



Microsoft has published guidance to help financial institutions in Canada with cloud adoption.

Microsoft and OSFI

To help guide financial institutions in Canada considering outsourcing business functions to the cloud, Microsoft has published [Navigating your way to the cloud: A compliance checklist for financial institutions in Canada](#). By reviewing and completing the checklist, financial organizations can adopt Microsoft business cloud services with the confidence that they are complying with applicable regulatory requirements.

When Canadian financial institutions outsource business activities, they must comply with the B-10 Guidelines for [Outsourcing of Business Activities, Functions, and Processes](#) published by the Office of the Superintendent of Financial Institutions (OSFI), as well as Canadian privacy laws, including the [Personal Information Protection and Electronic Documents Act](#) (PIPEDA).

The Microsoft checklist helps Canadian financial firms conducting due-diligence assessments of Microsoft business cloud services and includes:

- An overview of the regulatory landscape for context.
- A checklist that sets forth the issues to be addressed and maps Microsoft Azure, Microsoft Dynamics 365, and Microsoft 365 services against those regulatory obligations. The checklist can be used as a tool to measure compliance against a regulatory framework and provide an internal structure for documenting compliance, as well as help customers conduct their own risk assessments of Microsoft business cloud services.

Microsoft in-scope cloud services

- Azure
[Learn more](#)
- Dynamics 365
[Learn more](#)
- Microsoft 365
[Learn more](#)

How to implement

- **Compliance checklist: Canada**
Financial firms can get help in conducting risk assessments of Microsoft business cloud services.
[Learn more](#)
- **Privacy in Microsoft Cloud**
Get details on Microsoft privacy principles and standards and on privacy laws specific to Canada.
[Learn more](#)
- **Risk Assessment & Compliance Guide**
Create a governance model for risk assessment of Microsoft cloud services, and regulator notification.
[Learn more](#)
- **Industry use cases for Azure**
Use case overviews, tutorials, and other resources to build Azure solutions for financial services.
[Learn more](#)

About the OSFI

The [Office of the Superintendent of Financial Institutions](#) (OSFI) is an independent agency of the Government of Canada responsible for the prudential regulation and supervision of federally regulated financial institutions and pension plans in Canada.

In its oversight role, OSFI published the B-10 Guidelines for [Outsourcing of Business Activities, Functions, and Processes](#). They established “prudent practices, procedures, or standards” for federally regulated financial institutions to evaluate and manage the risk associated with outsourcing their business to a service provider. A subsequent OSFI memorandum, [New technology-based outsourcing requirements](#), reminded these institutions that the B-10 Guidelines remain current and that they must meet OSFI expectations for material outsourcing arrangements.

In addition, the use of cloud services by financial institutions must comply with the [Personal Information Protection and Electronic Documents Act](#) (PIPEDA), and in some instances, provincial data privacy laws.

Frequently asked questions

Is regulatory approval required?

No. There is no requirement for prior notification, consultation, or approval. The use of public cloud computing is permitted, subject always to compliance with OSFI requirements.

Are there any mandatory terms that must be included in the contract with the cloud services provider?

Yes, but only if the outsourcing arrangement is a material outsourcing or if it involves any transfer of personal information to the cloud service provider.

The [OSFI B-10 Guidelines](#) indicate that OSFI expects a financial institution to design a risk management program that applies to all of its outsourcing arrangements, with risk mitigation commensurate with the associated risks. However, only material outsourcing arrangements need to be documented by a written contract that addresses safeguards identified in the guidelines. Part 2 of the Microsoft [checklist](#) (page 53) maps these against the sections in Microsoft contractual documents where they are addressed.

Additional resources

[Microsoft and Canadian privacy laws](#)

[Microsoft Financial Services Compliance Program](#)

[Microsoft business cloud services and financial services](#)

[Financial services compliance in Azure](#)

[Azure Financial Services Cloud Risk Assessment Tool](#)