

Clearstream Spotlight

Improved collateral pledge services to the Eurosystem

All customers participating in Eurosystem tender offers and auctions can now benefit from automated triparty allocation by Clearstream to their home central banks. This means that customers can manage their exposures from a single collateral pool at Clearstream, thereby meeting all their EUR liquidity requirements in both central and commercial bank money via the Global Liquidity Hub.

Clearstream's triparty collateral management services enable cross-border pledges in the Eurosystem via the Banque centrale du Luxembourg and the Deutsche Bundesbank. All Eurosystem participants can use their European Central Bank (ECB)-eligible assets held at Clearstream to collateralise central bank exposures and obtain intraday liquidity in TARGET2, the Eurosystem payment settlement system.

Consolidation of assets

Customers can manage their EUR exposures across multiple ECB-eligible asset classes from a single collateral pool at Clearstream. This not only overcomes collateral fragmentation but also enables more efficient risk management and operational processing.

Clearstream acts as a neutral intermediary throughout the collateral management lifecycle from instruction matching to collateral allocation, valuation and substitution. In this way, Clearstream reduces the operational burden for customers, enabling them

to concentrate on optimal liquidity management. Comprehensive reporting ensures that customers have a precise overview of their available collateral and are in full control of their assets.

Customers in a direct relationship with the ECB can use Clearstream's entire suite of award-winning triparty services to pledge collateral to their national central bank (home central bank, HCB). Customers can use their assets at both Clearstream's German CSD and its ICSD to mobilise collateral in the Eurosystem, with the Deutsche Bundesbank or the Banque centrale du Luxembourg acting as the corresponding central bank (CCB) on behalf of other HCBs respectively.

A full suite of central bank pledge services

The cross-border service complements pledge facilities under Clearstream's Global Liquidity Hub for central bank borrowing in USD with the Federal Reserve Bank of New York. German and Luxembourgish customers can also make use of domestic central bank borrowing from the Deutsche Bundesbank and the Banque centrale du Luxembourg respectively.

Customers are advised to request that their HCBs enable the use of triparty cross-border services via the Deutsche Bundesbank and/or the Banque centrale du Luxembourg as a CCB to maximise the use of their account at Clearstream.



Widest market reach

Clearstream customers benefit from the greatest reach of any cross-border triparty service provider in the Eurozone via assessed settlement links to the issuer CSDs of the markets listed below.

- Eurobonds (XS)
- Austria (AT)
- Belgium (BE)
- Finland (FI)
- France (FR)
- Germany (DE)
- Italy (IT)
- Luxembourg (LU)
- Malta (MT)
- Netherlands (NL)
- Slovakia (SK)
- Slovenia (SI)
- Spain (ES) - German CSD/
Deutsche Bundesbank only

These links enable Clearstream customers to pool ECB-eligible securities from all these markets in a single collateral account to pledge them to their HCB via the Deutsche Bundesbank or the Banque centrale du Luxembourg as CCBs.

More information

For more information on these topics, please contact your Relationship Manager. If you would prefer not to receive our email news, please ask your RM to remove you from the mailing list.