

# JSE Clear Business Continuity Policy

July 2022

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## VERSION CONTROL

Created By:	JSE Clear CRO
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To be approved by:	JSE Clear Risk Committee
	JSE Clear Board
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## VERSION HISTORY

Version	Date	Summary of changes	Author
1.0	June 2019	Initial Draft of Policy	Post-trade Services Risk
2.0	April 2020	Cosmetic changes, governance updates	Post-trade Services Risk
3.0	May 2021	Roles and responsibilities and governance updates	Post-trade Services Risk
4.0	July 2022	Housekeeping changes and governance updates	JSE Clear

## ACRONYMS

The following acronyms are used in this document:

BCM	Business Continuity Management
BRT	Business Recovery Team
CEO	Chief Executive Officer
CMT	Crisis Management Team
ERM	Enterprise Risk Management
ESMA	European Securities and Markets Authority
FMA	Financial Markets Act
GA	Governance and Assurance
ICT	Information and Communication Technology
ISO	International Organization for Standardization
IOSCO	International Organization of Securities Commissions
JSEC	Johannesburg Stock Exchange Clear
RO	Responsible Officer
RPO	Recovery Point Objective
RTO	Recovery Time Objective
SME	Subject Matter Expert

## 1 INTRODUCTION

The purpose of this document is to articulate JSE Clear's (JSEC) business continuity management (BCM) philosophy and the various policy decisions taken to ensure a disruption to the business is managed appropriately.

JSE Clear recognizes that effective BCM is fundamental to the achievement of its objectives. Through a robust and relevant BCM programme and embedded business continuity culture, JSE Clear drives business resilience, innovation and growth, while protecting and enhancing our value. Business continuity management is an integral part of business and as such is incorporated into JSE Clear's strategic decision-making processes and day-to-day business operations. Business continuity is a core management competency and the clear responsibility of management.

JSEC defines Business Continuity as the ability to continue the delivery of core products and services at a predetermined level in the event of a material business incident/disruption, while ensuring the protection of its employees and reputation.

The following acts, standards and guidelines were referenced in the development of this policy:

- The Business Continuity Institute Good Practice Guidelines (GPG2018);
- Financial Markets Act (FMA) 2012 as amended (Section 19);
- Occupational Health and Safety Act 1993 (Section 85);
- Disaster Management Act 2002 (Section 57);
- ISO 22301: 2012 (Societal Security – Business Continuity Management Systems – Guidance);
- King IV Report on Corporate Governance for South Africa;
- IOSCO requirements; and
- ESMA Regulatory Technical Standards.

## 2 POLICY OBJECTIVES

This policy sets out the objectives, approach and requirements in order to:

1. **Commit** - serve as commitment by JSE Clear for accountability and responsibility for business continuity;
2. **Protect** - protect the business, including its employees, customers and stakeholders, by minimizing the impact of material disruptions to critical business activities through proper planning;
3. **Communicate** - communicate the business recovery requirements and ensure an appropriate recovery capability is provided; and
4. **Embed business continuity culture** by ensuring that it is an essential part of business planning, development and risk management.

## 3 SCOPE

This policy applies to all business units and activities of JSE Clear including third parties and market players, upon whom JSE Clear is dependent for critical services/systems.

This policy includes BCM in its entirety which incorporates business continuity, information and communication technology (ICT) continuity, including key elements of emergency response, relocation of employees and crisis management. This policy should be read in conjunction with the JSE Group BCM Policy.

## 4 POLICY STATEMENT

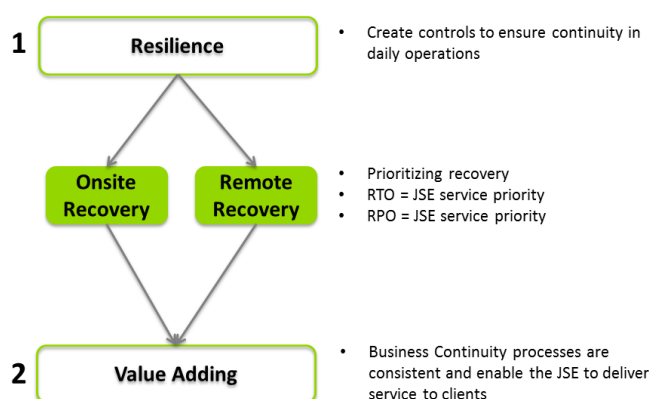
JSE Clear maintains robust BCM processes that establish a fit-for-purpose and strategic operational framework in the event of a significant business disruption.

