Letter

Title	Regulatory Notice on Culture Risk Management – letter
Category	Sound Business and Financial Practices
Date	November 21, 2024
Sector	Banks Foreign Bank Branches Life Insurance and Fraternal Companies Property and Casualty Companies Trust and Loan Companies

Today, OSFI released a regulatory notice on Culture Risk Management. It is effective immediately. It replaces and supersedes the draft Culture and Behaviour Risk Guideline we had previously published.

The regulatory notice reflects feedback from our public consultation on the draft guideline, adopting a flexible, principled-based approach and streamlining and simplifying expectations. In doing so, it focuses expectations around:

- Governance of culture risk.
- Fostering a desired culture.
- Enterprise-wide culture management.

We understand that institutions have unique cultures and there are varying approaches to managing culture risks. We expect that industry practices will evolve and mature over time. In lieu of a self-assessment tool, we have appended a set of questions for institutions to consider in their management of culture risks.