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Digital Transformation Solutions

Legal Service Offering

Banks are consistently required to work with counter-parties to ensure compliance with emerging regulations while shouldering the burden of ongoing business-related changes.

BAU CHANGES

Banks have an ongoing need to work with clients to adjust the legal documentation in place between the organizations. Some of the major reasons for change:

- Addition of new funds to accounts;
- Legal entity restructuring (bank or client);
- Adjustment of local regional regulations;
- Change in risk appetite for bank necessitating collateral adjustments; and
- Extension of product coverage

UNCLEARED MARGIN REFORMS

- Non-standardized OTC products which do not qualify for central clearing are subject to higher margin requirements, and dealers are now required to post / collect initial margin (IM) with additional groups of counterparties;
- Phase 6 is underway with a lower AANA threshold of €8billion, increasing the number of affected organizations to c.9,500; and
- For in-scope firms, outreach is required from dealers to educate/inform clients on this calculation requirement, encourage self disclosure, and review/adjust the legal documentation as required.

IBOR TRANSITION

- The IBOR transition has spanned all areas of the banking industry from clients with simple lending agreements, to sophisticated firms with syndicated lending or complex derivative products;
- Remediation strategies vary across products and documentation types based on industry standard fallbacks, or bilateral amends for specific products;
- Banks are required to communicate changes with counterparties, to educate/inform, negotiate, remind, and encourage adherence; and
- Much has changed, though USD LIBOR continues until June 2023 and beyond.

SECURITY-BASED SWAP DEALER

Banks with large U.S. based swap portfolios must comply with Security-Based Swap Dealer regulations recently finalized by the SEC; The rules build on earlier CFTC efforts to regulate swaps as a result of the Dodd-Frank Act, and required compliance by October 2021; Firms were required to review the quality of reference data, confirm adherence with the rules, and meet ongoing reporting obligations; and Client outreach was often necessary to clarify data, aligning timelines with changing uncleared margin rules.

CHALLENGES

Maintain regulatory compliance

Client and legal document adjustments driven by regulatory change and need to be executed in a legal and compliant manner.

Keep up with the pace of business change

Level of business change remains high due to the need to extend client base and product coverage, plus adjust to the economic climate and firm's risk appetite.

Limited skills in key areas

Pools of skilled resources are concentrated in metro centers' leading to competition from banks for scarce and expensive resources.

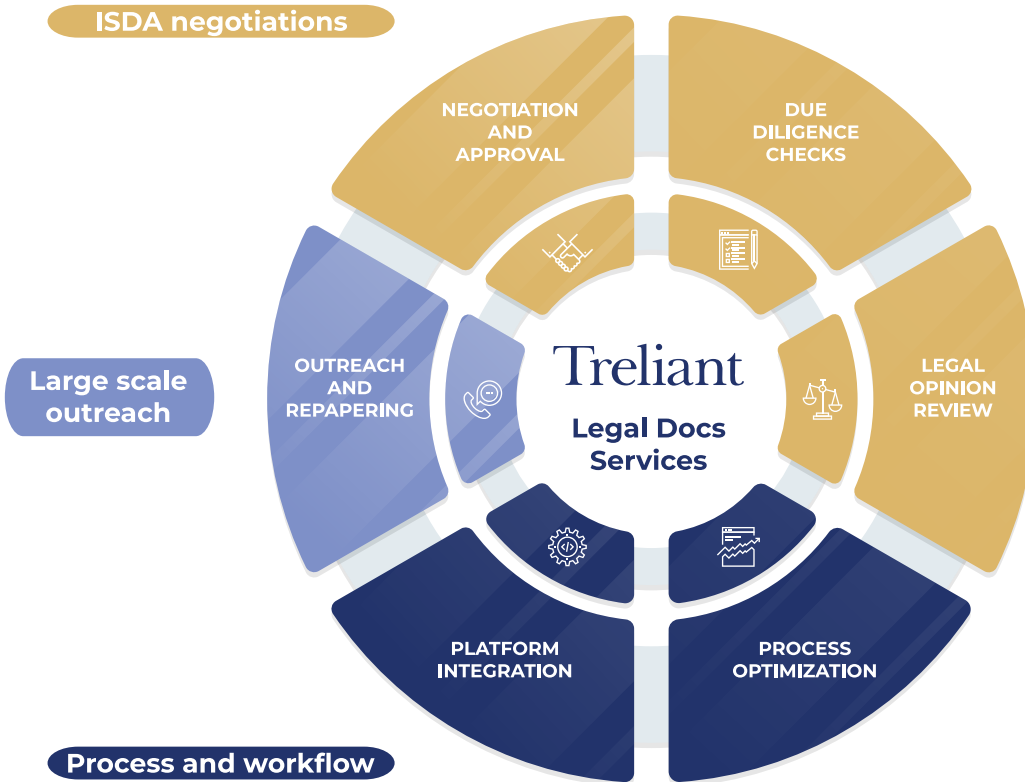
High quality customer service required

Banks need to ensure a high level of customer service due to competition in the market.

Effective and cost efficient execution

The economic climate is driving the need for high quality of execution and cost savings without impacting quality.

HOW WE CAN HELP



FULL SERVICE OFFERING

Our services cover all key areas necessary to maintain a compliant counterparty legal documentation framework for a fast paced, complex, derivatives based banking organization.

COST EFFECTIVE

Leveraging our service delivery centers, we provide a high quality of work delivered efficiently while keeping it cost effective.

CONTINUOUS IMPROVEMENT

Our deep knowledge of the process, and partnerships with leading edge solution providers, enables us to deliver continuous process improvements resulting in higher quality, faster turn arounds and lowered cost.

LEGAL OPINION REVIEW

ISDA/CSA/PSA, CDEA, GMRA, GMSLA, MRA, and MSFTA
Netting and collateral opinion reviews
Risk identification and stakeholder alignment
Drafting language amendments

PROCESS OPTIMIZATION

Buildout and refinement of legal playbook
Development/enhancement of internal legal clause library, definition of fallback clauses, and pushback language to support negotiations
Clarification of "request" terminology
Development of approval matrices, process flows, and document storage policies.

DUE DILIGENCE CHECKS

Review of client due diligence opinions
Collaboration with client onboarding re-documentation
Final checks and sign off

PLATFORM INTEGRATIONS

Clarification of use cases and BRDs
Definition of data model, data flows, meta data, and ETLs
Platform configuration and set up
Testing and validation

NEGOTIATION AND APPROVAL

Draft documentation review
Management of approval process
Management of risks with business and credit risk teams.

OUTREACH AND REPAPERING

Management and orchestration of overall outreach process
Scoping of impacted clients and sourcing and cleansing of data (including contacts)
Outreach process workflow, including inbox management and client outreach
Batch preparation and distribution management, status tracking, and reporting



Treliant is an essential consulting firm serving banks, mortgage originators and servicers, fintechs, and other companies providing financial services globally. We are led by practitioners from the industry and the regulatory community who bring deep domain knowledge to help our clients drive business change and address the most pressing compliance, regulatory, and operational challenges. We provide data-driven, technology-enabled advisory, implementation, and staffing solutions to the regulatory compliance, risk, financial crimes, and capital markets functions of our clients. Founded in 2005, Treliant is headquartered in Washington, DC, with offices in New York, London, Belfast, and Łódź.

For more information: treliant.com | information@treliant.com | T. 202.249.7950