



MEMORANDUM – 2025-009

TO : THE TRADING PARTICIPANTS

SUBJECT : REVIEW OF INFORMATION TECHNOLOGY, TRADING, BUSINESS CONTINUITY, DISASTER RECOVERY, AND RISK MANAGEMENT SYSTEMS

DATE : 17 MARCH 2025

Under Rule 28.1.2.5.2(p) of the 2015 Implementing Rules and Regulations of the Securities Regulation Code (“2015 SRC Rules”), the Securities and Exchange Commission (“SEC” or “Commission”) may require broker dealers to subject their information technology, trading, business continuity, disaster recovery, and risk management systems to a regular review and audit by an independent firm at least once every three (3) years and such other frequency that the Commission may deem necessary. Further, the Commission may require that the results of said review and audit be submitted to it.

In relation to the cited provision, Rule 39.1.1.6.1. of the 2015 SRC Rules states that “the SRO¹ shall periodically examine all its members to determine whether they are in compliance with the securities law and SRO rules governing, among other things, financial responsibility, dealings of members with the public, back office procedures, trading practices, and supervision...”

The Commission recognizes the need to subject the trading participants’ information technology, trading, business continuity, disaster recovery, and risk management systems for review and audit. The Capital Markets Integrity Corporation (“CMIC”) supports this recognition. In a similar vein, CMIC, together with the SEC, upholds the aims to establish robust oversight and regulatory measures to maintain market integrity and to protect investors.

¹ Self-regulatory organization

Pursuant to the foregoing, CMIC shall include in its reviews and audits the trading participants' back-office system risk exposures, including business continuity planning and risk exposure from operations and controls.

Thank you.

(original signed)

GERARD B. SANVICTORES

President

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