

Clearstream Spotlight

New partnership for OTC derivatives

Clearstream has launched a new partnership with Commerzbank which offers a full suite of services for the entire lifecycle of both cleared and uncleared OTC derivatives.

Market participants are increasingly looking for services which will help them meet new regulatory requirements under EMIR and MiFID II/MiFIR. These regulations aim at reducing the risk associated with derivative trading by requiring all standard derivatives to be cleared and collateralised. If trades are unsuitable for clearing by a CCP, they must at least be registered in a trade repository.

Clearstream and Commerzbank have now joined forces to help customers meet this regulatory challenge. The comprehensive service suite offered by the new TradeCycle partnership covers the entire lifecycle of derivatives – in addition to our usual settlement, custody, asset servicing and collateral management services it will also address client clearing requirements.

This means that from now on, Clearstream customers can use Commerzbank as a clearing agent to clear their trades since Commerzbank is a direct clearing member in the major clearing houses. By choosing Commerzbank as their clearing agent, our customers will benefit from streamlined, seamless collateral management solutions for the entire lifecycle of their trade.

Commerzbank will also give Clearstream customers access to its collateral transformation services which complement Clearstream's securities financing products, such as triparty repo, securities borrowing and lending as well as bilateral repo and automated services to achieve enhanced portfolio yields. In addition, customers can now benefit from collateral management services for uncleared OTC derivatives.

In other words, TradeCycle enhances Clearstream's offering for both cleared and uncleared OTC derivatives in three ways: it extends our service suite to the execution and clearing part of the trade lifecycle and adds collateral transformation services. In addition, our collateral management services now also include uncleared OTC derivatives.

TradeCycle is a unique partnership which combines the expertise of a market infrastructure provider with that of an investment bank, bringing customers the best of both worlds. The services are fully flexible thanks to the modular setup which lets customers tailor the services to their individual business needs.

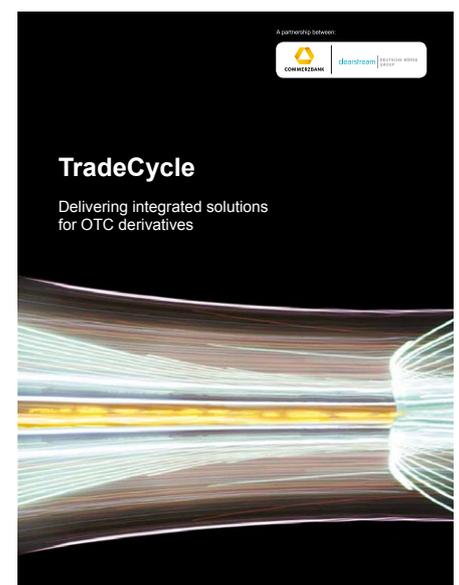
In addition, our joint service overcomes market fragmentation by providing a single point of access for all their collateral needs. Customers will benefit from greater efficiency and reduced operational costs thanks to our fully integrated offering – a true one-stop-shop solution.

Centralised derivative reporting

Clearstream supports customers in complying with upcoming EMIR provisions which require the reporting of derivative trades to a registry.

Clearstream and Iberclear (the Spanish central securities depository) have set up REGIS-TR, the European trade repository, which is open to all financial and non-financial institutions and offers a comprehensive service for all derivative contracts.

In addition to collecting and managing details on derivative transactions, REGIS-TR will eventually provide customers with a full-blown reporting hub. Using REGIS-TR as a central point for all derivative reporting will result in lower connectivity and IT costs as well as time savings.



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.