

Clearstream

Liquidity Hub News

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By Pascal Morosini, Global Head of GSF Sales and Relationship Management, Clearstream

Services upgrade reflected in new CMSA 2013

Our Global Liquidity Hub services are growing fast as we not only enhance our existing products but also develop new service lines that offer further opportunities for our customers.

Our collateral management system was upgraded on 6 May 2013 and now has integrated new services with regard to Liquidity Hub Connect where equities and fixed-income collateral can be sourced externally from participating agent banks.

Adapting the latest features into the Collateral Management Service Agreement (CMSA) means our customers can quickly take advantage of the new services available. We have therefore produced a 2013 version of the CMSA that also accommodates the new Clearstream Repurchase Conditions (see text right).

CMSA enters into force on Monday 10 June 2013 unless customers ask for an earlier commencement.

One new master contract = multiple triparty repo counterparties

Clearstream's pioneering new legal master agreement for triparty repo transactions speeds up counterparty marriage broking to save valuable time. It enables customers to sign just one document that is applicable for any number of counterparties.

A repo revolution

Triparty repo's high level of security and efficiency make it a popular secured money market tool with many of our clients. However, some new market players are deterred by the existing contract process requiring them to negotiate bilateral master repurchase agreements with all their counterparties.

At Clearstream, we fully understand the problem: who wants to wait a year to sign only two trading counterparties? We have the solution: Clearstream Repurchase Conditions (CRC) permit the participation of multiple counterparties within a few weeks.

The CRC are a standardised, dedicated master repurchase conditions for triparty repo and specially designed to operate with Clearstream's CMSA. Our customers sign just one master document that is then applicable to any number of counterparties who have also signed it.

This neat solution cuts red tape, reduces legal costs and results in an easier, faster set-up process.

Save valuable time

The CRC is governed under Luxembourg law and contains most of the core provisions of the current industry standardised repurchase agreements, such as the Global Master Repurchase Agreement (GMRA). We are also making available on demand and free-of-charge a number of legal opinions covering several jurisdictions addressing questions on netting and set-off provisions, enforceability, insolvency proceedings and other key legal issues.

Our priority was to deliver a refined and simplified contract that offers a workable framework giving our customers quick entry into triparty repo transactions executed through our Global Liquidity Hub.

We feel this contract will be popular with both financial and non-financial institutions and will help overcome any delays in signing bilateral master repurchase agreements with newcomers to the repo market.

For more information about GSF services, please contact the [Sales and Relationship Team](#) or call one of our offices:

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