



ICSA

INTERNATIONAL COUNCIL of SECURITIES ASSOCIATIONS

June 16, 2004

Mr. Andrew Sheng, Chairman
Securities and Futures Commission of Hong Kong
8th Floor, Charter House
8 Connaught Road Central
Hong Kong

Re: ICSA's Business Continuity Planning Guidelines for Securities Firms

Dear Mr. Sheng:

On behalf of the International Council of Securities Associations (ICSA), we are writing to you in your capacity as Chairman of IOSCO's Technical Committee. As you know, ICSA is composed of trade associations and self-regulatory associations for the securities industry in eleven countries as well as a number of international trade associations. ICSA members represent and/or regulate the firms that carry out the bulk of the activity on the world's equity, bond and derivatives markets.¹

One of ICSA's main missions is to aid and encourage the sound growth of the international securities market. To that end, ICSA members have recently endorsed ICSA's *Business Continuity Planning Guidelines for Securities Firms*, which is enclosed with this letter. In light of the current international environment, ICSA members believe that business recovery and continuity planning is particularly important for financial services firms, both because of the interdependent nature of financial markets and because the financial system itself may be a terrorist target.

Accordingly, ICSA members have developed guidelines for business continuity planning as a means to encourage all firms involved in the financial services sector to develop and

¹ A list of ICSA members is attached to this letter.

maintain suitable business continuity programs so that they are able to recover quickly and effectively from any unanticipated market disruption. While individual firms in different jurisdictions will need to develop business continuity programs that take into account local law and regulations and their own unique circumstances, ICSA's guidelines are intended to serve as a framework that can be followed by all firms regardless of their specific needs and circumstances.

In order to promote widespread dissemination of these guidelines, ICSA members have agreed to encourage their member firms to review and utilize the best practices outlined in ICSA's *Business Planning Continuity Guidelines for Securities Firms* and will also send copies of the document to their statutory regulators.

We believe that ICSA's *Business Planning Continuity Guidelines for Securities Firms* is a valuable contribution to the work being done by ICSA members in their individual jurisdictions to encourage increased attention to business continuity planning within the securities industry. We respectfully encourage you to circulate the document to the members of the Technical Committee and, if you think appropriate, would be happy to meet with the Technical Committee to explore how we might work together to promote business continuity planning in the global securities industry.

Sincerely,

John L. Langton, Chief Executive and
President
Secretary General, International Securities
Market Association (ISMA) and Chairman,
ICSA Advisory Committee

Don Kittell, Executive Vice
Securities Industry Association (SIA)
and Chairman, ICSA Working Group
on Contingency Planning

The members of ICSA are as follows:

Association Française des Entreprises d'Investissement, France

Australian Financial Markets Association, Australia

Bond Exchange of South Africa, South Africa

Bond Market Association, United States

Chinese Taiwan Securities Association, Chinese Taiwan

Italian Association of Financial Intermediaries, Italy

International Banks and Securities Association of Australia, Australia

International Primary Market Association, United Kingdom

International Securities Market Association, Switzerland

Investment Dealers Association of Canada, Canada

Japan Securities Dealers Association, Japan

The Korea Securities Dealers Association, Korea

London Investment Banking Association, United Kingdom

NASD, United States

Securities Industry Association, United States

Swedish Securities Dealers Association, Sweden