

Clearstream

Banking services – Foreign Exchange services

Product information
for central banks

Harvesting all benefits of Foreign Exchange (FX) services in Clearstream

Key benefits

Confidential information handling

- Preserve your anonymity through our direct participation in the FX market

Best execution

- No conflict of interest with Clearstream's proprietary activities
- Independent FX market participant with no ties to large FX market participants
- Transparency in the FX rates and fees applied
- Enhanced end-to-end operational efficiency
- Applies clear standards that promote a fair outcome for the customer

Risk mitigation

- Resilient market infrastructure with robust and risk mitigating post trade processes
- Foster market stability by managing properly any potential sizable market impact

The global Foreign Exchange (FX) market is inherently complex and diverse. Asset managers, corporates, banks, central banks and other participants in various capacities perform FX conversions to meet different objectives. Clearstream has designed its banking services to assist central banks in their foreign exchange reserves portfolio management activities.



Central banks must ensure that they maintain enough liquidity resources for their foreign exchange policy operations. In both, advanced and emerging market economies, foreign currency reserves enable central banks to carry out foreign exchange interventions, to provide liquidity to the banking system in stressed situations and to mitigate volatility in foreign exchange markets.

In recent years, central banks have diversified their global currency reserves in terms of both currencies and asset classes. Their investment framework now includes daily portfolio management guided by three main investment principles: liquidity, security and return.

Clearstream's FX services provide an end-to-end solution that sustains:

- **Safety** – AA-rated market infrastructure operating out of Luxembourg, a AAA-rated country with a highly regulated financial services environment
- **Liquidity** – Access to multiple liquidity sources and market links
- **Return** – Applying attractive and competitive FX rates

Tool kit tailored your needs

Whether the central bank's objective is to convert currencies to facilitate investments or to convert the proceeds from existing investments in foreign currency denominated assets into its domestic currency, Clearstream has developed the respective tool kit to meet these goals.

Product features at a glance

Your requirements	Our solution	Our role
Automate your transactions related to the purchase or sale of securities, funds units, custody proceeds, interest charges or standard monthly fees	Automatic FX Services – for custody proceeds – for interest charges – standard monthly fees	Clearstream acts as Agent, executing orders on your behalf.
Initiate your own FX transactions and manage your foreign currency position.	FX for securities settlement instructions	Clearstream acts as Agent, executing orders on your behalf.
	FX on request with Clearstream	Clearstream acts as Principal.

Ensuring stability in FX markets

Central bank's interventions in the FX markets might lead to sizable market impacts. That is why Clearstream participates in the FX market in a fair and transparent manner, in line with the capacity in which it acts. We apply clear standards to preserve your confidentiality and promote stability in the FX markets.

Regardless of our role – Agent or Principal – in the handling of a customer's order, Clearstream always executes FX deals with the highest level of transparency in the applied FX rates and related fees in compliance with the market conformity and best execution rules. We deliver this service by leveraging our sister company 360T – multiple awards winner as trading platform and market data provider.

Our robust and risk-mitigating infrastructure guarantees a smooth and predictable settlement of your FX transactions.

How to subscribe to the service

Central banks can subscribe to the Automatic FX services by submitting a completed [FX application form](#).

Communication media

Customers must submit FX instructions using any of the following media, a free format message in the Xact Web Portal, or send a SWIFT MT299 for the attention of Forex. For SWIFT ISO 15022, the FX request must be added in the field :11A: of against payment securities settlement instructions.



Contact information

For further information, please contact your Relationship Manager or our Clearstream Client Services Team.

www.clearstream.com