



Repapering: Initial Margin



CHALLENGE

Established in response to the global financial crisis of 2008 - 2009, the Initial Margin requirements defined a five-step rollout for implementing collateral posting for non-centrally cleared derivatives. Phase 4 and 5 require banks to update thousands of contracts by Sept 2019 and Sept 2020, respectively.

To learn more about the Initial Margin requirements and Vox FP's solution through its Opal software offering, contact us at info@voxfp.com.

THE CONVENTIONAL APPROACH

Typically, banks hire armies of temporary workers to review and manually amend contracts to make sure they're in line with the latest Initial Margin requirements. Progress tracking is opaque, relying on the quality and frequency of manual updates from these temporary workers to management. It's an enormously expensive approach that poses huge operational risks for the enterprise.

A MODERN APPROACH: OPAL

Opal is an advanced suite of web-based tools to automate the creation and management of documents across the enterprise. Opal manages the end-to-end Initial Margin contract update process, from the creation of document templates to bulk emailing client documentation to the execution of agreed contracts. Throughout the process, Opal also provides management with the real-time insights needed to execute these complex repapering exercises efficiently.

TOP THREE BENEFITS

1. Reduces operational risk by providing a dashboard giving full transparency into the overall repapering project
2. Accelerates time-to-execution by using customizable Microsoft Word templates to automate and simplify contract creation and negotiation
3. Requires fewer staff to run the process, driving down cost

HOW IT WORKS

Using Opal:Repaper for upcoming Initial Margin requirements, banks can easily:

- Templatize required documents using the Template Author
- Upload, organize and prioritize clients needing contract review
- Bulk produce new contracts, customized for each client, and send the client a Word document directly from the application
- Track each contract through generation, review, distribution, negotiation and execution
- Get a holistic view of all in-progress documents and drill down to investigate exceptions with Opal's dashboard