

SECURITIES INDUSTRY BUSINESS CONTINUITY TEST

Saturday, October 5, 2013

Coordinated by

Securities Industry and Financial Markets Association

and

Financial Information Forum

VERSION DATE: 8/27/2013



TEST OVERVIEW

- ❑ Test Date: Saturday, October 5, 2013
- ❑ Objective: Exercise and verify the ability of firms, markets and utilities to operate through an emergency using backup sites, recovery facilities and backup communications capabilities across the industry
- ❑ This is a test of market connectivity that includes some processing interactions but is not a full test of internal systems of firms and exchanges

TEST SCOPE

❑ Test components

Equities	DTCC	FedWire	Futures
Fixed Income	Omgeo	CHIPS	Treasury Auctions
Options	Market Data	SWIFT	FX
Commercial Paper			

- ❑ Firms will transmit dummy orders to markets and receive simulated execution reports and will conduct certain settlement and payment interactions.
- ❑ Firms will conduct test transactions with payment systems.
- ❑ Firms will receive and verify market data through connections at their backup sites.
- ❑ SIFMA will compile and publish aggregate test results based on input from exchanges. Results for individual participants will remain strictly confidential.

TEST FORMAT

- ❑ The testing window will be open from 9:00 a.m. to 1:00 p.m. Eastern Time on 10/5 but exchanges and markets will remain open for a reasonable period after 1:00 p.m. to resolve issues with individual participants if necessary. Exchanges and markets will announce their specific test windows within the 9:00 a.m. – 1:00 p.m. window.
- ❑ Exchanges and markets will provide time for pre-test setup on test day prior to the test windows. Setup schedules will be announced in the documentation for each exchange or market.
- ❑ Firms will submit two orders for each of several designated symbols on each exchange/market using real symbols and real accounts. Firms will receive execution reports from the markets.

TEST FORMAT (continued)

- ❑ Exchanges and markets may make their own specific modifications to the general test format.
- ❑ Firms will conduct specified interactions with payment entities.
- ❑ Firms will verify market data applications from backup sites
- ❑ Price data and symbols to be used for each market will be provided to participants as test scripts prior to the test.
- ❑ Exchanges and markets will purge all test data from systems prior to Monday market opening.

PRE-TEST DATES

- ❑ Common pre-test dates will be established in August and September. **The pre-test dates will be posted on the industry test Web site.**
- ❑ Prior to the test, firms may test their connectivity with exchanges on these dates or on other dates as stipulated by each exchange in their documentation.
- ❑ Many of the participating exchanges, markets and utilities will offer pre-testing on the two common dates, but for technical reasons some may not be able to do pre-testing on those dates. In those case, other dates will be published.

PARTICIPATING MARKET ENTITIES

Equities

BATS BZX
BATS BYX
Direct Edge EDGA
Direct Edge EDGX
NYSE/Euronext
NASDAQ
NYSE AMEX
National Stock Exchange
Chicago Stock Exchange

Options

BATS Options
Boston Options Exchange (BOX)
CDCC
Chicago Board Options Exchange
ISE
MIAX
NASDAQ OMX PHLX
NYSE Options (AMEX, ARCA)
Options Clearing Corp.

Clearing & Settlement

DTCC
Omgeo (TradeSuite)

Payment Systems

Fedwire
CHIPS
SWIFT

Fixed Income

Alternative Trading Systems

BondDesk
Tradeweb Markets LLC
MarketAxess
The Municenter

Inter-Dealer Brokers

ICAP
Tullett Prebon
Dealerweb

Clearing Banks

BNY Mellon
JP Morgan Chase

Market Data

Bloomberg
Interactive Data
FactSet
eSignal
Fidessa
OTC Markets Group
SIX Financial Information
Thomson Reuters

Commercial Paper

DTCC
Bloomberg

Service Bureaus

Broadridge (BPS, ICI, SIS)
Fidessa
Lava Trading
OTC Markets Group
SunGard Phase 3
SunGard Valdi
Thomson Reuters BETA
ReadQ
Shadow Financial

Futures

CBOE Futures Exchange
CME Group
Clearing Corp.
ICE Exchanges
KCBOT
ICE Clear US
IDEX/IDCG
MEFF
NFX

Treasuries

US Treasury Auctions

FX

Bloomberg Tradebook
Bloomberg FXGO
Hotspot
CLS

GENERAL TEST REQUIREMENTS

WHO MAY PARTICIPATE?

The test is open to all securities firms providing they have pre-tested communications links from the backup locations they will use during the test through to the exchange and industry utilities sites.

WHAT BACKUP SITES ARE TO BE USED?

The objective of the test is to have all participants operate from their backup locations to the greatest degree possible. It is intended that firms will activate backup **1) data center, 2) operations and 3) trading sites.**

USING YOUR PRIMARY SITE INSTEAD?

If a firm elects to test with markets from their primary site, the firm must ensure that they test from their backup site at some other point during the year. The goal of the test is for all firms to test their back-up to back-up connectivity.

GENERAL TEST REQUIREMENTS

(Continued)

WHAT STAFF IS REQUIRED FOR THE TEST?

Each participating organization will determine the number of employees necessary to conduct the test. There is **no minimum or maximum staff size** but, in keeping with the intent of the test, it is suggested that each firm assign some staff to their backup 1) data center, 2) operations and 3) trading sites.

HOW DOES AN ORGANIZATION REGISTER FOR THE TEST?

An online registration system will be available on the SIFMA website in July. Registrations must be submitted through this system **by close of business Friday, September 27.**

CAN FIRMS PARTICIPATE IN THE TEST THROUGH SERVICE BUREAUS?

Yes. A number of service bureaus will participate. A list of participating services bureaus is shown in the overall list of participating market entities. Clients of these service bureaus may participate providing that they have tested connectivity to the service bureau backup sites prior to the October 5 test.

GENERAL TEST REQUIREMENTS

(Continued)

WILL REGULATORS AND THE PRESS BE INVOLVED IN THE TEST?

Regulators will not participate directly in the test but, of course, have a significant interest in the overall results. SIFMA will brief the regulators prior to, during and after the test regarding the test process and the aggregate results. The press is not permitted to observe the conduct of the test. SIFMA will issue press releases and conduct press interviews prior to and after the event.

WILL PARTICIPANT BRIEFING CALLS BE HELD?

There will be at two briefing calls prior to the test where participants may ask questions. Representatives of the exchanges, markets and utilities will be available on these calls. **The briefing call schedule will be posted on the industry test Web site.**

TEST DOCUMENTATION

Detailed documentation is posted on the SIFMA website at:

www.sifma.org/Services/BCP/Industry-Testing/

This site will be updated periodically as additional materials are finalized.

Participant instruction packages will include the following:

1. **Test Overview (this presentation document)**
2. **Summary of Test Components**
3. **Individual Instructions From Exchanges, Markets and Utilities**
(These will vary by exchange)

QUESTIONS

Questions regarding the overall test:

Karl Schimmeck (SIFMA), kschimmeck@sifma.org, 212-313-1183

Questions regarding Service Bureaus and the Market Data component:

Thair Joshua (FIF), fifinfo@fif.com, 212-422-8568

Questions regarding individual exchanges, markets and utilities should be directed to the contacts listed in the *Summary of Test Components* for each organization.