

**DTCC**



**GlobalCollateral**

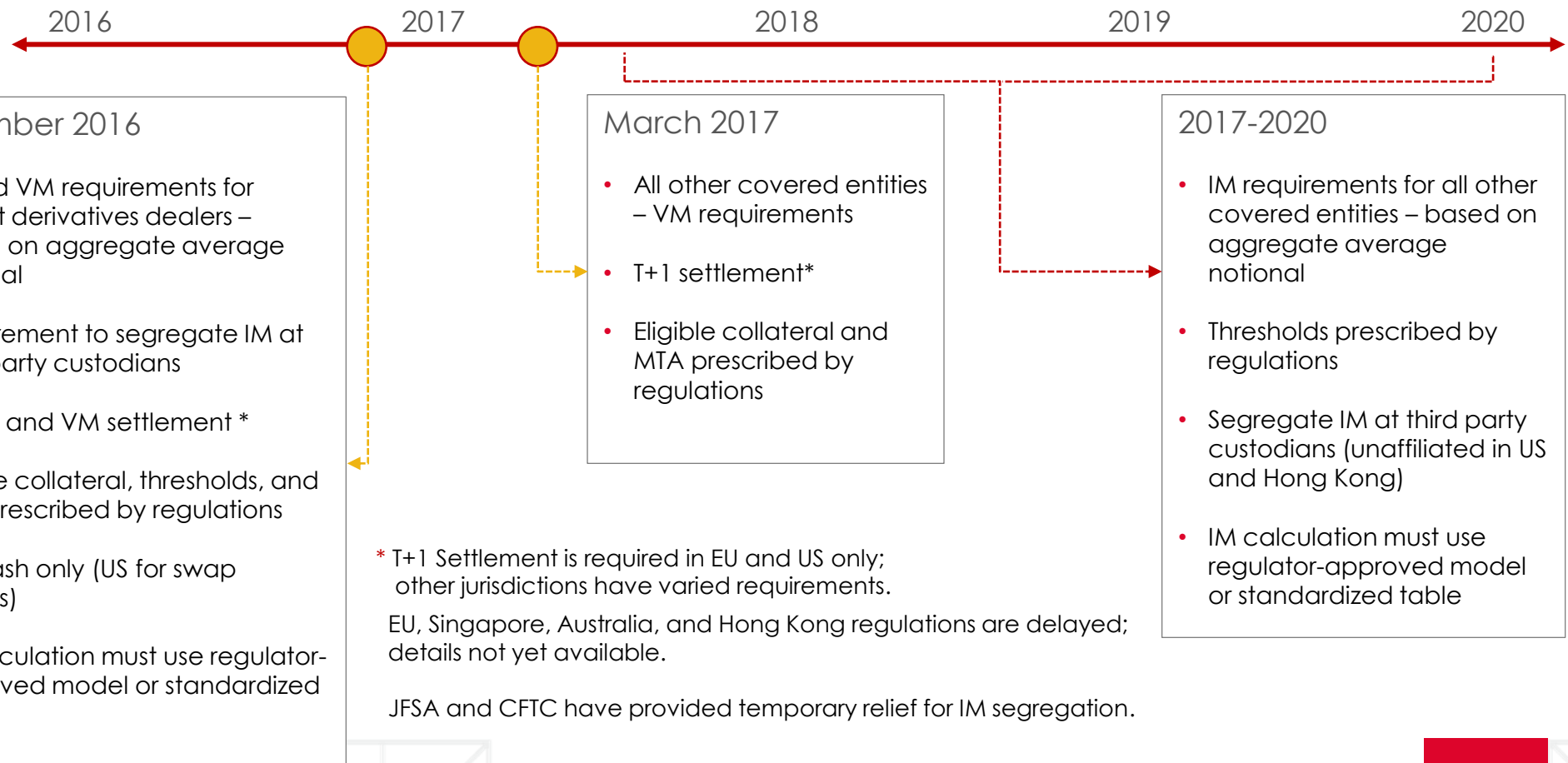


# DTCC-Euroclear GlobalCollateral: Crossing the New Frontier in Collateral Management

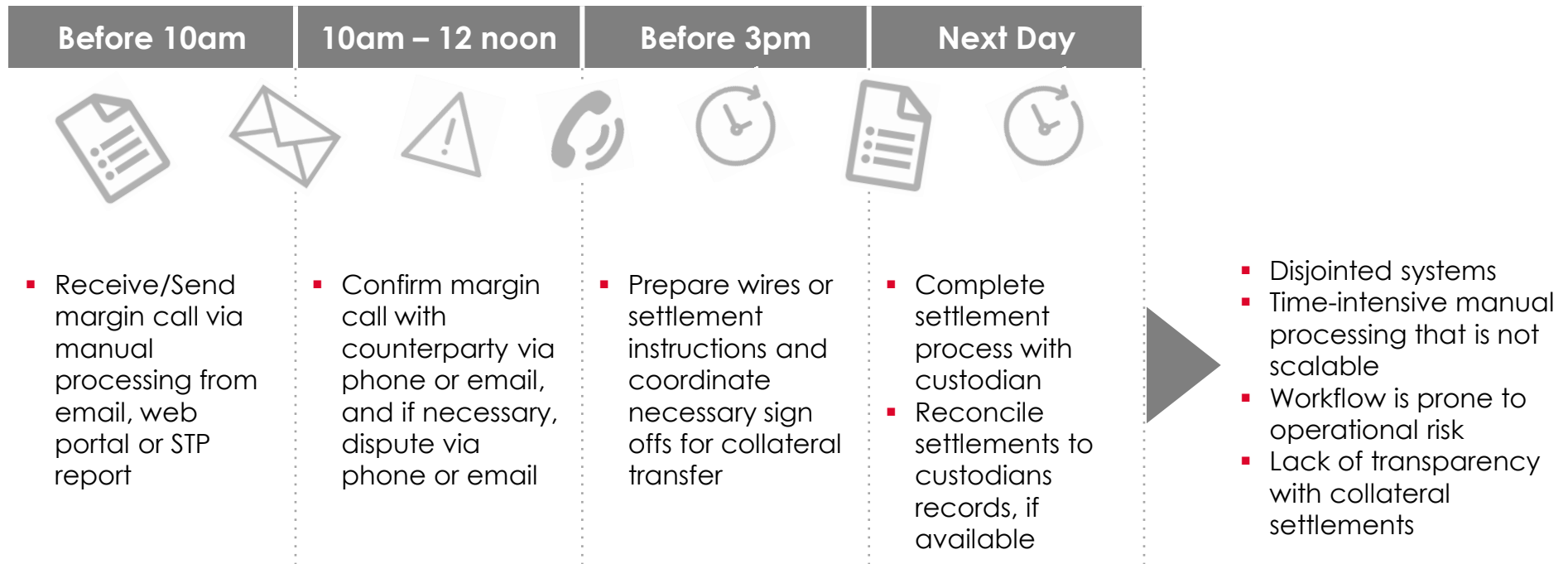
# GlobalCollateral Overview

- **GlobalCollateral** is a 50-50 joint venture established by DTCC and Euroclear through a newly incorporated UK company, “DTCC-Euroclear GlobalCollateral Ltd” (DEGCL).
- GlobalCollateral is the **first industry owned collaboration on collateral management infrastructure**
- GlobalCollateral’s objective is to deliver a **global straight-through margin and collateral processing utility**, which
  - provides solutions for both derivatives and financing collateral management;
  - enhances open access to securities collateral irrespective of location;
  - addresses the substantial costs and risks of collateral processes across products; and
  - streamlines post-trade margin and related settlement processes.
- DTCC brings the Margin Transit Utility (**MTU**) and Euroclear brings the Collateral Management Utility (**CMU**) to the DEGCL - to provide both derivatives and financing collateral solutions
- The service is supported through SLAs between GlobalCollateral, DTCC (MTU) and Euroclear (CMU)
- FCA-approved.

