

# Clearstream

## Global Liquidity Hub

Product information

## OTC Collateral – comprehensive bilateral collateral management

### Key benefits

- Customised service suite for cleared and uncleared OTC derivatives
- Full triparty reuse for collateral received in bilateral transactions
- Bilateral, triparty and CCP exposure coverage from a single collateral pool
- Outsourcing of backoffice tasks to Clearstream as a neutral infrastructure
- Access to Clearstream's infrastructure and market connectivity
- Regulatory compliance

Clearstream's OTC Collateral service supports customers throughout the entire lifecycle of both cleared and uncleared OTC derivatives while at the same time uniquely enabling full reuse of the received collateral for triparty purposes.



While regulations such as EMIR demand a greater collateralisation and central clearing of derivatives, some will inevitably remain uncleared. Market participants will therefore have to manage and optimise collateral allocation across two parallel streams of cleared and uncleared OTC derivatives – this brings additional complexity at a time when sourcing the right collateral efficiently is a paramount concern.

Clearstream's OTC Collateral helps customers meet this challenge by enabling them to cover all their derivative and other bilateral exposures such as repo and securities lending from a single collateral pool out of the Global Liquidity Hub while at the same time ensuring regulatory compliance.

### Outsourcing backoffice tasks

Derivatives are very complex to manage. Clearstream reduces the backoffice burden by taking on administrative tasks such as day-to-day margining, thereby freeing valuable resources for more strategic tasks.

Customers retain full control of their risk management, for example they do the valuation of their exposures and liquidity forecasting and continue to set their trading strategies. The OTC Collateral service covers all aspects of bilateral collateral management from CSA review and administration, mark-to-market, margining, dispute management and portfolio reconciliation to payment/settlement follow-up and reporting. This gives customers an accurate and timely view of the status of their exposures and helps track collateral positions.

The service is highly flexible and customers can pick and choose the modules in accordance with their individual requirements. Customers can choose to go beyond the regulatory requirements by integrating additional steps for validation, risk controls, approvals and escalation. Clearstream's position as a neutral infrastructure makes it a very secure service provider and an ideal and trusted partner for handling this sensitive business.

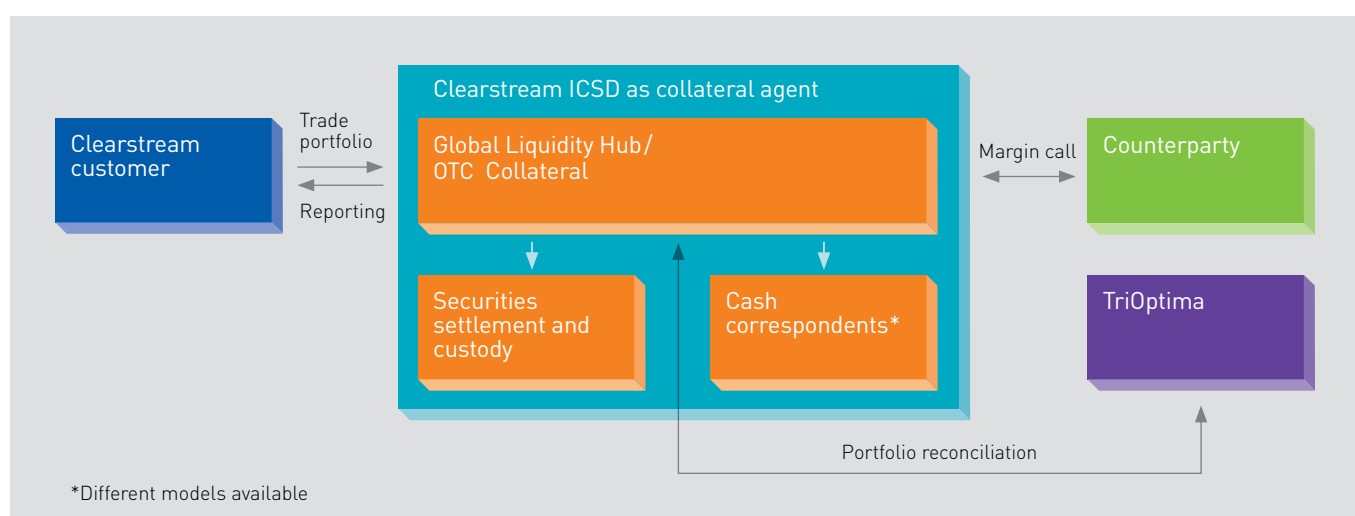
## Unique triparty reuse

Customers can benefit from unique collateral consolidation opportunities at Clearstream. The collateral received from bilateral transactions under OTC Collateral can be readily reused within the triparty environment of the Global Liquidity Hub, making Clearstream the only provider of comprehensive bilateral and triparty collateral

management services under one roof and from the same collateral pool. The full range of triparty products is available for reuse, including triparty repo, GC Pooling, reinvestment in money market funds for cash collateral and collateral transformation. Our collateral transformation services include triparty repos, securities

lending and pledges to central banks. This integration of OTC Collateral into the award-winning Global Liquidity Hub helps customers overcome collateral fragmentation and optimise allocation by enabling them to cover over-the-counter, triparty and central counterparty (CCP) exposures from a single collateral pool.

## How it works



## A full suite of OTC derivative services



While the focus is on OTC derivative exposures, OTC Collateral stands for an entire suite of bilateral collateral management activities, including bilateral repo, securities lending and special collateral agreements which can be tailored to customers' individual business needs.

Once the trade has been concluded, it can be registered in our trade repository REGIS-TR.

## Contact information

For further information on our Global Liquidity Hub services, please contact our dedicated GSF team.

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