Securities Finance Times

REPO 2025

Repo Match

Q1 2025 Matched trade volume (USD)

$29.6 Trillion up +101% YoY

Q1 2025 Matched trade average daily volume (USD)

$462 Billion up +98% YoY

Repo Annual 2025

With developments in the repo market moving at a rapid pace, the Securities Finance Times Repo Annual 2025 brings together expert insights on all the key areas. From central clearing in Europe and the US, to collateral management, and the significance of blockchain and distributed ledger technology to intraday.

Kicking off with the topic of central clearing, Eurex's Clive D'Souza and Viktoria Hackenberg at Deutsche Börse, take a look at the firms' deep dive into NBFI regulatory frameworks, while Richard Gomm, senior product manager at SIX, provides an introductory lesson on central counterparties.

Michael Santoro, head of fixed income and Global Funding Group, and Robert Zambarano, managing director, macro and rates strategist at Hidden Road, explore the core operational inefficiencies facing the repo market, outlining the firm's next steps to evolve this space.

In Asia, we speak to Reona Sasaki, director of repo and securities lending (fixed income) at Japan Securities Finance, who explores the growing demand for Japanese government bonds in the repo market.

Taking a big picture perspective, Ruth Ferris, head of financing Asia at MUFG, looks at the evolving landscape of the repo market, discussing trends and challenges for the year ahead.

Looking at the timeliness of operations, HQLA^{X}'s Elisa Poutanen and Erica De Rosa review the evolving intraday liquidity market and the requirements of cash borrowers, while Pirum's Jon Ford, head of fixed income business development, argues that firms which neglect automation in front-to-back office operations are choosing to operate in a riskier economic environment.

Elsewhere, Matt Chessum, director of securities finance at S&P Global Market Intelligence, reviews the importance of data analytics in the repo markets, highlighting its value during times of turbulence and market volatility.

These, of course, are just some of the topics discussed in our 2025 Repo Annual. In the ever-evolving industry that is securities finance, expert commentary and thought leadership has never been more important. Let us see what the rest of this year has in store!

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Clearstream facilitates first triparty repo transaction in Taiwan

Clearstream has completed its first triparty repo transaction in Taiwan.

Shanghai Commercial and Savings Bank (SCSB) partnered with ANZ Banking Group in this transaction, with Clearstream acting as a triparty agent.

The repo and reverse repo market plays an important role in Taiwan's liquidity management, according to Clearstream, with triparty repos gaining popularity globally over more traditional money market instruments and bilateral repos.

Philip Brown, CEO at Clearstream Banking, comments: "This transaction in Taiwan demonstrates our dedication to supporting our clients' evolving needs and expanding access to efficient and secure liquidity management tools."

Clearstream's triparty repo service aims to offer clients access to diversified pools of liquidity, connecting global market participants as a neutral intermediary for 30 years.

Clement Lee, treasurer of SCSB, adds: "Leveraging Clearstream's robust platform and extensive network gives us a competitive edge in managing our liquidity and optimising our investment strategies.

"This transaction opens new opportunities for SCSB in the Taiwanese market and reinforces our commitment to delivering innovative financial solutions to our clients."

ICMA European repo survey shows outstanding value of €10.8tn

The International Capital Market Association's (ICMA's) European Repo and Collateral Council (ERCC) has released its 48th semi-annual European repo market survey.

The survey measured and analysed the value of outstanding repo and reverse repo on the books of 61 entities at the close of business on 11 December 2024.

The total value of repos and reverse repos still outstanding on the books of participants fell back 2.3 per cent year-on-year (YoY) to €10,860 billion.

The latest total represents the first contraction since June 2020, but was presaged by a deceleration in the rate of growth over the previous 18 months.

The results show the first downturn in market size since June 2020 — though unlike the temporary Covid-induced dip, this decline may reflect a more structural shift, according to ICMA.

"The transition from quantitative easing to quantitative tightening appears to have hit trading in specific collateral in particular, prompting questions over whether this marks a true turning point for the market," says the association.

A shift in balance sheet allocation away from Europe and toward the US was also evident, as trading

Broadridge partners with Fnality

Broadridge has partnered with Fnality to demonstrate interoperability between Broadridge's distributed ledger repo (DLR) platform and Fnality's payment system (FnPS).

The companies say the successful collaboration demonstrates greater efficiency in bringing liquidity and risk reduction to US and European financial markets, as well as more secure settlements.

It also marks the broader industry transition towards real time settlement in Europe.

Horacio Barakat, head of capital markets innovation at Broadridge, says: "This leap forward is a key milestone in expanding our DLR platform interoperability to digital cash solutions and underscores our commitment to delivering innovative, cutting-edge solutions for our clients."

"Fnality and Broadridge are at the forefront of this evolution, providing the critical infrastructure needed to support accelerated settlement and unlock new efficiencies across global financial markets," adds Michelle Neal, CEO of Fnality International.

opportunities in the euro area were perceived as relatively weaker.

Correspondingly, European demand for US dollars and Treasuries continued to increase, now reaching record levels in collateral holdings.

Meanwhile, some core eurozone bonds saw diminished investor interest, mirrored in subdued activity across automatic trading systems and CCP platforms.

ICMA believes these dynamics may be linked to political uncertainty and the heavier issuance of government securities.

As the association surveys a sample of the European repo market, the headline number must be taken as the minimum size of the European market.

Additionally, ICMA notes that the latest survey covers the period prior to the tariff regime introduced by the new US administration.

Manulife, CIBC Mellon and Scotiabank complete buy side triparty repo trade

International financial services group Manulife, alongside CIBC Mellon and Scotiabank, have completed the first domestic buy side triparty repo trade in Canada.

The trade was executed through the Canadian Collateral Management Service (CCMS), which was launched in partnership with TMX Group and Clearstream.

Indonesia Stock Exchange launches repo transactions on SPPA

The Indonesia Stock Exchange has launched a new feature of repo transactions on its Alternative Market Operator System (SPPA).

