

**From:** [Jonathan Pringle](#)  
**To:** [Cavan OConnor-Close](#); [Victoria Learmonth](#)  
**Cc:** [Hugh Smith](#); [Robertson, Alistair](#); [Middelkoop, Cheryl](#); [Julie Bottomley](#); [Loretta DeSourdy](#); [James Pearson](#); [Victoria Johnstone](#); [Michael Hendriksen](#); [Jo Sihamu](#); [Susan Ivory](#); [Anne Sim](#)  
**Subject:** RE: JOINT LARGE BANK SUBMISSION: THE OUTSOURCING POLICY FOR REGISTERED BANKS  
**Date:** Thursday, 6 July 2017 7:20:14 p.m.

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Cavan

Further to our submission last Friday, we have now considered any other limited potential changes to the Proposed Exposure Draft in the Joint Submission which have been raised during our work on the submission on the pro forma Conditions of Registration in Appendix I of the Exposure Draft.

In respect of the pro forma Conditions of Registration in Appendix I of the Exposure Draft that we submitted on 30 June 2017, we propose one minor correction:

- the wording of our submission on the Compendium (Condition 4) does not reflect the wording included in the Proposed Exposure Draft and suggest the following correction to the Condition:  
(b) the Bank must, **at least Annually**, obtain a review by the Bank's internal audit function or external reviewer to ensure that the Compendium is up-to-date.

In respect of our submission of 2 June 2017, we propose the following minor changes to the policy:

- the proposed forms for interaction with the Reserve Bank on outsourcing arrangements are treated in the same way as the White List and the List of Pre-Approved Functions and Services – i.e. published as a separate document cross-referenced from the policy, rather than Appendices within the policy document, which will allow the forms to be more easily updated for experience over time, with appropriate consultation;
- a new paragraph 6.2 should be added to record a process for changing the application forms along the following lines:

#### **6.2 Maintenance of the Application Forms**

- (1) A Bank may apply in writing to the Reserve Bank for a modification to be made to any of the Application Forms A, B or C. The Reserve Bank will make the final decision on such an application, in a timely manner and on a best-efforts basis.
  - (2) The Reserve Bank may also determine that a modification should be made to any of the Application Form(s).
  - (3) In the event that the Reserve Bank considers that a modification should be made to any Application Form under either (1) or (2) above, it will consult with all Large Banks thereon before making such a decision.
- the period for preparation of the Implementation Plan is extended by six weeks, to allow for the Christmas and New Year period - we support the provision of six **working** months

to develop the Implementation Plan, and are seeking to maintain this period, taking into account the difficulties for development and approval of the plan (re availability of staff and senior management for approvals) caused by the holiday season in New Zealand from mid-December to the end of January.

Please let us know if you require any clarification or further information on the above, or our earlier submissions.

Kind regards

Jonathan

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**Jonathan Pringle**

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