

IIROC NOTICE

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Industry Business Continuity Planning Test

IIROC has scheduled the next biennial industry business continuity planning (BCP) test for October 26, 2019. As with the previous IIROC-sponsored BCP test in 2017, the test date is intended to coincide with the FIA's and SIFMA's industry test date in the United States to facilitate the participation of organizations who have operations in both the Canadian and American markets.

The test scenario for the 2019 BCP test is for IIROC Dealer Member participants to test out of their production/primary data processing sites while the service provider participants will be testing out of their disaster recovery (DR) data processing sites.

Unlike in previous test cycles, where participation was voluntary across IIROC's membership, IIROC Dealer Members that are "participant dealers" and other market participants subject to Part 12.4.1 of National Instrument 21-101 *Marketplace Operation* (NI 21-101) are required to participate in the October 2019 BCP test.

Part 12.4.1 of NI 21-101 states:

"A marketplace, recognized clearing agency, information processor, and participant dealer must participate in all industry-wide business continuity tests, as determined by a regulation services provider, regulator, or in Québec, the securities regulatory authority."



A listing of IIROC Dealer Members that are participant dealers is available here:

http://www.iiroc.ca/industry/Documents/PeerGroupList_en.pdf

http://www.ocrcvm.ca/industry/Documents/PeerGroupList_fr.pdf

IIROC's Financial and Operations Advisory Section's Contingency Planning Subcommittee developed the following criteria to ensure participation by those firms that it reasonably determined are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of a significant business disruption affecting the Canadian markets:

- participant dealers who are IIROC Dealer Members with trading volumes above 1 billion net trades/year will be required to process test scripts to simulate trading activity, and also to participate in the concurrent testing of IIROC's Crisis Communication Centre (CCC)
- participant dealers who are IIROC Dealer Members with trading volumes below the 1 billion net trades/year threshold will be required to participate in the CCC test.

All organizations participating will be required to report their test results to IIROC so we may evaluate the efficacy of the test and identify issues to consider in future test cycles.

IIROC staff expect to contact all IIROC Dealer Members that are participant dealers in early January 2019 to confirm their participation in the October 2019 BCP test. To safeguard potentially sensitive information regarding trading activity, IIROC will notify participant dealers who meet the trading volume criteria on an individual basis, rather than through public notice.

IIROC extends an invitation to participate to all remaining IIROC Dealer Members whose participation remains voluntary.

IIROC thanks our Dealer Members, service providers and other market participants in advance for their valued cooperation with respect to this important undertaking, which represents an opportunity for the Canadian capital markets community to demonstrate its ability to recover from a significant disruptive event.

IIROC will form a Working Group in early 2019 to oversee the preparation for the test.

This industry test complements IIROC Dealer Member Rule 17.16, which requires every Dealer Member to establish and maintain a business continuity plan identifying the necessary procedures to be undertaken during an emergency or significant business disruption. Every Dealer Member must also conduct an annual review and test of its business continuity plan.