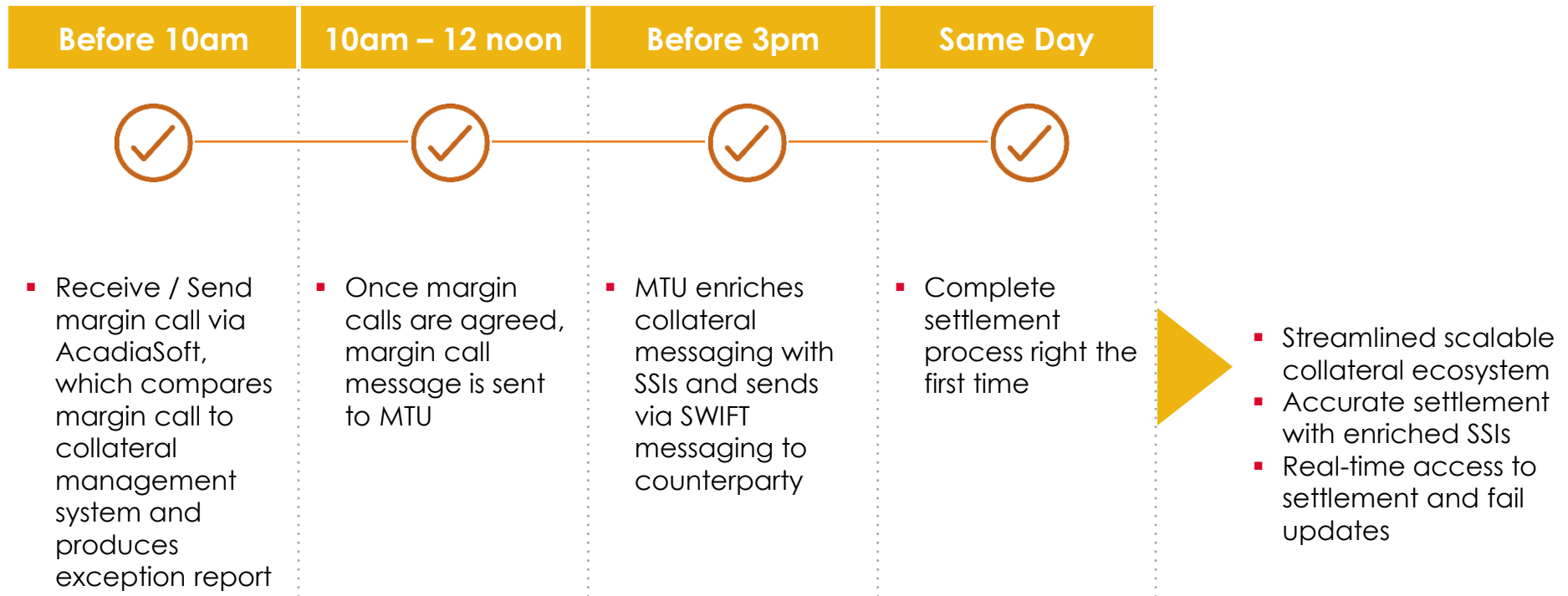
# Timeline of regulatory reform



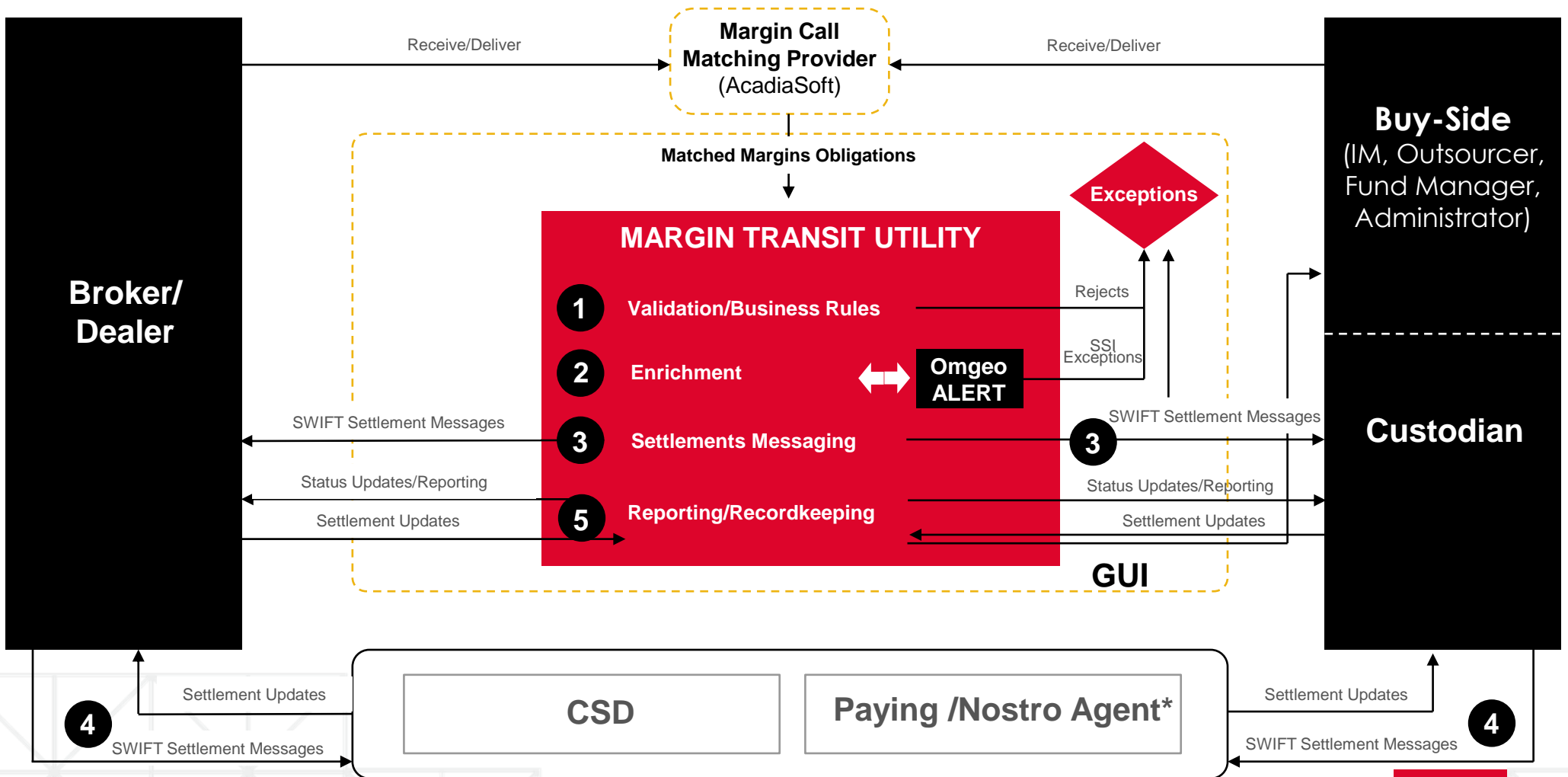
# Collateral management today



# Collateral management tomorrow



# MTU Workflow Overview



\* Settlement Updates may be directed to MTU directly from Paying Agent/ Nostro Agent

# Margin Transit Utility: Benefits

Benefit	Details
MITIGATES RISK	<ul style="list-style-type: none"> <li>▪ <b>Counterparty risk</b> &gt; STP reduces fails and reconciliation challenges.</li> <li>▪ <b>Liquidity risk</b> &gt; Near real-time settlement information</li> <li>▪ <b>Operational risk</b> &gt; Manual processes are replaced with electronic standardization and time to settlement is reduced</li> </ul>
DECREASES OPERATIONAL AND SYSTEM COSTS	<ul style="list-style-type: none"> <li>▪ <b>Standard processing and scalability</b> &gt; IT resourcing is reduced</li> <li>▪ <b>Real-time settlement information</b> &gt; Substitutions easier to process.</li> <li>▪ <b>Auto-enrichment of SSIs</b> &gt; Spending less time on status updates allows to focus on resolving disputes and fails</li> </ul>
REDUCES FUNDING COSTS	<ul style="list-style-type: none"> <li>▪ <b>Increased speed and transparency</b> &gt; Manage collateral inventory and liquidity needs more efficiently</li> </ul>

