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Initial Margin

OVERVIEW



CHALLENGE

Global regulators introduced rules requiring the posting of up-front collateral (Initial Margin, or "IM") on over-the-counter derivatives trades. A Tier 1 Bank, a major dealer in OTC derivatives, was now required to post or collect collateral for these transactions.



SOLUTION

The IM rule was introduced in multiple phases, with the threshold for inclusion based on size of client activity. We reviewed client activity for assignment to phases, and then performed outreach, document repapering, and implementation of collateral agreements for each client.



APPROACH

Treliant performed data analysis on all client trading activity to determine impact and phasing. We then worked with legal teams to update trading documentation and collateral agreements, tracking and reporting progress globally. Our staff executed all phases of the outreach process, ensuring client issues were handled or escalated appropriately. Treliant also coordinated across the many areas within the bank that were impacted, including Front Office, IT, Operations, Compliance, Finance, and Risk, tracking and resolving all program issues and risks.

RESULTS

- ✓ Reduced cost versus using a traditional "Big Four" firm.
- ✓ On-time delivery of all phases of the overall Initial Margin program.
- ✓ Later phases benefited from process improvement and applied learning from earlier deliveries.