Through this move, Bursa Efek Indonesia (BEI) aims to improve the efficiency, effectiveness, and liquidity of debt securities and money market trading by banks, regional development banks (RDBs), and securities companies.

SPPA service users can now use the facility to conduct repo transactions by underlying debt securities, especially sovereign debt instruments (SUN).

This new repo transactions feature will complement the outright transaction feature (outright sale), which is currently available on the SPPA platform.

Jeffrey Hendrik, development director at BEI, explains that repo transactions with underlying SUN on the same platform as SUN buying and selling transactions will make SPPA a pool of liquidity for debt securities trading in Indonesia.

This will make it easier for banks, RDBs, securities companies, and brokers who are SPPA service users to monitor the debt securities market and money market, he says.

SPPA repo is targeted to become a major part of Indonesia's financial market infrastructure in accordance with the digitalisation strategy implemented by the central bank, Bank Indonesia.

There are currently 39 SPPA service users who can directly utilise the debt securities repo transaction service starting early this year, which is an increase of 95 per cent compared to when it was first implemented, and this number is expected to increase further, according to BEI.

CCMS is the first domestic triparty collateral management service in Canada and aims to increase liquidity and minimise exposure risk for Canada's secured finance industry.

Commenting on the milestone, David J. McKinnon, senior managing director, Treasury trading at Manulife Financial, says: "This groundbreaking adoption not only boosts our operational efficiency but also fulfils a crucial need for alternative short-term investments following the recent withdrawal of banker acceptance from the Canadian market."

Richard Anton, chief client officer at CIBC Mellon, adds: "This is a transformative step in enhancing liquidity, efficiency, and collateral optimisation for Canadian institutional investors.

"This development reinforces the importance of robust post-trade infrastructure in adapting to market shifts and delivering greater flexibility for institutional investors."

Ciaran Dayal, head of CMF Canada at Scotiabank, comments: "This first Canadian triparty trade between sell side and buy side is a significant milestone.

"By providing Canadian triparty repo capabilities, we're adding attractive investment options in an operationally efficient manner to clients and also helping push forward repo liquidity across asset classes to the broader market."

Santander CIB executes programmable intraday repo trade with J.P. Morgan

Santander Corporate and Investment Banking (CIB) has announced its first programmable intraday repo transactions with J.P. Morgan via Digital Financing on the Kinexys Digital Assets platform.

Santander CIB acted as repo seller and J.P. Morgan as buyer in the euro and US dollar transactions — each with a nominal value of US$50 million, programmed to execute at a specific time and redeem after three hours.

In the case of the euro trade, Santander CIB was the first non-J.P. Morgan entity to execute a non-dollar intraday repo on Digital Financing.

"These types of transactions are only now viable at scale due to the development of the underlying blockchain technology and extensive legal work done by the world's largest banks," says Santander CIB. "As these new types of platforms come online, we expect to see the market develop significantly in the coming years."

GLMX and FlexTrade collaborate on repo workflow and execution

GLMX Technologies has partnered with FlexTrade Systems, a New York-based multi-asset execution and order management trading solutions firm, to allow mutual clients to manage repo workflow and execution between the two platforms.

The new initiative with FlexTrade's FlexONE order and execution management system (OEMS) and FlexTRADER EMS aims to provide clients with a comprehensive solution for managing the entire trade lifecycle — from order execution to post-trade compliance and reporting.

As a result of the collaboration, mutual clients can now gain greater control and efficiency through customisable and shared pre and post-trade workflows, the firms say.

The workflows are designed to allow trading teams to automate complex order routing and allocation strategies, minimise manual errors, and ensure regulatory compliance.

The API integration is available for deployment, with the first mover, a global asset manager, already live and in production.

Commenting on the collaboration, Andy Wiblin, chief operating officer at GLMX, says: "Client demand for cross-market efficiency is a primary driver for GLMX to deliver new technologies and connectivity.

By partnering with FlexTrade, we aim to support our clients' trading, risk management, and operational resilience efforts globally."

Satish Ramanath, SVP, buy side, APAC at FlexTrade Systems, adds: "We're delighted to make our new integration to the GLMX platform available for FlexTrade's global asset management and hedge fund community.

"Working together with GLMX, we've provided our clients with a seamless and efficient means of accessing differentiated liquidity within their existing workflows."

Euroclear launches US Treasury DvP repo service

Euroclear has launched a US Treasury delivery-vs-payment (DvP) repo service.

The new solution is designed for market participants operating in the US, settling US dollar transactions.

According to Euroclear, the service offers cash lenders similar operational efficiency for DvP repo transactions as that of triparty repo transactions.

"The service was developed with significant input from market participants and their custodians, and will deliver the improved financial returns and diversification that these market participants seek," says Olivier Grimonpont, Euroclear's global head of market liquidity.

By optimising DvP repo settlement via FedWire Securities Services, Euroclear aims to deliver economic benefits through reduced operational and intraday liquidity costs.

Repo collateral is held in a segregated account with the cash lender's custodian of choice, while electronic trading workflows on venues are integrated into the new service.

In addition, this offering is designed to administer both cleared and non-cleared DvP repo by cash lenders, including FICC DvP sponsored repo trades.

This addresses the upcoming legislation, including the US Treasury Clearing Mandate, which will be introduced in mid-2026.

Euroclear partnered with Matrix Applications, using its TradeBlazer technology to support the full suite of collateral management compliance and repo trade lifecycle events within the new solution.

These include securities settlements, margining, securities substitutions, and coupon payment management.

Euroclear also deployed BBH Infomediary Data Solutions from Brown Brothers Harriman for data integration and custodian communications via SWIFT.

"A key objective of our strategy for financial institutions is to share our technology to deliver more effective operating models and enable product expansion. We are proud that BBH Infomediary Data Solutions is enabling Euroclear to do just that," says Sinéad McIntosh, managing director for financial institutions at Brown Brothers Harriman.

