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To: Federally Regulated Financial Institutions

**Subject:** Planning for a possible influenza pandemic

In recent months increasing attention has been paid to the possibility of an outbreak of avian flu. At this stage, public health experts cannot predict whether an easily communicable human strain of “avian flu” will result in a serious outbreak of influenza in the near future. However, it is important that financial regulators and institutions be aware of the issues raised by a potential pandemic event for business continuity and resilience practices.

The Office of the Superintendent of Financial Institutions (OSFI) is closely monitoring the responses of governments and industry groups to the threat of a pandemic. In addition, OSFI is discussing approaches to pandemic planning with domestic and international regulatory agencies to develop an understanding of challenges associated with and possible best practices in relation to pandemic planning.

OSFI expects financial institutions to review their business continuity plans and consider the adequacy of those plans for dealing with a potential pandemic. Financial stress testing should also take account of a potential pandemic. OSFI believes an institution’s board of directors and senior management should understand the possible implications of a pandemic on the institution’s operations and financial condition, and should review the institution’s preparedness plans. This will be an area of increasing focus in OSFI’s supervisory reviews.

Going forward, OSFI will continue to communicate its thinking and expectations on pandemic preparedness as appropriate. Questions regarding this letter can be directed to your OSFI Relationship Manager or Brian Kogan at (416) 973-4379 or by e-mail at [brian.kogan@osfi-bsif.gc.ca](mailto:brian.kogan@osfi-bsif.gc.ca).

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