JSE Clear utilizes remote recovery capabilities (for both office space and operations) from a stand-alone data center to supplement the business continuity capabilities of JSE Clear's main service provider. The following are defined to enable fit-for-purpose recovery capabilities:

- Business Continuity Planning specific to each area supporting JSE Clear to recover defined core services;
- Emergency Response Planning for employee safety;
- Recovery site and relocation;
- IT Recovery Planning;
- Defined Risk Appetite; and
- Communication Plan.

## 5 PRINCIPLES

Organizational resilience should enable an organization to deliver its objectives and to survive and prosper. Business continuity management is implemented and embedded within JSE Clear, and is informed by the JSE Group's BCM policy and the following two (2) principles: resilience and value adding.



RTO = Recovery Time Objective (how soon you must recover)  
RPO = Recovery Point Objective (acceptable time period of data loss)

Whereas the BCM Policy prescribes the intentions and principles, the specific business continuity plans detail the ways and means to ensure critical services and products are delivered at required service levels within tolerable down time.

JSE Clear must establish a recovery time objective for its core operations and processes which must include the ability to perform its key functions. JSE Clear must also establish a recovery point objective for the data used by JSE Clear. These objectives must be realistically achievable and appropriate for the services JSE Clear provides and the markets it serves.

Further, JSE Clear must test its resilience processes and plans at least annually. Where appropriate this test should consider dependencies on service providers.

## 6 ROLES AND RESPONSIBILITIES

Detailed roles and responsibilities are detailed below.

Roles	Responsibilities
<b>JSE Clear Board</b>	<p>The Board is ultimately responsible for BCM and</p> <ul style="list-style-type: none"> <li>discharges this responsibility to Senior Management to implement and execute effective business continuity management; and</li> <li>approves policies that articulate and give effect to its set direction on business continuity management.</li> </ul>
<b>JSE Clear Responsible Officer (RO)</b>	<p>The JSE Clear Responsible Officer (RO) is responsible for the implementation of BCM Policy for JSE Clear.</p> <p>The RO discharges this responsibility through the various roles described in this policy as well as steering, reviewing and correcting business continuity activities based on the reporting provided. The RO ensures that business continuity is actively and effectively implemented for JSE Clear's operations.</p>
<b>Crisis Management Team (CMT)</b>	<p>The CMT has the responsibility for the co-ordination and response to an emergency or for recovery of processes or functions in the event of an outage/incident or disaster. The CMT is led by the Crisis Management Team Lead assigned for the incident, which may be the JSE Clear Responsible Officer, JSE Clear Chief Operations Officer or JSE Clear Chief Risk Officer. The CMT is made up of the most senior people with understanding of the crisis and business implications thereof, the necessary SME(s).</p>
<b>Crisis Management Team Lead</b>	<p>The Recovery Director, the RO or a direct report to the RO, is responsible for providing overall leadership and co-ordination during an incident/outage/disaster, providing guidance to the recovery teams and communicating to the relevant stakeholders (internal and external) with the assistance of the communications team.</p>