Euroclear Bank and Toronto Dominion Bank London completed the first trade on 6 February 2025.

The firm also notes that there are plans to roll out the new solution to other markets and currencies.

Hidden Road launches fixed income prime brokerage platform

Hidden Road, a global credit network for institutions, has launched a fixed income prime brokerage platform.

It will initially support fixed income repo and global funding services following the firm's recent approval as a Fixed Income Clearing Corporation (FICC) clearing member.

The move represents the latest expansion of Hidden Road's product suite, which currently offers clients access to clearing, prime brokerage and financing across a diverse range of asset classes.

Hidden Road's Fixed Income and Funding business is led by Mike Santoro, an industry veteran who has led repo and funding operations at a number of global financial institutions, including BNP Paribas and Guggenheim Securities.

The team will be instrumental in building this key component of the firm's multi-asset prime brokerage, clearing and financing offering, the firm says.

Commenting on the news, Noel Kimmel, president at Hidden Road, says: "Hidden Road's Fixed Income Repo & Global Funding platform marks a significant milestone in our mission to build the industry's most comprehensive suite of multi-asset prime brokerage and institutional financing solutions.

"With the ability to cross-margin and margin finance across cleared derivatives, FX prime brokerage, OTC swaps and digital assets, we are now able to offer a truly differentiated service to the institutional marketplace."

Euronext Clearing to enhance collateral management offering

Euronext has collaborated with Euroclear to support the development of Euronext Clearing's collateral management services for repo and other asset classes.

The initiative is a step toward the expansion of Euronext's Italian repo clearing franchise to a large range of European government bonds.

Euronext Clearing will use Euroclear as its first triparty agent to enable enhanced collateral management capabilities.

The firm will offer clients automated, streamlined and flexible collateral solutions, designed to improve

SIX unlocks global access to CO:RE repo data via MDDX

SIX Swiss Exchange has made the SIX interbank repo market data available globally via its Multi-Dimensional Data fluX (MDDX) interface.

Jan Zürcher, head of market data, says: "The integration of CO:RE data into MDDX unlocks new opportunities for market participants globally, enriching our information product portfolio with comprehensive money market data solutions."

The CO:RE platform is a multi-currency trading hub designed to support primary auctions, liquidity management, and risk reduction through collateral management tools.

To facilitate this global expansion, SIX introduced data packages via MDDX data feed consisting of real-time updates of individual quote changes and comprehensive data on public quote executions.

These packages are accessible for and from data vendors under the Market Identifier Code (MIC) 'XREP'.

During the initial rollout phase, data vendors can deliver this information to subscribers free of charge, including non-display usage.

According to SIX, this new integration enables market participants to gain real-time access to actionable repo market data, enhance liquidity management and regulatory reporting, as well as use advanced analytics for better decision-making.

Nerin Demir, head of repo and collateral management, adds: "This initiative demonstrates our commitment to excellence and transparency in the repo market."

In December, Comyno and SIX partnered on the integration of the CO:RE platform via C-ONE Connectivity solution.

operational efficiency and margin and balance sheet optimisation.

Euroclear will act as an independent third party, managing the selection, valuation and substitution of collateral to ensure it meets eligibility criteria while optimising operational efficiency.

It will also handle settlement and custody, provide regular reporting and ensure regulatory compliance, providing improved liquidity management and a reduced administrative burden.

Collaborating with Euroclear will pave the way for the rollout of Euronext's new repo clearing offering in June 2025, enabling the onboarding of clients including international banks, with an updated risk framework. Clients will also be able to use Euroclear as a triparty agent for repo clearing.

Anthony Attia, global head of derivatives and Post Trade at Euronext, says: "This partnership marks a significant milestone in Euronext's 'Innovate for Growth 2027' strategy, reinforcing Euronext Clearing's role as a cornerstone of the group's broader strategic ambitions.

"It demonstrates our commitment to delivering clearing and collateral management solutions for our clients. It is a key milestone in the expansion across Europe of Euronext Clearing's repo franchise."

Marije Verhelst, head of product strategy and collateral management and securities lending at Euroclear, adds: "Strengthening collaboration between market players is crucial for growth and stability in European capital markets. Euroclear has a long-standing track record of providing collateral management solutions across Europe and beyond.

"This initiative highlights the vital role of our global and neutral infrastructure in helping our clients optimise their collateral allocation, reducing fails and credit usage, and increasing flexibility and predictability for dealers."

HKMA arranges offshore RMB bond repo business

The Hong Kong Monetary Authority (HKMA) has revealed its plans for an offshore renminbi bond repurchase business.

Through this move, the institution aims to enhance the market-based offshore RMB liquidity management and increase Hong Kong's competitiveness as an offshore RMB business hub.

Under the offshore repo arrangement, Northbound Bond Connect participants can use eligible onshore bonds as collateral to conduct RMB repo business in Hong Kong.

The participants include all existing Northbound Bond Connect investors, including Central Moneymarkets Unit (CMU) members and offshore investors with CMU sub-accounts opened through Hong Kong custodian banks that are CMU members.

All bonds held by participating institutions under Northbound Bond Connect, regardless of bond type, will be eligible.

In the initial stage, each transaction will have to involve at least one of 11 primary liquidity providers designated by the HKMA as market makers.

Participants may choose their own repo agreement template, such as the Global Master Repurchase Agreement (GMRA) or the National Association of Financial Market Institutional Investor's NAFMII Bond Repurchase Master Agreement.

Transactions may be conducted bilaterally over-the-counter, through an electronic trading platform, or in the same manner as existing Northbound Bond Connect transactions, and via the linkage between the Central Securities Depositories (CSDs) in the onshore and offshore markets.

Settlement will be completed under the Repo Service by CMU.

This announcement comes as part of new policy measures introduced by the HKMA and the People's Bank of China, with the aim to deepen the financial market connectivity between the two entities.

According to the HKMA, the business is scheduled to commence soon, but no concrete date was given in the announcement.

