



Mandatory Participation in 2023 Disaster Recovery and Market-Wide Circuit Breaker Testing

Disaster Recovery Testing

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, which shall occur at least once every 12 months.

For this annual testing, which will be conducted as part of the SIFMA-coordinated industry-wide test in October 2023, 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 Q3 2022, Q4 2022, Q1 2023 or Q2 2023 (to date).

MWCB Testing

LTSE Rule 11.280 (Market-Wide Circuit Breakers) requires that Members designated pursuant to Rule 2.250 participate in mandatory testing of backup systems also participate in at least one industry-wide MWCB test each year. Thus, Members that account for five percent (5%) or more of executed share volume on LTSE will be required to participate annually in MWCB testings.

The Securities Information Processors' current MWCB testing schedule includes the following dates: July 22, 2023, September 9, 2023, and December 2, 2023.

In accordance with paragraph (f) of Rule 11.280, such designated Members are required to verify their participation in the MWCB test by attesting that they have been able to or have attempted to:

- (i) receive and process MWCB halt messages from the securities information processors "SIPs");
- (ii) receive and process resume messages from the SIPs a MWCB halt;
- (iii) receive and process market data from the SIPs relevant to MWCB halts; and
- (iv) send orders following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior.

To the extent that a Member participating in the MWCB test is unable to receive and process any of the messages outlined above, its attestation should notify the Exchange of which messages it was unable to process and, if known, why.

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