

# Oracle Contract Checklist for the Office of the Superintendent of Financial Institutions (OSFI) Guideline B-10

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The information in this document was current as of December 2022.



## Overview

Oracle has developed this document as a part of its continuing efforts to help financial services customers in Canada meet their obligations, particularly under Guideline B-10 on Outsourcing of Business Activities, Functions and Processes (Guideline B-10) published by the Office of the Superintendent of Financial Institutions (OSFI), relating to the use of Oracle Cloud Infrastructure (OCI) and Oracle Cloud Applications<sup>1</sup>. We want to make it easier for you as a federally regulated financial institution to identify the sections of the Oracle cloud services contract that may help you address the standards set out in Guideline B-10. In this document, you will find a list of specific provisions under Guideline B-10, along with a reference to the relevant section(s) of the Oracle cloud services contract and a short explanation to help you conduct your review of the Oracle cloud services.

The Oracle cloud services contract includes the following customer-specific components, all of which are referenced in this document:

- **Oracle Cloud services agreement** – an Oracle Cloud Services Agreement (CSA) or Oracle Master Agreement (OMA) with Schedule C (Cloud)
- **FSA** – The Oracle Financial Services Addendum to the Oracle Cloud Services Agreement (CSA) or Master Agreement (OMA) with Schedule C (Cloud)
- **Ordering Document** – Oracle Cloud services order
- **Services Specifications** – Service-specific components, including the [Oracle Cloud Hosting and Delivery Policies](#) with applicable [Services Pillar Document\(s\)](#)
- [Oracle Data Processing Agreement](#)

## Regulation Background

OSFI is an independent agency of the Canadian government that supervises and regulates federally registered financial institutions in Canada. As part of its role as a regulator, OSFI publishes guidelines that it expects financial institutions to follow. The guideline on outsourcing arrangements, Guideline B-10, was first issued by OSFI in 2001 and last revised in 2009. It sets out expectations for federally regulated entities (FREs) that outsource business activities to service providers. These expectations serve as prudent practices, procedures or standards that should be applied according to the characteristics of the outsourcing arrangement and the circumstances of each entity.

In April 2022, OSFI released a new Draft Guideline B-10 on Third-Party Risk Management (Draft Guideline), which is intended to replace the current Guideline B-10. OSFI completed a public consultation on the Draft Guideline and is expected to issue a final version in due course.

For information on financial services regulations in other jurisdictions please visit <https://www.oracle.com/corporate/cloud-compliance/>.

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<sup>1</sup> Oracle Advertising SaaS services and NetSuite services are not included in the scope of this document.



| NO. | GUIDELINE B-10 REFERENCE | DESCRIPTION                                                                                                   | REFERENCE TO ORACLE CLOUD SERVICES CONTRACT                                                                   | ORACLE EXPLANATION                                                                                 |
|-----|--------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| 1.  | Section 7.2.1            |                                                                                                               | Cloud services agreement                                                                                      | The Oracle Cloud services agreement addresses all elements of the services arrangement.            |
| 2.  | Section 7.2.1(a)         |                                                                                                               | Ordering Document<br>Service Descriptions                                                                     | The services ordered are described in the Ordering Document and the relevant Service Descriptions. |
| 3.  | Section 7.2.1(a)         | The contract is expected to detail the physical location where the service provider will provide the service. | Ordering Document<br>Cloud Hosting and Delivery Policies Overview and Section 4.1.3<br>Oracle Affiliates List |                                                                                                    |
| 4.  | Section 7.2.1(b)         |                                                                                                               | Cloud Hosting and Delivery Policies Section 3                                                                 |                                                                                                    |