HQLA^X facilitates settlement of intraday DvP repo for Goldman Sachs

HQLA^X has collaborated with Clearstream and Eurex Repo to facilitate intraday delivery-versus-payment (DvP) repo transactions, using distributed ledger technology (DLT) in the European Central Bank (ECB) trials.

The transactions mark the first DvP repo trades to settle in production using HQLA^X's DLT platform.

Participation in the ECB trials demonstrates HQLA^X's ability to interoperate with other DLT platforms to settle DvP across two independent ledgers, the firm says.

The ECB trials are part of the Eurosystem exploratory work on new technologies for wholesale central bank money settlement, with trials denoting production transactions using real securities and cash.

The participants submitted the trades on the Eurex Repo F7 trading system. The trades were submitted same-day, and securities and cash were settled and returned intraday.

Clearstream acted as market DLT operator with its digital securities platform D7 and coordinated the settlement of the transaction between HQLA^X, which facilitated the collateral settlement, and the Bundesbank's Trigger solution for the cash settlement in real-time gross settlement (RTGS).

The transactions took place between Goldman Sachs and Clearstream, acting as principal, between 26-28 November with Goldman Sachs borrowing cash from Clearstream while delivering collateral via the HQLA^X platform.

CME Group to launch BrokerTec US Treasury CLOB in Chicago

CME Group will launch a second BrokerTec central limit order book (CLOB) for cash US Treasuries in Q3.

The new CLOB will be co-located in Chicago next to CME Group's US Treasury futures and options markets to support trading between cash and derivatives markets.

Mike Dennis, global head of fixed income at CME Group, comments: "As clients navigate this period of heightened uncertainty and record debt issuance, US Treasury spread trading continues to drive price discovery and liquidity across cash, futures, and repo markets.

"By launching a new trading venue, we will bring the full US Treasury ecosystem closer together, delivering simplicity and efficiency for global market participants."

Available on Globex, the new venue uses the existing BrokerTec API and can be accessed via clients' CME Group connectivity.

The second Chicago CLOB, operated by BrokerTec Americas, will complement this offering by focusing on relative value strategies.

Clients will be able to trade all seven of BrokerTec's on-the-run US Treasuries in smaller notional sizes, in order to align with the futures market, and at tighter price increments of 1/16th of a 32nd, to allow for more precise hedging.

Central clearing for repo markets: Is Europe putting the cart before the horse?

Eurex's Clive D'Souza, vice president, global products and markets, and Viktoria Hackenberg, vice president, regulatory affairs at Deutsche Börse, review central clearing of repo in Europe and the core findings from the firms' deep dive on NBFI regulatory frameworks, risk standards, cross-product margining, and NSFR

The European government bond repo market has a basic but important mission — to get cash and collateral from those who have it to those who need it in a timely manner, with stable pricing which is reflective of a liquid, transparent, and functional market with minimal frictions.

Nevertheless, even seasoned participants will admit that the market continues to surprise, and it is rare for a month to pass without observing something new. The past decade has seen a number of different repo market regime changes, driven by regulatory constraints since the post-global financial crisis regulatory reforms, and central bank interventions for liquidity support, price stability or crisis management.

Established relationships between repo market variables have been known to temporarily or even permanently decouple, and more extreme dislocations have also been observed in the European market and are arguably growing in frequency.

It is the latter point that has key stakeholders in the European repo market asking more fundamental questions about the most optimal market structure. From the large Dutch pension funds which need to place billions in cash overnight, to international global systemically important banks (G-SIBs) managing their cross-border exposure, to central banks trying to estimate reserves demand — it seems everyone has their angle.

Central clearing

In late 2023, the US Securities and Exchange Commission (SEC) adopted a central clearing mandate for US Treasury repo (and cash) to address ongoing dysfunction in a market which underpins the financial system. While the proposal had been flagged for some time, the decision was still curious given the range of policy alternatives available and the low base from which the mandate would be imposed (20-30 per cent of US Treasury repo was centrally cleared).

The Bank of England have highlighted that repo will be integral to their operating framework for winding down extraordinary monetary policy operations towards a steady state. While no announcement has been made on a clearing mandate, the Bank has published extensively on the impact of broader central clearing on the gilt repo market, leading to growing speculation that the UK may follow the US lead.

In Europe, a similar debate is gaining momentum, albeit from a very different starting point. Unlike the US and UK, the European government bond repo market is heterogeneous in terms of domestic issuers and fragmented in terms of trading, clearing, and settlement infrastructure.

One could be forgiven for assuming that central counterparties (CCPs) are behind the push for a mandate in Europe, but such assumptions are without foundation. CCPs such as Eurex are cross-asset market infrastructures and recognise that even small policy tweaks to the repo market have potential for material second order impacts to other asset classes.

We are also acutely aware that with regulatory mandates, market participants have substantial development and implementation costs and divert scarce resources from new product initiatives and market innovations.

Nevertheless, would mandatory central clearing for the European repo market be the worst thing in the world? At the GFF Summit 2025 in Luxembourg, there was a broad consensus from a number of panels that central clearing was a good thing, and that the European repo market would benefit from an expansion of central clearing. Central clearing brings an extensive list of benefits to financial markets, but the capability for multilateral netting for risk, settlement, and accounting purposes gives CCPs a unique position in the repo market, and actually creates capacity for more bank intermediation.

While the debate will be fierce, one thing all stakeholders can agree on is that the decision for Europe should be focused on solving European market structure or monetary policy transmission challenges and be cognisant of European specificities, as opposed to blindly following the lead of other jurisdictions.

Therefore, we have chosen to focus our contribution on some of the barriers Eurex and our industry partners from the buy and sell side have faced in building a more robust cleared repo market structure for cash and collateral-driven markets.

Unsurprisingly, most of the barriers relate to the regulatory frameworks for non-bank financial institutions (NBFIs) and the interaction of NBFIs with the banking regulatory framework.

