



Mandatory Participation in Disaster Recovery Testing in 2021 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 to designate Members pursuant to those standards. Designated Members are required to participate in testing of LTSE's business continuity and disaster recovery plans annually.

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 [previously announced](#) that Members that account for five percent (5%) or more of executed share volume on LTSE will be required to connect to LTSE's backup system in Chicago and participate in testing such backup system as announced by LTSE, which shall occur at least once every 12 months. LTSE is also committed to re-evaluating this threshold.

For purposes of the annual testing in 2021, which will be conducted as part of the SIFMA-coordinated industry-wide test in October 2021, LTSE is designating those Members that account for five percent (5%) or more of executed share volume on LTSE in a calendar quarter, and has notified Members who have exceeded the quarterly trading volume threshold in either Q4 2020, Q1 2021 or Q2 2021.

Because LTSE Rule 2.250(c) provides that a Member who has not previously been designated to participate in backup testing has “until the next calendar quarter before such requirements are applicable,” firms exceeding the quarterly trading volume threshold in Q3 2021 or any of the subsequent three calendar quarters (*i.e.*, Q4 2021, Q1 2022 or Q2 2022) will be subject to the backup testing requirements in 2022.

* * * * *

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