

Initial Margin Threshold Monitoring

Calculate, monitor and prepare – with a single trade file, TriOptima can calculate your IM exposure and give you the transparency you need to effectively monitor your IM thresholds.

A BCBS IOSCO statement in March 2019 provided guidance that firms in-scope for subsequent phases of the initial margin rules are not required to have legal documentation and custodial agreements in place, ahead of breaching the 50M threshold per counterparty group.

For larger firms, who expect to quickly breach the 50M threshold, there is no change. They need to continue preparing for the deadline as planned, including selecting an IM calculation method and engine, establishing an IM collateral workflow, and putting in place documentation with counterparties and custodians.

For smaller firms, who are likely to be under the threshold for a long time or even indefinitely, this presents an opportunity to focus their resources on calculating and monitoring IM exposure. Active daily monitoring of IM exposure versus an internal tolerance amount will help firms to identify when, if at all, they need to prioritize CSA documentation and custody account setup.

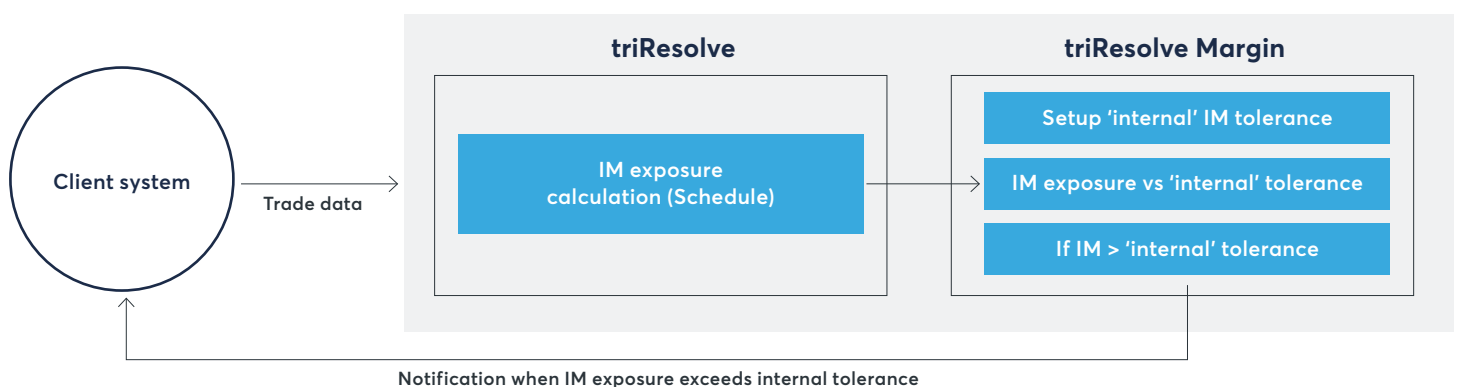
With TriOptima's different IM threshold monitoring options, you can choose one that suits your firm's requirements, enabling you to easily move from one method to another as business needs change.

1a. Schedule: triResolve report

- Uses the trades you upload today in triResolve
- triResolve calculates IM exposure for in-scope trades using a Schedule-based approach
- Download your IM exposure report in triResolve for free

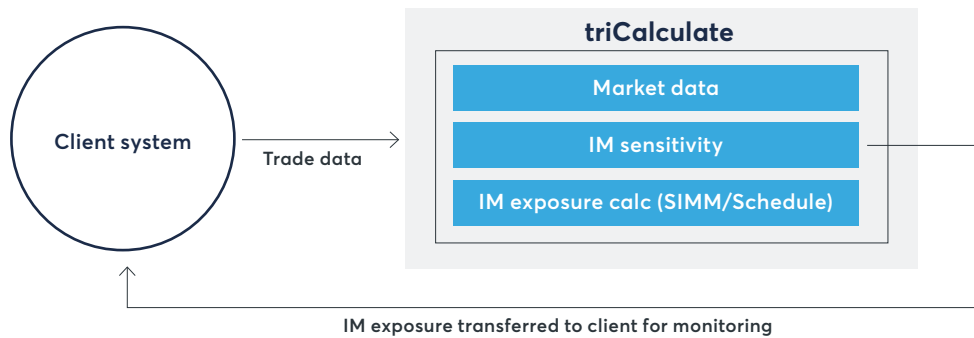
1b. Schedule: Automated monitoring

- Uses the trades you upload today in triResolve
- triResolve calculates IM exposure for in-scope trades using a Schedule-based approach, and feeds the results directly to triResolve Margin
- triResolve Margin monitors IM exposure vs. your internal tolerance
- Receive automatic email alerts when your internal tolerance amount is breached – allowing you to prioritize the deferred documentation tasks



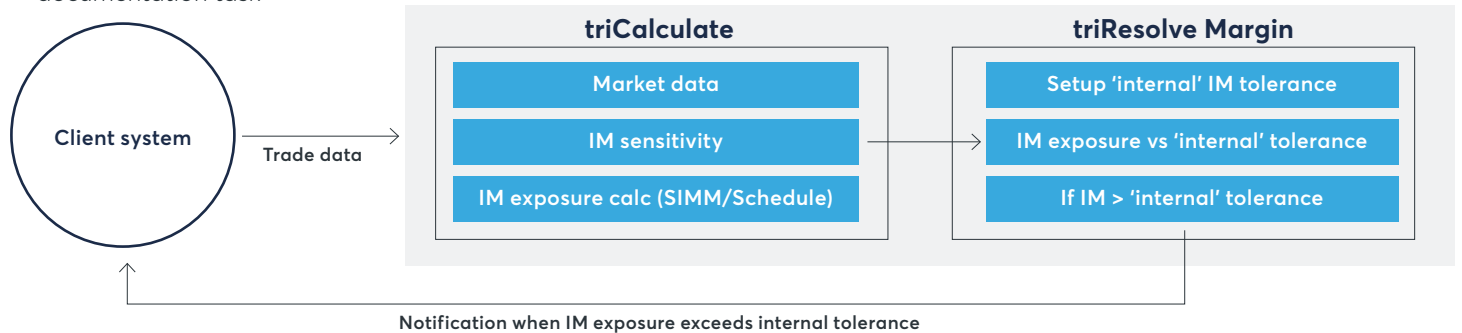
2a. SIMM: triCalculate report

- Submit a trade file to triCalculate (or leverage your existing upload to triResolve)
- triCalculate calculates SIMM sensitivities in the CRIF file format
- SIMM IM pledgor and secured amounts are determined across all in-scope relationships
- triCalculate SFTP's results back to the client for in-house monitoring



2b. SIMM: Automated Monitoring

- Submit a file to triCalculate (or leverage your existing upload to triResolve)
- triCalculate calculates IM exposure for in-scope trades using SIMM, and feed the results directly to triResolve Margin
- triResolve Margin monitors IM exposure vs. your internal tolerance
- Receive automatic email alerts when your internal tolerance amount is breached – allowing you to prioritize the deferred documentation task



Regardless of which monitoring option you use, once an internal tolerance is breached, and assuming an IM CSA is then signed, you can easily switch from IM monitoring to IM margining with your counterparty.

What are the benefits?

- Fully automated IM monitoring workflow reduces operational burden and allows you to save valuable resources
- Seamlessly transition from IM monitoring to IM margining when a CSA is executed
- One automated solution to calculate, validate and monitor your IM exposure
- No implementation required – simply load a trade file
- Everything you need upon threshold breach at no extra cost (automated call exchange, securities collateral pledge/accept, settlement connectivity)
- Pay as you go pricing inclusive of MarginSphere fees. Fees are charged only in respect of in-scope IM trades and agreements.
- All ongoing support, maintenance and upgrades included

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