acadia
An LSEG Business

FACT SHEET 2023

IM Risk Generator

Fully automate your firm's initial margin process

IM Risk Generator is part of the AcadiaPlus Risk suite of services. AcadiaPlus is a feature rich open platform for collateral, margin and risk mitigation serving Sellside, Buy-side and Fund Administrators.

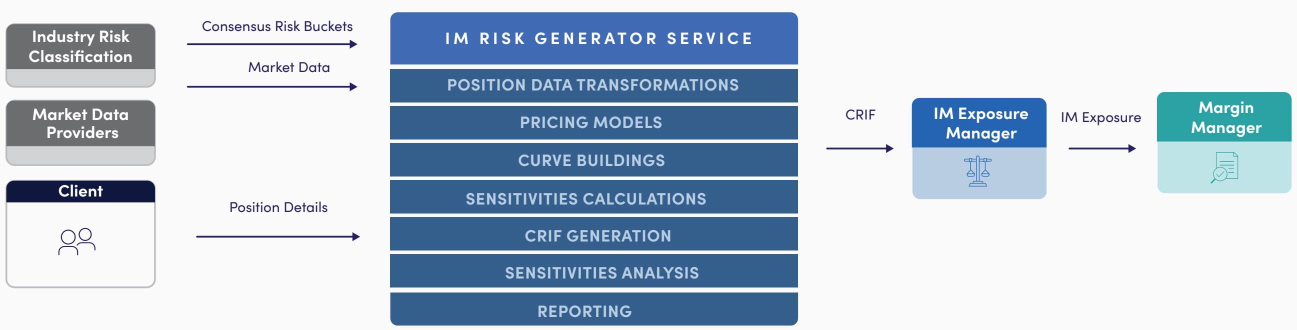
IM Risk Generator calculates your firm's risk sensitivities. The IM Risk Generator service takes client trade data as an input and generates either an ISDA SIMM™ or Schedule-based Common Risk Interchange Format (CRIF) file that forms the input to the initial margin (IM) calculation. The process can be monitored from start to finish in the award-winning applications user interface. In the case of an ISDA SIMM™ CRIF, a key component of the service is the calculation of the risk sensitivities that enable the ISDA SIMM™ calculation.

Using the IM Risk Generator service achieves a unique, automated, straight-through process beginning with streamlined position data inputs and ending in a completed margin call.

IM Risk Generator is designed to minimize or altogether eliminate the need for users to calculate risk sensitivities or generate the CRIF file themselves, both freeing up quantitative resources for higher-value tasks and reducing clients' effort spent developing and maintaining complex, bespoke processes in-house. With its new separately chargeable feature – Index Decomposition – IMRG users are now able to decompose index trade into their constituent parts to benefit from up to 50% reduction in initial margin.

In addition, through its integration with Initial Margin Exposure Manager (IMEM), the IM Risk Generator service facilitates a seamless workflow enabling a user to perform only one simple step – submitting position details – that drives the calculation of initial margin requirements and culminates in collateral transfer.

IM Risk Generator Workflow



Key Features

- Supports a broad coverage of both simple and complex product types including: Interest Rates, FX, Commodities, Equities, Credit and Inflation asset classes all visualized in a well designed user interface.
- Flexible position data capture methods and formats
- Customizable file input combined with standardized report output
- Data security: clients upload portfolios in a secure, tested environment
- Full support throughout the onboarding and reconciliation process
- Ability to investigate and analyze sensitivities, trade and market data inputs and pricing curves
- Full support through the upcoming Risk Free Rates (RFR) transition from LIBOR
  - Monitor and support RFRs into the OIS Sub Curves of each respective currency
  - Calculate and support current LIBOR based curves
  - Monitor and apply the appropriate fallbacks to SOFR as prescribed by the industry and ISDA
  - Seamless transition to when IBORs are discontinued
  - Ability to source market data to value SOFR based product
- Leverage Index Decomposition service to reduce SIMM costs - hundreds of Indexes available (separately chargeable service)

Key Benefits

- Utilize proven technology and time-tested pricing methodology without impacting on internal resources
- Leverage pre-existing data inputs and Acadia partners for on-going SIMM™ validation
- Supports the entire ISDA SIMM™ end to end process within AcadiaPlus where your firm can provide trades, margin terms and collateral balances.
- Validation of internal processes - a useful comparison tool
- Lower cost through mutualization
- Simple and transparent pricing - your subscription to AcadiaPlus provides access to a range of services including the entire Risk Suite at a cost based on the size of your firm's requirements
- Standardized market data: all users share common market data provided by market-leading independent sources

Book a demo or contact us for more information.

Email info@acadia.inc or visit acadia.inc

[1]IM Risk Generator won the Best Compliance Solution Award in 2022 & 2023 from FTF News

Acadia is a leading industry provider of integrated risk management services for the derivatives community. Through an open-access model, Acadia brings together a network of over 3,000 banks and other derivatives participants, along with several market infrastructures and innovative vendors.

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