Fixed Income Haircut (FIH) Factsheet:

Fixed Income Haircut (FIH) is a program which is designed to help users compute capital charges for debt securities as defined in SEC rule 15c3-1. Since 1998, it has been integrated for use at roughly 80 sites. Dash Regulatory Technologies Fixed Income has been written using the .NET/C++ framework.

The system attempts to optimize by pairing:

- Non-convertible bonds against government bonds
- Government bonds across categories against government bonds
- Nonconvertible bonds across categories against nonconvertible bonds

The system produces numerous reports, including:

- Summary report by security type
- Bond Pairing/Detail report showing each pairing involving investment grade bonds and/or government bonds
- Netting report listing all long and short positions in the same security
- Reconciliation report accounting for long and short values from each individual supporting report
- Reports detailing bona fide convertible arb relief, Paragraph J charges, portfolio and undue concentration charges, failure to deliver securities (including customer fails), TBA relief and non-investment grade securities
- Unhedged Currency Risk on foreign securities
- ABS Liquidity Charge report

Users may:

- Utilize ratings to assist the system in deriving the proper corporate haircut percentages
- Provide extra information so that the system can determine marketability relief
- Simulate and/or correct positions and recalculate capital requirements
- Indicate eligibility for government haircut reduction as a primary government dealer
- Define groups of accounts and compute haircuts for these defined entities
- Run the program interactively or set it up to run untended
- Apply bona fide arbitrage treatment to convertible securities
- Segregate end of month data for FOCUS while continuing to compute daily charges
- Export database files to a CSV format
- Generate reports in PDF format