



Reference: Guideline for Banks/  
BHC/T&L/CRA

October 5, 2018

To: Banks  
Bank Holding Companies  
Federally Regulated Trust and Loan Companies  
Cooperative Retail Associations

**Subject: Proposed changes to Guideline B-12: *Interest Rate Risk Management***

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OSFI is issuing proposed revisions to guideline B-12 *Interest Rate Risk Management*. The guideline, which was last issued in 2005, provides a risk control framework for managing interest rate risk to prudent level at institutions.

In April 2016, the Basel Committee on Banking Supervision (BCBS) published revisions to the framework for Interest Rate Risk in the Banking Book (IRRBB). OSFI's draft guideline incorporates most of the BCBS guidance to reflect changes in the market, the methods expected to be used by institutions for measuring, managing and monitoring IRRBB, as well as updates related to supervisory practices. OSFI is targeting implementation of the revised guideline for January 1, 2020.

Questions and comments concerning these changes may be sent to Leo Bozza, Senior Analyst, Capital Division by email at [leonardo.bozza@osfi-bsif.gc.ca](mailto:leonardo.bozza@osfi-bsif.gc.ca). A non-attributed summary of industry comments received along with OSFI's responses will be posted on OSFI's website when the final version of the guideline is released. Comments should be provided no later than November 19, 2018.

Yours truly,

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Assistant Superintendent  
Regulation Sector