The complex interplay between bank prudential regulation and accounting standards requires that the market design involves NBFIs becoming direct members of CCPs for the market efficiencies to be realised. Innovative clearing models have been designed for this purpose.

However, the design of the relevant NBFI regulatory frameworks never envisaged more direct participation in centrally cleared repo markets. Eurex recently published a discussion paper, 'Central clearing of repo markets in Europe – lift the barriers and watch the market evolve', and we highlight some of the key elements here:

NBFI regulatory frameworks should be adapted for a centrally cleared landscape

Money market funds are a core component of the market structure for centrally cleared repo in the US but are a missing piece of the puzzle in Europe.

Notwithstanding the significant differences in size of assets under management in the US versus Europe, this can partly be attributed to constraining regulatory elements which do not align with a centrally cleared repo market landscape.

For instance, counterparty limits for funds mitigate concentration risks when a fund builds up exposure towards a counterparty. In a centrally cleared landscape, the CCP automatically becomes the counterparty to the transaction, so the fund will test the counterparty limit a lot quicker than when the fund uses the bilateral market facing multiple counterparties.

In addition, regulation does not allow funds to re-use cash or collateral (including via pledge) generated on repo markets to meet margin requirements at CCPs. The consequence is that funds need to find other resources to meet those obligations.

In respect of insurance companies, European Insurance and Occupational Pensions Authority (EIOPA) recently recommended that Solvency II should be adapted to afford preferential capital treatment where the firm directly faces a CCP for derivative transactions, in alignment with banking regulation.

However, the preferential treatment was not extended to include repos on recommendation, or weak support, from the industry's trade associations. We would encourage these stakeholders to revisit their position, given that the provisions do not compel insurance firms to centrally clear repos, and the preferential capital treatment would improve the economics for those firms who choose to clear.

Risk standards between bilateral and centrally cleared markets should be aligned

In Eurex's efforts to develop centrally cleared repo markets, the disparity in risk standards when compared to bilateral is one of the major hurdles.

Centrally cleared repo transactions are subject to margin requirements and standards for acceptable margin collateral. Those requirements are calibrated against: minimum regulatory standards; the risk management expectations of the CCP's members based on their 'skin in the game'; and the CCP's own 'skin in the game'.

Robust, risk-appropriate margining and risk management practices, including intraday margin calls, are a feature of central clearing, not a bug.

In contrast, market participants enjoy contractual freedom in the setting of haircuts or margin, and the risk management practices for bilateral repo transactions. A number of working papers by central banks and policy institutes have highlighted that the bulk of bilateral repo transactions in Europe have no haircut on the collateral.

Alignment of risk management standards across bilateral and centrally cleared repo markets remains one of the most challenging prudential regulation problems to be solved, especially in view of the risks of outsized leverage in the NBFI sector.

The Financial Stability Board's (FSB's) now defunct 'Mandatory haircuts for non-centrally cleared SFTs' proposals were very much a case study in 'regulating for the last crisis'. The scope and design were never going to be comprehensive enough to address the bilateral versus centrally cleared disparity, nor some of the risk management failures that have materialised since the measures were initially proposed.

The problem needs some fresh thinking and new proposals should consider a holistic view of the financial system, particularly as the consequences of miscalibrated policy measures on the smooth functioning of markets are high.

In the interim, and perhaps as an alternative, we are strongly of the view that robust prudential supervision can play a productive role in achieving the desired improved alignment. While it is naive to expect fully aligned risk management standards between bilateral and centrally cleared repo markets, a blanket practice of zero haircuts in bilateral markets should not go unchallenged.

Innovation and efficiencies should be promoted, notably cross product netting and margining

The cash, repo, and derivative markets for government bonds and interest rate benchmarks are inextricably linked. Market participants are active in trading the basis between the cash and derivative segments, and repo markets facilitate basis trading through funding and financing of the positions and accordingly enter the trading calculus.

While positions are taken in the different product segments, they are based on the same or highly correlated underliers, such that the net market risk is minimised or even fully flat. Basing margins on the net risk position across product segments can deliver material cost efficiencies, and these practices have long been applied by banks to support their clients, particularly in the prime brokerage channel.

Cross-asset CCPs also offer this capability based on the portfolio theory above, but most importantly based on the robust CCP legal framework and default management processes to close out positions across product segments in an efficient and timely manner. The availability of cross-product margining would help mitigate the margin disparity challenges for NBFI adoption outlined earlier, subject to the margin outcomes remaining risk-appropriate.

While the Basel capital framework for banks recognises the legality of cross-product netting agreements, the standardised approaches applied for the calculation of credit exposure treat repo and derivatives as standalone, independent calculations with no capability to recognise risk offsets across these segments. This disincentivises banks from offering CCP cross-product margining services to their NBFI clients.

A number of industry stakeholders (e.g. trade associations, academia) have offered methodology alternatives to address this shortcoming. It is imperative that global regulators prioritise the review of these alternatives so that the efficiencies from cross-product margining at CCPs can be realised and capital can be unlocked.

A favourable treatment of centrally cleared repo under the NSFR should be considered

The net stable funding ratio (NSFR) aims to minimise rollover risks by encouraging banks to fund their assets with more stable sources.

Under the NSFR framework, CCPs are treated just like any other financial institution. But most importantly, cleared repo receives no preferential stable funding treatment even though cleared repo markets have proved to be remarkably resilient under stressed market conditions.

There are even instances under the framework where the favourable stable funding treatment afforded to banks from particular counterparties (e.g. public sector, corporates) is lost if the repo is centrally cleared. This disincentivises banks from centrally clearing repo trades with these counterparties, and hinders the development of a broader, robust market structure.

We recommend that the NSFR framework be revisited to improve recognition of the stable funding benefits of centrally cleared repo, and prioritise the removal of elements which inadvertently disincentivise central clearing.

Voluntary clearing by the public sector should be incentivised

While there is already a growing number of public sector entities joining central clearing voluntarily, a higher participation rate would deepen the European ecosystem and create a pull factor for other market participants.

