

Initial Margin Phase 5/6 (IM)



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The economic and financial crisis that began in 2007 demonstrated that improved transparency in the over-the-counter (OTC) derivatives markets and tighter regulation of OTC derivatives and market participants was necessary.

One key pillar in the enhanced regulatory framework is the amended rules relating to the posting and holding of initial margin (IM). Initial margin is collateral posted to help reduce counterparty credit risk from uncleared OTC transactions.

The regulations imposing these requirements were split into a number of phases.

Phase 5 for firms with a gross notional threshold over 50 billion (September 2020).

The final phase 6 for firms with gross notionals over 8 billion (September 2021), firms that do not meet these deadlines will no longer be able to trade with unpapered counterparties.

One of the key challenges faced by 'in-scope' firms is negotiating a new set of complex and unfamiliar documents.

“...firms face a very resource-intensive process”

Whatever option selected, firms face a very resource-intensive process and will need to put in place a robust governance and project management structure to complete the project.

How we can help

Condor is an alternative legal solutions (ALS) provider backed by quality assurance from Fieldfisher lawyers. Condor ALS services and products provide effective and cost efficient alternatives to previous law firm time based legal processes by utilising the right staffing combinations and innovative technologies to deliver and manage work.

Condor ALS combines the legal, regulatory and data management expertise of Fieldfisher lawyers with the negotiation, project management and technology capabilities of market-leading third service providers or our very own near shore teams to offer clients a comprehensive, quality-assured suite of solutions through a single contract.

- **Expertise** — Fieldfisher lawyers who are experts in the! sectors provide oversight and advisory on every Condor ALS engagement.
- **Resources** — Using our skilled teams of paralegals and legal executives in Belfast, and project management expertise, we are able to resource your requirements in way that is both cost-effective and efficient.
- **Technology** — We implement our suite of cutting-edge technology tools which provide efficiency both on legal, matters and project management.

Our process

Data extraction and analytics

The Condor team extracts all relevant information from the client's existing documentation and provides the client with an in-depth analysis



Playbook development

Condor works with its team of legal experts and you to define a clear and comprehensive playbook for executing and governing IM document repapering requirements.



Drafting and negotiation

The Condor team drafts new proposed agreements and negotiates them with clients in accordance with the playbook. The service is project managed by Condor ALS with legal oversight by experienced Fieldfisher lawyers

The value we add

Condor's scalable, flexible and cost-effective model enables us to deliver an efficient and cost effective outcome for our clients whenever they need it. We can scale up to meet larger requests so a client can deal with potentially disruptive requests without having to constantly redirect already scarce internal legal resources.

We provide a customised service through the most relevant combination of resources to get the solution you need.