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**Response to Reserve Bank of New Zealand (Reserve Bank) Consultation Paper: Revised policy proposals for the review of the outsourcing policy for registered banks**

Thank you for the opportunity to review and provide feedback to the Reserve Bank on its outsourcing policy. As noted in the Consultation Paper, Microsoft provided a submission on the Reserve Bank's 2015 consultation paper.

Our previous submission strongly encouraged the Reserve Bank to use this consultation process to set out clearer guidance for banks on the adoption and use of emerging technologies and, specifically, cloud computing services. Microsoft proposed that the Reserve Bank consider adopting Safe Cloud Principles or issuing guidelines on the use of cloud computing services. Our submission provided examples of these for consideration. We reiterate that feedback again in this submission as we believe that clearer guidance related to the use of cloud and shared technology services would support the uptake of those services, which in turn would provide banks and their customers with a more advanced security risk management profile than on-premise or other hosted solutions.

We have provided additional feedback below to two of the specific questions asked in the Consultation Paper. In addition, we have attached for your consideration, *Microsoft's Response to APRA's Information Paper on Cloud*, which was recently published and has been well received in the financial services community. As noted in our attached APRA response, the APRA Information Paper, *Outsourcing involving shared computing services (including cloud)*, introduced a welcome rigour into the evaluation of cloud services for the Australian financial sector and provided important guidance for regulated entities in their assessment of cloud providers and cloud services.

Please note our offer below to engage and provide additional feedback on Section 82 of the Consultation Paper.

Kind regards,

Michael Brick

## Appendix four – submission table

Q1	
Q2	
Q3	<p>Additional services that should be considered for inclusion on the white list are:</p> <ul style="list-style-type: none"> <li>- Office productivity software/services, like email and word processing programmes</li> <li>- CRM software/services</li> </ul>
Q4	<p>Transition or back up arrangements can obviously be important for the maintenance of certain key systems, and with increased difficulty of transition comes increased risk. In particular though, we question the relevance of the 60 minutes switch over period. On what basis was this time period selected? Without more background on how/why the specific time period was selected, it appears to be unnecessarily restrictive, unrealistic and will likely have the effect of preventing banks from using otherwise valid technologies and systems whether those systems are on premises at a bank, or in the cloud.</p> <p>Microsoft does a lot of work in the area of resilience and back-up systems from a technological perspective. In fact we are a global expert in the redundancy of data centres; there are always two data centres in a geographic region for redundancy purposes. We would welcome the opportunity to engage with the Reserve Bank and have our resilience engineering team provide feedback on section 82 of the Consultation Paper to help make certain that that the back-up arrangements are robust, credible, and achievable.</p>
Q5	
Q6	
Q7	
Q8	
Q9	
Q10	
Q11	
Q12	
Q13	