The participation of central banks, in particular, would provide a crisis-proof liquidity management mechanism for NBFIs.

Final thoughts

While the US is moving forward with mandatory central clearing for US Treasury repo transactions, the appropriateness of such a policy for Europe, with its heterogeneous government bond market and fragmented market infrastructure, remains an open question.

Notwithstanding, the benefits of central clearing to market structure and financial stability are clear and our position is that there is a lot that can be done to remove the barriers to market-driven adoption of centrally-cleared repo before having to resort to the 'stick' of a mandate. Even though these structural barriers would need to be addressed even more urgently if a mandate was to be adopted, Europe may not want to put the cart before the horse.

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How do we fix
a problem with
no boundaries
by pushing
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The evolving landscape of intraday liquidity management

Elisa Poutanen and Erica De Rosa of HQLA^X review the evolving intraday liquidity market, the requirements of cash borrowers, and the significance of collaboration for ensuring markets are built for purpose

Financial institutions manage intraday liquidity to ensure they have adequate reserves to meet obligations as they settle throughout the day, as well as manage intraday exposures which result from trading and settlement activities. Traditional intraday liquidity management practices are resource-intensive and costly for banks, as they rely on overnight repo, collateral buffers, and unsecured or secured credit lines which are sub-optimal for managing intraday exposures.

However, the intraday liquidity management landscape is evolving — the move towards T+1 settlement, increased regulatory scrutiny, and the need for greater operational agility create a new environment in which a more dynamic and efficient approach to intraday liquidity management is needed.

Bank requirements are becoming more specific, where they not only need to have adequate liquidity reserves, but these reserves need to be in certain currencies at certain locations at specific moments in the day. In discussing these developments, Elisa Poutanen, HQLA^X

sales lead, emphasises that "the traditional models are becoming increasingly inefficient and lead to suboptimal use of capital while heightening costs and operational risks".

Therefore, the need for more robust intraday liquidity management is more prevalent than ever as liquidity managers are looking for innovative, flexible solutions. Banks are looking for additional sources of funding and increased control around intraday liquidity while striving to be as cost effective as possible.

Streamlining intraday liquidity management can lower operational expenses associated with collateral movements, custodian fees, and regulatory compliance. This is why new intraday liquidity markets are forming using new technologies such as distributed ledger technology (DLT) which bring these capabilities to the market.

> *"Our stress window is an hour or so per day, so we don't need to manage that with a year's worth of buffers."*

Client quote from HQLA^x recent intraday liquiditythought leadership roundtable

Evolving intraday liquidity market

The initial focus for banks in the development of a new intraday liquidity market has been executing intraday repo. Intraday repo is a transaction which opens and closes on the same day, with the opening and closing time specified by the participants.

This allows financial institutions to precisely borrow cash for periods in the day in which they have a liquidity need. For example, if an institution is short euro in the beginning of the trading day, say from 08:00-10:00, they could borrow euro cash for two hours each day to cover that shortfall, rather than transact in the overnight repo market, utilise liquidity buffers, or borrow from credit lines.

By borrowing what they need when they need it, banks reduce their costs of managing intraday liquidity. This also allows them to diversify sources of liquidity by providing access to additional cash providers, creating more liquidity in the market and reducing borrowing costs. Overall, intraday repo can help firms better manage liquidity risk by providing access to flexible and responsive funding sources. It can also reduce reliance on static buffers and enable more accurate forecasting of liquidity needs down to the minute.

"Intraday repo presents a promising tool," notes Erica De Rosa, solutions architect at HQLA^X, "offering enhanced capital efficiency, reduced operational costs, and improved risk management by transforming liquidity management processes". This translates into meaningful bottom line impact for large institutions, to the tune of euro tens of millions cost savings per year.

On the cash provider side, it is important to note there are benefits as well, as they can generate incremental revenue by deploying cash intraday. Given there are benefits for both sides of the trade, the development of this market is promising, and HQLA^X is seeing positive momentum from both cash borrowers and providers.

Furthermore, a major motivation for banks to source cash via intraday repo is to reduce reliance on unsecured credit lines which receive punitive treatment in liquidity stress-testing models and regulatory ratios. Intraday repo is one way to solve this, but another can be collateralising unsecured credit lines, making them secured.

A barrier to this being done today is lack of collateral mobility, where securities are in one place and cash needs to be in another, creating difficulty in mobilising collateral against the borrowing of cash. But by using DLT, it is possible to immobilise assets sitting in one location and use them against a borrow of cash in another. This allows for the transformation of unsecured credit lines into secured, which alleviates a major pain point of many banks.

Addressing the challenges

While the benefits of intraday repo are appealing, there are few challenges that need to be addressed to ensure those benefits can be materialised. That is why HQLA^X is hosting roundtable discussions and working groups to ensure market participants can voice their views, requirements, and preferences as HQLA^X works to deliver technology which can facilitate the development of the intraday markets.

One common requirement the firm is hearing from cash borrowers is to receive a term commitment from lenders to provide intraday liquidity over extended periods of time, i.e. every day from 10:00 to 14:00, over a three-month time period.

Receiving such term commitments enables cash borrowers to recognise intraday funding as a stable source of funding, especially until these markets are fully developed and liquid with cash from many different providers. It is paramount for regulators and risk managers to recognise intraday repo as a valid source of funding to facilitate long-term market adoption.

Another challenge (and opportunity) is for intraday cash borrowers to mobilise 'hard-to-fund' collateral, which would otherwise sit idle and remain trapped as unencumbered assets.

Standardising rules and procedures concerning collateral eligibility and pricing mechanisms is vital, as well as finding common settlement times across market participants.

There are also new operational requirements which financial institutions need to integrate, including the use of a timestamp throughout the trade lifecycle. For technology providers, it is important to ensure there is interoperability across platforms to prevent disparate pools of liquidity from forming.

As emphasised by De Rosa: "Collaboration across market participants, regulators, and technology providers is key to ensure these markets are built for purpose and meet the requirements of all stakeholders." Furthermore, Poutanen highlights that collaboration across the industry is crucial for refining these emerging practices.

