X-pand into the Future

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High Priority

Distribution of the Business Continuity Management Disclosure Framework - 2004

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Content may be most important for:

- Front Office / Trading
- Middle + Back Office
- IT / System Administration
- Auditing / Security Coordination

Attachment:

BCM Disclosure Framework – 2004

On April 6, 2005, the Executive Board of Eurex Clearing AG approved the content and publication of the **Business Continuity Management (BCM) Disclosure Framework – 2004**. This document is now available to all Eurex members on the Eurex website under the path:

www.eurexchange.com > Member Section > Business Continuity

but is also attached for ease of reference.

The purpose of the BCM Disclosure Framework is to present a summary that can satisfy members seeking information about Eurex Clearing AG's Business Continuity Management arrangements. This document will be reviewed annually.

Eurex Clearing AG – Business Continuity Management Disclosure Framework - 2004

April 1, 2005

All Members

1. Introduction

The purpose of this Business Continuity Management (BCM) Disclosure Framework is to present a summary that can satisfy members seeking information about Eurex Clearing AG's BCM arrangements. The BCM Disclosure Framework is based upon several questionnaires that have served as a starting point. This document will be reviewed annually.

2. BCM Governance

The Executive Board of Eurex Clearing AG is responsible for the budgeting and provision of contingency resources, either directly or via third parties. BCM expenditure is reviewed to ensure that the costs benefits case is positive. Further, the management of Eurex Clearing AG is responsible for ensuring that staff are sufficiently familiar and adequately prepared to operate in a contingency situation.

3. The Business Continuity Plan

The objective of the Business Continuity Plan is to be able to continue to operate under adverse conditions and in the face of unexpected events or disasters, such as workplace or IT unavailability and also includes emergency procedures to address higher probability/low impact events such as short term mains power outages. The ultimate goal is for the safe and continuous provision of service to members and that in the unlikely event that components of the BCM Plan/infrastructure are utilised, that this will be wherever possible invisible to members and that interruptions will be to the greatest extent contained and minimised.
Business functions and systems are classified by varying degrees of criticality in accordance with an operational risk management framework. This analysis identifies the point in time when non-delivery of all or part of a service will have an intolerable impact on the business. The level of criticality determines the service Recovery Time Objective, associated contingency infrastructure and requirements for testing.

Information Technology (IT) units implement and maintain an IT business continuity and processing crisis management plan (including contingency and backup for the data centre, network, telecommunications and systems) according to the overall business continuity planning framework and the business requirements.

Crisis Management exists to facilitate the timely reaction to incidents and to ensure proper assessment of the business impact and decision making. Emergency response procedures exist for business (trading/clearing activities) and IT (technical) related incidents, including a system of on-call managers who act as the initial incident managers for internal and external events. Where necessary, staff are notified of incidents through established and tested call trees. On call staff are available to provide timely response to both business and IT incidents which threaten process availability.

3.1. Contingency Facilities

Contingency Workspace is provided for critical staff. Contingency facilities are networked to both primary and secondary data centres to ensure connectivity. Facilities are physically separated by predetermined distances to ensure that both facilities are not impacted by the same incident, including unavailability of services such as power.

The following highlights the main technical contingency components of the plan:

- an Uninterruptible Power Supply based on battery backup and diesel generators provides continuous power to all mission critical computer, communications and processing equipment, if the external power supplied by the utility company should be interrupted;

- redundant backup equipment exists to allow data processing and communications with members, and business correspondents to be sustained, should any primary equipment experience failures;

- IT production is distributed over 2 remote data centres currently dispersed by approximately 10km, which provide on-line and full redundancy. Both centres are inter-connected with high-speed lines to provide real-time data mirroring. This ensures the on-line availability and integrity of all transactions at the time of disruption. In addition to this real-time data duplication, data is also kept off-line on back-up copies in a secure location.

3.2. Capacity Planning and Testing

A proactive Capacity Management process is in place to enable the economic and effective use of existing and future resources, and the prediction of the requirement for additional resources. Capacity utilization is routinely monitored so that proactive intervention can be made if required. Capacity adequacy is defined and validated by methods employed to support business and technical acceptance tests required to ensure the quality and integrity of new or enhanced applications.

4. BCM Monitoring

The adequacy of Eurex Clearing AG's plans, and also of those entities in DBG on which Eurex Clearing AG has critical dependencies are subject to validation and periodical review and performance monitoring. Findings are reported to executive management. Eurex Clearing AG is supported in this respect by a specialist BCM Team that is responsible for the overall standard setting, monitoring and reporting on the effectiveness of plans to executive committees.

5. BCM Testing

Departmental and global continuity plans are exercised regularly to ensure their effectiveness and viability. BCM prepares a schedule of tests and defines their scope, objectives, frequency and their evaluation. Within this framework, business and IT departments routinely perform independent familiarization and functional validation of contingency infrastructure and procedures to ensure effectiveness; the results of such tests are available to BCM.

Specifically for mission critical systems a business continuity test must be performed before the system is taken into production to demonstrate that the specified business continuity parameters can be met.

Results of cross-functional testing together with observations and recommendations are issued by BCM. The respective business and IT units are responsible to resolve problems and implement recommendations highlighted in their areas of accountability. Problems and recommendations are recorded to ensure proper follow-up. Operational reliability issues are reviewed by Senior Management.

Tests periodically include the involvement of external parties.

6. BCM Activities within the last 12-months

2004 saw the introduction of some significant BCM documentation including the production of Unit Recovery Plans (unit level Business Continuity Plans) for all critical activities, which capture BCM resourcing requirements and dependencies, and operational procedures to be followed in the event of an incident. Further, a more structured and deeper testing program commenced to assist in the validation of adequacy and timeliness of the BCP and the execution ability of those staff involved in the process.

7. 2005 Outlook

Eurex Clearing AG intends to build on its solid business continuity principles. In particular for 2005 BCM activities will be enhanced by:

- Revised Emergency Contact Procedures, including routine testing of emergency call trees and contact databases.

- The provision of superior contingency back-up workplaces, on a dedicated basis to critical staff.
- Enhanced IT testing intended to demonstrate the processing capability of the contingency/alternate systems on a regular basis.

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