



SFE NOTICE NO.

130/07

Date of Issue: 27 September 2007
Effective Date: Immediate

ASX Business Continuity Arrangements

To provide further clarity in response to a number of general enquiries received from Participants, outlined below is a summary of the key elements of ASX's approach to business continuity.

Continuity Management (CM) is viewed as a key component of ASX's risk management activities. The ASX CM framework seeks to enable the ASX to react to operational disruptions and continue the delivery of its market services in a timely and effective way.

Importantly, the CM framework also addresses regulatory business continuity requirements whereby our licensed subsidiaries are required to have adequate arrangements in place to "operate the market/facility properly." Specifically, the RBA's Financial Stability Standards include requirements for the ASX licensed clearing and settlement facility subsidiaries to:

- i. Have detailed continuity plans in place;
- ii. Have adequate back-up infrastructure in place; and
- iii. Undertake regular industry testing of continuity arrangements.

In terms of approach, the ASX CM framework considers major incident impact scenarios for ASX operations including:

- technology and communications failure ("Loss of Systems");
- the CBD / ASX primary office not being accessible ("Loss of Site");
- a total loss of ASX primary office and systems ("Loss of Site & Systems"); and
- the unavailability of key staff (including during a pandemic).

Incident management and emergency response procedures are developed and co-ordinated at an organisational level. For each individual ASX business unit, a specific business continuity plan ("BCP") is in place which is integrated with other business units as appropriate to ensure overall market services are maintained. Key elements of each BCP include business impact analysis, response procedures, communication tasks and recovery time objectives. The core ASX trading and clearing systems (including ITS, CAP, SYCOM®, DCS, SECUR, CHESS, and EXIGO) are covered within these business unit continuity plans.

The ASX has a backup site outside the CBD with a comprehensive level data centre and facilities to support the operation of the core trading and settlement systems. Mirrored databases and automatic failover procedures result in seamless recoveries for many incident scenarios. In the event of a large scale outage at the primary data centre, the targeted recovery times for key systems range between 1-2 hours.

Testing of ASX business continuity plans for core functions and systems takes place primarily at two levels. Loss of Site level testing is performed regularly with ASX business units attending the backup site to perform connectivity and procedural testing.

More comprehensive Loss of Site & Systems testing is conducted on an approximately calendar year basis, whereby markets are run and/or clearing and settlement facilities provided on a real time basis from the backup site. As an example, this was most recently completed for the Derivatives Clearing System (DCS) on 10th August. ASX standard procedures include notification of relevant Participants and regulators prior to these tests occurring.

In order to ensure operational and market-wide risks are appropriately managed, ASX does not currently support concurrent Participant disaster recovery testing but would look to consider this as part of future test scenarios.

ASX pandemic planning is also progressing and it is intended to communicate to the market additional aspects of our approach to this scenario in the near future. Similarly, the ASX approach to Participant continuity arrangements are subject to on-going review and will also be advised.



For further information please contact the undersigned on 9227-0235 or at brad.mitchell@asx.com.au.

Brad Mitchell
General Manager, Enterprise Risk & Compliance

ASX Limited
20 Bridge Street
Sydney NSW 2000
Australia