DTCC’s Margin Transit Utility (MTU) and AcadiaSoft 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 AcadiaSoft 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 AcadiaSoft MarginSphere®. Clients that want to use a front end user interface can have access to MarginManager which is powered by the MarginSphere dataset. 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 AcadiaSoft MarginSphere® 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 AcadiaSoft 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 AcadiaSoft.
- 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 in 2020 and 2021.
About AcadiaSoft, Inc.
AcadiaSoft is the leading industry provider of risk and collateral management services for the non-cleared derivatives community. The AcadiaSoft Hub encompasses a suite of applications and analytics that enable and measure the complete STP workflow from CSA agreement management, risk services, margin and collateral management through to settlement. Backed by 17 major industry participants and market infrastructures, AcadiaSoft is used by a community of more than 650 firms exchanging approximately $400B of collateral on a daily basis via its margin automation services. MarginManager (powered by MarginSphere®) processes over 11 million margin calls per year and is the defacto margin messaging system for the industry. AcadiaSoft® is a registered trademark of AcadiaSoft, Inc.

To learn more about MarginManager and MarginSphere, please email info@acadiasoft.com or visit acadiasoft.com.

About MTU
MTU provides straight-through margin and collateral processing and settlement for dealers, buy-side firms, administrators and custodians. MTU streamlines and standardizes collateral management for OTC derivatives transactions and other marginable products. MTU maximizes flexibility for counterparties by accommodating bilateral and triparty workflows.

To learn more about MTU, please email MTU@dtcc.com or visit DTCC.com/mtu.

© 2020 The Depository Trust & Clearing Corporation. All rights reserved.

The content, information and any materials provided by The Depository Trust and Clearing Corporation ("DTCC") and/or its affiliated companies or subsidiaries in this document is provided on an “as is” basis and for informational purposes only and does not constitute a recommendation, offer or invitation to engage in any investment or other financial activity. DTCC disclaims all warranties, expressed or implied, as to the accuracy of any data provided, including, without limitation, liability for quality, performance and fitness for a particular purpose arising out of the use of the data. DTCC shall not have any liability, duty or obligation for or relating to the data contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. Any unauthorized use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing herein without written consent is not permitted and may violate the proprietary and intellectual property rights of DTCC under applicable intellectual property laws and associated regulations and statutes.