



## **Business Continuity Plan**

Rev. August 1st 2024

[FINRA Rule 4370; FINRA Notice to Members 06-74 and 04-37; SIFMA Business Continuity Planning website: <http://www.sifma.org/Services/Business-Continuity-Planning/>]

IBS has developed a Business Continuity Plan to provide procedures for response and recovery in the event of a significant business disruption. The purpose of the Plan is to identify responsible personnel in the event of a disaster; safeguard employees' lives and firm property; evaluate the situation and initiate appropriate action; recover and resume operations to allow continuation of business; provide customers with access to their funds and securities; and protect books and records. The Plan was developed considering the types of business conducted, systems critical to support business, and geographic dispersion of offices and personnel. The CCO is responsible for overseeing the creation, testing, updating and maintenance of the Plan.

**Retention and Location of The Plan**

Copies of the current and prior versions of the Business Continuity Plan are retained electronically on the IBS server. Current versions are maintained locally at each office location. Copies are dated as of the effective date of the version of the Plan.

**Implementation of The Plan**

The Plan has been designed to be implemented in the event of a disaster that results in a significant business disruption. Whether all or only parts of the Plan are implemented depends on the nature of the disruption. Generally, a significant business disruption would include:

- Destruction of one of IBS’ offices or facilities, whether by natural causes or by other means
- Loss of life or major injuries to personnel in an office location that disables that office's ability to conduct business
- Disruption of service from a critical service provider
- Disruption of service due to wide-ranging regional outages such as a power outage

**Emergency Response Team**

IBS has designated an Emergency Response Team that is responsible for implementing necessary procedures included in this Plan. The Response Team's action will depend on the nature and scope of the disruption. The "first responder" has the primary responsibility for taking action, and the "secondary responder" acts as a back-up in the event the first responder is unable to act. Where feasible, the two responders are located in different office locations.

<b>Action</b>	<b>First Responder/Location</b>	<b>Secondary Responder/Location</b>
Contact emergency services such as police, fire department	CCO	CFO
Establish off-site command center and notify employees	CCO	CFO

Contact employees regarding Plan initiatives	CCO	CFO
For affected offices, evaluate business disruption and transfer employees and business operations to other locations	CCO	CFO
Appoint individuals to manage business areas where needed	CCO	CFO
Assess financial and operations capabilities	CCO	CFO
Determine financial and credit risk and contact banks and other counterparties, if necessary, to secure financing to continue operations	CCO	CFO
Notify regulators in the event of a capital deficiency	CCO	CFO
Interface with SIPC if liquidation of business is initiated	CCO	CFO
Contact critical service providers	CCO	CFO
Transfer mission critical functions that are disrupted	CCO	CFO
Initiate alternative account communications systems or procedures	CCO	CFO
Notify accounts regarding alternative access to funds and securities	CCO	CFO
Recover back-up records when primary records are destroyed or inaccessible	CCO	CFO
Contact regulators and notify them of contact persons and recovery plans	CCO	CFO

### **Emergency Contact List**

IBS has established an Emergency Contact List that includes the names, phone numbers (cell and land lines), e-mail addresses, and other contact information for individuals critical to IBS' business including key employees, key vendors or service providers, regulators, insurance carriers, banks, attorneys, and other key contacts. A copy of the List is provided to each member of the Response Team and other key personnel. This list will be reviewed and updated on at least an annual basis.

### **Alternative Business Locations**

In the event employees can no longer conduct business at one of IBS' office locations, the following actions may be taken:

- Transfer employees to the closest unaffected office location and notify personnel

- Transfer critical systems to another office or a back-up firm or system
- Transfer business operations to another IBS office unaffected by the disruption
- Transfer business operations to a different broker-dealer or other entity

A list of offices appears in **Exhibit B**.

### **Data Back-Up and Recovery**

IBS maintains its books and records in both hard copy and electronic format. The Books and Records chart (Appendix A to the Plan) indicates whether records are maintained in hard copy or electronic form; location of primary records; and back-up site for records.

In the event of an internal or external significant business disruption that causes the loss of IBS' records (whether hard copy or electronic records), back-up records will be recovered from the back-up site.

