



# Interactive Brokers Business Continuity Plan Disclosure

## I. Introduction

In accordance with applicable regulations, Interactive Brokers ("IB") has developed a Business Continuity Plan to assist the firm in appropriately responding to a significant business disruption as promptly as possible under prevailing conditions. Among other things, IB's Business Continuity Plan:

- » Identifies Emergency Contact Personnel to the firm's regulators;
- » Describes the systems infrastructure protections that the firm has established in an effort to minimize the potential adverse effects of a disruption (for example, redundancy of telecommunications and power generation, fire protection and building security);
- » Describes the firm's daily back-up of specified data and records and maintenance of back-up media at secure off-site locations;
- » Describes the firm's continuity of operations plan and the methods that the firm would use to recover particular data and operations;
- » Identifies important firm operations and where applicable, describes how those operations could be re-established in the event of a disruption;
- » Identifies the means by which the firm will provide clients prompt access to their funds and securities and/or the ability to transfer their funds and positions to another broker or futures commission merchant in the event of a disruption of such magnitude that IB does not intend to continue business; and
- » Describes the means by which the firm will communicate with its clients, employees, business constituents and regulators in the event of a disruption.

In the event of a significant business disruption, the firm intends to continue its operations to the extent reasonable and practical under the circumstances and will place utmost priority in re-establishing the data and operational systems necessary to provide its clients with prompt access to their funds and securities.

The firm intends to respond to disruptions of the scopes discussed below in the following ways:

## II. Basic Access to Funds and Office Disruption

**Securities in the Event of a Branch Office Disruption:** Critical systems and personnel necessary to provide clients with access to their funds and securities generally are not dependent on operation of IB's branch offices (e.g., Chicago, London, Hong Kong and Zug, Switzerland). Thus, the firm does not anticipate that even a significant disruption to the operations of a single IB branch office would have more than a temporary impact, if any, on clients' basic access to their funds and securities.

**Connection to IB Trading System for certain Clients:** Clients that connect to the IB online trading system (e.g., the IB Trader Workstation) through a data center that suffers a disruption likely would temporarily lose the ability to connect to the trading system if those local systems were significantly disrupted. This likely would last only briefly, as connections to IB's trading systems and exchange access could be reestablished through other IB data centers in a matter of hours. Regardless, clients would still have the ability to place trades by telephone during the temporary outage. Most clients' access to account functions other than trading (e.g., deposits and withdrawals, account management, etc.) likely would be unaffected, as connections for many online functions other than trading are generally not location-dependent.

As specified in the IB Customer Agreements, clients should maintain alternative trading arrangements in addition to their IB accounts for the placement and execution of client orders if the IB system is unavailable. By not maintaining alternative trading arrangements, clients assume the risk of not being able to execute trades or otherwise process transactions through their IB account in the event of a delay, interruption or failure of IB's services and systems.

**Operating Model Resiliency:** Most critical manual operations performed in IB offices, such as Client Service, Risk Management, Finance, Compliance, etc. are also performed in other IB offices and can generally be migrated to personnel in other offices. Accordingly, the firm does not anticipate that localized failures would have a material, prolonged impact on the firm's ability to respond to client needs.

### III. Headquarters or Primary Data Center Disruption:

The firm has designed its systems, procedures and personnel structure to include significant redundancy and cross-capability in the event of a disaster or disruption impacting its Headquarters or one of its Primary Data Centers.

**In the Event of a Disruption at IB's Primary Data Centers:** The firm's primary data centers operate on a generally redundant basis so that disruptions affecting communications lines, computer hardware components, or systems, can typically be addressed within one day, hopefully sooner, through the use of redundant systems.

In the event of a total loss of one of the firm's primary data centers, the firm intends to recover the relevant data and operational systems necessary to provide clients prompt access to their funds and positions. IB's data centers are in geographically diverse locations that should not be subject to the same communications, electricity and/or transportation restrictions.

During the immediate aftermath of, for example, a terrorist attack resulting in the destruction of the firm's Greenwich headquarters or a primary data center, the firm expects to recover most critical services, such as Brokerage, Account Management, and Funds and Banking, to another of our data centers and establish basic client access to funds and positions within approximately 24 hours, hopefully sooner. We anticipate that, after this window, clients would be able to request a withdrawal of funds or transfer of their positions to another broker whose operations were unaffected by, for example, the terrorist attack. Although IB's Business Continuity Plan is designed to provide client access to funds and positions within 24 hours, hopefully sooner, the

actual recovery time will depend on the nature of the disruption, how many IB facilities and personnel are affected, the state of the national and global financial and banking system, and a host of other factors. Non-critical systems and services may require longer to recover, as critical systems will take priority.

**In the Event of a Disruption at IB's Headquarters:** The firm has significant capacity and capability in its global offices, both in terms of systems and personnel, to help mitigate any disruptions in IB's headquarters. The firm has a robust infrastructure in place to support all key staff working remotely in the event that office locations, including the firm's Headquarters, are inaccessible.

In the event of a significant disruption of IB's systems the firm anticipates that clients may be able to access [status.interactivebrokers.net](http://status.interactivebrokers.net) to obtain information about the extent of the disruption and the state of IB's operations. Because most client services personnel are in offices other than at IB headquarters, the firm anticipates that clients would continue to be able to contact the firm via chat, email or telephone. In the event of a significant outage or major terrorist or other disaster affecting the markets, large numbers of clients likely would try to contact the firm at the same time, potentially causing major delays in our ability to respond.

#### IV. Important Disclaimers

The firm will adhere to the procedures set forth in its Business Continuity Plan and described in this disclosure to the extent commercially reasonable and practicable under prevailing circumstances. Disruptions may vary significantly in nature, size, scope, severity, duration and geographic location and will result in distinct degrees of harm to human life; firm assets; banks, exchanges, clearing houses and depositories with which the firm conducts business; and local, regional and national systems infrastructure (e.g., telecommunications, internet connectivity, power generation and transportation) that could affect the firm's recovery in vastly disparate ways. The firm therefore reserves the right to flexibly respond to particular emergencies and business disruptions in a situation-specific manner which the firm deems prudent, in its sole discretion. Nothing in this document is intended to provide a guarantee or warranty regarding the actions or performance of the firm, its computer systems, or its personnel in the event of a significant disruption.

The firm may modify its Business Continuity Plan and this disclosure at any time. The Firm will post updates to its Business Continuity Plan Disclosure on its website. Should you wish to receive a copy of an updated disclosure by mail, please contact the IB Document Processing Department at [newaccounts@interactivebrokers.com](mailto:newaccounts@interactivebrokers.com).