

Clearstream

Vestima – Access to China Domiciled Funds

Product information

Processing mutually recognised Mainland China funds

Key benefits

Streamlined processing of all asset classes

All securities held with Clearstream are processed on the same platform and via the same connectivity media.

Greater efficiency

Improved scalability of operations and reduced manual effort thanks to automation and the use of stored reference data.

Reduced risk

Services are provided by a fully licensed bank with an AA rating and a centralised cash management via existing Clearstream accounts.

Leading market infrastructure

With over 150,000 mutual funds, 50,000 actively traded hedge funds and more than 10 million settlement instructions processed every year, Clearstream is a leading provider of investment fund services.

The Mainland China – Hong Kong Mutual Recognition of Funds programme (MRF) allows Hong Kong and Chinese asset managers to distribute recognised funds in both jurisdictions. With the launch of the MRF programme, Hong Kong-based investors can directly invest in MRF-eligible China-domiciled funds. Investors can access these mutually recognised China-domiciled funds via Clearstream's global Vestima fund processing platform.



Customers can directly send orders for China-domiciled funds under the MRF scheme to Vestima and thus benefit from a high level of standardisation and proven processes. Further well-known features of Vestima include automated order routing, delivery-versus-payment (DVP) settlement and position reporting.

New fund class

By making China-domiciled funds a new fund class eligible for order routing in Vestima, Clearstream reaffirms its ongoing support of the opening of the Chinese market. This will not

only encourage foreign investment in China but also support the internationalisation of the Renminbi.

High potential growth

The Chinese asset management industry has a high growth potential: only about three per cent of China's financial assets are held in mutual funds; the remaining majority are still held in deposits. Market liberalisation, ongoing institutional demand and the shift of the retail market from saving to investing are expected to increase the percentage of assets held in mutual funds.

Key features

Order routing via Vestima

Orders can be placed via a single entry point which supports SWIFT messages (ISO 15022 and ISO 20022), file transfer or manual input via a browser workstation. The full order life cycle is displayed in the order book.

Order completion

Clearstream will complete orders received from customers based on stored customer identification data (e.g. agent code) and forward them in accordance with the terms of the fund.

Cash payments via Clearstream's infrastructure

One single cash account can be used for all payments of subscription amounts. Clearstream will forward the cash to the respective collection account of the fund. Redemption proceeds will be credited to the customer account on a DVP basis.

Reporting

Fund positions will be included in Clearstream's standard account reporting (i.e. MT 535 Statement of Holding).

Fund inclusion

All mutually recognised Mainland China funds are eligible for order routing and position keeping.

Single point of access

The mutually recognised Mainland China funds are supported by Clearstream's established processing infrastructure. This enables customers to benefit from a single point of entry for orders, streamlined cash management and consolidated position reporting in a secure environment.

Our commitment to the fund industry

The Clearstream product range for investment funds provides customers with a single, fully automated point of entry for routing orders to fund managers. This enables them to use the same standardized process at all times regardless of the wide variety of markets and investment funds involved.

High-quality secure and efficient post-trade services complete our offering and ensure that cash and securities are promptly and effectively delivered between trading parties.



Contact information

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