

Regulatory Circular RG15-003

Date: January 5, 2015

To: Trading Permit Holders
From: Business Development and Systems Divisions
RE: February 7, 2015 Back-Up Data Center Test

On Saturday, February 7, 2015, CBOE will conduct a test to simulate a failure at CBOE's Equinix NY4 primary data center and a recovery to back-up systems at CBOE's 400 South LaSalle Street data center. All CBOE Trading Permit Holders (TPHs) that are required to connect to the back-up data center (see Regulatory Circular RG13-110) must participate in the February 7 test.¹ Required participants include:

- All Market-Makers in option classes exclusively listed on CBOE² who are streaming quotes in such classes;
- All Designated Primary Market-Makers (DPMs) in multiply listed option classes; and
- All TPHs connected to the CBOE primary data center and transacting non-TPH customer business unless a TPH can demonstrate ready access to the back-up data center through another TPH connected to the back-up data center. Note that:
 - Floor Broker TPHs that do not have proprietary systems connected to CBOE and instead utilize Exchange-sponsored facilities such as Floor Broker Workstation (FBW), PULSe, or the CBOE Order Management Terminal (OMT) are not required to participate; and
 - For TPHs that use third parties for connectivity, it is insufficient for only the third party to participate – the TPH must participate in the test.

Since the primary objective of this simulation is to exercise a coordinated switch from CBOE's primary to its back-up data center, the test will begin with participants connected to CBOE's primary data center at NY4. At an unidentified time, CBOE will announce to participating TPH firms, through standard alerting mechanisms such as SendWordNow and Systems Status notifications, that CBOE's primary data center is unavailable and that such firms should switch connections to the CBOE back-up data center.

Assuming a TPH firm was initially successful in logging in to the CBOE primary data center, a switch by the TPH firm to connect to the CBOE back-up data center will constitute "successful" participation in the test. A login by a TPH firm to the CBOE primary data center and an attempt to login to the CBOE back-up data center, or a login to the CBOE back-up data center, will constitute participation in the test.

¹ Please see CBOE Rule 6.23A(f) for more information regarding the mandatory systems testing. TPHs that are required to participate in this test and provide to CBOE information following the test but fail to do so may be subject to a summary suspension pursuant to Chapter XVI (Summary Suspension) and/or disciplinary action pursuant to Chapter XVII (Discipline).

² "Exclusively listed on CBOE" means an option that is listed exclusively by CBOE because CBOE has an exclusive license to use, or has proprietary rights in, the interest underlying the option.

Following this test, participating TPHs will be required to provide information to the CBOE identifying the elapsed time between CBOE's announcement of the unavailability of its primary data center and the TPH's connectivity to CBOE's back-up datacenter.

TPH firms are strongly encouraged, but not required, to test the following both before and after the switch from CBOE's primary to the back-up datacenter:

- Entry of quotes (Market-Makers only), orders and cancel requests;
- Receipt of cancel report messages;
- Receipt of fill report messages;
- Receipt of Market-Maker Trade Notifications (MMTNs); and
- Connectivity and logins to other back-up systems, including:
 - Class Appointments;
 - CTMI (Continuous Trade Match web-based interface);
 - CTM RTC (Real-Time Connection for trade match drop copies);
 - Flex; and
 - Market Replay.

After the test, firms are encouraged to supply documentation of this additional voluntary testing to the CBOE, including timestamps of the firms' first quotes and/or orders sent to CBOE's back-up systems and confirmation that messages sent and received were processed by the firm correctly (or reports of any anomalies).

Following the back-up data center testing, CBOE will switch trading functions back to primary systems at NY4 to allow TPHs to validate normal production connectivity.

Additional materials will be distributed in advance of the test.

Additional Information:

Please contact the CBOE Help Desk at 866-728-2263, Anthony Montesano, at (312) 786-7365, or Matt Danaher, at (312)786-8810 for additional information regarding operational questions.

Questions regarding the rule requirement to participate in the mandatory testing may be directed to the Regulatory Interpretation and Guidance Line, (312) 786-8141 or RegInterps@cboe.com.