BUSINESS CONTINUITY PLAN
Plan Development Guidelines
## TABLE OF CONTENTS

**PURPOSE OF DOCUMENT** ........................................................................................................................................................................... 2

**ASSOCIATION RULE REQUIREMENT – BY-LAW NO. 17.19.** ........................................... 2

**GUIDELINES FOR BUSINESS CONTINUITY PLANNING** ..................................................................................................................... 2

- **SCOPE OF THE PLAN** .................................................................................................................. 3
- **GOVERNANCE AND FUNDING** .............................................................................................. 3
- **RECOVERY STRATEGIES** ........................................................................................................ 3
- **PLAN COMPONENTS** ................................................................................................................ 3
  1. **FRAMEWORK** ........................................................................................................................ 3
  2. **PLANS AND PROCEDURES** ............................................................................................... 3
  3. **STAFF AWARENESS PLAN** ................................................................................................ 4
  4. **FACILITIES AND INFRASTRUCTURE** ................................................................................ 4
- **REVIEWING AND TESTING** .................................................................................................. 4
- **STANDARDS** ............................................................................................................................ 4
  1. **COMMUNICATION** .............................................................................................................. 4
  2. **RECOVERY SITE LOCATION** ............................................................................................ 5
  3. **SYSTEM BACK-UP** ............................................................................................................ 5
  4. **EXTERNAL DEPENDENCIES** ............................................................................................ 5
  5. **VITAL RECORDS** .................................................................................................................. 5
  6. **STAFF AWARENESS** ........................................................................................................... 5
  7. **ONGOING MAINTENANCE OF A BCP** ............................................................................. 5
  8. **HUMAN RESOURCES PLAN** ............................................................................................. 5
- **MANAGEMENT REPORTING** .................................................................................................. 6
**PURPOSE OF DOCUMENT**

The Member firms of the Investment Dealers Association (the Association) consider it to be in the interest of all firms in the industry that each develop and maintain a business continuity plan that meets minimum standards, and that will provide appropriate and effective recoverability from any serious business disruption. As a consequence, the FAS Continuity Planning Subcommittee has developed the following policy and general guidelines that are to be considered when a business continuity plan is being developed. As firms vary in size and scope and exist in different jurisdictions, each will need to develop specific plans that account for the laws, regulations and unique circumstances of their jurisdictions and geographic locations. These guidelines accord to accepted industry best practices and are intended to provide a framework that can be followed by all despite the differences in need and circumstances.

In order to comply with proposed By-law No. 17.19 it is expected that each Member firm will establish and maintain a business continuity plan that considers the issues detailed in this plan development guidance document.

**GUIDELINES FOR BUSINESS CONTINUITY PLANNING**

**Scope of the Plan**

The Business Continuity Plan (BCP) must protect the assets of the firm and its customers and provide the capability to resume effective operation at a level and in a time period that allows it to meet legal and regulatory requirements.

The BCP must encompass all the Member firm’s operations and provide an adequate plan for each business area in each region where the firm has a presence.

The BCP must include written procedures that:

- are based on an analysis of the potential impact to the business;
- are reviewed and tested no less than annually and proved fit for their purpose;
- are accessible in an emergency; and
- all employees understand, including their respective roles in putting the plan procedures into action.

The BCP must ensure that suitable alternative facilities are available, that key staff are available (and possibly cross trained to serve in many roles) and that critical technology, external services, vital records and other items critical to resuming business are duplicated and available in another location.
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**Governance and Funding**

Each Member firm must designate a member of senior management (BCP officer) as being responsible for BCP. The BCP officer shall ensure that adequate resources are in place to fund necessary BCP initiatives. The entire senior management team of each Member firm shall be responsible for approving the initial and annually updated BCP.

Individual business unit managers will be responsible for defining unit operating level objectives, for reviewing, implementing, testing and signing-off on unit procedures set out in the BCP. These individual business unit managers shall report to the BCP officer on BCP related initiatives.

**Recovery Strategies**

The plan procedures shall be designed with a worst-case scenario in mind that includes both no access to normal business premises or no access to primary systems and services. The plan procedures should also account for there being no impact on competing firms or the situation where other firms have been able to recover fully.

The objective of the plan is for the firm to have the capacity to operate to an agreed level of business activity that meets its legal, fiduciary, and regulatory obligations and its commitment to its customers.

Recovery times shall be detailed in the BCP, taking into account that external factors and the scope of the disruption may constrained the speed of recovery.

**Plan Components**

1. **Framework**

   The Framework shall provide the process and standards to create, maintain and test an integrated set of plans and the infrastructure to support them. It covers all areas from senior management control to business and technical recovery.

2. **Plans and Procedures**

   Each business unit’s BCP shall define the responsibilities and procedures to be followed to establish the control and communication needed to maintain all critical business functions and manage recovery. The BCP shall be based on an analysis of the impact to the business of a serious or prolonged disruption and the mitigating solutions. It shall specify the facilities, services and technology required to resume all critical business processes.
The Senior Management Crisis Management Plan shall document the procedures and support facilities required by the senior management team in order to retain control over the operation and recovery of the business during a crisis.

The Incident Management Plan shall define the responsibilities of staff, the procedures to be followed to communicate information about an event to all participants (including external emergency services, the public, business partners, and customers, as appropriate) and the procedures to be followed to coordinate all activities of the support groups during the execution of the recovery plans.

3. Staff Awareness Plan

The Awareness Plan shall be implemented to ensure that all personnel are continually aware of their responsibilities and know how to remain in contact and what to do in the event of a crisis.

4. Facilities and Infrastructure

The Facilities and Infrastructure Plan shall be derived from the business plans and consist of all real estate, services, technology, data and technical recovery procedures required to restore business operations.

Reviewing and Testing

All plans and procedures shall be reviewed and comprehensively tested annually and as warranted by the changes in business or technology.

Member firms shall be prepared to participate in industry-wide testing or testing coordinated by the Exchanges, clearance, settlement or other critical infrastructure providers.

Standards

Plan content can be adopted from the following list but compliance requires adequate specific procedure content as well as annual review and testing evidenced by sign-off by the BCP officer.

1. Communication

Contact lists and the procedures to contact all employees, building management (both primary and recovery site), customers and counterparties shall be included in the plan. There should be alternative methods of communication to anticipate disruption in one or the other.
2. **Recovery site location**

The recovery site and back up infrastructure, where determined to be necessary, shall be located sufficiently far away from the primary location so that power, communication, water supply, transportation, and other risks are minimized to the extent possible and reasonable.

3. **System back-up**

There must exist comprehensive backup processes to ensure critical data as well as application source code is captured, stored and available for recovery.

4. **External dependencies**

All third parties, including joint venture companies and service providers, upon whom the organisation is critically dependent, shall be required to demonstrate an effective and proven business continuity capability.

5. **Vital records**

Business units shall be responsible for ensuring that all vital records including hardcopy, microfiche and those electronically or magnetically stored are duplicated in a secured geographically removed location and are current and available for use in the required timeframe during an emergency.

6. **Staff awareness**

The awareness plan shall ensure that each staff member is trained to be fully capable of responding to an event and performing the required business functions at the alternative site.

7. **Ongoing maintenance of a BCP**

Business continuity is an operational requirement and, therefore, integral to the development of new business operations, products, services and infrastructure and safeguarded in the change management process.

8. **Human resources plan**

Businesses shall ensure that the BCP considers payroll services, emergency services like grief counselling, financial assistance and other support services appropriate to an emergency.
Management Reporting

Senior management should be updated quarterly by the BCP officer on the progress toward a state of readiness.

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