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Office of the Superintendent of Financial Institutions

121 King Street West

Toronto, Ontario M5H 3T9

Attention: culture@osfi-fsif.gc.ca

Subject: Draft Office of the Superintendent of Financial Institutions (“OSFI”) Culture and Behaviour Risk Guideline

State Street Trust Company Canada (“SSTCC”) and State Street Bank and Trust Company – Canada Branch (“Canada Branch”) welcome the opportunity to comment on OSFI’s Draft Culture and Behaviour Risk Guideline (the “Guideline”).

State Street Bank and Trust Company (“State Street”), SSTCC’s and Canada Branch’s parent headquartered in Boston, Massachusetts is a global custody bank which specializes in the provision of financial services to institutional investor clients. This includes investment servicing, investment management, data and analytics and investment research and trading. With \$36.7 trillion in assets under custody and administration and \$ 3.5 trillion in assets under management, State Street globally operates in more than 100 geographic markets. In Canada, State Street provides global custody and local financial services through its wholly owned subsidiary, SSTCC, a Canadian federal trust company, as well through Canada Branch as a Schedule II foreign bank branch of State Street.

We support OSFI’s Guideline and agree that behaviour and culture risk management is very important to financial institutions’ ability to effectively manage both non-financial and financial risks. In addition, OSFI’s principles-based (non-prescriptive) approach in the draft Guideline is appropriate, particularly the focus on governance; promotion and reinforcement of desired culture and expected behaviours; and the identification, assessment and management of behaviour and culture related risks.

Lastly, as a small/medium sized FRFI, we support the principle that the “Governance structures should be appropriate and proportional to the size, nature, scope, complexity of operations, strategy and risk profile of the FRFI”.

Please feel free to contact me at rbaille@statestreet.com should you wish to discuss the contents of our letter in greater detail. We welcome the opportunity to further engage with OSFI on this topic and we stand ready to provide whatever assistance may be appropriate.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Baillie', with a stylized flourish at the end.

Robert Baillie
President and CEO

cc: Mr. John Sledziewski, Lead Supervisor and Manager
Mr. Geoff Behm, Managing Director and Chief Financial Officer
Mr. Dennis Hunt, Chief Risk Officer
Ms. Tracy Sweet, Chief Compliance Officer