



[U.S. AANA Calculation Concludes - What Does This Mean?](#)

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Friday, August 30 marks the end of the U.S. AANA (Average Aggregate Notional Amount) calculation period for uncleared over-the-counter (OTC) derivatives. By next week, all U.S.-based firms should know whether they are in-scope (or not) to move Initial Margin (IM) beginning September 1, 2020.

What happens next?

- **If your firm is not in-scope** – congratulations – you get to do this same exercise all over again next year to determine whether you are in-scope for Phase 6 in 2021. However, since it is possible to come in and out of the rules depending on your AANA, many firms will want to calculate AANA during the prescribed calculation period annually after 2021.
- **If your firm is in-scope** – your next step should be to join AcadiaSoft's IM Phase 5 Working Group, a peer group of in-scope firms who will work through the compliance challenge together. The working group, which is free to join, covers key topics related to the regulations, including information on how to obtain the necessary regulatory model approval if you decide to use SIMM™ as part of your UMR compliance, the infrastructure that is required to compute margin and how best to support the daily margining process. Firms can also gain access to AcadiaSoft's IM Monitoring Service, which enables firms to keep track of total IM exposure with a built-in capability to provide alerts when you are close to reaching your threshold.

Virtually all firms that are currently in-scope for the uncleared margin rules use AcadiaSoft's IM Exposure Manager to reconcile IM. Since all in-scope firms are already engaged, IM Exposure Manager provides a central place to view estimated IM exposure from all in-scope dealer counterparties in a standard, low touch way.

Firms should not – and do not have to – face this compliance challenge alone. Being prepared to address these regulations in 2020, 2021 and beyond will save aggravation, time and money.

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