



Mandatory Participation in Disaster Recovery Testing Pursuant to Regulation SCI

LTSE Rule 2.250 (Mandatory Participation in Testing of Backup Systems) was adopted in connection with Regulation Systems Compliance and Integrity (Regulation SCI) and establishes business continuity and disaster recovery plans testing requirements for certain LTSE Members.

Regulation SCI

Regulation SCI requires LTSE to establish standards for the designation of those Members that LTSE reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of LTSE's business continuity and disaster recovery plans and designate Members pursuant to those standards. Designated Members are required to participate in testing of LTSE's business continuity and disaster recovery plans annually.

LTSE will conduct its annual testing during the planned SIFMA industry-wide test in October 2021. LTSE will circulate further information regarding the test at a later date.

Designation Criteria

LTSE Rule 2.250 governs mandatory participation in testing of LTSE's backup systems and requires LTSE to establish standards based on quarterly trading volumes. LTSE has determined that Members that account for five (5) percent or more of executed volume on LTSE will be required to connect to LTSE's backup system in Chicago and participate in testing such system as announced by LTSE, which shall occur at least once every 12 months. As LTSE has only been operational for several months, it is committed to reevaluating this standard over the coming year to ensure it properly identifies those firms necessary for the maintenance of fair and orderly markets in the event LTSE activates its business continuity and disaster recovery plans.

Notification and Applicability

Pursuant to paragraph (c) of Rule 2.250, LTSE will provide written notification to Designated Members quarterly based on the prior calendar quarter's volume on LTSE.¹

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Questions about this RIC should be directed to marketops@longtermstockexchange.com.

¹ Because LTSE only commenced full trading operations in the final month of Q3 2020, the Exchange will not be using partial Q3 2020 data for determining those Members who will be required to participate in business continuity and disaster recovery testing.