Directive of Strate (Pty) Ltd

Special Gazette No. S1-2025
Strate Directive SA.10

Risk Management

strate

To provide for the effective management of risks in the Strate environment, focusing on disaster recovery testing, and technical difficulties experienced by and impacting on Participants and Business Partners

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1. Interpretation and Definitions

This Strate Directive should be read in conjunction with Strate Directive SZ.1 - *Interpretation and Definitions.*

2. Requirements

2.1 Disaster Recovery Tests

2.1.1 A Participant must conduct the disaster recovery test referred to in Strate Rule 8.1.8 at least twice every calendar year, and report the results of such test to Strate Supervision (in accordance with Annexure A) within 30 (thirty) days from the date of the test. A Participant must ensure that the intervening period between two disaster recovery tests is no less than 3 (three) months and no greater than 9 (nine) months.

2.1.2 In accordance with Strate's annual testing calendar, a Participant and Business Partner must test:

2.1.2.1 the Participant's or Business Partner's Production Environment connectivity to Strate's disaster recovery site; and

2.1.2.2 the Participant's or Business Partner's disaster recovery site's connectivity to both Strate's Production Environment and Strate's disaster recovery site.

2.1.3 On successful testing, a Participant or a Business Partners must complete the form in Annexure B and email it to Strate-Supervision@strate.co.za.

2.1.4 Where a test is unsuccessful, a Participant or Business Partner must advise Strate of the circumstances leading to the failure within 10 (ten) Business Days from the date of the test, as well as its plans to conduct a subsequent disaster recovery test. The timing of the subsequent test will be agreed with Strate Supervision, and will be dependent upon the nature and consequences of the failure (e.g. systems/functionality impacted, and the availability of appropriate work-around solutions as a temporary measure). Where a subsequent test is also unsuccessful, a Participant or Business Partner must repeat this re-testing process until it conducts a successful disaster recovery test.

2.2 Technical Difficulty and Business Continuity

2.2.1 A Participant, Nominee and Business Partner must, for each disruption of its Production Environment:

2.2.1.1 submit to Strate a technical difficulty log as described in Annexure C, within 30 (thirty) minutes after the Participant or Business Partner identifies the technical difficulty. The

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Participant, Nominee or Business Partner must provide as much information as is known at the time of completing the log;

2.2.1.2 send to Strate a status update on the technical difficulty every 1 (one) hour, and provide additional information as is known at the time of sending each status update, which communication could be sent via email; and

2.2.1.3 on closure of the incident, submit to Strate the technical difficulty log described in clause 2.2.1.1, completing the additional information that was not available when the Participant, Nominee or Business Partner first identified the technical difficulty. The root cause of the incident, together with a remediation plan to address the root cause, must be provided, in writing, within fifteen (15) Business Days of the disruption. A Participant, Nominee or Business Partner may request an extension from Strate Supervision for the submission of the root cause and remediation report.

2.2.2 A Participant must move its operations to its disaster recovery site after a maximum of 2 (two) hours of continued disruption of its Production Environment by a Severity 1 (one) technical difficulty as described in Annexure C.

2.2.3 Where a technical difficulty impacts other market stakeholders, Strate may, after prior notification to the affected Participant, Nominee or Business Partner, notify such impacted stakeholders, and will use the information captured in Annexure C in such notification to the market.

2.3 Communication Networks

2.3.1 For Strate, a Participant must have a minimum of 2 (two) Secure messaging systems, or 2 (two) different communication network service providers to provide Secure messaging communications between the Strate System and the Participant. A Participant must ensure that it can communicate effectively through the alternative messaging system or communication network service in the event that the primary messaging system or communication network service provider becomes unavailable.

2.3.2 A Participant may only select a messaging system that is technically supported by Strate. A Participant may contact Strate for a list of supported messaging systems.

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Annexure A

	Information Required	Guide	Response
1.	Confirm the physical address of the site where the DR test was conducted.	Off-site DR location address.	
2.	Date(s) the DR test was conducted.	Actual dates and duration of the test.	
3.	3a. Describe the systems that were tested with a brief explanation of the use of each system. 3b. Was the network tested? 3c. Were linkages with associated internal and external entities tested?	The description should include reference to all systems involved in the test and the method used to test them. Yes/No Yes/No	
4.	4a. Confirm the time taken to recover each of the above systems tested. 4b. What is the approved recovery time objective (RTO) for critical business processes for your organisation and what is the rationale?	Please provide specific times. Please provide specific times.	
5.	Describe the recovery methodology used as well as how the integrity of the recovered data was confirmed to be correct.	Restore to point in time backup, roll forward of log data, hot restart etc. a) Site failover/migration to an alternate site. b) Server/Application migration to standby hardware/site. c) Standalone snapshot of production environment. d) Network connectivity test. e) Migration to cloud. f) Migration to alternate cloud availability zone. g) Other (please specify in comments).	

