

Harmonising Inbound Clearing Reports: Benefits for End-Users

Introduction

The MA Inbound Clearing Reports solution harmonises the many diverse formats of information provided by the clearing houses, exchanges and brokers into a single harmonised data model enabling your internal consumers immediate access to the information that they need in a consistent way, regardless of source.

It is proven to reduce costs and risks and provide central and divisional managers with the information for key business decisions and compliance to make more informed decisions.

It is currently in use at three global banks accessing and harmonising data from hundreds of reports from multiple CCPs, exchanges and brokers across North and South America, Europe and Asia. As the number of cleared trade grows with mandatory OTC clearing regulations, this is an area that is becoming more complex and expensive to manage effectively and efficiently.



For managers in Operations, Risk and Compliance

- A single consolidated source of data from all external clearing counterparties, accessible via a user-friendly dashboard with clear audit trails of data sources and timings
- Ability to make this accessible to end user departments or systems in a controlled, audited fashion through dashboard access, via automated interfaces, or controlled reports
- Reduces cost (e.g. eight contractors in one MA client) in collecting, analysing and passing on this data
- Reduces risk and maintenance cost of numerous external interfaces. MA responsible for collecting data and responding to external party format or protocol changes
- New CCP's/exchanges/brokers data can be added and consolidated in very short timeframes
- Reduces cost and risk in individual end-user departments building their own direct interfaces or rekeying data into local systems and /or spreadsheets

For Collateral Managers

- Provides a clear single up to date view of all collateral, margin and position information across multiple CCPs and Exchanges, supporting:
 - effective and efficient use of available eligible collateral
 - accurate monitoring of position against CCP concentration limits
 - consistent presentation of haircuts and valuations across all CCPs
- Ensures accurate, timely data for use with existing Collateral Management and Optimisation systems
- Can be used in conjunction with margin replication engines to forecast and anticipate margin calls allowing better decision making in use of eligible collateral and improving liquidity
- Includes details of current positions for use in cheapest-to-clear and what-if scenarios

For Credit Risk Managers

- Obtain accurate, timely, consolidated exposure information regarding margins, default fund contributions, etc. to support effective exposure management at clearing group and legal entity level.
- Provides auditable information for FSB central counterparty risk reporting

For Reconciliation Departments

- Provides a single source of data for reconciliation with source systems
- Reduces number of interfaces/matching programs to be maintained and ensures accurate, timely data to match against

For House/Client Clearing

- Provides a range of clearing data by CCP or at consolidated level for analysis or automatic connectivity to internal clearing and trade processing solutions. Avoids costs and risks involved in manual data aggregation/analysis/rekeying
- For client clearing data the positions/fees etc. available by client for ease of client reporting or provision of direct access to data for clients via portals

Treasury and Liquidity Management

- Accurate information can be used to reduce buffer liquidity held at CCP's and improve overall efficient use of liquid assets

Regulatory Reporting

- Ensures accurate, timely, audited information, e.g. valuations for FSB reports and Trade/Transaction reporting under EMIR, Dodd Frank, MiFID etc.