



**THE FOUNDATION
FOR SECURE
MARKETS**

#48425

Date: March 11, 2021

Subject: 2021 Business Continuity/Disaster Recovery Industry Test Strategy

Test Overview

Securities Industry and Financial Markets Association (SIFMA) leads and OCC participates in an annual industry-wide business continuity test to exercise and verify the ability of firms, markets and utilities to operate through an emergency using backup sites, recovery facilities and backup communication capabilities across the industry. This test is a validation of market connectivity and interactive processing but is not a full test of internal systems of firms, exchanges, and market utilities.

This industry test allows OCC participants (members and exchanges) to connect to the OCC's DR environment and execute trade and post trade clearing transactions. OCC will be supporting a RegSCI-style test and will not be supporting the classic ping style testing.

Is participation mandatory or optional?

Members mandated for participation in the 2021 test were formally notified in November 2020. Test participation is required for mandated members. Participation is optional (although highly encouraged) for non-mandated members.

Firms unsure of their mandate status should contact their OCC Clearing Member Representative.

Is Connectivity pre-testing required? If so, what are the connectivity pre-test dates?

Yes, connectivity testing is required for the connections that will be leveraged during the actual BC/DR test date. Failure to participate in connectivity pre-testing may result in adverse impacts to a firm's BC/DR test effort.

Connectivity pre-testing dates are provided below:

Saturday, July 24, 2021

Saturday, October 2, 2021

When will the test take place?

Industry-wide BC/DR Test, Saturday October 23, 2021

Is Registration Required?

Yes, registration is required for all participants.

Participants mandated by OCC are automatically registered by OCC and no further action is required. All non-mandated participants are required to register directly with OCC. Participants can register by accessing the following link and submitting a test request. **OCC will not be accepting any registrations through SIFMA or FIA.**

[OCC BC/DR Registration Link](#)

Is there a cut-off date for registration?

Yes, Friday July 30, 2021 will be the last day available to register for participation in the RegSCI BC/DR industry test with OCC.

What OCC applications are involved in the test?

The ENCORE application will be available for testing on-line, batch, and real-time processing.

Who do I contact for further information?

Please contact the following for further information:

- ☐ occDRtest@theocc.com – Primary Group Distribution
- ☐ Your OCC Clearing Member Representative

Test Scope

What does the test entail for OCC Members & Exchanges?

Exchanges will:

- ☐ Transmit matched trades to OCC for processing throughout the mock trading cycle
- ☐ Balance trades with OCC once the market has closed
- ☐ Receive and verify outbound DDS through connections to OCC's DR environment Firms will:
- ☐ Submit post trade transactions to OCC utilizing the communication protocols normally used in production (External ENCORE, Real-time, Batch SFTP or Batch NDM)
- ☐ Receive and verify outbound DDS through connections to OCC's DR Environments
- ☐ Access On-demand and Core reports through External ENCORE

Test Format and Script

What are the expectations for Exchanges?

- ☐ Submit matched trades to OCC throughout the mock trading cycle
- ☐ Submit balance sets and balance trades with OCC
- ☐ Submit batch trade backup file
- ☐ Receive Real-time DDS (pending/rejected trades) if applicable
- ☐ Receive Options Regulatory Surveillance Authority file (ORSA)
- ☐ Exchange will purge all test data from systems prior to Monday market open

What are the expectations for the participating firms?

- ☐ Submit a representative sampling of post trade transactions that are normally executed daily (i.e. transfers, adjustments, exercise, etc.) utilizing the firm's communication protocols – MQ, NDM, SFTP, Online via External ENCORE
- ☐ Post trade transactions should cover the following:
 - Approved product types for the firm (equity, index, etc.)
 - Weekly, near-term, and long-term expirations
- ☐ Receive and verify outbound DDS utilizing the firm's communication protocols
- ☐ Firms will purge all test data from systems prior to Monday market open

Is there a test script or test symbols?

- ☐ There are ***no test scripts*** for participation with OCC other than the expectations identified above.

- ☐ OCC will work with each testing party to develop an agreed upon testing strategy that meets the needs of the test and covers the testing parties' expectations. Participants will be required to sign-off on the documented testing strategy prior to participation in the test.
- ☐ OCC will support production products and series for the test
- ☐ Support of **Test Symbols** is currently under discussion with the SIFMA Industry Testing working group. OCC plans on supporting the decisions of the working group.

What is the testing window on the test day?

The testing window will run from 8:15 a.m. ET to 4:00 p.m. ET.

Business/ Trade Date	Time (ET)	Activity	Inputs/ Outputs	Description
Thursday 10/21/21 / Saturday 10/23/21	8:15 a.m. – 8:45 a. m.	Pre-Market Open Connectivity – Exchange Only	N/A	Resolution of connectivity & start-up issues
	8:45 a.m. – 9:15 a.m.	Pre-Market Open Connectivity – Participants	N/A	Resolution of connectivity & start-up issues
	9:30 a.m. – 12:00 p.m.	Mock Trading Cycle + Post Trade Cycle	Inputs Outputs	<ul style="list-style-type: none"> - Real-time Trades (Exchanges) - Trade Balancing (Exchanges) - Backup Batch Trade Files (Exchanges) - Real-time FIXML Post Trades (Members) - Batch FIXML Post Trades (Members) - External Encore Post Trades (Members) - Real-time Trade DDS – Pends/Rejects (Exchanges) - Real-time DDS (Members)
	12:00 p.m.	Market Close – Exchange Checkpoint		
	12:00 p.m. – 4:00 p.m.	Positions Finalization / End of Day	Inputs Outputs	<ul style="list-style-type: none"> - N/A - ORSA DDS (Exchanges) - Batch DDS (Members) - External Encore Reports (Members) <ul style="list-style-type: none"> <input type="checkbox"/> Position Activity <input type="checkbox"/> Position Summary

If you have any questions, please contact your Clearing Member representative or the Member Services Help Desk at the following numbers: 800-621-6072 or 800-544-6091. Within Canada, please call 800-424-7320. Clearing Members may also e-mail us at memberservices@theocc.com.