### **Clearing Firm Back-Up and Recovery**

IBS's clearing firm is responsible for the back-up and recovery of its files.

### **Mission Critical Systems**

The section entitled "Mission Critical Systems" of the firm's *WSP* states:

Our firm's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions between our counterparties. These systems include:

- E-mail
- Telephone (both landlines and cellular, including text messaging.)
- Trading and Internet Access.

We have primary responsibility for establishing and maintaining our business relationships with our accounts and have sole responsibility for our mission critical functions of assisting our accounts as a fully disclosed agent.

### **Financial and Operational Assessments**

The following describes procedures for assessing changes in operational, financial, and credit risk exposures in the event of a significant business disruption.

### **Operational Risk**

In the event of a significant business disruption, alternative systems will be implemented to communicate with accounts, employees, critical business constituents (banks, counter-parties, *etc.*), regulators, and other key parties depending on the nature and impact of the disruption. Communication systems are described in the section "Alternative Communications" of the *WSP's* section entitled ***Business Continuity Plan***.

### **Financial and Credit Risk**

In the event of a significant business disruption, IBS' financial status will be evaluated to determine the need for additional financing or identify capital deficiencies including the following:

- Review the impact of the disruption on IBS' ability to conduct business
- Identify inability to satisfy obligations with counter-parties
- Contact banks or other counter-parties to secure needed additional financing
- Notify regulators of capital deficiencies
- Reduce or cease business as may be required due to capital deficiencies or inability to conduct business
- Transfer business to other financial institutions until IBS may resume conducting business

### **Alternative Communications**

IBS may use a wide range of communication systems to communicate with its accounts, employees, counter-parties, and regulators including telephone; mail; fax; e-mail; vendor systems (such as Bloomberg); and personal meetings. Procedures for instituting alternative communications in the event of a significant business disruption include the following, depending on the nature of the disruption:

- Identify the most expedient remaining means of communication
- Notify employees if an off-site command center has been activated
- Notify employees of alternative communication systems to be used
- Transfer communications to another firm

Determination of what communication system will be used depends on the nature of the disruption and which communication systems (electronic mail, telephone calls, *etc.*) are functional and the availability of personnel in the event telephone contact is necessary.

### **Between Accounts and The Firm**

In the event of a significant business disruption that disables communications systems, alternative system procedures will be implemented, including the following:

- Identify the most expedient remaining means of communication
- Notify employees regarding how to contact accounts
- Contact accounts about how to enter orders and other alternative business operations

### **Between the Firm and Its Employees**

In addition to the above, IBS has developed a system to enable senior management to contact employees in the event of an emergency. The system may include, depending on geographic dispersion of employees, a central list of all personnel and their contact information

### **Between the Firm and Regulators**

Communications with regulators will be conducted using the most expedient available communication system. The designated Response Team person will contact regulators regarding any major business disruption and plans for continuing business.

### **Regulatory Reporting**

In the event of a significant business disruption affecting offices responsible for regulatory reporting, regulators will be contacted to determine which means of filing are available under the circumstances to meet filing requirements. In the event IBS cannot contact regulators, required reports will be filed using communications means available.

### **Business Constituent, Bank, And Counter-Party Impact**

This section describes business continuity procedures regarding third parties that are critical to the conduct of IBS' business. In most instances, contracts with critical third parties will include assurances regarding the third party's disaster recovery plans. A disruption impacting IBS' ability to conduct business may occur either at IBS itself or at the third party.

#### **Business Constituents**

- Determine whether the third party is able to continue providing critical services.
- If not, identify and contact an alternate third party to provide services.

#### **Banks and Other Financial Institutions**

- Determine whether the bank/financial institution is able to continue providing financing.
- If not, identify and secure alternative financing.

#### **Critical Counter-Parties**

- Determine whether transactions may be completed with counter-parties.
- If not, contact counter-parties directly (or IBS' clearing firm, if business is introduced) to make alternative arrangements to complete transactions.

