MARGIN TRANSIT UTILITY

Transforming settlement management for collateral calls – a new, more efficient tool for simplifying the margining process

DTCC’s Margin Transit Utility (MTU) was created to improve settlement efficiency and reduce operational complexity and risk for collateral call processing. By leveraging automation, MTU allows you to efficiently enrich, settle, report and monitor matched collateral calls globally while easily connecting to and sharing information with multiple counterparties. The service helps reduce operational risk by standardizing and automating the margin process from the point of agreement through to settlement. It also helps manage credit and liquidity risk by accelerating the distribution of settlement data to the relevant party. With the automated 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.

**BENEFITS:**

- **No more error-prone manual processes.** Automated cash and security collateral settlement messaging.
- **Seamlessly connects to the service you need.** Automatically connect to ALERT® to enrich the match with standing settlement instructions and SWIFT.
- **Eliminates fragmented workflows.** Automated messaging to bilateral counterparties and their custodians, as well as to triparty agents. No more faxes or portals to navigate.

**HOW IT WORKS:**

After margin calls are matched in AcadiaSoft’s Margin Manager, MTU enriches the match with automated settlement instructions via DTCC’s ALERT - the industry’s SSI utility - and provides notification to confirm the settlement in real-time. Additionally, MTU provides real-time confirmation of settlement and end-of-day position reports in a standardized format. It also includes connectivity to a number of complementary collateral offerings, including CloudMargin, VERMEG (Colline) and TriOptima (triResolve Margin).

Collateral Management Ecosystem: The collateral settlement process begins when both counterparties agree on the margin call amount and either the counterparties or the triparty provider allocate the collateral. In a bilateral or third-party arrangement, the counterparties agree to the margin amount and affirm the collateral to be posted/received via Margin Manager. Then a pledge accept message is sent from Margin Manager to MTU.

**Choose how you receive status updates from MTU.** Select from SWIFT, MQ channel, AcadiaSoft’s Margin Manager (API or GUI), or the MTU GUI.

**Don’t ‘assume’ settlement - get notified!** Settlement confirmation is delivered to both trading parties enabling real-time collateral booking.
MARGIN TRANSIT UTILITY WORKFLOW

MARGIN CALL MATCHING PROVIDER

ACADIA SOFT

MARGIN TRANSIT UTILITY (MTU)

BUYSIDE

CUSTODIAN

CONTACT US

TO LEARN MORE, visit DTCC.com/mtu.

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

The services described above are provided under the “DTCC” brand name by certain affiliates of The Depository Trust & Clearing Corporation (“DTCC”). DTCC itself does not provide such services. Each of these affiliates is a separate legal entity, subject to the laws and regulations of the particular country or countries in which such entity operates. The content, information and any materials provided by DTCC and/or its affiliated companies or subsidiaries in this document are provided on an “as is” basis and for informational purposes only and do not constitute a recommendation, offer or invitation to engage in any investment or other financial activity. See www.dtcc.com for a detailed description of DTCC, its affiliates and the services they offer.

Certain DTCC ITP LLC services are subject to regulation by the U.S. Securities and Exchange Commission (“SEC”) and are offered by DTCC ITP Matching (US) LLC (“DTCC Matching”), which is set out in SEC Release No. 34-44188; File No. 600-32; 66 FR 20494 (April 17, 2001). TradeSuite ID and CTM are services of DTCC Matching and are subject to SEC regulation when used for trades in which either the broker-dealer or its institutional customer is a U.S. entity and the securities in the trade are issued by a U.S. issuer. No other services offered by DTCC ITP LLC are regulated. 25946-TC072820 • DTCC Public (White)