

News Release



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BNY Mellon's MarginConnect Completes Non-Cleared Derivatives Workflow for Buy-Side

NEW YORK, November 12, 2020 — Buy-side investment managers are now able to take full control over the collateralization of non-cleared derivatives following the introduction of MarginConnect, BNY Mellon's new margin messaging capability.

Utilizing MarginConnect, managers who wish to retain control over the collateralization of their non-cleared derivatives activity can now do so, leveraging a direct connection between AcadiaSoft and BNY Mellon.

Until now, buy-side derivatives users traditionally have not been able to keep management of their non-cleared OTC collateral entirely in-house. This is because instructions to move collateral assets among custodians typically rely upon SWIFT messaging.

The vast majority of buy-side entities do not have a SWIFT network membership, meaning that they have had to either build and maintain their own connectivity to their custodian or outsource the messaging component instructing the actual movement of collateral to a SWIFT member.

MarginConnect addresses this gap in the workflow by enabling managers to bypass the costs associated with the SWIFT network by sending messages via BNY Mellon's MarginConnect offering, which is fully integrated into the AcadiaSoft platform.

Utilizing this link, clients are able to generate collateral instructions within the AcadiaSoft ecosystem without having to separately create and deliver SWIFT messages or log into their BNY Mellon triparty or third-party collateral account.

"MarginConnect will enable those newly in-scope clients that wish to keep control of their own collateral management under the next two phases of the non-cleared margin rules to do precisely that: maintain control," says Dominick Falco, Head of Collateral Segregation at BNY Mellon. "Being the first collateral manager to fully integrate our messaging with AcadiaSoft means that our clients will be able to seamlessly communicate with BNY Mellon and trade counterparties without having to rely on an intermediary."

"AcadiaSoft is continually striving for workflow automation and cost efficiency; integrating our industry-standard messaging platform into MarginConnect provides the next step on this journey toward zero-touch processing. We are excited to play a central role in helping our mutual clients benefit from a seamless workflow in the non-cleared derivatives space and furthering our partnership with BNY Mellon," says Mark Demo, Head of Community Development at AcadiaSoft.

MarginConnect's straight-through processing can also reduce operational risk by eliminating the need to manually enter messaging details, since trade calculations are auto-generated within the platform.

In May 2019, BNY Mellon and AcadiaSoft [unveiled a comprehensive collateral administration](#) service that provides a fully outsourced solution for buy-side firms seeking to comply with the non-cleared margin rules. MarginConnect complements that end-to-end offering with a cost-effective alternative, enabling those market participants with the capability to manage their own collateral processes to conduct their own margin calculation and messaging.

ABOUT BNY MELLON

BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment life cycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment and wealth management and investment services in 35 countries. As of September 30, 2020, BNY Mellon had \$38.6 trillion in assets under custody and/or administration, and \$2.0 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Additional information is available on www.bnymellon.com. Follow us on Twitter @BNYMellon or visit our newsroom at www.bnymellon.com/newsroom for the latest company news.

ABOUT ACADIASOFT

AcadiaSoft, Inc. is the leading industry provider of risk and collateral management services for the non-cleared derivatives community. AcadiaPlus is a new-generation open platform that provides the sell-side, the buy-side and fund administrators with specialist applications and a third-party partner ecosystem for the straight-through processing of the entire risk mitigation life cycle. Backed by 16 major industry participants and market infrastructures, AcadiaSoft is used by a community of more than 1,350 firms exchanging approximately \$700B of collateral on a daily basis via its margin automation services. AcadiaSoft is headquartered in Norwell, MA, and has offices in London, New York and Tokyo. For more information, visit acadiasoft.com.

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