

## What's your IM methodology?

AcadiaSoft has worked with nearly every firm that is in scope for Uncleared Margin Rules (UMR). We have assisted Phase 1, 2 and 3 institutions with regulatory compliance and worked to help them understand the complexities and benefits of adopting either the ISDA SIMM™ or "Schedule" initial margin methodology.

As your firm approaches either 2019 or 2020 compliance, you will be considering whether to adopt SIMM™ or Schedule methods. AcadiaSoft offers a new service to assist your decision-making process by providing a quick estimation of the IM amount under two IM models (i.e., Schedule vs. SIMM™).

The process is simple and charged at a low-cost flat fee:

### **Step 1:**

Send AcadiaSoft basic portfolio information at trade level:

- Trade Notional and currency
- Trade MTM and currency
- Trade maturity Date

### **Step 2:**

Within 5 working days, AcadiaSoft provides you with a bespoke calculation analysis that identifies the estimated range of IM required by your portfolio(s) using SIMM™ vs. Schedule, together with explanatory notes and discussion.

### **Step 3: Report Output**

Based on your portfolio information, AcadiaSoft will produce a report - see Sample Report Format over-page:

# Sample Report Format

Total Notional	\$2,168,054,722			
Type	Schedule	SIMM @ 1/5 Schedule	SIMM @ 1/7 Schedule	SIMM @ 1/10 Schedule
Total IM	\$134,419,393	\$26,883,879	\$19,202,770	\$13,441,939
IM as % of Notional	6.2%	1.2%	0.9%	0.6%

Internal Legal Entity	Counterparty	Schedule	SIMM @ 1/5 Schedule	SIMM @ 1/7 Schedule	SIMM @ 1/10 Schedule
LE 1	ABC	\$537,000	\$107,400	\$76,714	\$53,700
LE 1	BCD	\$374,000	\$74,800	\$53,429	\$37,400
LE 1	ZYZ	\$32,430,242	\$6,486,048	\$4,632,892	\$3,243,024
LE 2	ABC	\$17,099,588	\$3,419,918	\$2,442,798	\$1,709,959
LE 2	BCD	\$5,346	\$1,069	\$764	\$535
LE 2	ZYZ	\$1,055	\$211	\$151	\$106
LE 3	ABC	\$770,021	\$154,004	\$110,003	\$77,002
LE 3	BCD	\$3,151,109	\$630,222	\$450,158	\$315,111
LE 3	ZYZ	\$4,772,370	\$954,474	\$681,767	\$477,237
LE 4	ABC	\$1,190,130	\$238,026	\$170,019	\$119,013
LE 4	BCD	\$3,774,758	\$754,952	\$539,251	\$377,476
LE 4	ZYZ	\$70,313,773	\$14,062,755	\$10,044,825	\$7,031,377

## Notes

The calculations represent IM at a legal entity and counterparty pairing.

Schedule has been calculated based on regulatory documents from BCBS and IOSCO.

SIMM™ is not an actual calculation but based on an estimation of an observed ratio of SIMM™ vs. Schedule.

\*SIMM™ is a registered trademark of ISDA

For more information contact us on [info@acdiasoft.com](mailto:info@acdiasoft.com) or visit [www.acdiasoft.com](http://www.acdiasoft.com)

AcadiaSoft, Inc. is a financial industry collaborative that is uniquely focused on delivering margin automation and standards for counterparties engaged in collateral management. Owned and backed by the investment of 17 major industry participants and infrastructures, the AcadiaSoft community has grown to over 650 counterparties exchanging approximately \$400B of collateral on daily basis.

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