

 <div style="text-align: right;"> <h2 style="margin: 0;">REGULATORY INFORMATION CIRCULAR</h2> </div>			
<b>Circular number:</b>	ISE: 2016-08 ISE Gemini: 2016-08 ISE Mercury: 2016-16	<b>Contact:</b>	U.S. Market Operations – Futures & Options (215) 496-1571
<b>Date:</b>	December 7, 2016		U.S. Market Sales (800) 846-0477

## Nasdaq / ISE Announces Regulation SCI BC/DR Testing

In an effort to bring consistency for Regulation SCI DR Participation for ISE and Nasdaq participants, ISE, ISE Gemini and ISE Mercury will adopt rules similar to Phlx Rule 926, Nasdaq Rule 1170 and BX Rule 1170 in place of the existing Rule 803, Supplementary Material .02. A rule change has been filed with the Securities and Exchange Commission.

Regulation SCI requires that each SCI entity designate members/participants to take part in an annually scheduled Business Continuity and Disaster Recovery (BC/DR) Plan test. While Nasdaq encourages all Members, Member Organizations, PSX Participants and Options Participants of its markets to participate in testing, each Nasdaq exchange will designate certain Members, Member Organizations, PSX Participants, and Options Participants, as applicable, that are required to participate in the annual BC/DR plan test.

ISE, ISE Gemini and ISE Mercury Rules 803, Supplementary Material .02 will be amended to mirror Phlx Rule 926, Nasdaq Rule 1170 and BX Rule 1170. The ISE markets will have standards similar to the Nasdaq markets for the designation of applicable Members that are required to participate in the annual Business Continuity and Disaster Recovery Plan test. The standards for all nine markets are as follows:

- Nasdaq designates the top ten Members by volume executed on the Exchange during the four calendar months immediately prior to Nasdaq's announcement of the BC/DR test date.
- PHLX designates the top ten Options Participants by volume executed on PHLX during the four calendar months immediately prior to PHLX's announcement of the BC/DR Plan test date.
- ISE designates the top ten Members by volume (excluding contracts traded on PrecISE) executed on ISE during the four calendar months immediately prior to ISE's announcement of the BC/DR Plan test date.
- BX designates the top five Members based on volume executed on BX during the four calendar months immediately prior to BX's announcement of the BC/DR Plan test date.
- PSX designates the top five PSX Participants by volume executed on each Exchange during the four calendar months immediately prior to PSX's announcement of the BC/DR Plan test date.
- NOM designates the top five Options Participants by volume executed on NOM during the four calendar months immediately prior to NOM's announcement of the BC/DR Plan test date.
- BX Options designates the top five Options Participants by volume executed on each Exchange during the four calendar months immediately prior to BX Options' announcement of the BC/DR Plan test date.
- ISE Gemini designates the top five Members by volume (excluding contracts traded on PrecISE) executed on ISE Gemini during the four calendar months immediately prior to ISE Gemini's announcement of the BC/DR Plan test date.
- ISE Mercury designates the top five Members based on volume (excluding contracts traded on PrecISE) executed on ISE Mercury during the four calendar months immediately prior to ISE Mercury's announcement of the BC/DR Plan test date.

Notice will be provided to the specific Members, Member Organizations, PSX Participants and Options Participants for each market that are required to test at least six months prior to the BC/DR Plan test date to provide those Members, Member Organizations, PSX Participants, and Options Participants the necessary

lead time to prepare for the required testing.

## **Resources**

*Links to the rule filings will be available soon.*