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| 5. | Section 7.2.1(c) | <p>The contract is expected to specify the type and frequency of information the FRE receives from the service provider. This would include reports that allow the FRE to assess whether the performance measures are being met and any other information required for the FRE's monitoring program. In addition, the contract is expected to include procedures and requirements for the service provider to report events to the FRE that may have the potential to materially affect the delivery of the service.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>FSA Sections 6.2.2 and 7<br/>         Cloud Hosting and Delivery Policies Sections 1.12, 3.2.2, 4.1 and 5.2.1<br/>         DPA Section 8.2 and Exhibit 1 Section 4.2</p>                                                    | <p>As noted in row 4 above, customers can monitor the availability of Oracle cloud services online.</p> <p>Section 7 of the FSA states that Oracle provides support for cloud services through a cloud customer support portal. Service notifications and alerts relevant to cloud services are posted on this portal and include notification of circumstances that can reasonably be expected to have a material impact on the provision of the services.</p> <p>Other reporting and notification provisions are set out in the Cloud Hosting and Delivery Policies (see Sections 1.12, 3.2.2, 4.1 and 5.2.1), the FSA (see Section 6.2.2) and the DPA (see Section 8.2 and Exhibit 1 Section 4.2).</p> <p>Additionally, as a listed company Oracle is subject to standard disclosure obligations on matters relevant to the public market.</p> |
| 6. | Section 7.2.1(d) | <p>OSFI expects the contract to incorporate a protocol for resolving disputes. The contract should specify whether the service provider must continue providing the service during a dispute and the resolution period, as well as the jurisdiction and rules under which the dispute will be settled.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>FSA Section 10<br/>         CSA Section 14<br/>         OMA Section 13</p>                                                                                                                                                  | <p>Section 10 of the FSA sets out the process for resolving disputes between the parties and states that while the parties endeavour to resolve a dispute they must refrain from exercising any termination rights and continue to perform their respective obligations under the agreement.</p> <p>Section 14 of the CSA or Section 13 of the OMA (as applicable) specifies the governing law of the agreement and the court that has jurisdiction in respect of any dispute arising out of or in relation to the agreement.</p>                                                                                                                                                                                                                                                                                                                 |
| 7. | Section 7.2.1(e) | <p>The contract is expected to specify what constitutes a default, identify remedies, and allow for opportunities to cure defaults or terminate the agreement. The FRE is expected to ensure that it can reasonably continue to process information and sustain operations in the event that the outsourcing arrangement is terminated or the service provider is unable to supply the service. Appropriate notice should be required for termination of service and the FRE's assets should be returned in a timely fashion. In particular, data and records relating to data processing outsourcing arrangements should be returned to the FRE in a format that would allow the FRE to sustain business operations without prohibitive expense.</p> <p>The contract should not contain wording that precludes the service from being continued in situations where the Superintendent takes control of the FRE, or where the FRE is in liquidation.</p> | <p>CSA Section 9<br/>         OMA Schedule C Section 9<br/>         FSA Sections 3, 4 and 9<br/>         DPA Section 9<br/>         Cloud Hosting and Delivery Policies Section 6<br/>         Services Pillar Document(s)</p> | <p>Termination rights and related notice periods are set out in:</p> <ul style="list-style-type: none"> <li>• Section 9 of the CSA or Section 9 of Schedule C to the OMA (as applicable)</li> <li>• Section 3 of the FSA</li> <li>• Section 6 of the Cloud Hosting and Delivery Policies</li> <li>• the relevant Services Pillar Document(s)</li> </ul> <p>Provisions relating to post-termination data retrieval and transition are set out Section 4 of the FSA, Section 6 of the Cloud Hosting and Delivery Policies and Section 9 of the DPA.</p> <p>Section 9 of the FSA sets out a process to allow the cloud services to continue to be provided for a limited period following the occurrence of a resolution event in respect of the customer, subject to certain conditions.</p>                                                        |

