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2 June 2017

Victoria Learmonth
Prudential Supervision Department
Reserve Bank of New Zealand

By email:
Cc: Malcolm Bruce, CRO

Dear Victoria,

Exposure draft for BS11: the Outsourcing Policy

We are pleased to comment on the Exposure draft of BS11 issued in March 2017. We understand that the policy decisions have been made and that the aim at this stage is to achieve a clear policy document, which can be understood and applied consistently across all banks, external reviewers and Reserve Bank supervisors.

We appreciate the time that the Reserve Bank has invested in workshops with bank representatives during the consultation period. Our understanding of the Reserve Bank's expectations has benefitted from that engagement and the flowcharts discussed at those workshops.

We have reviewed and input to the revised Exposure Draft of the BS11 Outsourcing Policy prepared by the Australian owned banks, together with the suggested amendments to the White List and the Pre-Approved List (together, the Revised Exposure Draft). We understand that these documents also reflect other discussions with those banks.

We find the Revised Exposure Draft clearer and are pleased to support it.

We would welcome further engagement with the Reserve Bank and other bank representatives as the policy is finalised, particularly regarding the form that the final conditions will take.

If you have any questions regarding the above, please feel free to contact me on my mobile, [REDACTED]

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Liz Knight".

Liz Knight
General Manager Operational Risk and Compliance, Kiwibank Limited