

VERMEG shortlisted for the FTF News Technology Innovation Awards 2022

COLLINE has been nominated for the 'BEST SELL-SIDE COLLATERAL MANAGEMENT SOLUTION' category in the FTF News Technology Innovation Awards 2022.

Being shortlisted for this award is a recognition of our commitment to innovation and helping our clients continuously improve their collateral management operations.

2022 SHORTLIST
BEST SELL-SIDE
COLLATERAL
MANAGEMENT
SOLUTION



Cast your vote today for us and make sure to choose VERMEG in **category 26**.

VOTE NOW

The award winning will be decided by an industry-wide vote that will close on April 22, 2022. Voting takes about 2 minutes - register, scroll down to number 26, click for VERMEG and hit submit!

VERMEG certified SOC2 Type II

VERMEG has successfully completed a Service Organizations Controls (SOC) 2 Audit Type II examination as part of its continuing commitment to the security of customer data, and achieved an excellent score, with zero deviations reported.

Reaching this milestone is a result of the hard work and involvement of all departments in VERMEG.

SOC 2 audit and certification ensures VERMEG is storing, handling and transmitting while ensuring privacy, security, availability, integrity and confidentiality.



UMR Phase 6 - Partnership with Cassini



VERMEG has integrated [Cassini's margin analytics platform into its COLLINE collateral suite](#), giving its clients a powerful new tool for achieving cost efficiencies and helping to meet requirements of the Uncleared Margin Rules (UMR).

As margin demand has continued to increase across different business lines such as OTC derivatives, repo and securities lending, firms are under greater pressure to capture and attribute how margin impacts the front and back office alike. The VERMEG-Cassini partnership provides clients with a comprehensive workflow for managing intraday and end-of-day collateral requirements centrally within COLLINE's standardized workflow inclusive of collateral optimization. The integration includes Cassini's Standard Initial Margin Model (SIMMTM) and Standard Approach calculation service at pre- and post-trade as well as margin methodologies of exchanges, central counterparties (CCPs) and prime brokers providing firms full transparency across all asset classes.

Cassini is a natural partner to help those firms with a best-of-breed solution. The combination of COLLINE's process automation with Cassini's margin analytics will enable clients to leverage a powerful and robust One-Stop-Shop solution to manage complex business and regulatory requirements.

Complex Eligible Collateral Schedules

With each new wave of UMR going in production we have seen greater flexibility for non-cash collateral which brings increased complexity around the collateral eligibility rules - particularly in respect of equities. To address the evolution in the industry we continually refine COLLINE's standardized collateral schedules to offer improved and increased interoperability as agreements are negotiated, applied and frequently exchanged between many firms in the chain like triparty agents, collateral services providers, buy-side clients and Banks.

To meet and automate evolving interpretations, we have introduced more flexibility to COLLINE's Collateral Eligibility Rules engine and extended capabilities to minimum concentration limit and issue outstanding amount. We have also worked on the integration with the Common Domain Model (CDM) representation to make sure that COLLINE can ingest and produce digital copies of the ECS according to market standards. Lastly, we have delivered standard API's which allow applications to interoperate with COLLINE's industry leading eligibility template and inventory manager.

VERMEG participated in Collateral Management Solution Panel with SFT

VERMEG has participated in the [Collateral Management Solution for the next generation](#). In this panel, industry experts address the priorities facing collateral managers during 2022 and beyond, reflecting on collateral flexibility, technology, ESG and regulatory drivers.

Wassel Dammak, Collateral Solutions Product Strategy Director, provided his thoughts about the evolution of Regulatory Framework, and how COLLINE helps to address future collateral management challenges..

“Low-touch collateral management is a reality today at many financial institutions, especially in the sell-side community. The extensive use of APIs to integrate with the wider collateral ecosystem helped in automating the end-to-end life cycle from trade receipt, to margin agreement, to the final settlement of the margin calls.”, said Dammak



The regulatory framework will continue to evolve in the coming years and through collaboration with our clients we have positioned the product accordingly. During 2022, UMR wave 6 will require that an operational framework is in place to monitor the regulatory initial margin threshold and to execute the appropriate margin movements as required using available collateral. Using COLLINE's class-leading agreements repository clients are employing optimized selection for collateral movements.

Additional regulations may also impact collateral departments operationally. For example, the CSDR regulation may impact collateral bookings settlement, requiring tighter management of processes including fails or partial settlements, particularly given the increasing use of securities for settlement of regulatory IM under UMR regulations.

As the regulatory framework evolves, this will reinforce the need for effective management of the data. Collateral managers will be asked to normalize the data and to make it available in near real time for external and internal use, recognizing that the data handled in collateral systems is vital for proactive counterparty risk management and capital requirements calculation.

Tri-party connectivity - State Street

VERMEG is proud to announce its support for the [newest entry to tri-party custodian services: State Street](#).

State Street is one of the world's leading providers of financial services to institutional investors including investment servicing, investment management and investment research and trading.

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VERMEG



Participating COLLINE clients can seamlessly publish the corresponding RQV messages directly to State Street who in effect action segregated tri-party instructions for uncleared margin on behalf of clients. As a key functional differentiator amongst its peers, COLLINE is automatically populated with actual tri-party allocation positions to independently verify collateral eligibility, concentration, and market prices.

"We are delighted to partner with State Street in providing additional settlement STP capabilities to State Street and its clients through the COLLINE SaaS solution. The announcement is consistent with the industry's objective of delivering regulatory compliance while simultaneously reducing operational risk; areas where Vermeg is enjoying strong customer growth." Fergal Leonard, General Manager North America at VERMEG.

Collateral management: 2022 perspectives

The regulatory push of the last decade has shaped a new normal for collateral management within sell-side and buy side Institutions where collateral managers role serves the strategic objectives for operations, risk, treasury departments and front office trading desks.

Regulatory themes continue in 2022 with CSDR and UMR wave 6. Infrastructure changes also continue with market introductions of new tri-party and third party custodians and also, the phase in of ISO20022 cash messaging standards. In 2023 European FI treasury teams will adapt structural changes required to connect to ECMS (Euro-system Collateral Management System) for European banks. Digital asset custody continues to gain market acceptance and therefore the attention of regulators. Such regulatory and infrastructure functions are viewed by Vermeg as market requirements included as product features in response to inevitable client demand.

Today in the face of evolving operating landscape COLLINE clients continue to maintain their primary objective of efficient collateral management as a risk mitigation tool. This function has been particularly critical in light of high markets volatility experienced during to the pandemic and the current war in Europe.

In 2022 our clients demand greater collateral mobility and transparency as a function of collateral movement volumes increasing in respect of regulatory initial margin exchange. This will stress the usage of the non-cash assets requiring firms to look holistically to their inventories and 'collateralizable' business lines. We will see the emergence of services around collateral optimization to answer those needs particularly within the buy side community and expect the use of COLLINE's optimization capability to increase in response.

At VERMEG, we continue to invest steadily in COLLINE, our collateral solution, to help our clients and the industry navigate through the regulatory waves and transform their model towards a No-touch collateral management procedure inclusive of an end-to-end margin automation and an extensive connectivity to the wider collateral eco-system.