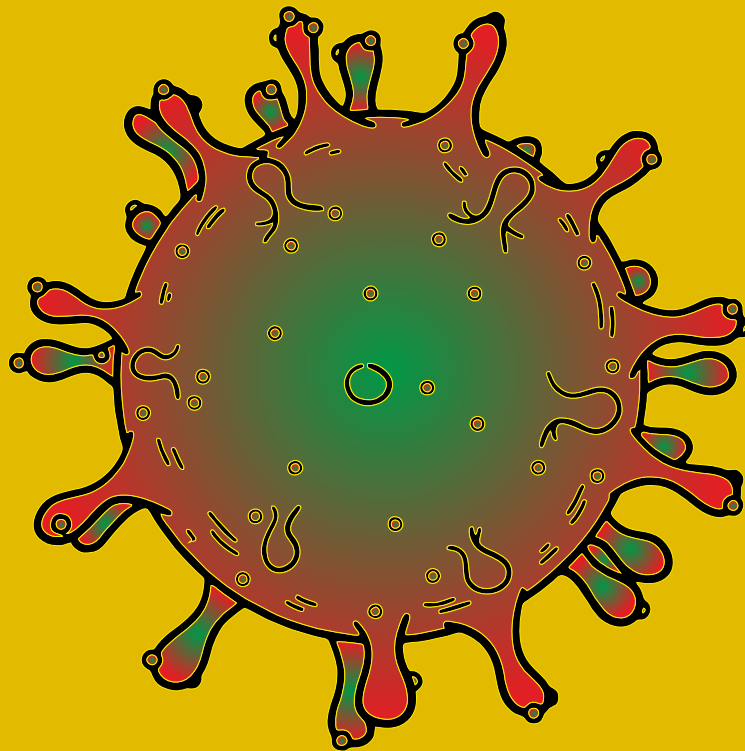


# CORONAVIRUS SCARE

AND YOUR  
BUSINESS CONTINUITY

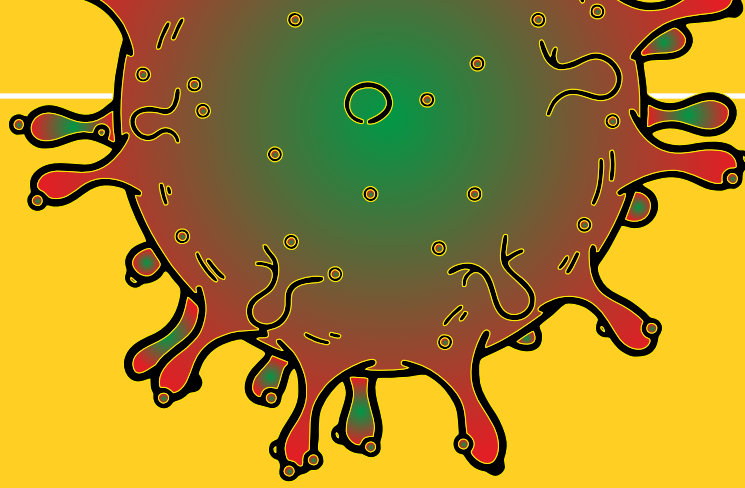


• D I S C L A I M E R •

This document is issued in public interest and is drafted on a best effort basis to enable market participants to have a suggestive roadmap for maintaining business continuity. The issuer does not guarantee that implementing suggestions using this document will ensure your business continuity like the one in your current environment.

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## Background:

World Health Organisation has declared Coronavirus as a global pandemic. Luckily India has been less affected because of it so far, but the impact thereof is visible in falling markets.

Manufacturing sector has been most severely impacted, but financial services and technology industries stand a better chance of averting difficult times as they can afford to run their business without the assembly of their entire team.

Our financial services industry is highly dependent on technology and to keep things going, many employees may be required to work from home except for some mission critical team members.

The Companies that have good business continuity, documented processes and adequate fallback options are expected to be less impacted than those do not have them.

## Suggestive steps for Business Continuity:

### 1. “Zero” Cost fallback trading system using NOW / FOW:

NOW and FOW are online trading facilities provided by NSE and BSE using which transactions can be executed by dealers as well as clients. They have a robust risk management system and also provide various products like intraday, carry forward etc. The statistics of trades for Feb 2020 published by BSE is as under:

Particulars	Percentage
NON ALGO (OTHER)	37.71
ALGO	16.17
DIRECT MARKET ACCESS (DMA)	0.09
<b>FOW-NOW</b>	<b>2.15</b>
SMART ORDER ROUTING (SOR)	1.17
CO-LOCATION	32.13
MOBILE	5.67
INTERNET BASED TRADING (IBT)	4.91

NOW/FOW can act as a complete business continuity plan for your trading system. They are accessible from anywhere and hosted by Exchanges in a secured environment. Following steps can be followed to implement NOW/FOW:

- a. Activate NOW/FOW for your company, if not done earlier.
- b. Update client master and other masters daily like in case of your current front office system. If it is not updated daily then clients that are added after the last update won't be able to use it.
- c. Update RMS parameters daily and keep updating the margin files like you do for your current front office system.
- d. Create same number of users on NOW/FOW like you have for your current front office system.
- e. Carry out trading in mock trading session.
- f. Use it for select dealers and clients for testing regularly.
- g. Activate for all when necessary.

## 2. Business continuity for Back Office system:

The back office systems handles all your pre and post trade activities like maintaining client masters, UCC Upload, CKYC and KRA, issuing contract notes and daily margin statements, reporting to Exchanges like margin, enhanced supervision etc. All these activities are to be completed as per the timelines of the Exchanges and SEBI. Following steps can be followed for continuity of back office system:

- a. Host the back office servers in a data centre rather than your office. This will allow you to ensure that the servers are up live and running without your staff working around it.
- b. Maintain direct connectivity of Exchanges to your back office data centre to allow you to process transactions remotely.
- c. Load the EXEs for running the back office on laptops of your employees rather than the desktops to increase mobility. Back office systems operating on browsers need not do this.
- d. Document all processes with time lines and order of execution.
- e. Ensure that multiple employees have the skills to carry out critical activities.
- f. Test the environment including connectivity to data centre, working of back office from home and co-ordination of team members while shuffling roles inter-se etc.



## 3. Business continuity for Email Systems:

Email has become a critical mode of communication. Most clients today prefer receiving contract notes and statements on their email IDs. Host your email servers in a data centre or avail 3<sup>rd</sup> party cloud based services to avoid disruptions at the time of non-availability of your staff that manage the email systems.

#### 4. Others:

Apart from the aforesaid there are several other resources that would be required. Some of them are listed herein below:

- a. Digital Signature dongles.
- b. Directory of employees.
- c. Directory of service providers like Exchanges, Depositories, Vendors etc.
- d. Email templates for communication with clients like informing them to call mobile numbers of employees rather than regular call centre.

**Plan ahead of time and avoid difficulties during tough times**

## Assistance from SecMark:

Most of the activities hereinabove can be done internally and we recommend doing it so. However in case you require our assistance for:

1. Implementing a Business Continuity Plan or
2. Reviewing your pre-existing Business Continuity Plan

You may feel free to write to us on [info@secmark.in](mailto:info@secmark.in) or call on 9869265949 / 9869036804

Wish you a planned, happy and safe working.







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