



DTCC

acadia

DTCC's Margin Transit Utility (MTU) and Acadia partner to create an integrated exception-based collateral management ecosystem that helps market participants to meet regulatory compliance and improves operational efficiency.

PARTNERING TO DELIVER SUCCESS

Multi-jurisdiction clearing mandates and uncleared margin rules are causing an increase in margin calls. The industry requires streamlined collateral and margin settlement processing that can also support improved liquidity management and counterparty risk management functions. To meet these challenges, solution providers need to work together. The strategic partnership with Acadia increases efficiencies, reduces operational risks and enhances transparency for market participants throughout the collateral management lifecycle.

DELIVERING SEAMLESS INTEGRATION – THE COLLATERAL MANAGEMENT ECOSYSTEM

Industry participants use their collateral management platform to calculate margin calls with affirmed eligible collateral for bilateral affirmation in Acadia Margin Manager, part of the AcadiaPlus platform. The pledge-accepted margin calls are then sent to MTU and enriched with SSIs from ALERT® and standard messaging to/from custodians and self-clearing brokers. For triparty processing, required values are passed from Acadia Margin Manager to the MTU and then onto the respective triparty provider(s) for collateral selection and settlement. Confirmation of settlement is then passed back to the counterparty's collateral system for both bilateral and triparty workflows.

BENEFITS

- Holistic infrastructure for efficient interoperability.
- Integration with ALERT provides a centralized industry utility for storage of collateral SSIs which enables the enrichment of margin call settlement instructions.
- Integration with Acadia offers initial and variation margin services including risk data manager, reconciliation and calculation as well as settlement integration. Accepted pledges are received in real-time from Acadia.
- Continuously updated settlement statuses on all margin calls and the related collateral movements.
- Real-time centralized reporting.
- Transparency on settlement finality.
- Reduce operational risk through automation replacing manual processes such as faxes and emails.

With the collateral management ecosystem and straight-through-processing of margin calls and data aggregation, the industry can accommodate variation margin rules and the expansion of initial margin rules from Phase 1 through to Phase 6.

