

# INDUSTRY CHECKLIST FOR ASSESSMENT OF SERVICE PROVIDER - ANNUAL REVIEW

INVESTMENT MANAGEMENT ASSOCIATION OF SINGAPORE  
("IMAS")

12 OCTOBER 2016

## Checklist for Assessment of Service Provider - Annual Review

**Note:** The Monetary Authority of Singapore (“**MAS**”) requires a licensed entity in Singapore to evaluate its service providers against criteria set out in paragraph 5.4 of the MAS Guidelines on Outsourcing dated 27 July 2016 (the “**Guidelines**”). The Guidelines require the due diligence undertaken during the assessment process to be documented and re-performance at least on an annual basis as part of the monitoring and control processes of outsourcing arrangements. This checklist assists the customer to make the annual evaluation. We would appreciate if the Service Provider could complete the checklist and return it to the customer.

Name of Customer:	
Name of Service Provider: Address:	
Business Registration Number of the Service Provider:	
Nature of Business Activities outsourced to the Service Provider:	
Name of material sub-contractor(s) (if applicable):	
Business Registration Number of the material sub-contractor(s) (if applicable):	
List of cities where the outsourced service will be provided:	
List of cities where customer information will be stored or processed:	

Note: Please include details/remarks as annex as necessary

## **Annual Due Diligence of Service Provider**

(To be completed by Service Provider)

<b>Name of Service Provider:</b>	
<b>Address:</b>	
<b>Name of Respondent:</b>	
<b>Designation of Respondent:</b>	
<b>Contact Number of Respondent:</b>	
<b>Email Address of Respondent:</b>	
<b>Date:</b>	

**Note: Please answer the following questions with respect to the service that you will be providing us, in context of changes since the last review.**

**Section I Organisation Overview, Experience and Capability**

No.	Question	Yes/No/N.A.	If yes, provide details	Comments
1.	<p>Please provide details of any material change in information previously provided relating to:</p> <ul style="list-style-type: none"> <li>• Organisation chart showing your organisation and reporting structure, and any governance committee's organization</li> <li>• Total staff strength</li> <li>• Key personnel and team responsible for provision of the services (including turnover and your sub-contractors' employees)</li> </ul>			
2.	<p>Please provide details of any material change in your hiring and screening policies for employees.</p>			
3.	<p>Has there been any material change (not covered above) (e.g. Business strategy and direction, proportion of major shareholders, etc.) over the trailing 12 months, in circumstances (either internally or caused by external environment) which could have a material impact on the provision of the services by the firm?</p>			

## Section II Financial Strength and Resources

No.	Question	Yes/No/N.A.	If yes, provide details	Remarks
1.	What percentage of your firm's trailing 12 months revenue is generated by:  a) your largest single client; and  b) your largest 10 clients?			
2.	How will a failure of one or several of those clients or counterparties materially impact your financial stability?			
3.	Please provide the latest audited* financial statements of your firm.  *Only applicable where it is a statutory requirement for the firm to have audited financial statements			
4.	<b>(For regulated financial institutions only)</b> What are your regulatory capital requirements and current status in meeting these requirements?			

**Section III Corporate Governance, Business Reputation and Culture, Compliance, and Pending or Potential Litigation**

No.	Questions	Yes/No/N.A.	If yes, provide details	Remarks
1.	<b>(For regulated financial institutions only)</b> Has there been any change in your firm's regulatory status, principle regulator and organisation to which your firm is registered with or is a member of?			
2.	<b>(For regulated financial institutions only)</b> Has there been any material regulatory issues (e.g. licensing) or lapses relating to services rendered to us?			
3.	Have there been any material/significant compliance findings, breaches/lapses relating to the services rendered to us? If so, have they been resolved and how so?  Has there been any changes in the escalation processes of the firm?			
<p>The following questions should be answered in the context of:</p> <ul style="list-style-type: none"> <li>a) The firm;</li> <li>b) Directors /Principal officers/Senior Executives of the firm;</li> <li>c) Parent /Shareholders/Partners of the firm;</li> <li>d) Affiliates or subsidiaries or branches of the firm involved in service delivery of the services.</li> </ul>				
4.	<b>(For regulated financial institutions only)</b> Has any of (a) to (d) been subject to any pending or potential investigation, disciplinary action, complaint or been issued warning or reprimand by any regulatory body in the trailing 12 months?  If so, please describe the circumstances. What was done to remedy the situation?			

No.	Questions	Yes/No/N.A.	If yes, provide details	Remarks
5.	*Is any of (a) to (d) currently a party to any legal suits or regulatory actions or potential legal suits or regulatory actions?			
6.	Has there been any material changes to your firm's governance framework, including Compliance, Audit and Risk oversight?			

