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| Information Security Plans | | | | | |
| Business Continuity Plan Template | | | | | |
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BCP Policy

State your company’s objectives for business continuity in the face of both internal and external significant business disruptions (SBDs), including your company’s obligation to grant customers access to their information in the event of a significant business disruption. This policy should be given to all employees. State who has the authority to execute the plan, where the plan is stored, and how to access the plan.

Our company’s policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees’ lives and company property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the company’s books and records, and allowing our customers to transact business. In the event that we determine we are unable to continue our business, we will assure customers prompt access to their data.

### Significant Business Disruptions (SBDs)

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only our company’s ability to communicate and do business, such as a fire in our building. External SBDs prevent the operation of any number of companies, such as a terrorist attack, a city flood, or a wide-scale, regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of <Third Party>.

### Approval and Execution Authority

[Name, title], a registered principal, is responsible for approving the plan and for conducting the required annual review. [Name, title] has the authority to execute this BCP.

### Plan Location and Access

Our company will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection. An electronic copy of our plan is located on [server name] in the [file/folder name].

### Mean Recovery Times

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, hard and fast deadlines that must be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption and status of critical infrastructure—particularly telecommunications—can affect actual recovery times. Recovery refers to the restoration of clearing and settlement activities after a wide-scale disruption; resumption refers to the capacity to accept and process new transactions and payments after a wide-scale disruption. Our <Third Party> has the following SBD recovery time and resumption objectives: recovery time period of [e.g., within 4 hours]; and resumption time of [e.g., within the same business day].

### Review of Recovery Functions

[Name] will periodically review our <Third Party>’s capabilities to perform the mission critical functions the <Third Party> has contracted to perform for our company.

BCP Scope

This plan applies to the recovery of operations at <Company X> headquarters and all IT related services that support day-to-day business operations.

Emergency Contact Personnel

Identify your company’s two emergency contact persons. Each emergency contact person must be an associated person of the company, and at least one emergency contact person must be a member of senior management and a registered principal of the company. If your company designates a second emergency contact person who is not a registered principal of your company, then that contact person must be a member of senior management who has knowledge of the company’s business operations. If your company has only one associated person, the second emergency contact must be an individual, either registered with another company or non-registered, who has knowledge of your company’s business operations (e.g., your company’s attorney, accountant or <Third Party> contact person).

Our company’s two emergency contact persons are:

**Contact Person 1:** [name, phone number, email] and

**Contact Person 2:** [name, phone number, email - identify second person's relationship to the company if not a registered principal of the company].

Business Description

### High Level Business Description

Our company conducts business in [describe here].

Our <Third Party> also maintains our customers’ accounts and data, can grant customers access to them.

### Office Locations

List the locations of all of your offices, registered and unregistered, and state the means of transportation that employees may use to reach that facility. State also which mission critical systems, as defined below, take place at each location.

Our company has offices located in Location #1 and Location #2.

**Office Location #1**

Our Location #1 Office is located at [address]. Its main telephone number is [insert]. Our employees may travel to that office by means of [insert all that apply (e.g., foot, car, subway, train, bus, boat, plane, etc.)]. We engage in order taking and entry at this location.

**Office Location #2**

Our Location #2 Office is located at [address]. Its main telephone number is [insert]. Our employees may travel to that office by means of [insert all that apply e.g., foot, car, subway, train, bus, boat, plane, etc.)]. We engage in order taking and entry at this location.

Alternate Work Sites

List the alternate physical location(s) your company will use in the event an SBD affects the operation of your office locations.

### Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our staff from affected office(s) to the closest of our unaffected office location(s). If none of our other office locations is available to receive those staff, we will move them to [name of company, (if different), address]. Its main telephone number is [phone number].

Data Back-Up and Recovery (Hard Copy and Electronic)

Identify the location of your company’s primary books and records (hard copy and electronic) and the location of your company’s back-up books and records (hard copy and electronic). Describe how your company backs up its data. In addition, describe how your company will recover data in the event of an SBD.

### Backup Locations

Our company maintains its primary hard copy books and records and its electronic records at [address]. [Name, title, phone number] is responsible for the maintenance of these books and records.

Our company maintains the following document types and forms that are not transmitted to our <Third Party>: [List document types and forms, such as new account forms, etc.].

Our company maintains its back-up hard copy books and records at [other address]. These records are [paper copies, microfilm, etc.]. [Name, title, phone number] is responsible for the maintenance of these back-up books and records. Our company backs up its paper records by copying and taking them to our back-up site. We back up our records every [time period].

### Backup Schedule

The company backs up its electronic records daily [or other time period] by [describe process], and keeps a copy at [other address; may be the same as hard copy back-up site].

### Recovery

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them from our back-up site. If our primary site is inoperable, we will continue operations from our back-up site or an alternate location. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our back-up site, or, if our primary site is inoperable, continue operations from our back-up site or an alternate location.

Mission Critical Systems

Describe your company’s mission critical systems and whether your company or a <Third Party> has responsibility for them. If owned by a third party, discuss your company’s review of its <Third Party>’s capabilities to perform mission critical functions for your company.

Our company’s “mission critical systems” are those that ensure prompt and accurate processing of transactions. More specifically, these systems include: [list systems names and their functions].

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking [and] entry [and execution].

Our <Third Party> provides, through contract, the [execution,] comparison, allocation, clearance and settlement of securities transactions, maintenance of customer accounts, access to customer accounts and the delivery of funds and securities.

Our <Third Party> contract provides that our <Third Party> will maintain a business continuity plan and the capacity to execute that plan. Our <Third Party> represents that it will advise us of any material changes to its plan that might affect our ability to maintain our business [and has presented us with an executive summary of its plan, which is attached]. In the event our <Third Party> executes its plan, it represents that it will notify us of such execution and provide us equal access to services as its other customers. If we reasonably determine that our <Third Party> has not or cannot put its plan in place quickly enough to meet our needs, or is otherwise unable to provide access to such services, our <Third Party> represents that it will assist us in seeking services from an alternative source.

Our <Third Party> represents that it backs up our records at a remote [or, preferably, out of region] site. Our <Third Party> represents that it operates a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our <Third Party> has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing [, and it has confirmed that it tests its back-up arrangements every time period].

### List of Mission Critical Systems

1. System One

Describe how your company will handle order taking in the event of an SBD.

Currently, our company receives orders from customers via [insert all that apply (e.g., telephone, fax, email, website at [insert URL], in-person visits by the customer, etc.)]. During an SBD, either internal or external, we will continue to take orders through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by [insert method]. If necessary, we will advise our customers to place orders directly with our <Third Party> at [insert <Third Party> contact information].

2. System Two

Describe your company’s procedures if an SBD prevents it from entering orders received from customers.

Currently, our company enters orders by recording them on paper and electronically and sending them to our <Third Party> electronically or telephonically. Alternatively, we place customer orders through [insert name of system]. We have contacted [name of system(s)] and were told that, under its BCP, we can expect [services] within [time].

In the event of an internal SBD, we will enter and send records to our <Third Party> by the fastest alternative means available, which include [insert means your company will use]. In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order to the <Third Party> by the fastest means available when it resumes operations. In addition, during an internal SBD, we may need to refer our customers to deal directly with our <Third Party> for order entry.

3. Other Services Currently Provided to Customers

In addition to those services listed above in this section, we also [describe any other services you provide customers]. In the event of an internal SBD, we would [describe how you would provide those services in the event of an internal SBD]. In the event of an external SBD, we would [describe how you would provide those services in the event of an external SBD].

### Mission Critical Systems Provided by Third Parties

Describe the arrangements you have with your <Third Party> to provide other mission critical systems.

Our company relies, by contract, on our <Third Party> to provide [order execution], order comparison, order allocation, customer account maintenance and/or access and delivery of services..

Critical Business Constituents and Third-Parties

Describe your company’s procedures to identify changes in the impact an SBD will have on its relationship with its critical business constituents, banks, and counter-parties, and how it will deal with those impacts.

### Business constituents

We have contacted our critical business constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as vendors providing us critical services), and determined the extent to which we can continue our business relationship with them in light of the internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when we need them because of a SBD to them or our company. [or we have entered into a supplemental contract with certain critical business constituents to provide such services. The alternative suppliers are disclosed below.]

Our major suppliers are: [list service/product, supplier’s name, address and phone number and any alternative supplier’s name, address, and phone number.]

### Third-Parties

We have contacted our critical third parties to determine if we will be able to carry out our transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, we will work with our clearing company or contact those counterparties directly to make alternative arrangements to complete those transactions as soon as possible.

Alternate Communications With Customers, Employees, and Regulators

### Customers

Describe the alternate means of communications that your company will use to communicate with its customers in the event of an SBD.

We now communicate with our customers using [insert all that apply (e.g., the telephone, email, our website, fax, U.S. mail and in-person visits at our company or another location)]. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. For example, if we have communicated with a party by email but the Internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

### Employees

Describe the alternate means of communications that your company will use to communicate with its employees’ in the event of an SBD.

We now communicate with our employees using [insert all that apply (e.g., telephone, email, and in person, etc.)]. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. We will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree includes all staff home and office phone numbers. We have identified persons, noted below, who live near each other and may reach each other in person:

The person to invoke use of the call tree is: [insert name]

|  |  |
| --- | --- |
| **Caller** | **Call Recipients** |
| *[e.g., Person A* | *Person B, Person C, Person D* |
| *Person C* | *Person E, Person F, Person G.]* |
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### Regulators

Describe the alternate means of communications that your company will use to communicate with governing bodies (such as regulators) or critical third parties (such as law enforcement) in the event of an SBD.

We are currently members of the following self-regulatory organizations (SROs), and are also regulated by: [insert list of applicable SRO, federal and state securities regulators]. We communicate with our regulators using [insert all that apply e.g., telephone, email, fax, U.S. mail, in person, etc.)]. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party.

References

CPL: 14.3 Business Continuity Planning

FINRA Rule 4370 (Business Continuity Plans and Emergency Contact Information)

Approval and Ownership

|  |  |  |  |
| --- | --- | --- | --- |
| Owner | Title | Date | Signature |
| Policy Author | Title | MM/DD/YYYY |  |
| Approved By | Title | Date | Signature |
| Executive Sponsor | Title | MM/DD/YYYY |  |

Revision History

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