



ISDA & SIFMA AMG Collateral and Liquidity Management 2025: Key Takeaways

SUMMARY

The ISDA & SIFMA AMG Collateral and Liquidity Management Conference brought together industry leaders to discuss the evolving landscape of collateral management, liquidity, and regulatory compliance. Conversations centered on the impact of treasury clearing, the need for resilient collateral strategies, and the knowledge gaps in repo collateral management.

The consensus? **Firms must embrace automation, efficiency, and strategic partnerships to navigate these changes.**

TREASURY CLEARING: A NEW COLLATERAL REALITY

As treasuries move toward a clearing model, the availability of these assets for collateral will decline. Firms need to proactively:

- Update Credit Support Annexes (CSAs) to reflect all eligible collateral.
- Optimize portfolio holdings to ensure access to sufficient high-quality liquid assets.
- Strengthen operational flexibility to handle shifting collateral requirements.

BUILD RESILIENCY: ARE YOU PREPARED FOR THE NEXT LIQUIDITY CRISIS?

The conversations throughout the event underscored the need for operational resilience in the face of liquidity shocks. Key considerations included:

- Automate collateral substitutions for efficiency and risk mitigation.
- Diversify collateral pools to reduce dependency on a single asset class.
- Ensure scalability to meet sudden market shifts.

TOKENIZING COLLATERAL: GLOBAL AND DOMESTIC IMPLICATIONS

Thomas Sullivan, a panelist from Société Générale, observed that while tokenization holds long-term potential for expediting settlements and reducing operational friction, its association with cryptocurrency causes some institutions to hesitate.

- Tokenization of collateral would enable faster settlement and stronger resiliency through greater automation.
- Regulatory and industry perceptions act as headwinds for advancing tokenization of assets, Tokenization efforts are far more robust outside of the US, but the benefits are consistent globally.
- While tokenization would enable near instantaneous settlement, the lack of a regulatory mandate inhibits firms from moving in unison.

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KEY TAKEAWAYS FOR COLLATERAL & LIQUIDITY LEADERS

1. **Flexible Collateral Strategies** – Start with lower-risk assets (cash, treasuries) before expanding collateral pools.
2. **Automation & Efficiency** – Reduce manual workflows and improve visibility with collateral management platforms.
3. **Risk & Control Frameworks** – Address calculation model complexities, portfolio reconciliation, and governance to minimize risk exposure.
4. **Regulatory Readiness** – Keep pace with Uncleared Margin Rules (UMR) as it rolls out to other countries and adapt tri-party models as needed.
5. **Global Operating Models** – Foster strong vendor partnerships, client transparency, and an adaptable operating model.
6. **Future Proofing Through Agility** – Automation, agility, and real-time data will drive the next phase of collateral transformation.

NAVIGATING COLLATERAL CHALLENGES: HOW MERADIA CAN HELP

As the collateral landscape grows more complex, firms must focus on efficiency, automation, and regulatory preparedness to remain competitive.

At Meradia, we help asset managers, asset owners, and service providers optimize their collateral management strategies by:

- Developing tailored collateral frameworks that align with liquidity needs and risk tolerance.
- Implementing automation and workflow improvements to increase efficiency and reduce operational bottlenecks.
- Ensuring regulatory compliance by adapting operating models to evolving requirements.

With industry expertise and a deep understanding of collateral optimization, liquidity management, and operational transformation, we help firms build resilient, future-ready strategies.