

Clearstream Spotlight

Supporting customers in meeting CSDR Settlement Discipline measures

The CSDR Settlement Discipline Regime (SDR) aims to achieve securities settlement harmonisation for CSDs and their participants whilst steering the market towards higher efficiency levels, notably via the introduction of settlement fail penalties and mandatory buy-ins. Clearstream is best equipped to support customers in meeting these challenges along the entire securities transaction lifecycle.

Act now

Clearstream's real-time settlement offering – via the ICSD or CSD/T2S platform routes – combined with a series of new value-added services will provide the tools customers need to prevent settlement fails and to minimise impacts of penalties and buy-ins.

– Benefit from the large trade capture

The collection from multiple trade venues and CCPs brings automation and improved end-to-end trade processing capabilities.

– Pre-matching and matching to improve trade execution

Customers can leverage Clearstream's real-time instruction acknowledgement, validation, centralised matching as well as additional data sources as part of their post-trade process.

– Leverage best practice post-trade solutions

Partnering with Clearstream does not only help market participants to reduce failed execution, but also to implement best practice solutions which result in increased operational efficiency. Customers benefit from advanced netting algorithms as well as the centralisation and internalisation of their settlement

activity within Clearstream thereby ensuring highest settlement efficiency and reduced costs.

– Discover the value-added tools

A range of new and existing core inventory management and settlement functionalities will further enhance flexibility and efficiency, supported by real-time reporting as part of the suite of Xact Connectivity reports. In addition, Clearstream is currently developing a simulation tool that will support customers to predict settlement efficiency/potential fails and to engage in proactive fails avoidance.

– Benefit from intra-day credit and securities lending

Customers can leverage Clearstream's intra-day credit (ICSD) and securities lending services to minimise settlement fails, both in terms of securities and cash liquidity provision. This includes the automated securities lending services (ASL & ASLprincipal) for both ICSD/Creation & CSD/T2S settlement and the related pooling of collateral holdings across the ICSD and CSD platforms. Customers making securities portfolios available to any of our ASL, strategic ASLplus and ASLprincipal services will benefit from additional income.

– Enjoy reporting-based buy-in management

Clearstream will support its customers with reporting-based buy-in management which can be complemented by the Buy-in Agent Service, operated by Eurex Securities Transaction Services.

SDR efficiency measures

The CSDR SDR is the last of a series of measures requiring CSDs to automatically apply penalties to market participants failing to complete transactions on the contractual settlement date. The latest announced timeline to enter into force is 1 February 2021.

Impacting the full transaction lifecycle

The SDR measures will introduce new settlement standards across the security transaction lifecycle impacting both the trading, clearing and settlement levels. Beyond required adaptations to the new standards, such as mandatory trade date or partial settlement, market participants will face the introduction of far-reaching measures. These range from prevention – including fail identification, regulatory reporting and counterparty engagement – to remedy, with application of daily penalties and eventually mandatory buy-ins.



Use of LEIs

CSDR requires counterparties to use LEIs to help harmonise data collection and reporting across the value chain. LuxCSD, a GLEIF-accredited Local Operating Unit (LOU) offers issuance and renewal of LEIs in 37 jurisdictions.

More information

For more information, please contact your Relationship Manager.

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