MARS for Standard Initial Margin Model (SIMM™)

Manage initial-margin exposures and comply with UMR

With the final two phases of the Uncleared Margin Rules (UMR) implementation approaching rapidly, impacted firms are under pressure to meet complex new regulatory requirements while minimizing the impact on trading costs. With documentation, custodial or operational requirements only applying if the bilateral initial margin (IM) being exchanged exceeds €50 million, firms will want to carefully monitor their exposures in order to avoid significant costs.

The requirement to exchange IM will continue under phases 5 and 6 of UMR, when firms' average aggregate notional amount (AANA) of uncleared derivatives exceeds the following thresholds:

UMR	AANA Threshold	Compliance date
Phase 5	€50 billion	1st September 2021
Phase 6	€8 billion	1st September 2022

Having licensed the SIMM methodology from the International Swaps and Derivatives Association (ISDA), we deliver SIMM through our award-winning Multi-Asset Risk System (MARS), enabling front office, risk and operations teams to gain a clear view of their margin exposure and comply with UMR.

Key benefits of MARS for SIMM

Manage IM exposure

Monitor your exposure using intra-day and end-of-day analytics, including drill-down analysis by product and risk class as well as transaction.

Optimize decision making and allocation

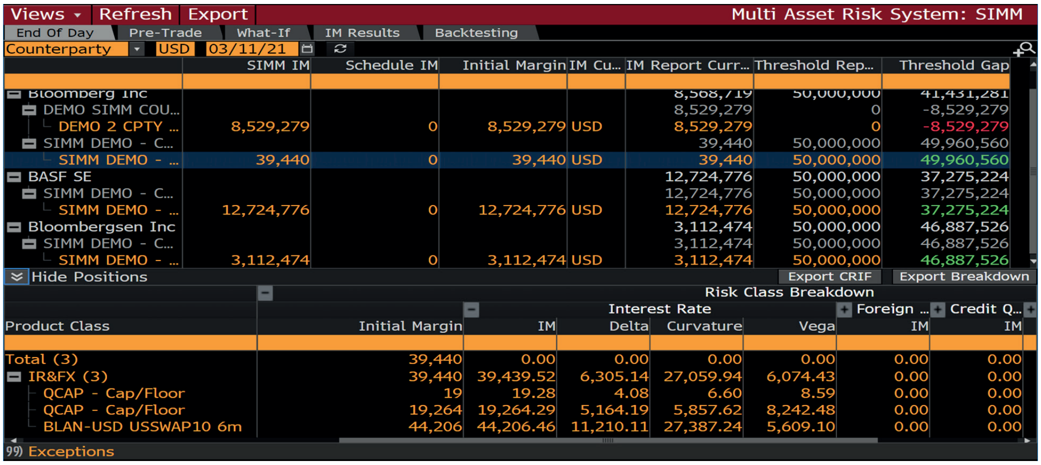
Run pre-trade initial-margin calculations across multiple credit-support annexes (CSAs), with the ability to create deals from single security pricers and add them to your portfolio as prospective trades. MARS for SIMM calculates the incremental IM from adding this to selected counterparties in your portfolio, and identifies the counterparty producing the lowest incremental IM.

Monitor Traffic Light Test results

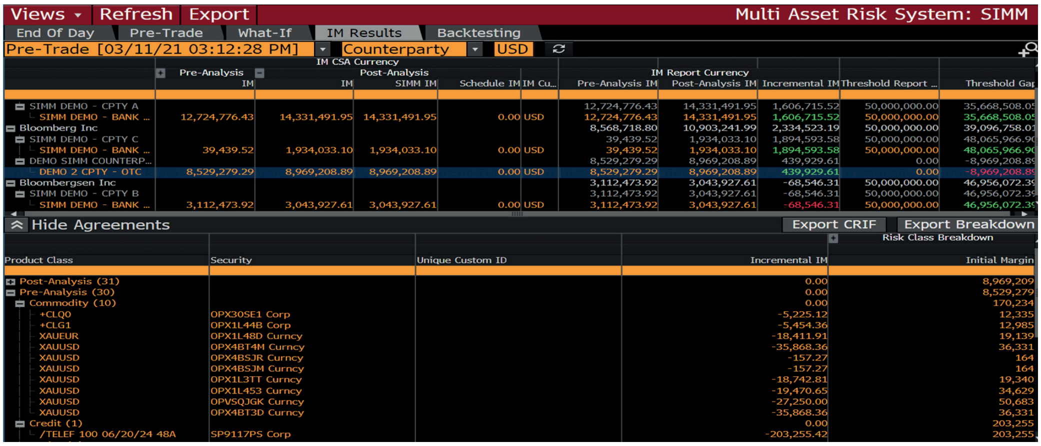
Perform two ISDA-specified SIMM backtests and monitor results against the Basel Traffic Light Test:

- Compare actual P&L moves and track how often actual P&L exceeds the SIMM level
- Assess whether your portfolio achieves 99th percentile 10-day coverage when subjected to the past three years' market movements, plus one year of significant financial stress

Bloomberg



Make informed trading decisions – Perform pre-trade and what-if analyses to assess the impact of potential trades on the IM amounts agreed by you and your counterparties in your CSA.



Stay in control – Review the IM and incremental IM that each counterparty requires for individual deals linked to a CSA, so you can assess your capital requirements.

About the business

Whether on the buy side or sell side, firms need a comprehensive risk-management solution with broad asset-class coverage. Whether it's market, counterparty, credit, liquidity, operational or portfolio, the Bloomberg Terminal has every risk covered.

Take the next step.

For additional information, press the <HELP> key twice on the Bloomberg Terminal®.

bloomberg.com/professional

Beijing
+86 10 6649 7500

Dubai
+971 4 364 1000

Frankfurt
+49 69 9204 1210

Hong Kong
+852 2977 6000

London
+44 20 7330 7500

Mumbai
+91 22 6120 3600

New York
+1 212 318 2000

San Francisco
+1 415 912 2960

São Paulo
+55 11 2395 9000

Singapore
+65 6212 1000

Sydney
+61 2 9777 8600

Tokyo
+81-3-3201 8900