



## F.A.Q. PREPARING FOR UMR PHASE 6

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### Q: WHAT IS UMR?

**A:** UMR stands for Uncleared Margin Rules. It's a globally coordinated regulation requiring OTC derivative users of a certain size to exchange initial margin.

### Q: HOW DO I KNOW IF I AM IMPACTED BY UMR?

**A:** As of September 2021, any firm with more than \$50bn in aggregate notional of derivatives are scope for UMR. In September 2022, the scope requirement number drops to \$8bn for what is known as Phase 6, which will cover a huge portion of market participants.

### Q: HOW CAN I PREPARE FOR UMR IF I AM WITHIN THE SCOPE OF PHASE 6?

**A:** If your firm will be impacted by Phase 6, you have a little time but, it is critical that you are on your way to being prepared for these new rules. To do that, you should introduce best practices to your firm's collateral management processes, including increased automation. Working with third party providers to reduce the operational complexities and risks associated with margin call processing, and streamlining other functions such as collateral settlement will be key.

### Q: SHOULD I BE USING ACADIA'S MARGIN MANAGER?

**A:** We urge you to consider adopting Acadia's [Margin Manager](#) as it is the market standard for agreeing OTC margin calls. DTCC's [Margin Transit Utility](#) (MTU) platform is fully integrated with

Acadia after margin calls are matched in 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 - further automating your collateral settlement process. Please [contact us here](#) to set up a demo.

### Q: SHOULD I BE USING AN IN-HOUSE SOLUTION OR A THIRD-PARTY VENDOR FOR MY MARGIN SETTLEMENT PROCESS?

**A:** We work closely with software vendors - some examples include Calypso, Murex, Colline, Cloud Margin, and TriMargin. Though vendors and in-house solutions offer settlement options, MTU offers much more in terms of automation and efficiency for your collateral settlement process.

### Q: WHAT SHOULD I DO ABOUT MY OUTSOURCED ASPECTS OF THE COLLATERAL MANAGEMENT PROCESS?

**A:** DTCC is happy to work directly with your outsourcer to discuss how MTU can be used by them to improve their collateral settlement processes. If you do not currently outsource any part of your process, we recommend viewing some of our case studies about how our clients have stayed on top of risk and volatility by using MTU themselves. You can find the case studies [here](#).

## FOR MORE INFORMATION

Please contact your Relationship Manager or visit [www.dtcc.com/itp](http://www.dtcc.com/itp)

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