

Introduction

Financial institutions in scope for UMR waves 5 & 6 need to define their collateral and liquidity strategy and assess the different options available to streamline the compliance journey as much as possible, in a context of insufficient internal resource capacity and a high volume of change required.

At VERMEG, we have been steadily investing in COLLINE, our collateral solution, to proactively help our clients comply with UMR since the first wave. We have built a comprehensive suite of regulatory services and a store of digital apps to accelerate the compliance and transformation journeys. We also launched COLLINE.Cloud, a cost-efficient end to end collateral management service via SaaS, to help smaller financial institutions who would like to get rid of the IT infrastructure burden.

All of these investments have established COLLINE as the market-leading solution.

Uncleared Margin Rules: Send your trades, we'll cover the rest

Whether firms are looking to monitor the 50M threshold or to exchange the regulatory Initial Margin, COLLINE.Cloud can help set up, in an efficient manner and with a fast-track onboarding, the required operational model, with a combined longer-term view to transforming the collateral management function.

Typically, firms involved in waves 5 and 6 can leverage a proven and mature solution and a ready IT infrastructure with a wide features panel: Embedded Market Data, Sensitivity calculation, SIMM IM & Standard GRID calculation, IM Threshold monitoring and alerting, Margin workflow automation, CRIF Reconciliation, IM Settlement through Third Party Custodian or Triparty agents.

Through COLLINE.Cloud, firms can also adopt a more strategic approach with a solution that can expand to additional business lines like Cleared OTCs, Repos, ETDs and Stock Loan and Borrow collateralization and to additional business features like collateral and inventories optimization which is no longer a luxury but a must have.



A cost-efficient end to end collateral management service via SaaS

- ✓ Scalable, low-cost modular cross product cloud-based enterprise collateral management platform
- ✓ Complete web based regulatory compliant solution covering Cleared & Uncleared Margin Rules (UMR) across OTC, repo, and Securities Lending products (including FINRA 4210)
- ✓ A mature, highly available, certified, cloud based SaaS with flexible sizing and configuration
- ✓ Improved customer experience with quicker onboarding and out of the box connectivity
- ✓ Enhanced Inventory transparency to improve asset utilization and liquidity
- ✓ Agility and scalability to comply with changing industry standards and grow your business
- ✓ Award winning software, expertise and service from the market leading collateral management system

VERMEG

Digital Apps: COLLINE to COLLINE connector

Many processes in the collateral space are still performed through the use of emails: Margin calls, allocations, bookings, reconciliations, interests processing etc. These manual tasks require users to key the data into their collateral systems causing inefficiencies, operational frictions and associated risks.

To automate these processes, we onboarded in COLLINE an application from the VERMEG digital store that is widely used in post trade Operations: the Email Processor. This digital app consumes emails, parses them and interprets the content (the email meta data) to launch in real time processes accordingly and automate margin call messaging and workflow.

This component is easy to integrate through APIs. It has a very intuitive and user friendly (on the fly) “learning mechanism” with a quick time to market, as any new keyword can be easily added (or removed) by a simple click in the UI.

The Email Processor opened the doors to additional requirements received from the COLLINE community (especially from Buy side and smaller Sell side users) to further streamline the “COLLINE to COLLINE” integration as the margin letter generated by a firm using COLLINE is ‘natively’ digested on the counterparty side if is also using the same system. The target is to further reduce the cost of exchanging collateral and to achieve increased efficiency while keeping the same level of automation.

Markets Technology Risk Award

COLLINE starts the year as it means to go on, as the Best Collateral Management and Optimisation product of the year!



Connectivity to BNP Paribas Triparty Service

Many firms involved in UMR waves 5 & 6 will go for a third party model to settle the regulatory initial margin and we have seen new agents launching such services.

To accompany the changes in the market, COLLINE extends the Swift connectivity to BNP Paribas TPA service, besides Euroclear, Clearstream, BONY and JPP. Two additional agents are in the pipe.

COLLINE V21 released

V21 will be released by the beginning of April. This is the new generation of COLLINE with a new front end that is completely decoupled from the back end of the application. Rich Business Domain APIs have been built and can be exposed to easily integrate to legacy systems and seamlessly ‘plug’ on the top additional business feature.

