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## EBA Outsourcing Solution

Delivering different better

2020

# Our EBA Outsourcing Solution

An overview

## The challenge

In September 2019, the European Banking Authority's (EBA) guidelines on outsourcing agreements came into effect. The new EBA guidelines create some logistical challenges, including implementing robust internal governance processes, maintaining documentation and includes clearly defined contractual requirements. Within the new rules are a set of requirements for outsourcing agreements: outlining what obligations and requirements must be met by financial institutions and outsourced service providers.

The guidelines will impact all financial institutions that are within the scope of the EBA's mandate. Since September 2019, it has been mandatory that all new agreements comply with the new guidelines. Moving forward, legacy agreements that are still in force will need to be reviewed by 31 December 2021 and updated in line with the guidelines to meet the new requirements.

## Our EBA Outsourcing Solution

To help businesses address the complex challenges posed by the new guidelines, we have developed a custom AI driven extraction and workflow-based EBA Outsourcing Solution.

Powered by Kira, our machine learning software has been trained to process outsourcing agreements and identify any terms that need to be updated in order to be compliant with the new guidelines: increasing efficiency and reducing costs in a project-managed environment. By supplementing our machine learning software with human review quality control, we maintain high levels of accuracy to ensure only relevant legal issues are sent to our teams for varying or re-drafting.

## Our solution combines:



Unrivalled **legal expertise** in financial services and technology



Flexible and **scalable resources** through our Legal Delivery Centre and FTI Consulting



Advanced **technology** utilising AI and machine learning



Robust **processes** and quality control methodologies

For more information on our solution, please contact:



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## Legal expertise

A global, full-service financial institutions and technology team



## Financial services regulatory

To stay ahead of the pack you need lawyers who are always learning about the latest developments, leading the debate on new regulations and constantly adapting to change.

Financial services outsourcing work has long been at the heart of our practice. We have **acted on many of the most significant financial services outsourcings** in recent years, for leading investment and fund managers.

This means we know where the market has been moving in strategic outsourcings over the last 10 years, from both a legal and commercial perspective. Having worked with many of the major service providers in the industry, we understand how they operate and the position.



## Excellent relationship with the regulators

Our extensive experience of dealing with regulators gives our clients the ability to **manage regulatory relationships in a constructive, timely and coordinated way.**

Collaboration with regulators, industry bodies and a broad reach of market participants means we share insight on how to interpret and apply new regulation, experience of existing regimes and a view of what is on the horizon.

Lobbying on behalf of our clients, we often **shape new legislation**, and the benefit of our foresight will allow you to anticipate and quell risks before they become issues.



## Technology

We work with some of the world's most dynamic businesses and tech disruptors. We help clients shape their business and we lead wider changes to make their industries and regulation fit for the future.

We have enhanced our delivery capability with the hire of a specialist **team of technology lawyers sitting within our financial institutions sector** who are experts at helping the financial services industry to implement innovative solutions; not just through client work, but from active involvement in sector initiatives and thought leadership in technology.

We are at the **forefront of advising regulated companies on the adoption of new technology.**



## Top tier and innovative

Our team is ranked **Band One** by Chambers across **Fintech, Payments, and Consumer Finance.**

The Financial Times recently ranked Hogan Lovells as **one of the top two most innovative law firms in Europe**, and awarded us with the **'Innovation in Collaboration'** award for our LIBOR Solution at the Financial Times Innovative Lawyers – North America 2019 awards.



# People

Flexible and scalable resourcing

Leveraging flexible and scalable resource through our Legal Delivery Centre and FTI Consulting, we have a deep pool of resources to ensure that classifications and decisions are made with the appropriate level of expert input.

## Advanced technology

Recognised as a leading global consulting firm, FTI Consulting is dedicated to helping organisations manage change, mitigate risk and resolve disputes. FTI brings together a team of legal subject matter experts, project managers, contract analysis professionals, platform and data technologists, and collection specialists.

## Legal expertise

Legal expertise delivered by Hogan Lovells with world class experience in financial services regulatory and technology law. With experienced lawyers across Europe, we have a deep understanding of the new EBA guidelines on outsourcing, allowing us to ensure high quality output throughout the process.

## Alternative resourcing

The Delivery Centre at Hogan Lovells has joined forces with Elevate and Cognia Law, acting as one delivery team to provide a seamless, end to end service. This enables us to leverage flexible and scalable resourcing, when you need it most.

This resource model provides:



### Cost efficiency

Using resources from our lower cost locations, we are able to reduce the overall costs of the project.



