

IM Threshold Monitor

For firms in scope for UMR but unlikely to immediately exceed the regulatory threshold

The Initial Margin Threshold Monitor service is part of the AcadiaPlus Risk Suite of services. AcadiaPlus, is a feature rich open platform for Sell-side, Buy-side and Fund Administrators.

The Initial Margin Threshold Monitor (IMTM) service provides your firm with the ability to track your estimated Initial Margin (IM) exposure as calculated by your dealer compared to your expected IM threshold without the burden of negotiating IM Credit Support Annexes (CSAs) and becoming operationally ready.

About the Regulatory Guidelines:

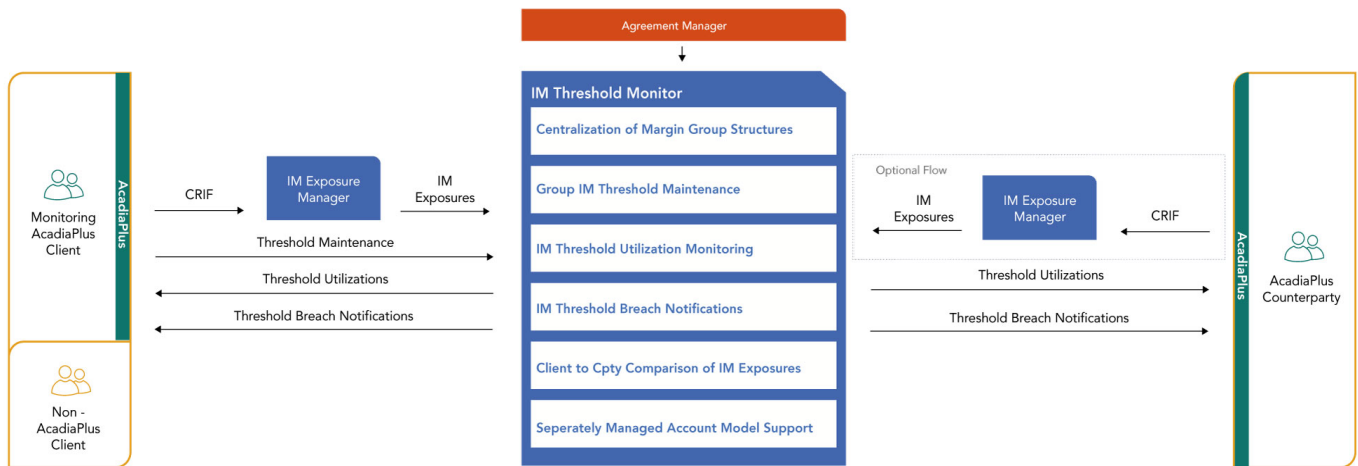
Recent guidance from the Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO) and supported by a growing list of local prudential regulators states that firms in-scope for Uncleared Margin Rules (UMR) can delay their legal documentation, custodian and operational arrangements if they won't immediately exceed the framework's €50 million IM threshold with their counterparty. But how will these IM Phase 5 and 6 firms know when they need to begin preparing to move initial margin if they cannot calculate IM exposure on their own?

Introducing AcadiaSoft's IM Threshold Monitor Service

Part of the AcadiaPlus Risk Suite of services, the IMTM service was developed in direct response to changing regulation and client feedback. IM Phase 5 and 6 firms will have some dealer relationships where they will move initial margin immediately on go-live but also have others where they won't. To save time and money, AcadiaSoft has modified our existing service to support IM Phase 5 and 6 firms that want to delay their documentation and operational IM compliance efforts where possible under the regulations. It is important to note that the regulations do not extend a grace period to firms who breach the €50 million IM threshold with their counterparty, therefore having an early warning mechanism to ensure ample time to repaper your CSAs will be required.

AcadiaSoft has modified our existing service to support IM Phase 5 and 6 firms that want to delay their documentation and operational IM compliance efforts where possible under the regulations. IM Phase 1, 2, 3 and 4 firms can supplement their existing data feeds to AcadiaSoft with anticipated IM exposure information referencing their current variation margin portfolio versus IM Phase 5 and 6 firms, enabling AcadiaSoft to provide a central view of IM Exposure across all in-scope counterparty relationships – whether your firm is moving margin or not. The IM monitor service will provide your firm with the crucial data needed for a convenient and centralized tool to track thresholds, ensuring compliance and trading continuity.

IM Threshold Monitor Workflow



Key Features

- Provides a central repository of counterparty IM exposure across firms' trading relationships
- Ideal for clients that are in scope for IM but don't expect to move margin until after IM Phase 5 or 6 go-live date
- Phase 1, 2, 3 and 4 firms can enable IM Threshold calculation and monitoring via AcadiaSoft on behalf of their clients
- Where required, pre-agree IM Threshold amounts and other key terms using AcadiaSoft Monitoring Term Sheets

Key Benefits:

- Saves your firm time and money by enabling you to delay your operational readiness until you have sight of when you will be required to move regulatory initial margin. In the basic version of the service which is free, Phase 5 and 6 firms will receive access to dealer calculated group and agreement level IM collect and post exposure figures as well as sub-threshold breach alerts.
- Pre-agree key terms and post sub-threshold breach collective actions.
- The premium version of IMTM, AcadiaSoft will provide the Phase 5 and 6 firm with manual download, SFTP or API access to dealer submitted IM Exposure and UI access to trades (but never sensitivities) included in the IM exposure calculation for a small annual fee.
- Provides your firm with an efficient central source of IM exposure rather than manually obtaining bi-lateral dealer information
- Sub-threshold breach alerts to both parties can be generated via API, SFTP or email to proprietary systems

Book a demo or contact us for more information on info@acdiasoft.com
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AcadiaSoft, Inc. is the leading industry provider of risk management services for the derivatives community. Its industry-wide repository of margin and collateral data helps firms to mitigate financial risk and optimize resources across the entire trade life cycle. AcadiaSoft's suite of analytics solutions and services helps firms measure the quantitative aspects of risk management. Through an open-access model, AcadiaSoft brings together the top derivatives banks and asset managers, along with several market infrastructures and innovative vendors. Backed by 16 major industry participants and market infrastructures, AcadiaSoft is used by a community of over 1600 firms exchanging more than \$1 trillion of collateral on daily basis via its margin automation services. AcadiaSoft is headquartered in Norwell, MA and has offices in Boston, Dublin, Dusseldorf, London, New York, and Tokyo.

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Boston
93 Longwater Circle
Norwell, MA 02061

Dublin
54 Fitzwilliam Square
Dublin 2, D02 X308

Düsseldorf
Maurenbrecherstrasse 16
47803 Krefeld, Germany

London
Broadgate Quarter
One Snowden Street
London EC2A 2DQ

New York
1450 Broadway 7th Floor
New York, NY 10018

Tokyo
Level 11 Aoyama Palacio Tower
3-6-7 Kita-Aoyama Minato-Ku
Tokyo 107-0061