



bulletin



Contact:

For distribution to relevant parties within your firm

Maysar Al-Samadi
Vice-President, Professional Standards
416-943-6902
malsamadi@ida.ca

BULLETIN #3684
October 17, 2007

Securities Industry

Securities Industry Business Continuity Test – September 15, 2007 Summary Report

On September 15, 2007, the Canadian Securities Industry conducted the first industry-wide Business Continuity Test. The objective of the exercise was to test the ability of Members of the Investment Dealers Association of Canada (IDA) and providers of market, settlement and accounting services (utilities) to operate through an emergency using backup sites, recovery facilities and backup communications capabilities across the industry. A key part of the exercise was to ensure Members could execute trades using their alternate sites.

The IDA organized the test on a voluntary basis. Thirty-three Members of the IDA participated in the test. The firms participating in the test account for sixty-eight per cent of the revenue of all IDA Members. The test involved trades in equities, debt, derivatives and mutual fund products. After the test, participating firms were encouraged to provide the IDA with their comments on the test.

Eleven utilities including exchanges, clearing organizations, service bureaus and organizations providing connectivity to the exchanges, took part in the test. The participating utilities were The Montréal Exchange, TSX, Canadian Derivatives Clearing Organization, CDS Clearing and Depository Services, FundSERV, Broadridge BPS, Broadridge Dataphile, IBM SIS, Belzberg, IRESS and Reuters.

The test was successful. There were forty-four organizations involved in the test. One hundred and forty-two different connections between the organizations were attempted and ninety-four per cent were successful. Most Members thought that the test was very useful. They believe that there was value in the resultant continuity planning discussions between Members and the major utilities. Further, they are interested in building on the test to conduct further, more complex tests involving more participants.

Members wishing to obtain a copy of the full test report should contact Maysar Al-Samadi at (416) 943 6902.

Kenneth A. Nason
Association Secretary