1. What do you consider the key challenges in identifying, managing and mitigating the risks relating to outsourcing and third-party relationships, including risks in sub-contractors and the broader supply chain?

   That the processes to maintain the security of the information of the data they handle are not managed according to the security protocols established in the contract.

   That at the financial institution level its internal audit unit consider conducting annual reviews to ensure that the subcontracted processes are being carried out according to the contract. That the risk management unit includes the management of possible operational risks of operations subcontracted with third parties.

   That an institution's dependence on a third-party increase, which could increase its risk profile.

   That access to information and data before a bank intervention process if the technology that supports the process, task or outsourced activity is in another jurisdiction (for example, the banking Core) and in that jurisdiction restricts the action to the third party so that the action of the regulator - auditor. Solution: the legal part must find a way, or it must include what can be done in the regulation, since it is impacted by MOUs with other governments.

   Have a risk map with suppliers and third parties of each of the banks or regulated.

2. What are possible ways to address these challenges and mitigate related risks? Are there any concerns with potential approaches that might increase risks, complexity or costs?

   That regulators establish the type of operations that financial entities require to request preliminary authorization before subcontracting a service to a third party and reviewing the agreement or contract. In relation to a service contracted with a related entity (intragroup), the regulator is also informed about it, as well as the sending of the signed service agreement. That the internal audit unit establish processes that ensure that said service complies with the provisions of the contract and the agreed internal control. That the risk management unit include in its vision the possible operational risks that may arise with the subcontracted entity.

3. What are possible ways in which financial institutions, third-party service providers and supervisory authorities could collaborate to address these challenges on a cross-border basis?

   That under the memorandums of understanding, assistance can be provided, to the extent that regulatory frameworks allow, with local regulators so that they can apply review processes to support foreign regulators. That the clauses of the service contracts signed by the entities contain clauses that allow the different regulators to carry out their evaluations during the supervision processes they carry out.

4. What lessons have been learned from the COVID-19 pandemic regarding managing and mitigating risks relating to outsourcing and third-party relationships, including risks arising in sub-contractors and the broader supply chain?

   We have learned that local regulations, standards and international frameworks on the matter have worked to mitigate risks, that there must be technological neutrality and that based on this, good governance must be started on this aspect, which is where as supervisors and Regulators must focus our efforts.

   On the other hand, contingency plans and business continuity must be in place that allow adjustments in the short term and allow the transition from face-to-face work to remote or remote work on the most critical operational processes. That the operational and managerial decision-making processes must be adjusted to be executed quickly and meet the priorities that have previously been defined in said plans.