

# Response Document

## Cross Industry Guidance on Outsourcing Consultation Paper CP 138



Yvonne Sadlier, 23<sup>rd</sup> July 2021

### Objective

Provide a response to the questions posed by the Central Bank of Ireland on the consultation paper CP138 regarding Cross Industry Guidance on Outsourcing.

Fire Financial Services Limited (Fire-EU) is regulated by the Central Bank of Ireland, Reference No: C58301. Registered address: The Observatory, 7-11 Sir John Rogerson's Quay, Dublin 2, Ireland. Registration No: 464819. Fire Financial Services Limited (Fire-UK) is authorised as an Electronic Money Institution by the Financial Conduct Authority, Reference No: 900983. Registered Address: The Rise, 41 Luke Street, London, United Kingdom, EC2A 4DP. Registration No: 11549793. This document is classified as private and confidential.

## 1 PSP information:

**PSP Information:** C58301

**Name of Institution:** Fire Financial Services Limited/fire.com

**Type of institution:** Payment Institution

**Contact person:** Yvonne Sadlier

**Position of contact person:** Risk and Compliance Officer

**Contact details (email, tel.no):** yvonne.sadlier@fire.com, 01-7991199

## 2 Central Bank of Ireland questions & Fire’s response

No.	Central Bank Question	Fire response
1	Are there are any aspects of the Guidance that are unclear? If so, please advise what these are and provide suggestions on the additional clarity required.	<p>The Firm welcomes the opportunity to respond to this consultation and appreciates the Central Bank of Ireland (‘CBI’) proposed efforts to improve cross industry guidance on outsourcing.</p> <p>One aspect of the CBI’s guidance that is unclear is that there are three different terms for determining the financial performance of an Outsourced Service Provider (‘OSP’) mentioned in Section 6 Due Diligence (financial situation, financial performance, and financial health). The Firm suggests there should be one consistent term used for this such as financial resilience/performance to avoid confusion.</p>
2	What, if any, are the other areas/topics that should be covered in the Guidance (specify sections) or in future versions of the Guidance?	The Firm do not propose any additional areas to be covered in the Guidance.
3	What, if any, are the significant issues /or concerns or unintended consequences that might arise due to the provisions of the Guidance?	<p>The Firm notes the additional requirements and timeline of implementation; however, this could cause issues for smaller firms. Given the comprehensive list of criteria required to determine criticality and importance of OSPs and the requirement for appropriate documentation and periodic reviews, this should depend on the nature, size and complexity of the regulated firm.</p> <p>The timeline for implementation, by the end of 2021, could cause concern for smaller firms as a result of limited negotiation power when dealing with big market dominating</p>

No.	Central Bank Question	Fire response
		<p>OSP. The Firm suggests a transitional implementation period, to allow firms to ensure full compliance in respect of OSPs, contractual arrangements etc.</p> <p>The requirement to carry out financial health monitoring each year for key OSPs may cause issues for firms as it can be difficult to get financial information on some OSPs. The Firm suggests that the interpretation of periodic review of key OSPs is determined by each firm based on a risk based approach.</p>
4	<p>The Central Bank has considered existing sector specific legislation and guidance as they pertain to outsourcing and is of the view that this Guidance serves to provide additional clarity on the Central Bank’s expectations and best practice when firms utilise outsourcing. Are there any particular aspects of the Guidance that appear to be at odds with existing sectoral requirements and could give rise to confusion/misinterpretation? If so, please provide details on any aspects which you believe may cause confusion and suggest how best to address such issues.</p>	<p>The Firm are not aware of any aspects of the draft guidance that are at odds with existing requirements.</p>