



Reference: Implementation Note &
Self-Assessment for
Banks/BHCs/T&Ls

Our File: P1320-2-2

December 22, 2005

To: Banks
Bank Holding Companies
Federally Regulated Trust and Loan Companies

**Subject: Operational Risk Assessment Process for TSA and AMA, and
Operational Risk Self-Assessment Template and Instructions**

Under the new Basel Framework¹, an institution wishing to implement the Standardized Approach (TSA) or the Advanced Measurement Approach (AMA) to operational risk must follow an assessment process to support its implementation and receive acceptance or approval, as appropriate, from OSFI.

The attached documents include:

- Implementation Note: Operational Risk Assessment Process for TSA & AMA
- Operational Risk Self-Assessment Template
- Operational Risk Self-Assessment Template Instructions

In the Implementation Note, OSFI has set out an assessment process that must be followed by banks applying either TSA or AMA to operational risk. It includes key dates and timelines, and details of submission packages to OSFI.

As part of the assessment process, TSA and AMA institutions are required to submit a self-assessment to OSFI. Institutions must complete the attached self-assessment template and will use the attached instructions to guide their completion of this template.

¹ *International Convergence of Capital Measurement and Capital Standards: a Revised Framework* published by the Basel Committee on Banking Supervision in June 2004.



Questions and comments may be addressed to Abhilash Bhachech via email at abhilash.bhachech@osfi-bsif.gc.ca or by telephone at (416) 973-6654.

Julie Dickson
Assistant Superintendent
Regulation Sector