**Section IV Security and Internal Controls, Audit Coverage, Reporting and Monitoring Environment**

No.	Questions	Yes/No/N.A.	If yes, provide details	Remarks
1.	Please provide details of any material change in your controls which had been implemented pursuant to the risk assessment performed.			

No.	Questions	Yes/No/N.A.	If yes, provide details	Remarks
2.	<p>Has your firm been subject to any internal audit, external audit or regulatory inspection in the trailing 12 months? If yes, please detail any significant finding in relation to the services rendered to us and the status of resolution.</p>			
3.	<p>*Has there been any significant changes to policies and procedures relating to:</p> <ul style="list-style-type: none"> <li>• Protection of the confidentiality and security of customer information</li> <li>• Proper use, storage and disposal of customer information</li> </ul> <p>(This includes the ability to isolate and clearly identify customer's information and limiting access of customer information to authorised persons on a need-to-know basis.)</p>			
4.	<p>*Have there been any customer confidentiality or security breaches in the trailing 12 months in relation to services rendered to us? If yes, was this notified to us in a timely manner, and was it resolved and how so?</p>			
5.	<p>Has there been any independent review of the adequacy of your internal controls, customer confidentiality and security measures (e.g. ISAE 3402 or SSAE 16 certification) in the trailing 12 months?</p> <p>If yes, when was the last review and was any material finding issued?</p> <p>Please provide the latest copy of such review and/or report, if available.</p>			
6.	<p>Has your firm breached any terms in our Agreement and the prudent practices set out in the MAS Guidelines on Outsourcing, in particular to those relating to security and confidentiality, audit and inspection as well as BCM?</p>			



**Section V Disaster Recovery Arrangements and Disaster Recovery Track Record**

No.	Questions	Yes/No/N.A.	If yes, provide details	Remarks
1	<p>Has there been material changes in the following policies and procedures impacting services rendered to us?</p> <ul style="list-style-type: none"> <li>• BCP (including recovery time objective, recovery point objectives and offshoring)</li> <li>• Technology risk management</li> <li>• Information security</li> <li>• Data backup</li> </ul> <p>If material changes have been made, please provide a brief description of the key changes.</p>			
2	<p>Has there been a disaster or significant interruption in relation to services rendered to us? If yes, what measures were carried out?</p>			
3	<p>Has there been any of the following reviews/testing performed over the trailing 12 months? If yes, was any material findings/issues impacting services rendered to us?</p> <ul style="list-style-type: none"> <li>a) Independent review on security adequacy (including IT audit)</li> <li>b) Business continuity testing</li> <li>c) Business Impact Analysis</li> </ul>			

**Section VI Insurance Coverage**

<b>No.</b>	<b>Questions</b>	<b>Yes/No/N.A.</b>	<b>If yes, provide details</b>	<b>Remarks</b>
1.	Has your firm's insurance coverage been changed or updated over the last year?			
2.	Have any material claims been made against your firm's insurance policies? If so, please provide more details.			

**Section VII Information Technology, Confidentiality and Security**

No.	Questions	Yes/No/N.A.	If yes, provide details	Remarks
1.	Is your firm, in all material aspects, complying with the MAS Technology Risk Management Guidelines?			
2.	<p>Has there been material changes to your IT infrastructure (including use of dedicated hardware (i.e. servers/network devices) or cloud services?</p> <p>Has there been material changes to your system architecture involving multi-tenancy and data commingling for the services provided?</p> <p>If so, does your firm have tested control procedures (physical and IT) in place to (a) isolate and clearly identify the firm's customer information and (b) prevent unauthorized access and protect the confidentiality of such information?</p>			
3.	<p>Has there been material changes to the nature of cloud service being used (if applicable)?</p> <p>If so, does your firm have tested control procedures (physical and IT) in place to (a) clearly isolate and clearly identify the firm's customer information and (b) protect the confidentiality of such information?</p>			
4.	If there are procedures to securely destroy or remove the firm's customer information when the need arises, please provide details of any material change in such procedures.			

