

Clearstream

Liquidity Hub News

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Best in class services confirmed in triparty surveys



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Growing use of equities as collateral

The Global Custodian noted that the use of equities in triparty continues to increase with 40% of survey respondents stating that both equities and fixed income are now included in their triparty programmes. 36.7% of participants stated that equities were part of their collateral pool.

Clearstream's Global Liquidity Hub offers an entire suite of collateral management services for equity, including volatility-based, dynamic, margining and risk management tools such as concentration and industry sector limits.

All services are fully automated in real-time. Triparty collateral receivers accepting assets under a transfer of title structure benefit from unlimited reuse and substitution. Alternatively, customers can pledge the securities, for example for margining purposes.

Clearstream was once again rated the top provider of triparty services in industry surveys carried out by Global Investor/ISF and Global Custodian magazines. Customers particularly appreciate the ease of onboarding and the accuracy of margin calls – an area which is increasingly relevant in the run-up to the European Market Infrastructure Regulation (EMIR).

In the Global Custodian triparty securities financing survey, Clearstream reached the highest scores in all service areas, leading the magazine to conclude that "Clearstream's results in this year's triparty survey confirm its climb to the top in terms of client perception".

Clearstream was also the highest rated triparty provider on a global basis in the Global Investor/ISF triparty survey. Clearstream did particularly well in the Asia/Pacific region and in the area of collateral management. It was especially commended for the quality and experience of client services.

Supporting EMIR compliance

The Global Investor/ISF survey also showed that Clearstream is well positioned to help customers meet their OTC derivative challenge under the upcoming EMIR regulation. EMIR mandates the increased central clearing and collateral management of standard OTC derivative trades. Clearstream offers comprehensive services for OTC derivatives and got the highest scores for the accuracy of margin calls.

Easy onboarding for the buy-side

The buy-side is increasingly turning to triparty repos as a secure alternative to the money market. Many are new to the world of collateralised transactions as complex legal procedures deterred them from entering the triparty world in the past.

However, buy-side customers now particularly appreciate the ease of onboarding to the Global Liquidity Hub thanks to Clearstream's easy legal framework. One survey respondent specifically mentioned that Clearstream's legal master agreement for triparty repos, the "Clearstream Repurchase Conditions (CRC) are easier than GMRA". Customers also like the simple collateral schedule structure in the form of baskets.

Key performance indicators

Both the Global Investor/ISF and Global Custodian surveys provide valuable customer feedback and insights into the triparty business. Clearstream appreciates the information received and would like to thank all customers who took the time to participate.

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