

AcadiaSoft Releases Open Source Code for ISDA SIMM™ to Ease Initial Margin Compliance for Phase 3 and Beyond Firms

Goal is to Help Facilitate Market-wide Uptake of ISDA SIMM™ Ahead of September 2018 Deadline

Norwell, MA, September 12, 2017 – [AcadiaSoft Inc.](#), the leading industry provider of margin automation solutions for counterparties engaged in collateral management worldwide, today announced that it will make available open source code for the ISDA SIMM™ as a free download to any firm that wants it. The code, produced by AcadiaSoft's Expert Services division and available at <https://github.com/acadiasoft>, will be updated regularly to conform to the latest ISDA guidelines.

The ISDA SIMM™, or Standard Initial Margin Model, is a methodology for calculating initial margin (IM) developed by the International Swaps and Derivatives Association (ISDA). ISDA created the SIMM™ to provide the OTC derivatives industry with a standardized calculation method that met the requirements of the new regulatory framework established by the Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO).

As of September 1, 2018, Phase 3 firms will be required to post IM for all non-cleared derivatives transactions under the new regulatory framework. While ISDA provides both guidance on ISDA SIMM™ implementation and a unit test to ensure that results are in conformance with the expected results, individual firms must code the ISDA SIMM™ themselves or hire an outside firm to do so. Utilizing the AcadiaSoft code will ensure that firms always have the latest version of the ISDA SIMM™ code.

“By making the ISDA SIMM™ code freely available on an open source basis, AcadiaSoft hopes to kick start the IM compliance process for firms in Phase 3 and beyond, who would otherwise need to code to the ISDA SIMM™ themselves or hire an outside firm to do it,” said [Mark Demo](#), Product Director at AcadiaSoft. “From AcadiaSoft's standpoint, we believe in transparency and open source. More firms using ISDA SIMM means less initial margin disputes both now and in the future. This effort also moves us closer to our goal of being a one-stop-shop for in-scope firms in their efforts to comply with the new IM rules.”

Firms that work with the code will still need to obtain a license from ISDA for production use of SIMM™. U.S.-based firms will also need approval from their lead prudential regulator. To this end, [AcadiaSoft Expert Services](#) also offers an ISDA SIMM™ Approval Guidance service, helping firms obtain permission from regulators to use the ISDA SIMM™ via a streamlined, expert-driven process. AcadiaSoft is currently piloting sensitivity calculations and ISDA SIMM™ back-testing services to provide firms additional IM support.

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About AcadiaSoft, Inc.

AcadiaSoft, Inc. is a financial industry collaborative that is uniquely focused on delivering margin automation and standards for counterparties engaged in collateral management. AcadiaSoft allows market participants to communicate vital information on exposures, commitments and adjustments between counterparties in a complete, verifiable and secure manner.

Owned and backed by the investment of 16 major industry participants and infrastructures, the AcadiaSoft community has grown to over 250 member firms exchanging approximately \$200B of collateral on daily basis. The Company's growth has been driven by regulatory change in the derivatives industry that is increasing the demand for automated, transparent and verifiable collateral management.

AcadiaSoft's Advisory Groups, Best Practice Forums and Working Groups provide a unique framework for integrating the thought leadership and capabilities of over 700 market participants, market infrastructures and key service providers across the industry.

AcadiaSoft is headquartered outside of Boston in Norwell, MA and has offices in London, Tokyo and New York.

For more information, see www.acdiasoft.com.

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