Clearstream

Collateral Management – Collateral pledge to central banks

Product information

Collateral pledge to the Monetary Authority of Singapore

Acting as a neutral agent and market infrastructure, Clearstream supports its customers in managing risks and liquidity, globally. As part of our triparty collateral management solutions for central bank borrowing, Clearstream provides an efficient and automated link to USD and SGD liquidity through the Monetary Authority of Singapore liquidity facilities.

Key benefits for borrowers

USD and SGD liquidity link
Pledge of G10 currencies and SGD denominated securities in Clearstream to secure USD and SGD borrowings at the Monetary Authority of Singapore

Optimised asset allocation
Optimal (re-)use of collateral across products, counterparties and locations to cover your secured borrowings

Efficiency gains
Customers save time and resources as operational tasks are delegated to a team of experts

Risk mitigation
Clearstream acts as a neutral and independent agent ensuring robust, secure and automated processes

Secure and transparent
Automated real-time reports and tools available to customers facilitate oversight and controls

Part of an integrated solution
– Triparty collateral services for central bank pledge, securities financing, derivative margin and more
– Value added cash reinvestment, securities lending and collateral transformation services

A comprehensive solution
As market leader in the banking, funding and financing space, Clearstream manages collateral to cover all types of exposures in real time, across currencies, asset classes, collateral locations and time zones.

This helps our customers to manage their collateral from a single pool and focus on optimal liquidity management.

Customers can leverage Clearstream's triparty collateral management services to tap into different liquidity facilities at the Monetary Authority of Singapore (MAS).

The service complements Clearstream's pledge facilities for central bank borrowing in EUR with central banks such as the Banque Centrale du Luxembourg as well as the Deutsche Bundesbank and in USD with the Federal Reserve Bank of New York.

Optimised liquidity management for USD and SGD

In order to benefit from the Monetary Authority of Singapore (MAS) liquidity facilities, customers must be deemed eligible by the MAS (participant eligibility requirements are available on the MAS website).

Clearstream's triparty model allows the underlying MAS participant to lodge eligible collateral into a segregated collateral account. The relationship between the MAS, the borrower and Clearstream is governed by the collateral management service agreement (CMSA). The MAS specifies the collateral schedule, setting the eligibility criteria and haircuts.
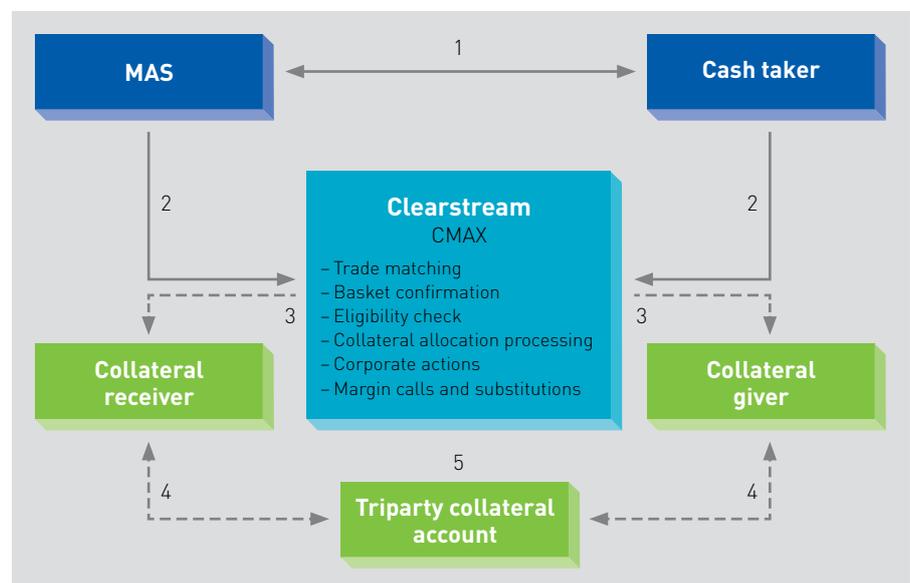
Key features

– Clearstream standardises the process and increases straight through processing (STP)
– A sophisticated collateral engine manages eligibility and margins
– Automated collateral allocations, margin calls and unlimited substitutions
– Collateral mark-to-market on a daily basis
– Dedicated team of experts to support customers

Clearstream as a collateral agent

Posting collateral to MAS to access USD/SGD liquidity
Triparty Collateral Management System (TCMS) trade

1. MAS and cash taker agree on funding exposure amount
2. Transaction details routed to Clearstream by parties directly
3. CmaX confirms transaction matching and initiates opening and eligibility checks
4. Collateral allocation
5. Clearstream continues to value and manage the collateral throughout the life-cycle of the trade (opening, margin calls, substitutions, closing)

MAS — 1 — Cash taker

Clearstream
CMAX
– Trade matching
– Basket confirmation
– Eligibility check
– Collateral allocation processing
– Corporate actions
– Margin calls and substitutions

Collateral receiver

Collateral giver

Triparty collateral account

Contact information

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