

Business Continuity Arrangements

ASX Group | 20 July 2023

Introduction

Crisis Management (CM) and Business Continuity Management (BCM) is critical to maintaining ASX's operational resilience and is integral to ASX's risk management framework. The ASX BCM framework seeks to minimise the likelihood of a market service disruption as well as support and enable ASX to rapidly respond, recover and resume key operations following a market service disruption when they occur.

Regulation

Importantly, the BCM framework addresses regulatory requirements by the Australian Securities and Investments Commission (ASIC) and the Reserve Bank of Australia (RBA) to have adequate business continuity arrangements in place, including:

1. comprehensive crisis management and business continuity plans;
2. adequate backup infrastructure, resources and appropriate staffing arrangements;
3. appropriate redundancy and data replication in place for key systems; and
4. periodic testing of continuity arrangements involving participants and other industry stakeholders.

For more information refer to the ASIC [Market Integrity Rules](#) (specifically Chapter 8A: Market operators-Critical Business Services Information Security and Business Continuity Plans) and the RBA's [Financial Stability Standards](#) (specifically Central Counterparties Standard 16 and Securities Settlement Facilities Standard 14).

Key Components

Crisis management procedures are co-ordinated at an organisational level by a Crisis Management Team that comprises executive management representatives from the core business activities and technology and operations support functions.

All ASX business units have a business continuity plan ('BCP'), which are integrated with other business units as appropriate to ensure critical market services are resumed and maintained in the event of a disruption. In preparing the BCPs major risk event scenarios for ASX operations are considered, including: Loss of Systems; Loss of Access; Loss of Site; Unavailability of Staff (including during a pandemic); and Compromised Data and/or Service Integrity (due to cyber-attack).

Additionally, technology disaster recovery plans ('DRPs') are in place for each critical ASX Trading, Clearing and Settlement and Information Services system (including ASX Trade, ASX 24, Market Announcements Platform, Derivatives Clearing System (DCS), Genium Clearing, ASX Collateral, OTC Clearing (Calypso), CHES, Austraclear, Bank Bill Swap Rate (BBSW), and Financial Settlement Manager (FSM)).

ASX has permanent dual-site operational teams in place for key functions with staff based at both the primary and alternate operations sites (including the use of remote working arrangements). One site is located outside of the Sydney CBD. Furthermore, all staff are able to work remotely. The primary and backup data centres are both located outside of the CBD and are geographically separated. These arrangements enable ASX to sustain and operate all key trading, clearing and settlement and information services functions under a broad range of circumstances.

In the event of a disruption at the primary data centre, the ASX backup data centre has infrastructure and facilities to support on-going operation of key ASX trading, clearing and settlement and Information Services systems. Targeted recovery times for key systems range between 1-2 hours, however automatic failover procedures and mirrored databases result in seamless recoveries for many incident scenarios.

Testing

ASX performs regular exercises of its business operation's BCP and technology DRP arrangements to validate the ongoing capability and readiness to respond to major incidents or crises. Exercise activities conducted during the course of each year include the exercising of:

- > backup trading systems over a weekend allowing Participant access to undertake test transactions. This was most recently completed for ASX Trade in June 2023 and ASX 24 in April 2023, with Participants connecting to the backup data centre and generating test market transactional activity;
- > backup clearing and settlement facilities and information services systems provided from the backup data centre during normal service hours. This was most recently completed for DCS in May 2023, Genium Clearing in March 2023, ASX Collateral in April 2023, OTC Clearing (Calypso) in July 2022, CHES in May 2023, Austraclear in April 2023, BBSW in April 2023, Financial Settlement Manager (FSM) in February 2023, with the facilities and services being operated from the backup site; and
- > BCP operational capabilities¹ with ASX's operations and technology staff performing procedures at an alternate location during normal service hours.

ASX standard procedures include, where applicable, notification to Participants and regulators prior to these exercises occurring.

For further information on ASX's BCM Arrangements please refer to our [ASX Due Diligence](#) page that provides easy access to all of the relevant resources and information that ASX makes available on operational resilience and BCM Arrangements. This information is regularly reviewed and updated to ensure the most accurate information is readily available. Should you need further guidance, please reach out to us via our contact page - [here](#).

Risk Management

Group Business Continuity Manager

¹ In addition to dual-site operations, additional capacity exists at each site and remote working arrangements are in place.