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| 8.  | Section 7.2.1(f) | <p>Identification and ownership of all assets (intellectual and physical) related to the outsourcing arrangement should be clearly established, including assets generated or purchased pursuant to the outsourcing arrangement.</p> <p>The contract should state whether and how the service provider has the right to use the FRE's assets (e.g., data, hardware and software, system documentation or intellectual property) and the FRE's right of access to those assets.</p>                                                                                                                                                                                                                                                                                                                                                                                                     | <p>CSA Sections 3.1 and 3.3<br/>OMA Schedule C Sections 3.1 and 3.3</p>       | <p>Section 3.1 of the CSA or Section 3.1 of Schedule C to the OMA (as applicable) states that the customer retains all ownership and intellectual property rights in and to its content and applications and that Oracle retains all ownership and intellectual property rights to the cloud services and to anything developed or delivered by or on behalf of Oracle under the agreement.</p> <p>Section 3.3 of the CSA or Section 3.3 of Schedule C to the OMA (as applicable) states that the customer grants Oracle the right to host, use, process, display and transmit the customer's content to provide the services in accordance with the agreement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 9.  | Section 7.2.1(g) | <p>The contract should outline the service provider's measures for ensuring the continuation of the outsourced business activity in the event of problems and events that may affect the service provider's operation, including systems breakdown and natural disaster, and other reasonably foreseeable events. The FRE should ensure that the service provider regularly tests its business recovery system as it pertains to the outsourced activity, notifies the FRE of the test results, and addresses any material deficiencies. The FRE is expected to provide a summary of the test results to OSFI upon reasonable notice. In addition, the FRE should be notified in the event that the service provider makes significant changes to its business resumption and contingency plans or encounters other circumstances that might have a serious impact on the service.</p> | <p>FSA Sections 5 and 7<br/>Cloud Hosting and Delivery Policies Section 2</p> | <p>Section 5 of the FSA confirms that Oracle will maintain a business continuity program with the objective of maintaining Oracle's internal operations used in the provision of cloud services and will monitor, test and review the implementation and adequacy of the program annually. It further states that Oracle will, on prior notice from the customer and no more than once per calendar year, make available to the customer via web conference or on Oracle premises, in a guided manner, a summary of Oracle's business continuity program and applicable test information.</p> <p>Section 2 of the Cloud Hosting and Delivery Policies describes Oracle's service continuity strategy and data back-up strategy.</p> <p>Oracle also maintains a resiliency framework for its operations and carries out regular resiliency testing. Further information can be found in the Oracle Risk Management Resiliency Program data sheet available at:<br/><a href="https://www.oracle.com/a/ocom/docs/corporate/oracle-risk-management-resiliency-program-ds.pdf">https://www.oracle.com/a/ocom/docs/corporate/oracle-risk-management-resiliency-program-ds.pdf</a></p> <p>Section 7 of the FSA states that the service notifications and alerts relevant to cloud services are posted on the cloud customer support portal and that these include notifications of circumstances that can reasonably be expected to have a material impact on the provision of the services.</p> |
| 10. | Section 7.2.1(h) | <p>The contract is expected to clearly stipulate the audit requirements and rights of both the service provider and the FRE. At a minimum, it should give the FRE the right to evaluate the service provided or, alternatively to cause an independent auditor to evaluate, on its behalf, the service provided. This includes a review of the service provider's internal control environment as it relates to the service being provided.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>FSA Section 1<br/>CSA Section 23.8<br/>OMA Schedule C Section 14.4</p>     | <p>Section 1 of the FSA grants customers and their auditors full access to all relevant business premises and data used for providing the cloud services, as well as unrestricted rights of inspection and auditing related to the cloud services, in each case as specified in the FSA.</p> <p>Section 23.8 of the CSA or section 14.4 of Schedule C to the OMA (as applicable) sets out Oracle's rights to audit a customer's use of the cloud services.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



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| 11. | Section 7.2.1(h) | <p>The contract should give OSFI or its representative the right to:</p> <ul style="list-style-type: none"> <li>• exercise the contractual rights of the FRE relating to audit;</li> <li>• accompany the FRE (or its independent auditor) when it exercises its contractual audit rights;</li> <li>• access and make copies of any internal audit reports (and associated working papers and recommendations) prepared by or for the service provider in respect of the service being performed for the FRE, subject to OSFI agreeing to sign appropriate confidentiality documentation in form and content satisfactory to the service provider; and</li> <li>• access findings in the external audit of the service provider (and associated working papers and recommendations) that address the service being performed for the FRE, subject to the consent of the service provider's external auditor and OSFI agreeing to sign appropriate confidentiality documentation in form and content satisfactory to the service provider and the external auditor.</li> </ul> | FSA Sections 1.9 and 2                                                                                                    | <p>Section 2 of the FSA sets out the audit and access rights of customers' financial services regulators. Section 2.7 specifies that where required and as permitted by applicable law or regulation, Oracle will provide a customer's financial services regulator with necessary information, including summaries of reports and documents, regarding the activities outsourced to Oracle.</p> <p>Section 1.9 of the FSA states copies of attestations and audit reports are available upon request.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 12. | Section 7.2.1(i) | <p>The contract is expected to set out any rules or limitations to subcontracting by the service provider. In particular, security and confidentiality standards should apply to subcontracting or outsourcing arrangements by the primary service provider. The audit and inspection rights of the FRE and OSFI should continue to apply to all significant subcontracting arrangements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>FSA Sections 1.1, 2.1 and 6.1<br/> DPA Sections 4.1 and 6.2<br/> CSA Section 17.2<br/> OMA Schedule C Section 14.2</p> | <p>Section 6.1 of the FSA contains a general written authorisation for Oracle to engage subcontractors that may assist in the performance of the services. If Oracle subcontracts any of its obligations under the services contract:</p> <ul style="list-style-type: none"> <li>• it will enter into a written agreement with the subcontractor reflecting, to the extent required based on the specific role of the subcontractor, obligations that are consistent with Oracle's obligations under the relevant terms of the services agreement, including relating to confidentiality and data security,</li> <li>• any such subcontracting will not diminish Oracle's responsibility towards the customer under the services agreement, and</li> <li>• Oracle will provide appropriate governance and oversight of the subcontractor's performance.</li> </ul> <p>Section 4.1 of the DPA states that any third party subprocessors or Oracle affiliates that process personal information will be subject to the same level of data protection and security as Oracle under the terms of the services agreement</p> |



