

Exari's Re-Papering Solution for CSA's

Comply with new margin requirements for uncleared derivatives by streamlining the document automation and negotiation process

New regulations on margin requirements from the BCBS and IOSCO have created a global standard for noncentrally cleared derivatives in order to reduce the risks associated with trading. Since all CSA's now need to be updated per the new regulations, some financial firms will need to start re-papering all existing trading agreements as early as March 1st, 2017 in order to continue trading.

The regulation has increased the threshold for uncleared 'swaps', as well as the types of assets eligible as collateral for variation margin (VM), now beyond cash only. Non-cash assets that qualify as initial margin (IM) can now also qualify as VM in trades depending on the counterparties.

Exari's solution is making it easier to re-paper

Exari is already working with one of the big four accounting, tax and advisory organizations to re-paper agreements for large money center banks at a rate of thousands of agreements per month. The solution manages the creation, negotiation and execution of every agreement that needs to be re-papered.

The solution provides the banks with the ability to control a series of "outreach" emails, that invite the banks' counterparty to confirm or provide information that assists with the negotiation in one secure and automated platform.

In order to re-paper all existing CSA agreements, you need an automated solution with the right workflow, negotiation and approval process. By leveraging Exari's technology, you can:

- Securely streamline the counterparty setup and negotiation process with Exari's innovative "Wizard", interview driven process

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ISDA & CSA Group in progress...

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Topic Progress...

CSA Collateral - Government Bonds

General: US-TBILL Valuation Percentage 0-1 Year

The Bank:

The Counterparty:

Bank Specified Entities:

Counterparty Specified Entities:

Bank Cross Default:

Counterparty Cross Default:

Credit Event Upon Merger:

Automatic Early Termination:

Termination Currency:

Bank ATEs:

Counterparty ATEs:

US-TBILLS deliverable by:
 Counterparty
 Bank

US-TNOTE Valuation Percentage 0-1 Year:

US-TNOTE Valuation Percentage 1-5 Years:

US-TNOTE Valuation Percentage 5-10 Years:

Collateral Thresholds & Minimum Transfer Amounts				
Threshold	Applicable to Them		Applicable to Us	
		Tiered Based On NAV • USD 1,000,000 Above \$200,000,000 • USD 500,000 At or Below \$200,000,000 • USD 0 At or Below \$100,000,000		Tiered Based On Rating • USD 1,000,000 Above All Of Fitch Long Not Sure, Fitch Short Not Sure, Moody's Long Baa3, Moody's Short Not Sure, S&P Long BBB, S&P Short Not Sure and Other Rating Not Applicable • USD 0 At or Below Any Of Fitch Long Not Sure, Fitch Short Not Sure, Moody's Long Baa3, Moody's Short Not Sure, S&P Long BBB, S&P Short Not Sure and Other Rating Not Applicable
Minimum Transfer Amount	Fixed Amount	USD 200,000	Fixed Amount	USD 175,000
Eligible Collateral & Haircuts				
Collateral Asset (Remaining Maturity)	Valuation %	Who Can Post	Can Use For	Details
US-CASH	100%	Them And Us	Initial And Variation Margin	
US-TBOND	100%	Them And Us	Initial And Variation Margin	
GB-CASH	100%	Us	Initial And Variation Margin	
JP-CASH	99%	Them And Us	Initial Margin	
CA-BOND (One Year Or Under)	98%	Them And Us	Variation Margin	
ES-BOND (More Than One Year Up To Five Years)	90%	Them And Us	Variation Margin	
Holding & Use of Collateral				
Custodian Requirements	Not Specified			
Segregation Requirements	Yes On Them			
Rehypothecation Allowed	Yes By Them - Qualified			
Substitution Allowed	Yes By Them			
Interest Paid on Cash Collateral	Not Specified			

Exari's re-papering solution makes the entire lifecycle of re-papering existing CSA's that much simpler. From custom built workflows, to the final stages of negotiation and approval, Exari's document automation and contract management technology can suit any firm's needs.

ABOUT EXARI

Exari delivers the most complete Enterprise Contract Lifecycle Management platform, used every day by market-leading companies to understand all aspects of their contract ecosystem worldwide. With Exari, customers can reduce contract risk and improve operating efficiency with 100% Contract Certainty™.

