

SmartStream & Numerix to Help Clients Meet ISDA Regulations

Under the collaboration, SmartStream has a put a referral agreement in place with Numerix.



Celeste Skinner | Execution (Institutional FX) | Wednesday, 20/02/2019 |

11:00 GMT+1



Photo: FM

SmartStream Technologies, a financial software provider, announced this Wednesday that it has partnered with Numerix, a provider of risk technology solutions. Under the collaboration, SmartStream has a put a referral agreement in place with Numerix.

This agreement was established to support its end users who need to comply with the International Swaps and Derivatives Association (ISDA) regulation, regarding margin requirements for non-centrally cleared derivatives.

Asia Trading Summit – The Leading Investment Event in China

These margin requirements are based on guidelines from the Basel Committee on Banking Supervision (BCBS) and Board of the International Organization of Securities Commissions (IOSCO).

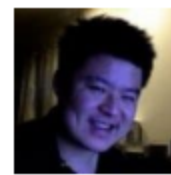
The guidelines, seek to establish international standards for margin requirements, which will be implemented over a period of time. In essence, the guidelines state that adequate margining practices should be used for all derivatives that are not cleared by central counterparty clearing houses (CCPs).

In order to comply with guidelines, ISDA has proposed a Standard Initial Margin Model (SIMM™). This model can be used by market participants in order to provide transparency in the collateral management space.

SmartStream Combines TLM Collateral Management with Numerix Technology

By utilising its computational abilities, Numerix is able to generate the risk sensitivities which are required by ISDA's SIMM™ that is used for initial margin calculations. Therefore, the collaboration between SmartStream and Numerix will help to reduce counterparty disputes and operational costs for its clients operating in the collateral management space for over-the-counter (OTC) derivatives.

Commenting on the partnership, Jason Ang, Program Manager for TLM Collateral Management, SmartStream, said: "SmartStream's TLM platform is proven to manage credit and operational risk through collateral management, we are delighted to be working alongside Numerix, whose expertise will complement our ability to manage complex business requirements in this space".



Jason Ang
Source: LinkedIn

"As new transactions become subject to initial margin requirements, front-to-back SIMM™



Steve O'Hanlon
Source: Numerix

calculations, including the generation of fast and accurate SIMM™ sensitivities, have become critical. By partnering with SmartStream we are happy to make Numerix SIMM™ capabilities available to a greater set of market participants," added Steve O'Hanlon, the CEO of Numerix.