Predefined workflows and templates** are in place for the assessment, approval and onboarding of new service providers.”

None of the banks disagree with this statement.



“The **potential impact of outsourcing arrangements on operational risk** are assessed and taken into account when deciding if the function should be outsourced to a service provider.”

Almost all the banks (fully or partially) confirm that the potential impact is assessed and taken into account.



“Does your company rely on **external information** (e.g. Dun&Bradstreet, Ecovadis) to conduct a risk assessment?”

Challenges with regard to the Guidelines

“Which are the biggest challenges/questions regarding outsourcing compliance you have?”

Most challenges and questions are related to...





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