# Margin Transit Utility – Future Enhancements

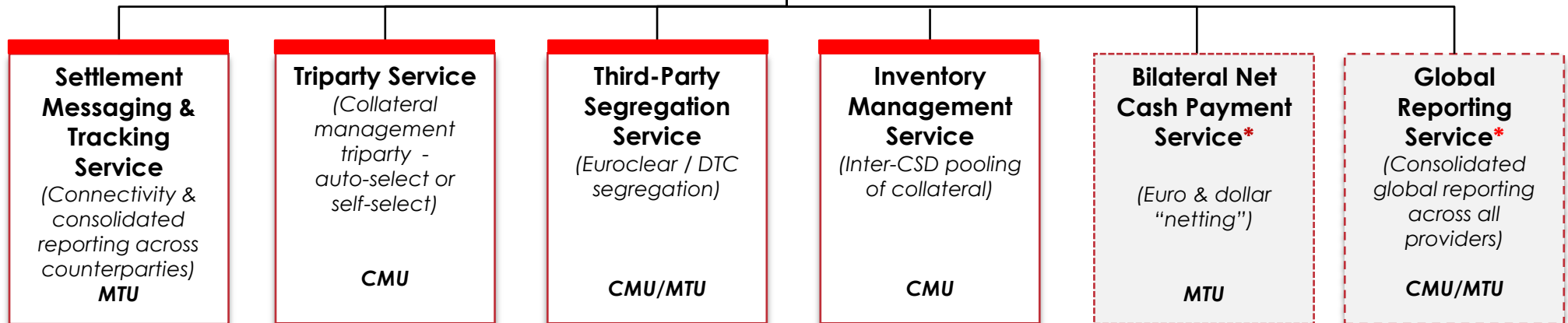
- Further developments
  - Triparty messaging & Reporting
  - Bilateral Net Cash Payment Service
  - Segregation enhancement: receiving settlement statuses from DTC to MTU for reporting
  - Expanded instrument coverage [e.g. TBAs, repos, futures, and OTC cleared]



# The GlobalCollateral OTC Derivatives Solution Suite

## GlobalCollateral OTC Derivatives Solution

Select from our suite of services to build the OTC Derivatives solution that is right for you to help you achieve:  
Regulatory Compliance | Risk Management | Cost & Capital Efficiency | Operational Efficiency



Powered by the Margin Transit Utility (MTU) & the Collateral Management Utility (CMU)

\* Future phases

## In summary

- DTCC-Euroclear GlobalCollateral Ltd is an industry utility that offers you an easy route from compliance to a strategic end state industry model
- We are working with the industry to help participants achieve a fully automated, open and collaborative industry utility that will centralize, standardize and optimize post-trade processing for margin and collateral.
- With the GlobalCollateral OTC Derivatives Solution, dealers can **strategically optimize their collateral management processes** while **achieving regulatory compliance**, at a pace that is appropriate to their internal capacity and timescales.



Help comply with regulatory requirements for VM, IM & segregation



Manage counterparty, liquidity, operational and regulatory risk



Achieve cost & capital efficiency



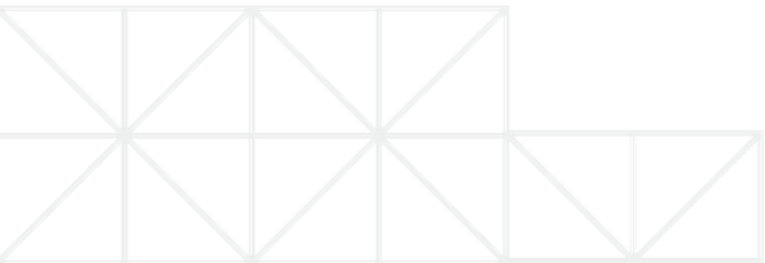
Achieve operational efficiency

**DTCC**



**GlobalCollateral**

# Questions?



**DTCC**



**GlobalCollateral**

# Thank You

APAC / Australia Contact:  
Purtini Joshi  
[pjoshi@dtcc.com](mailto:pjoshi@dtcc.com)