

Clearstream

Liquidity Hub News

New rule-based collateral baskets & online contract view



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New collateral criteria and parameters

Clearstream has extended the criteria available to customers for tailoring their collateral baskets, including:

- **Depository code**, defining the sub-custody location of the collateral which could be used, for example, to restrict eligibility to markets with which Clearstream has direct links
- **Exposure currency**, allowing customers to specify same-currency deals only or to apply incremental haircuts to cross-currency deals
- **Exposure duration and remaining duration**, enabling dynamic, automatic updates to eligibility criteria in the course of a transaction
- **Haircuts** on cash collateral.

In addition, collateral givers benefit from extended options for tailoring their profiles to suit their individual business needs. While existing criteria can be used more flexibly, there is a full range of additional parameters for optimising collateral allocation across contracts.

ICSD customers can now create bespoke collateral baskets by freely mixing and matching all available collateral features. This unprecedented level of customisation not only offers the greatest flexibility to react swiftly to market developments but also ensures the baskets mirror customers' risk profiles as precisely as possible.

Customers can now benefit from unique, rule-based collateral baskets instead of having to rely on pre-defined, static templates that are limiting by nature.

By mixing and matching a wide choice of parameters for collateral eligibility, haircuts and concentration limits, customers can fine-tune their risk profiles to the highest degree. This makes it easier for customers to react to market changes in the current fast-paced environment. The new baskets are available for all collateral management services under the Global Liquidity Hub.

Customers also benefit from a significantly reduced administrative burden as most of the documentation is handled by Clearstream. Customers simply submit their risk parameters by e-mail or SWIFT message and then Clearstream proposes flexible rules to express the collateral profile.

Full transparency

The ClearstreamXact connectivity solution will give customers a single point of access to the full range of ICSD and CSD services with T2S. The collateral management module

of the Xact Web Portal is already live, providing customers with a clear, comprehensive overview of all their securities financing business with Clearstream. All information is readily available at a glance in real-time.

The collateral management module has now been enhanced to offer customers a detailed view of all collateral baskets. Any updates to the baskets after their date of activation will be visible immediately.

Collateral receivers are now able to view all their collateral profiles throughout the entire lifecycle of a trade, while collateral givers have a consolidated overview of eligibility criteria and concentration limits for all contracts signed with their counterparties.

This online basket view results in greater transparency as all impacted parties will have access to up to date information. The baskets can also be exported for easy use.

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