

[BSP CIRCULAR NO. 493, September 16, 2005]

OUTSOURCING THE OTHER BANKING FUNCTIONS

Pursuant to Monetary Board Resolution No. 1191 dated 08 September 2005, the Manual of Regulations for Banks (MORB) is hereby amended, as follows:

SECTION 1. Subsec. X169.3 Outsourcing of other banking functions of the MORB is hereby amended to read, as follows:

"Subject to prior approval of the Monetary Board, banks may outsource the following functions, services or activities:

x x x

14. BACK-UP AND DATA RECOVERY OPERATIONS; and

15. such other activities as may be determined by the Monetary Board.

THE BANK CONCERNED MUST SUBMIT THE SAME DOCUMENTARY REQUIREMENTS LISTED IN SUBSEC. X169.2B HEREOF, EXCEPT WHERE THEY EXCLUSIVELY PERTAIN TO INFORMATION TECHNOLOGY OPERATIONS.

Without need of prior Monetary Board approval, banks may outsource the following functions, services or activities:

x x x

15. LEGAL SERVICES FROM LOCAL LEGAL COUNSEL;

16. COMPLIANCE RISK ASSESSMENT AND TESTING;