No.	Questions	Yes/No/N.A.	If yes, provide details	Remarks
5.	<p>Has there been material changes to the firm's policy around storage of sensitive data?</p> <p>Please indicate if there is any offshoring.</p> <p>Has there been a Threat and Vulnerability Risk Assessment performed on the physical security and environmental controls of the data centre over the trailing 12 months? If yes, what were the key risks and security issues raised and how were they addressed?</p>			
6.	<p>Please indicate if there are material changes in the performance of the below controls:</p> <p>(a) The activities of privileged accounts are logged and reviewed regularly.</p> <p>(b) Audit and activity logs are protected against tampering by privileged users.</p> <p>(c) Access to sensitive files, commands and services are restricted and protected from manipulation.</p> <p>(d) Integrity checks are implemented to detect unauthorised changes to databases, files, programs and system configuration.</p> <p>(e) Password controls for the systems and applications used in providing outsourced services are reviewed for compliance on a regular basis.</p> <p>(f) Access rights for the systems and applications used in providing outsourced services are reviewed for compliance on a regular basis.</p> <p>Has any lapse been identified in relation to services rendered to us in any of the above areas? If so, have they been resolved and how so?</p>			

**Section VIII Sub-contracting**

No.	Questions	Yes/No/N.A.	If yes, provide details	Remarks
1.	<p>Has your firm made any changes in relation to sub-contracting or outsourcing any parts of delivery of the services rendered to us?</p> <p>If yes, please name the parties and describe the services outsourced and indicate if there is any offshoring. Please also indicate the services which have been newly outsourced in the trailing 12 months.</p> <p>Was customer information disclosed to the sub-contractor other than on a need-to-know basis and commensurate with the requirements of the situation?</p>			
2.	<p>Has there been any significant changes in how your firm monitors the performance and risk management practices of your service provider(s) in relation to the services rendered to us?</p> <p>If yes, please describe how your firm ensures the quality of the work performed is in accordance to the service standards agreed with your customers.</p>			

**Section IX External Environment (such as the political, economic, social and legal environment)**

No.	Questions	Yes/No/N.A.	If yes, provide details	Remarks
1.	Are there any other material events or issues in any area not covered above which may have an impact on the provision of services to us by your firm? (This includes changes in applicable government policies, regulatory change etc.)			

Is there other information that your firm wishes to disclose to us? Please describe below.

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<p><b>Confirmation by Service Provider</b></p> <p>I confirm the information provided in this “Checklist for Assessment of Service Provider – Annual Review” is true and accurate.</p>	<p>Signature:</p> <p>Name:</p> <p>Designation:</p> <p>Date submitted:</p>
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Schedule *[Additional questions to consider to send to Service Provider, if applicable]*

No.	Additional Questions	Yes/No/N.A.	If yes, provide details	Remarks
1.	Has your firm's controls, policies and procedures around Prevention of Money Laundering and Combating the Financing of Terrorism changed over the last year?			
2.	<p>Has there been any control failure or adverse incident in relation to Prevention of Money Laundering and Combating the Financing of Terrorism over the last year?</p> <p>This may only apply where the outsourced service relates to processing of monies, employee or client take-on.</p>			
3.	<p>Does your firm have a Global Pandemic management plan in place? If yes, please describe your plan.</p> <p>This may not apply to everyone, particularly the smaller providers.</p>			
4	Do any business activities or affiliations of your firm potentially conflict with the interests of your firm or its customers? If so, please describe the potential conflicts and steps to address them.			
5	Has there been material changes to your firm's Anti-Bribery & Corruption policy? Has there been any breach of this policy in relation to services rendered to us?			

**For Internal Use Only**

**Evaluation of the Completed Questionnaire**

Section	Reviewer	Comment
Section I Organisation Overview, Experience and Capability		
Section II Financial Strength and Resources		
Section III Corporate Governance, Business Reputation and Culture, Compliance and Pending or Potential Litigation		
Section IV Security and Internal Controls, Audit Coverage, Reporting and Monitoring Environment		
Section V Disaster Recovery Arrangements and Disaster Recovery Track Record		
Section VI Insurance Coverage		
Section VII Information Technology, Confidentiality and Security		
Section VIII Sub-contracting		
Section IX External Environment (such as the political, economic, social and legal environment)		
Materiality Assessment of the Outsourced Business Activity	<b>Material / Not Material</b>  Where the materiality assessment has changed, please provide the rationale for the change:	
	Reviewer	



<p><b>Project Sponsor</b></p> <p>I confirm that I have assessed this outsourced activity in accordance to the risk management practices</p>	<p>Signature:</p> <p>(Head of Department)</p> <p>Name:</p> <p>Date of review:</p>
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<p><b>Section Head/ Managing Director</b></p> <p>I have reviewed the above and I</p> <p>(Please tick off the box)</p> <ul style="list-style-type: none"> <li><input type="radio"/> Concur</li> <li><input type="radio"/> Do not concur</li> </ul> <p>with the assessment.</p>	<p>Signature:</p> <p>Name:</p> <p>Date of review:</p>
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<p><b><u>Compliance Department</u></b></p> <p>Date of receipt of checklist:</p> <p><u>Comment (if any):</u></p>	<p>Signature:</p> <p>Name:</p> <p>Date of review:</p>
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