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Collateral management
solution of the year

Murex

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Uncleared margin reform is no longer about just getting the job done. It is about making sure the job is done well. Murex's comprehensive collateral solution has made a meaningful difference this year, streamlining enterprise-wide margining, collateral optimisation, inventory management, settlements and accounting.

The final phase of initial margining took effect in September 2022, with hundreds of counterparties that had not been caught in previous years having to post collateral against their derivatives trades. Many of these counterparties were in Asia.

Derivatives traders are now looking at how they can reduce the cost of posting margin by making their collateral management processes more efficient. At the same time, counterparties in Asia-Pacific (Apac) must contend with a patchwork of local regulations that offer nuanced variation on the global rules.

Zhen Jin, head of Apac operations and finance for Murex, says that these twin drivers have increased demand for Murex's MX.3 collateral management services.

"Our collateral solution has demonstrated its ability to cater for specific local needs and the standardised global regulatory requirements," he says. "As trading volumes increase, the solution has proven to be equally capable in managing the exponential growth in master agreements and margin calls. New product roll-outs are seamlessly managed by the collateral solution given its native integration in the product system."

Local variations

Between 2023 and 2025, Murex worked on six collateral management projects across Apac: one each in Brunei, Thailand and Malaysia, and three in India.

"Localisation is a very important part of what we bring to Apac clients. Those operating in many of these Asian markets often have very specific needs," says Matthieu Avanthey, Murex's head of product management for Apac.

For example, in Thailand, market participants use a variation of the Global Master Repurchase Agreement (GMRA) known as GMRA Private Repo. Murex has been working with several banks in the country to adapt its margining logic to these Thai-specific rules. The latest was a medium-sized Thai bank, which rolled out the MX.3 platform in August last year.

As part of its solution, Murex automated the institution's collateral business end to end, replacing manual tasks such as margin document creation, booking accounting entries and generation of monthly tax statements on collateral interest. Murex says this represented significant savings for the bank.

Additionally, the bank's collateral managers needed to process all margin calls for GMRA Private Repo on the day of the transaction to ensure smooth



Zhen Jin, Murex

settlement on T+1. The solution Murex came up with involved implementing a margin run on GMRA Private Repo agreements, starting immediately after the publication of the daily bond price (at 5pm, Bangkok time). Within minutes, the margin calls were available on collateral managers' operations dashboards for review.

This wasn't the only market that benefited from Murex's local expertise.

Following the introduction of variation margin rules at the end of 2022, a number of top-tier Indian banks have been looking for efficient ways of exchanging collateral.

Axis Bank has adopted MX.3 for Collateral Management as part of a front-to-back-to-risk implementation across 12 product classes and four entities. Mark-to-market computations use the same transaction data, market data and valuation engine, helping to ensure uniform results across the different business functions without the need for costly reconciliation.

"At Axis Bank, while we were set to transform our existing technology stack and enhance our digital capabilities, we wanted a credible partner that would help us navigate through this transition," says Rajesh Nair, executive vice-president and group head of IT platforms and operations at Axis Bank. "We are delighted to partner with Murex, which played a significant part in streamlining the whole process."

Nair describes the roll-out of MX.3 in December 2023 as "a significant milestone" for the bank.

"The Murex team brought technical and functional expertise, backed with an understanding of Indian market practices that was instrumental in the project's success," says Nair. "Their proactive and experienced team implemented the right practices and project approach, befitting the complexities of our setup."

He adds that Murex is a "strategic partner" for the bank.

"We continue to expand our capabilities together, deploying more products and new activities on our MX.3 platform."

Global team, local reach

These are just a few examples of how Murex's insight into local markets has helped the technology vendor win new mandates this year. As regional familiarity with uncleared margin rules improves, such insight is becoming ever-more important, helping local institutions reach those all-important cost savings.

Murex's Apac clients enjoy the twin benefits of global experts tracking worldwide trends and local specialists who are versed in local practices and geographically close to Apac clients.

"Extremely positive client feedback and continuous product investment give us confidence that our unique support structure is a winning ticket in Apac," says Zhen. ■