

ARE YOU READY

TO MEET EUROPE'S EXPANDED MARGIN RULES?

On 3 January 2018, European margin rules and related collateral requirements already in force for uncleared OTC derivatives transactions will extend to FX deliverable forwards for financial firms with counterparties in Europe.

The checklist below can act as a general guide to help your firm prepare to address the operational, IT and liquidity management challenges they will bring.



Confirm the scope of your accounts and counterparty relationships.

- Just because an account is not domiciled in the EU does not exempt it from EU rules.
- If your accounts/legal entities - no matter where they are domiciled - face EU counterparties and trade FX, those accounts/legal entities may be indirectly impacted.



Prepare Credit Support Annexes (CSAs) with impacted counterparties.

- You may wish to prioritize your most important counterparties and those that will streamline onboarding.



If you are a '40 Act Fund and are required to segregate your collateral account, establish Account Control Agreements with your custodian(s).





Prepare for the increased operational challenges of mandatory margin rules by automating stages of the collateral management lifecycle to provide straight-through processing.

- Automate the calculation and distribution of your margin calls.
- Enhance your capacity to mitigate margin disputes with counterparties by utilizing industry reconciliation tools.
- Electronically match margin calls and affirm collateral allocations.
- Streamline collateral settlement with the Margin Transit Utility and ALERT SSIs for segregated and non-segregated accounts.



Utilize the Margin Transit Utility to streamline settlement confirmation and data aggregation with multiple custodians.

The Margin Transit Utility (MTU), a service of DTCC-Euroclear GlobalCollateral Limited, enables straight-through processing of margin calls.

The MTU processes matched margin calls, enriches the margin call message with ALERT SSIs, and transmits the collateral settlement instructions to the respective counterparties/custodians, who then settle the collateral with the appropriate CSD/paying agent; the MTU then receives the settlement status from custodians and/or broker dealers and reports it to the counterparties.

To get started with the MTU, please [contact GlobalCollateral](#).

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