

SmartStream launches Eligibility API for collateral optimisation

SmartStream Technologies has launched a new solution for faster collateral management optimisation.

Eligibility API is a platform for clients to receive eligibility information contained within collateral agreements like credit support annex, global master repurchase agreements and overseas securities lenders' agreements, for both pre- and post-trade collateral optimisation.

With the Eligibility API solution, SmartStream will provide firms with a way to publish eligible collateral for each legal agreement, which can then be consumed by their optimisation engines.

SmartStream's new application programming interface (API) allows fast and easy access to collateral, including the ability to upgrade. In addition, the new solution allows the sourcing of eligibility information in real-time.

With the impending Uncleared Margin Rules (UMR) phase 6 regulatory regime being implemented in September 2022, volumes of margin calls are expected to increase and there will be an inevitable squeeze on assets being pledged as collateral, says SmartStream.

This will result in a rise in demand for High Quality Liquid Assets (HQLA), it adds.

In addition, with interest rates forecast to rise, firms are looking at pre- and post-trade optimisation to support efficient use of scarce HQLA and cash.

Jason Ang, programme manager, collateral management at SmartStream, says: "We realise the UMR deadline is fast approaching, and we have made it easy for clients to deploy our new solution, and to manage future versions without the need for lengthy implementation projects.

"Having a public API strategy lowers the cost-of-ownership of the collateral solution. The demand for this new API is high and we are having conversations with the major banks on how they can use our eligibility to optimise their collateral in preparation for the future."