<b>Chief Risk Officer (CRO)</b>	<p>The CRO reviews and recommends the BCM Policy for approval by the Board. The CRO function provides oversight, assurance and measurement of conformance by the various departments within JSEC regarding this policy and business continuity best practices. The CRO:</p> <ul style="list-style-type: none"> <li>• develops, maintains and promotes an appropriate business continuity management policy, business continuity plan and culture, as well as methodologies, processes and support systems;</li> <li>• facilitates and co-ordinates business continuity management processes in consultation with the JSE Group BCM team and in accordance with the JSE Group Business Continuity Management Framework; and co-ordinates standardised and integrated reporting on business continuity activities to the JSEC Executive Committee, JSE Clear Risk Committee and JSE Group Executive Committee and Group Risk Management Committee where applicable.</li> </ul>
<b>Chief Information and Operations Officer (CIO/COO)</b>	<ul style="list-style-type: none"> <li>• Advises on the impact of the decision to invoke business continuity and/or disaster recovery on JSE Clear operations;</li> <li>• Ensures appropriate measures are put in place to manage the operational elements while recovering;</li> <li>• Manages engagement and involvement of service providers to JSEC. Advises on communication required to key operational and IT stakeholders of such as software providers;</li> </ul>
<b>Chief Compliance Officer (CCO)</b>	<ul style="list-style-type: none"> <li>• Ensures JSE Clear is operating within the applicable rules and regulations during the recovery phase;</li> <li>• Ensures Clearing Members and their clients are operating within the applicable rules and expectations during the recovery phase;</li> <li>• Communicates with regulatory bodies throughout JSE Clear recovery phase.</li> </ul>
<b>JSE Limited IT Division (ITD)</b>	<p>ITD is responsible for the implementation of IT Disaster Recovery Strategies and Plans and shall ensure the following:</p> <ul style="list-style-type: none"> <li>• Participation in Business Impact Analysis (BIA's) to understand JSE Clear business priorities and ensure alignment to business recovery requirements;</li> <li>• Develop, implement, maintain and test disaster recovery strategies and plans in alignment with JSE Clear business requirements; and</li> <li>• Ensuring the continued technical capability of the Work Area Recovery Site (WARS) in support of business.</li> </ul>
<b>JSEC Business Recovery Champion</b>	<ul style="list-style-type: none"> <li>• Appointed by the relevant JSEC Exco member to co-ordinate their department's recovery efforts. The Business Recovery Champion in each department supports the JSEC Exco member in ensuring the business continuity arrangements in place are appropriate, complete and up to date;</li> <li>• Co-ordinate BCM activities within the department of responsibility;</li> <li>• Assist with conducting BIA's to identify critical services/systems, prioritise them and identify interdependencies;</li> <li>• Ensure that department's performance is monitored and complies with the BCM policy and all other BCM requirements;</li> <li>• Facilitate and support BCM awareness campaigns and activities within the areas of responsibility; and</li> </ul>

	<ul style="list-style-type: none"> <li>Co-ordinate integrated exercise activities.</li> </ul>
<b>JSEC Enterprise Risk Management Team</b>	<p>The JSE Clear ERM function reviews the BCM Policy and provides oversight, assurance and measurement of conformance by the various business units to this policy and to business continuity best practices. This function:</p> <ul style="list-style-type: none"> <li>develops, maintains and promotes an appropriate business continuity management policy, framework, approach and culture, as well as methodologies, process and support systems;</li> <li>facilitates and co-ordinates business continuity management processes in consultation with the JSE Group BCM team and in accordance with the JSE Group Business Continuity Management Framework and JSE Clear Business Continuity Plan; and</li> <li>co-ordinates standardised and integrated reporting on business continuity activities to the JSE Clear Executive Committee and the JSE Clear Risk Committee.</li> </ul>
<b>Incident Recovery Team (IRT)</b>	<p>Incident Recovery Team is a structured group of employees ready to take control of the recovery operations due to an incident/outage/disaster.</p>
<b>Governance and Assurance (GA) – Internal Audit</b>	<p>Internal Audit team’s responsibilities include:</p> <ul style="list-style-type: none"> <li>verifying the effectiveness and mitigation activities as part of the audit plan; and</li> <li>examining, evaluating, reporting and recommending improvements on the adequacy and effectiveness of the BCM processes.</li> </ul>
<b>JSEC Employees</b>	<p>All JSEC employees are required to fulfil their roles, relevant to their area as set out in the JSEC Business Continuity Plan and/or BCM Policy and to participate in Business Resilience and Technical Resilience Tests as and when required.</p>

## 7 PANDEMIC

In an instance where the National Government declares a disaster in terms of the Disaster Management Act, the JSE Clear Board will need to consider the impact of the applicable regulations to the principles of this policy.

## 8 POLICY GOVERNANCE

This policy is owned by the JSE Clear CEO and will be reviewed at least annually or when there are any material changes. The JSEC Risk Committee will recommend the initial approval of this policy by the JSEC Board or when there are material changes. The regular annual review of this policy will be approved by the JSE Clear Risk Committee.



## APPENDIX 1 - JSE CLEAR RISK COMMITTEE AND BOARD ACTIONS

No.	Ref	Action Item	Frequency	Applicable Governance Forum
1.	6	The JSE Clear Board is ultimately responsible for BCM and <ul style="list-style-type: none"> <li>discharges this responsibility to Senior Management to implement and execute effective business continuity management; and</li> <li>approves policies that articulate and give effect to its set direction on business continuity management.</li> </ul>	Not specified	JSE Clear Board
2.	8	The JSEC Risk Committee will recommend the initial approval of the Business Continuity Policy by the JSEC Board or when there are material changes.	Not specified	JSE Clear Risk Committee
3.	8	The regular annual review of this policy will be approved by the JSE Clear Risk Committee.	Annual	JSE Clear Risk Committee