

SmartStream launches new collateral optimisation tool

SmartStream Technologies has launched Eligibility API, 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.

The company says that the new tool allows fast and easy access to collateral, including the ability to upgrade as well as the sourcing of eligibility information in real-time.

SmartStream also notes that 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.

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 to efficient use of scarce HQLA and cash.

"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," says Jason Ang, programme manager, collateral management at SmartStream.

He adds, "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."