"At HQLA^X, we are committed to delivering innovative intraday liquidity solutions by enabling our clients to interoperate seamlessly between our collateral ledger and multiple cash ledgers (including DLT-based cash ledgers and legacy cash rails), and we will continue to evolve our suite of intraday repo solutions based on market demand."

Erica De Rosa
Solutions architect
HQLA^X

Elisa Poutanen
Sales lead
HQLA^X

Pioneering new opportunities

Following significant demand for cash repos, collateral swaps, and TRS, Reona Sasaki, director of repo and securities lending (fixed income) at Japan Securities Finance Co., analyses the JGB repo market

The Japanese government bond (JGB) repo market has shown steady growth in both General Collateral (GC) and Specific Collateral (SC) transactions. The outstanding value of JGB repo market transactions reached around 250 trillion yen (US$1.7 trillion) with the continuous rise in JGB issuance.

In Japan, the term 'repo' often encompasses both repurchase agreement and securities lending agreement, as they achieve nearly identical economic effects as results.

Transactions between Japanese domestic financial institutions typically use contracts published by the Japan Securities Dealers Association (JSDA). However, because there has been a notable rise in transactions with non-residents, it is not rare to utilise the Global Master Repurchase Agreement (GMRA) established by the International Capital Market Association (ICMA).

The repo rates in the JGB repo market are determined based on the central bank's policy rates, similar to other European and US countries, and therefore influenced by the Bank of Japan's (BOJ) policy changes.

The BOJ terminated its negative interest rate policy in

March 2024, and implemented additional rate hikes in July and January 2025.

As of April 2025, the policy interest rate stands at +0.50 per cent, affecting both GC and SC repo rates. The detailed movements are as follows.

Changes in the GC market

The GC repo rate has been close to the Tokyo overnight average rate (TONA) which is an uncollateralised overnight call rate and BOJ's policy rate. No significant change has been seen between GC repo rates and TONA before and after the winding down of the negative interest rate policy (see Figure 1 and Figure 2).

Repo market participants under negative interest rate policy

- Cash borrowers: banks arbitraging against the BOJ's interest rate (0 per cent, +0.1 per cent).
- Cash lenders: securities companies in need of general collaterals or special collaterals, and banks with policy interest rate balances (-0.1 per cent) which have an incentive to lend out cash at more than -0.1 per cent.
- Repo rate: converging at -0.1 per cent to 0.0 per cent (occasionally shows big drops due to supply-demand pressure).
- Uncollateralised Overnight call rate: -0.1 per cent to 0.0 per cent.

Repo market participants after revising the negative interest rate policy

- Cash borrowers: securities companies holding JGB, and banks arbitraging against the interest on excess reserves (currently +0.50 per cent).
- Cash lenders: securities companies in need of GC or SC, and mutual funds with temporary cash surpluses.
- Repo rate: converging at the interest rate on excess reserves.
- Uncollateralised overnight call rate: around the interest rate on excess reserve.

Under the BOJ's yield curve control (YCC) policy, the repo rate frequently showed significant declines due to tight demand for JGBs.

Figure 1

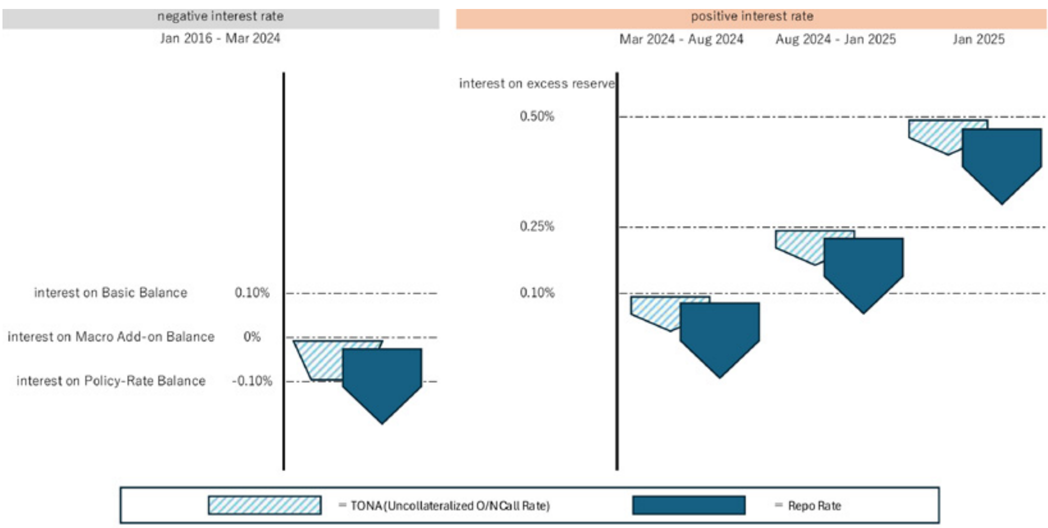
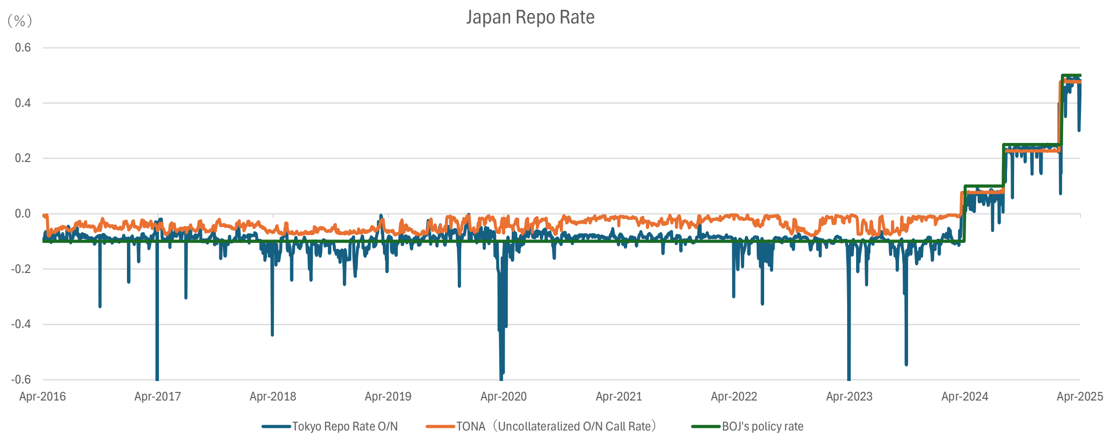


Figure 2



Recently, however, with the winding down of the policy and the reduction in BOJ's bond purchases, the supply and demand for JGBs have improved, avoiding high volatility and divergence from policy interest rates.

