UMR Phase 6 | Acadia  
  
  
  
  
  
  
  
  
  
Are you approaching Phase 6 of the Uncleared Margin Rules?âMeet the DeadlineAcadia has a wide range of tools to suit every firm - having helped the majority of firms in scope for the Uncleared Margin Rules (UMR) since the first Phase came into effect in 2016. We have a team full of expert knowledge on UMR regulation and can help you understand what needs to be done. âWhether you need help with your AANA calculation, IM Model Validation, or monitoring your Initial Margin (IM) exposure â Acadia has the tools to assist you.Â âWe can provide anything from finding out whether you are in scope and monitoring for threshold breaches to full calculation and exchange of Initial Margin.Â âTake advantage of our experience and let one of our team guide you in the right direction."Do NOT underestimate the time needed to complete. There is a huge amount of negotiation involved."- Phase 5 FirmsBOOK A MEETING WITH OUR TEAMHelpful ResourcesUMR ChecklistLearn more >IM Monitoring WhitepaperLearn more >AANA Calculation GuideLearn more >Phase 6Working GroupLearn more >IM MonitoringPodcastLearn more >Unpacking EMIR RTS on Initial Margin Model ValidationLearn more >IM Validation in Europe WebinarLearn more >Further ResourcesLearn more >TimelinePhase 6 Go-Live â September 2022Our timeline highlights the key milestones that you should be tracking as we approach September 1st 2022.DAYS00HOURS00MINUTES00SECONDS00DRAGÂ TOÂ SCROLL2021-02-01Identification of In-scopeAggregate average notional amount of non-cleared Derivatives will inform UMR obligations.Learn More >February 2021Identification of In-scopeAll financial services firms will need to perform a complete analysis of their aggregate average notional amount (AANA) of non-cleared derivatives at the consolidated corporate group level. The results of this analysis will then need to be compared against the set levels defined by the Uncleared Margin Rules, to determine whether the firm lies in-scope for Phase 6 (deadline September 2021) of the incoming regulation.2021-02-012021-02-012021-04-01Counterparty DisclosureEarly disclosure is highly recommended.Learn More >April 2021Counterparty DisclosureEarly disclosure is highly recommended to allow each firm to determine the impacted number of counterparty relationships. Internal leads across the Business, Legal, Documentation and Operations functions will need to be established, and serve as the firmâs key representative â this list should also be shared with ISDA & Acadia. Industry working groups hosted by ISDA & Acadia provide unique opportunities for these representatives to learn, share and collaborate towards the smoothest possible industry-wide adoption of Phase 6 UMR.2021-04-012021-04-012021-07-01Defining ApproachSelecting and communicating the best-fit approach for each organization.Learn More >July 2021Defining ApproachImportant decisions need to be made about how organizations will comply with the IM requirements. Firms will need to agree on custodians for posting IM, agree on thresholds and MTA with counterparties, agree on eligible collateral and define minimum internal standards for collateral schedule, decide on usage of Schedule or SIMMâ¢ for IM methodology, and define an internal client priority for go-live efforts. If you decide to use the SIMMâ¢ model, apply to ISDA for your license.2021-07-012021-07-012021-10-31IM Threshold MonitorSet up a process to monitor the IM threshold (up to max of 50M at group level).Learn More >October 2021IM Threshold MonitorDefine and execute the in house or vendor based solution for IM threshold monitor2021-10-312021-10-312021-12-01Calculation & Operational Set-upComputing UMR margin and supporting daily operations will require firms to build or outsource new infrastructure.Learn More >December 2021Calculation & Operational Set-upBuilding on the planning and preparation completed thus far, firms will need to develop or outsource the infrastructure required to compute margin under UMR and operationally support the daily margining process. From preparing the regulatory IM calculator, integrating / preparing to integrate with best-practice industry platforms including Acadiaâs IM Exposure Manager and ISDAâs Crowdsourcing Utility, developing backtesting / benchmarking routines on annual & quarterly basis along with internal monitoring, and then developing the necessary operational capabilities.2021-12-012021-12-012022-01-01Custodian Set-upBi-lateral connectivity required to the custodians selected in 'Defining Approach'.Learn More >January 2022Custodian Set-upFollowing on from the âDefining Approachâ step above and agreeing Custodians for posting IM, firms will need to establish bilateral connectivity to the selected institutions. With procedural and infrastructural implications, firms will need to complete all the necessary KYC checks required by each Custodian, establish segregation account(s), and test all connections to ensure resilience and effectiveness.2022-01-012022-01-012022-02-01Obtain Regulatory Model ApprovalFirms require regulatory approval to use SIMMâ¢ in their UMR compliance.Learn More >February 2022Obtain Regulatory Model ApprovalRegulatory approval is required for firms seeking to use SIMMâ¢ as part of their UMR compliance â wherever applicable, firms will need to prepare the appropriate documentation and processes. This will require a combination of in-house and external resources to support the regulatory approval process, the model governance and validation process, and the drafting of all necessary policies and procedures.2022-02-012022-02-012022-04-01Negotiate/Execute Documentation & Go-live TestingEnsuring complete contracts and a tested workflow are live for each counterparty pair.Learn More >April 2022Negotiate/Execute Documentation & Go-live TestingBilateral Initial Margin CSA or collateral transfer agreement / security agreements, for each counterparty pair, will need to be in place before the Phase 6 go-live date â and tested on executions of bilateral IM CSA as well as trilateral with custodian account. Ensuring that all necessary relationships are live and ready for activation, ideally three months out from Phase 6 go-live, provides peace of mind and regulatory reassurance that all obligations have been met.2022-04-012022-04-012022-09-01Phase 6 UMR Go LiveYour UMR compliance journey has begunLearn More >September 2022Phase 6 UMR Go LiveYour UMR compliance journey has begun2022-09-012022-09-01Start PlanningRequest a meeting with one of our team to arrange an open discussion on how Acadia can help your UMR compliance project and what solutions best suit your firm.âAcadia can provide:AANA CalculationInitial Margin MonitoringInitial Margin Exposure Calculation & ReconciliationBacktestingInitial Margin Model ValidationFull suite for calculation and exchange of Initial Margin  
  
Join the working groupAre you interested in joining the UMR working group? Acadia facilitate free, no commitment working group meetings for firms that are about to come into scope for UMR regulation in September 2022. These forums give firms the opportunity to hear from our regulatory experts & ask questions to ensure that they are ticking the boxes for their compliance.âJoin TodayNavigationClientsProductsQuant ServicesInsightsCompanyProductsRisk SuiteAgreements SuiteCollateral SuiteData Exploration SuiteCompanyTerms of useSecurity StatementPrivacy PolicyContact usSupport queries:support@acadia.incAll other queriesinfo@acadia.incUK / Europe: +44 122 444 0257US: +1 617 600 5466Asia: +852 305 18165AN LSEG BUSINESS NavigationClientsProductsQuant ServicesInsightsCompanyProductsRisk SuiteAgreements SuiteWorkflow SuiteData SuiteCompanyTerms of useSecurity StatementPrivacy PolicyContact usSupport queries:support@acadia.incAll other queriesinfo@acadia.incÂ© 2021 Acadia. All rights reserved.Acadia is a registered trademark of AcadiaSoft, Inc.