#### **Other Obligations to Accounts**

#### **Accepting Account Orders**

In the event IBS' systems for accepting account orders are disrupted, alternative systems will be communicated to accounts and to employees including, where appropriate:

- Accepting orders by telephone or another alternative means
- Communicating directly with other counterparties, broker-dealers, or another alternative means

#### **Prompt Access to Funds and Securities**

When account access to funds and securities is impacted by a significant business disruption, accounts will be notified by whatever expedient means is available (telephone, e-mail, *etc.*) regarding who may be contacted to request funds or securities. If IBS is unable to continue business operations, accounts will be notified of an alternative financial institution where they may conduct business and access their funds and securities.

#### **SIPC Liquidation**



In the event SIPC liquidation of IBS' business is required, designated personnel will work with the SIPC-appointed trustee to wind down IBS' operations and transfer account funds and securities.

### **Disclosure of Business Continuity Plan**

[FINRA Rule 4370(e)]

Information about IBS' Business Continuity Plan is provided to customers as follows:

- At the time of account opening
- On IBS' web site
- Upon request, by mail

### **Emergency Contact Information**

[FINRA Rule 4517; FINRA Rule 4370]

IBS has provided FINRA with the names of two emergency contact persons, one who must be a registered principal and member of senior management and a second who may be unregistered (such as IBS' attorney, accountant, or a clearing firm contact) and who has knowledge of IBS' business.

Emergency contact information will be promptly updated, when necessary. Contact information will be reviewed by Compliance (or someone else designated) within 17 business days of the end of each calendar year and a written record of the review will be retained.

### **Widespread Health Emergencies**

[Federal government Business Pandemic Influenza Planning Checklist: <http://www.pandemicflu.gov/plan/pdf/businesschecklist.pdf>]

A widespread pandemic or any biologically based threat could have significant impact on the ability of IBS to continue conducting business. This section outlines the steps IBS has taken and will take in the event of a widespread pandemic.

### **Preparatory Steps**

- Document government resources for information about a pending pandemic
- Identify and document an alternative firm or firms to handle IBS' business for extended periods of time
- Identify and document medical resources to assist employees, including administering vaccinations or other medications
- Stock antibacterial and other hygiene products for use by employees
- Identify employees that can telecommute and establish a list of those employees and what computers and technology will be necessary

### **Action If a Pandemic Occurs**

The following procedures will be followed in the event of a threatened health emergency.

1. The Emergency Response Team will meet to determine the potential seriousness of the threat and what action to be taken as the threat escalates.
2. Notify employees of:
  - available vaccinations or other medication and whether they are mandated
  - necessary conduct such as avoiding personal contact such as handshaking
  - access to antibacterial or other hygiene products to reduce infections and transmission of communicable diseases
  - requirement to stay home and telecommute
  - transfer of business/functions to other firms
  - contact list of key personnel
3. Restrict access to IBS by outsiders (accounts, vendors, *etc.*).
4. The Emergency Response Team will meet or communicate regularly to determine steps to be taken.

### **Education of Employees**

The Business Continuity Plan is communicated to employees as follows:

- A summary is included in the chapter *GENERAL EMPLOYEE POLICIES* and is provided to all employees.
- A current copy of the Plan is provided to the Emergency Response Team and key employees with responsibilities for aspects of the Plan.
- The most recent Emergency Contact List is provided to key employees.

### **Updating, Annual Review, and Testing**

The Plan will be reviewed on at least an annual basis and revised as needed. Each revision will be approved by the designated senior manager and copies of the revised Plan distributed to the Emergency Response Team and key employees. Some material events require updating the Plan when they occur, including:

- Material changes to IBS' business
- A change in IBS' main office location
- Added office locations
- A change in a major service provider

When the Plan is reviewed, the procedures and accompanying lists and charts will be reviewed and updated as needed including the:

- Plan itself
- Emergency Response Team list
- Emergency Contact List
- Books and Records chart (Appendix A)



- Mission Critical Systems chart (Appendix B)
- Business Constituent, Bank, and Counter-Party chart (Appendix C)
- *Designation Of Offices* section of the chapter *DESIGNATION OF SUPERVISORS AND OFFICES*
- Any other charts or information related to the Plan

A written record of the annual review including the date reviewed and name and signature of the reviewer will be retained by Compliance.