

INDUSTRY-WIDE BUSINESS CONTINUITY TEST
FREQUENTLY ASKED QUESTIONS
Updated April 2011

- Q 1.** What is the test scenario for September 10, 2011?
- A.** The test scenario is the inaccessibility of down town Toronto. Impacted area includes Ontario lakeshore to the south side of Bloor Street and from Spadina to Jarvis Street. While there is power in the vicinity, access will be denied, the area cordoned off and evacuated.
- Q 2.** What is the objective of the test?
- A.** “To exercise and verify the ability of Members and providers of market, settlement and accounting services to operate through an emergency using backup sites, recovery facilities and backup communications capabilities across the industry.” The key components are to test redundant connectivity and the ability of Members to execute trades using their alternate sites.
- Q 3.** What does the term “alternate site” mean (for data servers or for people)?
- A.** The test is intended to test the ability of Members to process from their alternate computing sites to the alternate computing sites of the various providers of market, settlement and accounting services (utilities). Alternate sites cover operational as well as processing areas. Where feasible, each firm is expected to conduct the test using the computers and servers at their back-up site.
- Q 4.** Front to back transaction testing has been discussed. Is that the scope?
- A.** Transactions in this test will be limited to processing a limited number directly with each utility. Where feasible, some back-end processes may be included in the test.
- Q 5.** What are the criteria for a successful test?
- A.** The test will be successful if the IIROC Member (Member) participants were able to connect to the utilities and process all the relevant transactions in the test scripts successfully.
- Q 6.** Will there be defined transactions to process?
- A.** There will be test scripts which will define the transactions to be processed with each entity.
- Q 7.** For the purposes of this test what is the definition of a transaction? For example is it strictly a purchase / sale order for a security or an accounting transaction for example in ADP or a receive / deliver transaction such as in CDS or all three?
- A.** As discussed above the transactions will be defined in test scripts that will be distributed. The nature of the transaction will vary from utility to utility, depending on the type of business conducted by the utility / exchange.

- Q 8.** What is the minimum scope for this exercise?
1. Basic connectivity only with basic data transfer (i.e. ping)
 2. Connectivity with IT support staff verifying data transfer with test data
 3. Business user's connectivity with actual transactions submitted and reconciled
- A.** It will involve more than a simple connectivity test. It will involve processing a small number of trades and other transactions.
- Q 9.** Will all costs be covered by the participants?
- A.** All costs will be covered by the participants.
- Q 10.** Are there any benefits for the participants with respect to IIROC requirements (i.e. compliance with IIROC rule 17.16)?
- A.** Successful participation in the test will be one element of the review of compliance with IIROC Rule 17.16. Participation in the test is voluntary and is not required to comply with the rule. IIROC Members are required to test their business continuity plans at least annually. Participation in the test is considered a part of meeting the annual testing requirements.
- Q 11.** How many Members are participating in the test?
- A.** Forty Seven Members are participating in the 2011 Industry Test. They include all integrated firms, the major carriers and some introducing Members.
- Q 12.** What utilities are involved in the industry-wide test?
- A.** The TSX and TSX-V, CDS, CDCC, FundSERV, IBM, Broadridge, Belzberg, IRESS, Alpha, CanDeal, SS&C, Pure, ITS, Omega, Fidessa, CNSX, and Chi-X.
- Q 13.** My firm did not want to be part of the test originally. Now we do. Can we join the industry-wide test?
- A.** The cutoff date for members confirming participation was March 31, 2011. All Members were given two months to commit to participation in the test. Constantly changing the list of participants would be unfair to the utilities who have agreed to participate in the test. It would also add complexity to the test and decrease the chances for success.
- Q 14.** What is IIROC's role in the industry-wide Business Continuity Test?
- A.** IIROC will provide a general organizational role and project management by engaging a dedicated project manager on a contract basis.
- Q 15.** What are the responsibilities of Members in the industry-wide Business Continuity Test?
- A.** It is the responsibility of Members to work with the utilities to determine how to establish connectivity to their test site. Where a Member uses a third-party service provider other than one of the utilities to connect to a utility, it will be the responsibility of the Member to coordinate the activities of the third-party service provider. Where accommodated by the utility, Members should make arrangements to test connectivity with each of the relevant utilities prior to the test

date. Members will also have to coordinate the activities of individuals knowledgeable in the systems, networks and computer environments to be tested. This knowledge should include the ability to input to the system, to query the status of transactions and to read relevant system reports.

Q 16. Will Members be pre-testing and will IIROC be involved in pre-testing? Will members arrange pre-testing directly with the utilities?

A IIROC will not be involved in arranging pre-testing, but strongly encourage Members to pre-test where this is accommodated by the utilities. Members should contact the utilities directly about pre-testing once the test scripts have been developed and the requirements for connectivity are known.

Q 17. Will MQ services be available from CDS?

A No, they will not. CDS has no reliable way of preventing test transactions processed through MQ from entering live production systems.

Q 18. What will the interaction be between the utilities? How far will the trades be processed? Are we using dead-end trades?

A There will, of course, be interaction between the Service Bureaus and the Exchanges and Clearing Agencies, to the extent that the Service Bureaus process transactions on behalf of Members (through their Order Match systems for example).

Q 19. Some utilities are using test environments and some are using production environments. This has resulted in difficulties in some cases in establishing connectivity to the utilities. Further, we question whether this approach will result in a realistic Disaster Recovery test. Why doesn't the IIROC mandate the test environments to be used?

A. In order to encourage participation by as many utilities as possible, we have allowed utilities a great amount of leeway in the environments that they plan to use to participate in the test. This is very similar to the approach used by SIFMA in their initial tests in the United States. Further, in some cases, we have been sympathetic to concerns expressed by the utilities about preventing test transactions from entering their live production systems.

Q 20. Given the test scenario of inaccessibility of downtown Toronto where power will be available but the area will be cordoned off and has been evacuated, would a Member be entitled to access their data processing in the downtown core remotely?

A. Strictly speaking, as long as the Member can access their processing facility remotely and the facility can function without human intervention, then a Member should be able to conduct their data processing in the downtown core. However, we prefer that Members who are impacted by the inaccessibility of the downtown core should use their alternate site for their data processing as well as the relocation to an alternate site for their staff.

- Q 21.** Can a Dealer Member or a utility expand on the scheduled September 10, 2011 industry test to include other test procedures?
- A.** A Dealer Member or a utility may expand on the scheduled test as long as the additional test procedures do not impact the industry test in an adverse way and the additional tests are coordinated with the utilities/Dealer Members involved directly.