### Flexible and fungible

Enabling us to quickly scale up and down depending demand.



### Quality assurance

Experienced paralegals and qualified lawyers, working closely with Hogan Lovells to ensure high quality output (with stringent QA processes)



### Process driven

Experienced in delivering high volume repapering and outsourced negotiations to financial institutions, asset managers, and corporations.



### Multi-lingual resource

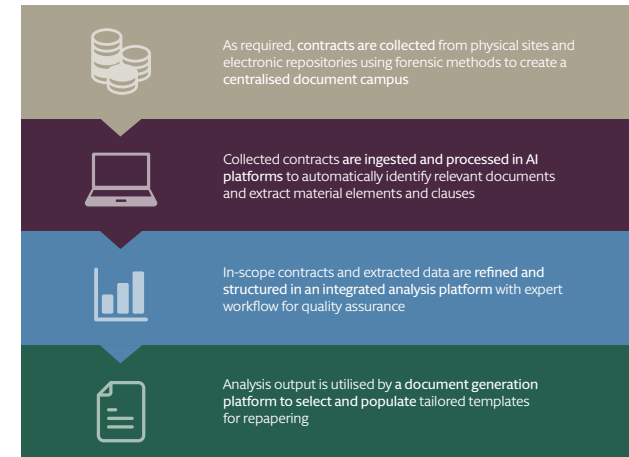
A wide range of language skills available on short notice.

# Advanced technology

AI and machine learning, powered by Kira

## An integrated end-to-end technology solution

Facilitated by people and process, we are able to configure an integrated solution, respond to data requests, and assure quality and data protection.



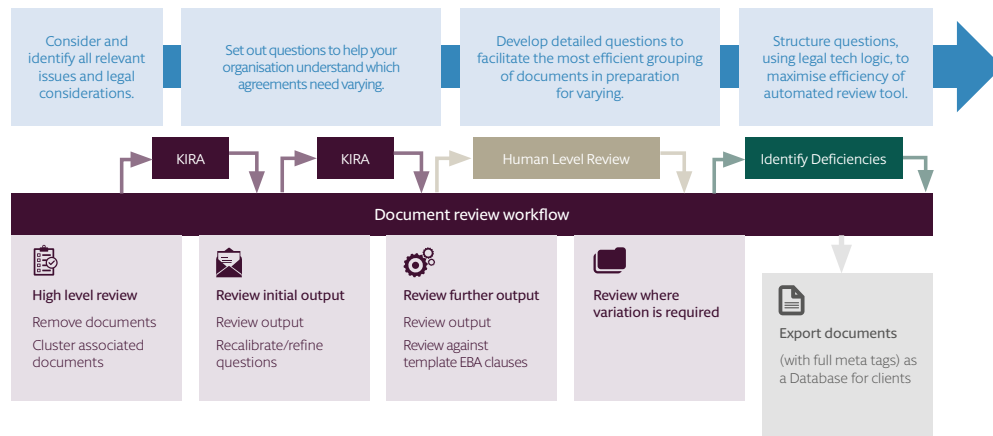
## Data collection methodologies include:



# Process

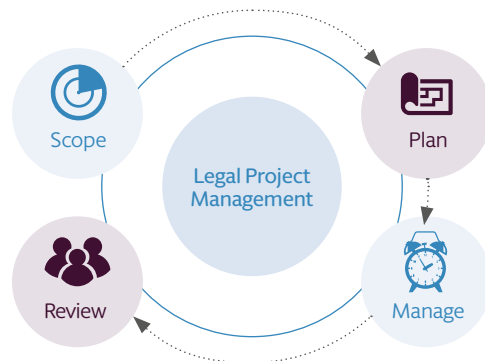
Robust workflow and quality control methodologies

The Process: Combining our people and technology to deliver your project



A hands-on approach to legal project management

- A top class team of Legal Project Management (LPM) professionals in place to work with clients and the firm on project efficiencies.
- The team provides hands-on project management, including assistance with delivery team structure, preparation of budgets and fee estimates, and tracking of time and costs on projects.
- Each project is broken down into four phases. Each phase has specific objectives, and we use practical and visually engaging tools to capture these objectives from you. We then communicate the plan and the status quickly, with a focus on managing expectations.
- We assign a dedicated Hogan Lovells legal project manager to each project from the outset.
- Using Hogan Lovells Collaborate, our secure online extranet service, we ensure clear communication and reporting throughout the project.



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Hogan [Lovells] have been participating in, engaging with, and setting the narrative around the impact of technology and the regulatory, legal aspects of that.

*Chambers FinTech, 2020*

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