

Clearstream Global Liquidity Hub

Product information

Cross-border triparty collateral pledges to the Eurosystem

Key benefits

- Consolidation of ECB-eligible assets in one custody account enables collateral pooling
- Access to central bank liquidity in EUR for a large range of markets
- Increased operational efficiency and lower risk through automation and straight-through processing
- Access to the full suite of triparty services of the Global Liquidity Hub including automatic collateral allocation, margin calls and unlimited substitution

Customers participating in Eurosystem credit operations can benefit from automated triparty allocation by Clearstream to their home central banks. This means that customers can manage their exposures from a single collateral pool at Clearstream, thereby meeting all their EUR liquidity requirements in both central and commercial bank money via the Global Liquidity Hub.



Clearstream's triparty collateral management services enable cross-border mobilisation of Eurosystem collateral via the Banque centrale du Luxembourg and the Deutsche Bundesbank. All Eurosystem counterparties can use their European Central Bank (ECB) eligible assets held at Clearstream to collateralise central bank exposures and obtain intraday liquidity in TARGET2, the Eurosystem payment settlement system.

Consolidation of assets

Customers can manage their EUR exposures across multiple ECB-eligible asset classes from a single collateral pool at Clearstream. This not only overcomes collateral fragmentation but also enables more efficient risk management and operational processing.

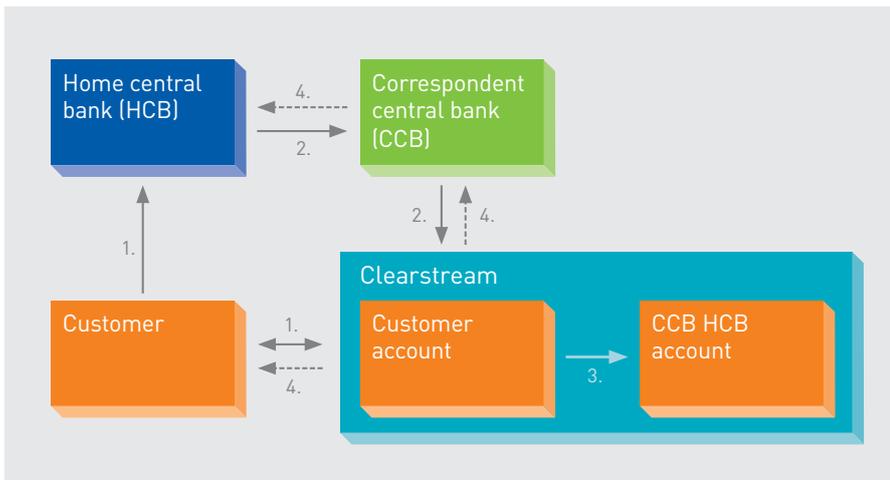
Clearstream acts as a neutral intermediary throughout the collateral management lifecycle from instruction

matching to collateral allocation, valuation and substitution. In this way, Clearstream reduces the operational burden for customers, enabling them to concentrate on optimal liquidity management. Comprehensive reporting ensures that customers have a precise overview of their available collateral and are in full control of their assets.

Cross-border triparty services

Customers who are Eurosystem counterparties can use Clearstream's full suite of award-winning triparty services to pledge collateral to their national central bank (home central bank, HCB). The Deutsche Bundesbank or the Banque centrale du Luxembourg act as the correspondent central bank (CCB) on behalf of other HCBs for Clearstream's German CSD and its ICSD respectively. The relationship between the CCB, the customer and Clearstream is governed by the triparty collateral management service agreement.

How it works



1. The customer advises Clearstream (and/or the HCB) of the amount to be collateralised via triparty collateral management
2. The HCB approves the customer's request and communicates via the CCB to Clearstream as the triparty collateral agent
3. Clearstream allocates eligible securities in favour of the CCB on behalf of the HCB
4. Reporting

Widest market reach

Clearstream customers benefit from the greatest reach of any cross-border triparty service provider in the Eurozone via assessed settlement links to the issuer CSDs of the markets listed to the right.

These links enable Clearstream customers to pool ECB-eligible securities from all these markets in a single collateral account to pledge them to their HCB via the Deutsche Bundesbank or the Banque centrale du Luxembourg acting as CCBs.

In order to access Eurosystem liquidity via Clearstream's cross-border services, customers must be deemed eligible by their central banks and be subscribers to Clearstream's triparty services.

Customers are advised to request their HCBs to use triparty cross-border services via the Deutsche Bundesbank and/or the Banque centrale du Luxembourg as a CCB to maximise the use of their account at Clearstream.

[Eurobonds \(XS\)](#)
[Austria \(AT\)](#)
[Belgium \(BE\)](#)
[Finland \(FI\)](#)
[France \(FR\)](#)
[Germany \(DE\)](#)
[Italy \(IT\)](#)
[Luxembourg \(LU\)](#)
[Malta \(MT\)](#)
[Netherlands \(NL\)](#)
[Slovakia \(SK\)](#)
[Slovenia \(SI\)](#)
[Spain \(ES\) – German CSD/Deutsche Bundesbank only](#)

A full suite of central bank pledge services

The cross-border service complements pledge facilities under Clearstream's Global Liquidity Hub for central bank borrowing in USD with the Federal Reserve Bank of New York. German and Luxembourgish customers can also make use of domestic central

bank borrowing from the Deutsche Bundesbank and the Banque centrale du Luxembourg respectively. All Eurozone customers enjoy the same high level of service for cross-border triparty pledges that was previously only available for domestic

central bank pledges. Customers can use their account at Clearstream to pledge collateral to the central banks in all markets listed above while at the same time benefiting from unique asset consolidation and collateral pooling opportunities.

Contact information

For further information on our Global Liquidity Hub services, please contact our dedicated GSF team.

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