Nevertheless, the GC repo rate at the end of the fiscal year (in March 2025) dropped significantly as borrowers refrained from supplying JGBs, due to considerations of financial statements and various risk indicators. Similar trends tend to be observed for transactions exceeding month-ends.

Changes in the SC market

The SC repo rate is determined based on the GC repo rate, reflecting the supply and demand conditions of specific issues, with a premium rate deducted.

Following the BOJ's policy changes, SC repo rates have risen accordingly with the increase in GC repo rates.

However, around the monetary policy meetings, there is a tendency to refrain from lending JGBs to hold JGB position and prepare for selling, leading to a temporary widening of the GC-SC spread.

After the meeting, cash borrowers gradually resume to offer JGBs, and the GC-SC spread converges back to pre-meeting levels.

Under the YCC policy, certain issues, especially those with high BOJ holding ratios, often had repo rates determined significantly below the rate on the securities lending facility operation by BOJ (GC repo rate (the T+1 overnight rate published by the JSDA) –0.25 per cent lending fee).

Because of the repeal of YCC policy, the supply and demand conditions for JGBs have been improving, and repo rates have been sitting at or above the rate on this securities lending facility level. However, for newly issued JGBs or tightly supplied JGBs, the rates can still fall below the rate on the securities lending facility.

Outside of Japan, there is strong speculation about further changes in the BOJ's monetary policy.

Consequently, the demand for borrowing JGB for short trades, particularly by hedge funds, remains high, resulting in a continuous shortage of JGBs.

Arbitrage transactions using JGBs

There are many arbitrage opportunities in the JGB market. For example, under the BOJ's YCC policy, there were trades targeting discrepancies among the JGB cash market, the interest rate swap market, and the JGB futures market caused by BOJ's large purchases of JGB with specific maturities.

Similarly, arbitrage opportunities arise from imbalances between supply and demand for specific issues. The seamless operation of borrowing and lending JGBs in the JGB repo market is crucial for the timely execution of these arbitrage trades.

The JGB repo market continues to be highly attractive for all market participants, both domestically and internationally.

In the recent JGB repo market, there has been a notable rise in spread trading that achieves a neutral cash position by combining SC transactions for borrowing specific JGB with cash and GC transactions for borrowing cash with JGB collateral.

This method has gained significant attention recently, as it enables market participants to effectively offset interest rate risk, credit risk, and other risks through reverse transactions.

The role of Japan Securities Finance

As a leading entity in the JGB repo market, we have covered nearly all financial institutions and institutional investors in Japan.

Within this framework, we have also come to play a pivotal role as a hub between the domestic and international repo markets, facilitating the flow of domestic liquidity to global markets.

In addition to regular SC and GC transactions, we are actively engaged in the aforementioned spread trading. Our network of overseas counterparties continues to expand, allowing us to accumulate a wealth of insights and solutions.

Our international partners often note that trading with us provides direct access to JGB domestic market liquidity. They also value the ability to obtain real-time pricing across various issues, significantly enhancing their JGB trading capabilities.

Furthermore, there is a growing trend of 'cross-currency repo', borrowing USD and other currencies with JGB in Japan.

The demand varies in scale depending on the financial institution; nonetheless, foreign asset managers outside of Japan can operate USD and other currencies at competitive levels while significantly reducing their administrative costs.

Transactions of bonds other than JGB, such as public bonds (government-guaranteed bonds and municipal bonds) and corporate bonds, remain limited.

However, there is a growing demand, particularly from overseas, for borrowing and lending cash with various bonds.

We are dedicated to pioneering these new transactions and expanding market opportunities.

We will further commit to aggregate comprehensive information on various bonds and propose diverse transaction solutions tailored to each need from our clients.

Be unique. Be a pioneer.

Japan Securities Finance Co (JSF) was founded in 1950 as a specialised financial institution working as the infrastructure for the margin loan business. JSF is the only securities finance company in Japan licensed under the Financial Instruments and Exchange Act.

In recent years, JSF has been actively engaging in cross-border transactions to bridge Japan and the global market, offering flexible repo transactions involving various assets and currencies.

The strategic imperative for a new era of market structure

Matt Chessum, director of securities finance at S&P Global Market Intelligence, discusses data analytics in respect of the repo market, shining a light on its value during periods of volatility, and the importance of client fairness

The repo landscape is undergoing a data-driven revolution, with analytics no longer a luxury but a necessity. In a world of tighter regulation, volatile funding conditions, and evolving client expectations, market participants can no longer afford to operate without comprehensive access to analytics. The ability to see, understand, and act on financing data across markets and instruments is now a prerequisite to remain competitive and compliant.

To navigate modern financial markets, all participants — buy side and sell side alike — must invest in and have access to robust repo data analytics. From liquidity optimisation to risk oversight, and from pricing transparency to market integration, analytics is the key to navigating the structural shifts reshaping repo markets globally.

No longer optional

Today's repo market demands a level of precision and responsiveness that simply cannot be achieved without data analytics. Traditional practices based on static spreadsheets and fragmented systems have become a liability. Institutions must process vast quantities of trade, collateral, and counterparty data across a spectrum of instruments and venues. