

Industry group's plan to fortify market



Data corruption

- SGX should maintain a master record of trade data with a clear hierarchy based on the source of the data.
- Uncorrupted data should be made readily available to brokers during a disruption.



Market recovery

- SGX should prescribe guidelines for brokers' order management systems to improve resiliency and recovery.
- Brokers should attest to SGX that they have appropriate recovery plans in place.
- Brokers should use checklists to ascertain that they are ready to resume trading.



Market closure and resumption

- SGX should keep markets open as much as possible
- Adopt two levels of disruption:
 - Adjust phase, in which orders can be amended but no matching will occur, when trading resumption is expected to be prompt and no data corruption issues exist
 - Market suspension, where order matching and access to the central order book are halted.
- As a guideline, resume trading when at least two-thirds of trading members representing more than 50 per cent market share are ready to participate, and trading members representing more than one-quarter of retail participants are ready to participate.
- If SGX wishes to extend trading hours, brokers must be informed at least one hour before continuous trading resumes and no later than 4.30pm; an extended market will close after 6pm.



Trade assumption

- If a disruption affects a large number of trades, affected trades should be cancelled.
- If SGX decides to assume trades, it should do so only within its risk limits.
- If SGX decides to assume trades, it will give brokers a chance to decide if they would like to retain any of the affected trades.



Incident communication

- Brokers should provide and maintain a list to SGX of designated technical and business contacts, included registered vendors if any.
- SGX should create a web portal that designated persons from each broker can access during a disruption.
- The Securities Association of Singapore will suggest a framework for brokers to disseminate information from SGX to remisiers and clients.



Continuity testing and support

- SGX should extend test environments for brokers to test recovery plans during intraday failures and data loss issues.
- Clear guidelines for which business continuity plans are mandatory or optional for brokers.
- Conduct industry-wide tests of incident communications protocols.