

IM Threshold Monitor



For firms in scope for UMR but unlikely to immediately exceed the regulatory threshold

The Initial Margin Threshold Monitor (IMTM) service provides your firm with the ability to track your estimated Initial Margin (IM) exposure as calculated by your dealer compared to your expected IM threshold without the burden of negotiating IM Credit Support Annexes (CSAs) and becoming operationally ready.

About the Regulatory Guidelines:

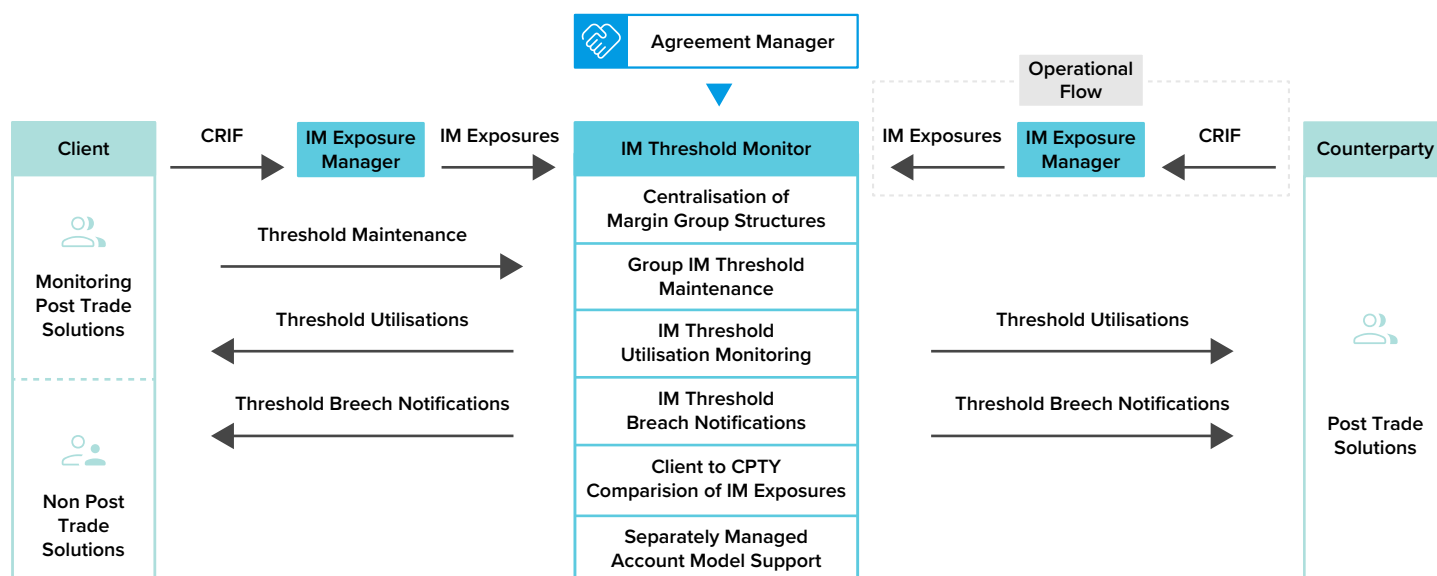
Recent guidance from the Basel Committee on Banking Supervision (BCBS) and the International Organisation of Securities Commissions (IOSCO) which is now supported by local prudential regulators states that firms in-scope for Uncleared Margin Rules (UMR) can delay their legal documentation, custodian and operational arrangements if they won't immediately exceed the framework's \$50 million IM threshold with their counterparty. But how will these IM Phase 5 and 6 firms know when they need to begin preparing to move initial margin if they cannot calculate IM exposure on their own?

Introducing IM Threshold Monitor Service

Part of our Risk Suite of services, the IMTM service was developed in direct response to changing regulation and client feedback. IM Phase 6 firms will have some dealer relationships where they will move initial margin immediately on go-live but also have others where they won't. To save time and money, we have modified our existing service to support IM Phase 6 firms that want to delay their documentation and operational IM compliance efforts where possible under the regulations. It is important to note that the regulations do not extend a grace period to firms who breach the \$50 million IM threshold with their counterparty, therefore having an early warning mechanism to ensure ample time to repaper your CSAs will be required.

IM Phase 1 through 5 firms can supplement their existing data feeds to us with anticipated IM exposure information referencing their current variation margin portfolio versus IM Phase 6 firms, enabling us to provide a central view of IM Exposure across all in-scope counterparty relationships whether your firm is moving margin or not. The IM monitor service will provide your firm with the crucial data needed for a convenient and centralised tool to track thresholds, ensuring compliance and trading continuity.

IM Threshold Monitor Workflow



Key Features

- Provides a central repository of counterparty IM exposure across firms' trading relationships
- Ideal for clients that are in scope for IM but don't expect to move margin until after IM Phase 6 go-live date
- Phase 1 through 5 firms can enable IM Threshold calculation and monitoring via us on behalf of their clients
- Where required, pre-agree IM Threshold amounts and other key terms using our Monitoring Term Sheets

Key Benefits

- Saves your firm time and money by enabling you to delay your operational readiness until you have sight of when you will be required to move regulatory initial margin. In the basic version of the service which is free, Phase 6 firms will receive access to dealer calculated group and agreement level IM collect and post exposure figures as well as sub-threshold breach alerts
- Pre-agree key terms and post sub-threshold breach collective actions
- Provides your firm with an efficient central source of IM exposure rather than manually obtaining bi-lateral dealer information
- Sub-threshold breach alerts to both parties can be generated via API, SFTP or email to proprietary systems

Book a demo or contact us
for more information.

Email contact_posttradesolutions@lseg.com

© 2025 LSEG. Reproduction or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. LSEG is not liable for any errors or delays in LSEG content, or for any actions taken in reliance on such content. LSEG logo is a trademark of LSEG and its affiliated companies.

lseg.com/en/post-trade/solutions

LSEG

Post Trade Solutions