# XVA Model Governance and Documentation Alignment Summary

Date: May 27, 2025

Meeting Context: Cross-functional alignment on XVA model implementation, testing, documentation, and validation with representatives from TRM MRA, IT, GMV, and other stakeholders.

Problem Statement:  
This project addresses the migration and integration of XVA Credit VAR models from an older infrastructure (VAS2) to the new Cortex environment. This change is being made in response to evolving regulatory expectations, platform standardization needs, and the broader strategic direction to unify risk systems. The two key changes are:  
1. A transition from the traditional sensitivity-based VAR calculation to a more robust full revaluation (full-reval) model.  
2. The remapping and validation of credit data, particularly curve mappings, as part of the migration from VAS2 to Cortex.  
  
The complexity of the change introduces the following core challenges:  
- Fragmented Ownership: While TRM MRA owns the model documentation, they depend on IT for details of implementation logic and data mappings. IT, on the other hand, does not adhere to the same documentation standards required by model governance processes.  
- Ambiguous Validation Scope: GMV has provided verbal guidance that the model does not require re-validation. However, due to the material nature of the changes—specifically, the introduction of a full-reval methodology and a new asset class (Equity XVA)—this stance is uncertain and lacks formal confirmation.  
- Inadequate UAT Involvement: MRA's role in UAT has not been clearly articulated in project documentation or planning artifacts, raising questions about how validation and sign-off processes will be coordinated.  
- Documentation Inconsistencies: There is a risk that the TDD will be incomplete or incorrect due to gaps in information transfer between Chandra’s team (responsible for data mappings) and TRM MRA (responsible for TDD). Furthermore, excessive copy-pasting between documents could introduce version control issues or errors.  
- Delayed Engagement on Equity XVA: The Equity XVA VAR workstream has proceeded without TRM MRA's involvement thus far, which is a gap that needs immediate resolution to avoid validation issues later in the project.  
  
The project’s success hinges on closing these gaps through clear documentation ownership, timely involvement of all stakeholders, formal validation decisions from GMV, and aligned expectations on UAT execution and deliverables.

## 1. Model Ownership and Documentation

- Model Ownership: The full-revaluation (full-reval) XVA credit VAR model is owned by TRM MRA, with Wenmin responsible for the TDD.

- Validation Requirement: GMV confirmed no need for full re-validation but requires documentation and implementation testing.

- Mapping Ownership: Counterparty mapping transition (VAS2 to Cortex) is managed by Chandra's team.

- Documentation Strategy:

- Preferably, the TDD should reference the BRD/FSD from Chandra’s team.

- Copy-pasting content should be avoided where possible to maintain single-source consistency.

## 2. Testing and UAT Coordination

- UAT Contact: Aladin is responsible for UAT coordination.

- MRA Role in UAT: Needs clarification. Slide content suggests involvement but details are unclear.

- Risk Identified: Perceived misalignment and unclear ownership among teams (model developers, implementers, testers).

## 3. TDD Process and Quality Control

- Documentation Standards: TRM MRA maintains responsibility for the TDD, ensuring compliance with internal and GMV standards.

- Source Material: Chandra's team to provide detailed logic via BRD/FSD, which will be adapted into the TDD as appropriate.

- Formatting Differences: IT documentation (FSD) may require restructuring for TDD compliance.

## 4. Equity XVA VAR Stream

- Current Status: No TRM MRA involvement to date. Mention of involvement was incorrect.

- Timeline:

- Technical onboarding into AP: June-July 2025

- Testing and documentation: Q3-Q4 2025

- Validation Ambiguity: Whether GMV requires a new validation or documentation update remains unclear. Requires clarification with Sean.

## 5. Testing of SRV Implementation

- Three Sets of Comparison Data:

1. VAS2 Results

2. Cortex (Old Mapping)

3. Cortex (New Mapping)

- Objective: Enable separation of full-reval impact vs. data mapping impact.

## Action Items

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| Action | Owner | Status |
| Provide mapping documentation for TDD | Chandra’s team | Pending (Sven to facilitate) |
| Clarify MRA's UAT role and testing ownership | GMV / TRM MRA | Open |
| Ensure TRM MRA is included in Equity VAR stream | Sven | In Progress |
| Confirm Equity VAR validation requirements with GMV | Wenmin / Sven | Open |
| Run and compare all 3 data sets for SRV | Alvin / Tech Team | In Progress |
| Share contacts and set up meetings (Chandra, Aladin) | Sven | Committed |
| Align on TDD reference vs. copy-paste with Sean | Wenmin | To Discuss |

## Conclusion

The meeting clarified responsibilities across model ownership, documentation, mapping, and testing streams. Immediate next steps involve facilitating documentation handover from IT to TRM MRA, clarifying UAT responsibilities, and confirming GMV’s validation expectations for both credit and equity XVA VAR streams.

Prepared by: ChatGPT based on meeting transcript.