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6.	Explain which of these systems is critical for the effective functioning of daily operations.		
7.	Detail the parties who participated in the DR test.	Business users, IT staff, systems vendors, auditors, clients etc.	
8.	8a. How is the disaster recovery process in your organisation reviewed for assurance purposes? 8b. Please provide details of the assurance provider and their level of independence.	Assurance providers: a) Internal auditors b) External auditors c) Internal segregated department (compliance, testing etc.) d) Internal department e) IT f) Third Party g) Other (please specify in comments). Did the assurance providers observe and validate that the business area could perform work as expected? Was validation obtained in respect of the full functionality of the recovered systems?	
9.	Please provide full detail of what the DR test covered from a business operations perspective.	Provide detailed scope of the testing activities.	
10.	Please provide full details of the DR testing results for in-scope applications (per system).	Detailed outcome of testing activities: a) Successful test of all in scope components b) Partially successful with corrective action planned c) Failed testing with retest scheduled d) Other (please specify in comments).	

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11.	Please provide full details of what was excluded from the testing scope and reasons for the exclusion.	Provide testing scope exclusions and reasons.	
12.	12a. Please confirm when testing of the above excluded items has been scheduled for. In addition, in the event that it was necessary to exclude any critical systems from the scope of the test, please confirm the dates when these critical systems will be tested. 12b. In addition, in the event that it was necessary to exclude any critical systems from the scope of the test, please confirm the dates when these critical systems will be tested.	Future proposed testing dates for excluded systems. Future proposed testing dates for excluded systems.	
13.	List any issues that were raised and/or recommendations that were made after the DR test.		
14.	14a. With respect to question 13 above, confirm which recommendations have been implemented to date. 14b. Confirm the planned schedule for the implementation of recommendations at a future date.	Indicate which items have been resolved, and for unresolved or open items, please provide expected timelines for the implementation of recommendations or appropriate remediation activities.	
15.	Confirm the retention period (s) for back-up records and/ or key data of your systems.		

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Institution: _____

Capacity ☐ Participant

☐ Business Partner

☐ Nominee

We confirm the contents of the above DR Test Results Report:

Name of individual/s: _____

Capacity/ Role: _____

Signature: _____

Date: _____

Who warrant that they are duly authorised to sign

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Annexure B

DISASTER RECOVERY ("DR") TEST CONFIRMATION

Institution: _____

Capacity ☐ Participant

☐ Business Partner

☐ Nominee

1. We confirm that we participated in the Strate DR test, conducted on_____.

2. We are satisfied that the content and scope of the test was sufficient to connect to the Strate Production Environment and/or disaster recovery site.

Name of individual/s: _____

Capacity/ Role: _____

Signature: _____

Date: _____

Who warrant that they are duly authorised to sign

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Annexure C

TECHNICAL DIFFICULTY LOG

Please ensure that the duly completed log is e-mailed to strate-supervision@strate.co.za and the affected Strate operations unit:

1. Settlement Services – SettlementServices@strate.co.za
2. Corporate Actions – CorporateActions@strate.co.za
3. Register Services (BIR) – Strate-RegisterServices@strate.co.za

Date
Time difficulty was identified
Time difficulty arose
Time difficulty was resolved
Name of Participant / Business Partner

Market impacted:	
Bond Securities	Yes/No
Equity Securities	Yes/No
Money Market Securities	Yes/No
Should Strate notify the market?	Yes/No
Contact Person	
Contact Number	

Systems Impacted

Internal Custody System	Yes/No	CMFE (Central Messaging Front End)	Yes/No
BaNCS	Yes/No		
SWIFT	Yes/No		
WAN (Wide Area Network)	Yes/No		
E-mail	Yes/No		
Facsimile	Yes/No		
Other (please specify)			

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Nature of Technical Difficulty

Not Receiving Incoming Messages	Yes/No
Outgoing Messages cannot be sent	Yes/No
Status Intimations Not Received	Yes/No
Status Intimations Not Sending	Yes/No
Not Receiving Funding Messages	Yes/No
Outgoing Funding Messages cannot be sent	Yes/No
Power Failure	Yes/No
Other (please specify)	

Severity of Technical Difficulty

Severity (*please select severity using below key as a guide*): 1/2/3

Severity		Explanation
1	High	Significant impact to entity reporting the difficulty and external parties. Causes disruption to normal business operations. Extension to operational windows is required – E.g. SAMOS windows to be extended Downtime anticipated to be longer than one hour.
2	Medium	Some impact to entity reporting the difficulty and external parties. Causes disruption to normal business operations. Extensions to operational windows may be required. Workaround exists. E.g. Use of CMFE as an alternative to an internal system. Downtime anticipated as no longer than one hour.
3	Low	Minimal impact to entity reporting the difficulty or any external parties. No extensions to operational windows required. Manual workaround exists. E.g. e-mail.

Comments:

Please provide an explanation for having rated the technical difficulty as you have above:

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Anticipated Down Time

Less than 30 minutes	Yes/No
30 minutes to 2 hours	Yes/No
2 hours to 4 hours	Yes/No
Longer than 4 hours	Yes/No
Not known at this stage	Yes/No

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