THE FOUNDATION FOR SECURE MARKETS®

#60251

Date: November 18, 2026

Subject: Standards For Designating Clearing Members Required to Participate in Business Continuity and Disaster Recovery Testing

As a covered entity under Regulation Systems Compliance and Integrity ("Reg. SCI") promulgated by the SEC, OCC is required to establish standards for designating those Clearing Members required to participate in business continuity and disaster recovery testing ("BC/DR testing") that OCC reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event that business continuity and disaster recovery plans are required to be activated.[1] Additional information can also be found under OCC Rule 304.

This notice is to advise Clearing Members of the standards OCC has adopted and intends to rely upon in making such designations. OCC has adopted a risk-based approach that is based on Financial and Operational (including Third Parties) risks a member introduces or may introduce.

Standards Criteria

Risk Criteria*	Threshold for Mandatory Testing
Volume Risk	Any firm with one percent or greater of the US options or futures volume over the first three quarters of the year (January through September) as specified by OCC's Firm Ranking by Related Entity Report **will be required** to participate in BC/DR testing. One third of the firms, with less than one percent of the volume, will be selected and required to participate in mandatory BC/DR testing once every three years, thus ensuring all Clearing Members participate in testing at least once every three years.
Operational Risk	Any firm that experienced significant operational issues over the previous 12 months **will be considered** for required participation in BC/DR testing. Examples of significant operational issues include security breaches, cyber incidents, OCC rule violations, Regulator fines or sanctions, failure to successfully complete the previous year's BC/DR test, concerns over third party risk management survey responses received by OCC, inability to properly address actual business continuity events, etc.

**The standards may also take into account the nature of interconnectedness based on a firm's approved business activities.*

Clearing Members that are required to participate in BC/DR testing will be notified in December of each year and will be provided additional information concerning the nature of such testing as the specific test plans are determined. Clearing Members that are not required to participate in testing, who wish to do so on a voluntary basis are also encouraged to participate.

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.

[1] 17 CFR 242.1004(a)