

TECHNOLOGY

SmartStream launches Eligibility API for collateral optimisation ahead of UMR phase 6

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By Editors May 4, 2022 12:52 PM GMT

SmartStream Technologies has launched an Eligibility API for Collateral Management Optimisation in advance of the Uncleared Margin Rules (UMR) phase 6 regulatory regime being implemented in September 2022.

The technology vendor said the API will deliver a faster way to get eligibility information contained within collateral agreements like CSA, GMRA's and OSLA's, for both pre- and post-trade collateral optimisation.

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SmartStream said this will result in a rise in demand for High Quality Liquid Assets (HQLA). In addition, with Interest rates forecast to rise – firms are looking at pre- and post-trade optimisation so as to efficiently use scarce HQLA and Cash.

The new solution is intending to provide firms with a way to publish eligible collateral for each legal agreement, which can then be consumed by their optimisation engines.

“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,” said Jason Ang, program manager, collateral management at SmartStream.

“Furthermore, 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.”