

SmartStream partners with Cassini Systems to help firms meet Uncleared Initial Margin obligations

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Source: SmartStream

SmartStream Technologies, the financial Transaction Lifecycle Management (TLM®) solutions provider, today announced its partnership with Cassini Systems, the leading provider of pre and post trade margin analytics for buy side derivatives trading, to help financial institutions comply with BCBS-IOSCO margin requirements for uncleared OTC derivatives.

BCBS-IOSCO defines rules for margin requirements on Uncleared Over-the-Counter (OTC) derivatives known as Uncleared Margin Rules (UMR). ISDA has developed a Standard Initial Margin Model (SIMM) that can be used by market participants to provide a transparent and standardised margin methodology of bi-lateral trades. The roll out of UMR rules has now reached the buy side with phase 4 firms coming into scope in September 2019, and phase 5 firms in September 2020.

SmartStream's TLM Collateral Management provides firms with automated data management to reduce operational risks associated with collateral management. This partnership will integrate Cassini's analytics platform to provide complete SIMM calculations on OTC derivatives for clients in scope for phase 4 and 5. This gives TLM clients the ability to reduce counterparty disputes and operational costs, while having transparency over the SIMM components and underlying risk of the portfolio.

Jason Ang, Program Manager for Collateral Management, SmartStream, states:

"SmartStream's TLM Collateral Management platform is proven to manage credit and operational risk through collateral management. We are delighted to be working alongside Cassini, whose expertise will complement our ability to manage complex business and regulatory requirements in this space".

Liam Huxley, CEO of Cassini Systems said: "As the roll out of UMR reaches phase five and impacts the full range of buy side firms, the need for a complete and flexible, front to back SIMM calculation, including the generation of sensitivities, is fundamental. Integrating Cassini's comprehensive margin and SIMM calculation capabilities will enable SmartStream to solve the regulatory IM requirements for its clients with a fully integrated and seamless solution".