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|     |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                     | <p>and Oracle remains responsible for the performance of their obligations in compliance with the DPA and applicable data protection law. Section 6.2 of the DPA confirms that third party subprocessors are subject to appropriate written confidentiality arrangements, including confidentiality agreements, regular training on information protection, and compliance with Oracle policies concerning protection of confidential information.</p> <p>Please also refer to Section 17.2 of the CSA or Section 14.2 of Schedule C to the OMA (as applicable).</p> <p>Sections 1.1 and 2.1 of the FSA confirm that the audit rights granted to customers and their regulatory authorities under the FSA also apply in respect of Oracle's strategic subcontractors.</p>                                                                                                                                                                                                                                                                                                                                   |
| 13. | Section 7.2.1(j) | <p>The contract is expected to set out the FRE's requirements for confidentiality and security. Ideally, the security and confidentiality policies adopted by the service provider would be commensurate with those of the FRE and should meet a reasonable standard in the circumstances. The contract should address which party has responsibility for protection mechanisms, the scope of the information to be protected, the powers of each party to change security procedures and requirements, which party may be liable for any losses that might result from a security breach, and notification requirements if there is a breach of security.</p> <p>OSFI expects appropriate security and data confidentiality protections to be in place. The service provider is expected to be able to logically isolate the FRE's data, records, and items in process from those of other clients at all times, including under adverse conditions.</p> | <p>CSA Sections 4 and 5</p> <p>OMA Schedule C Sections 4 and 5</p> <p>Cloud Hosting and Delivery Policies Section 1</p> <p>DPA Sections 6 and 8</p> | <p>Sections 4 and 5 of the CSA or Sections 4 and 5 of Schedule C to the OMA (as applicable) set out Oracle's obligation to keep confidential and protect confidential information.</p> <p>Section 1 of the Cloud Hosting and Delivery Policies describes Oracle's information security practices including physical security safeguards, system and data access controls, encryption and training. It confirms that a customer's content is logically or physically segregated from the content of other customers hosted in the Oracle Cloud Services environments and that all Oracle Public Cloud networks are segregated from Oracle's Corporate networks.</p> <p>Section 6 of the DPA sets out Oracle's obligation to implement and maintain appropriate technical and organisational security measures for the processing of personal information designed to prevent accidental or unlawful destruction, loss, alteration and unauthorised access or disclosure. Section 8 of the DPA describes Oracle's incident management and notification procedures in the event of a personal data breach.</p> |
| 14. | Section 7.2.1(k) | The contract should fully describe the basis for calculating fees and compensation relating to the service being provided.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ordering Document                                                                                                                                   | The services fees are set out in the Ordering Document.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 15. | Section 7.2.1(l) | The service provider should be required to notify the FRE about significant changes in insurance coverage and disclose general terms and conditions of the insurance coverage.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Ordering Document                                                                                                                                   | Oracle generally takes out and maintains certain insurance coverages. Through insurance and/or operating cash, Oracle is able to pay the limits on liability set out in the services agreement. Oracle can specify applicable insurance coverage and limits in the Ordering Document and, upon request, provide copies of relevant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |





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|     |               |                                                                                                                                                                                                                                                                                                      |                   | memoranda of insurance, certificates of insurance and/or and broker letters, as applicable.                        |
| 16. | Section 7.2.2 | In accordance with the federal financial institutions legislation, certain records of entities carrying on business in Canada should be maintained in Canada. In addition, the FRE is expected to ensure that OSFI can access in Canada any records necessary to enable OSFI to fulfill its mandate. | Ordering Document | The customer may specify in the Ordering Document the data centre region applicable to the ordered Cloud services. |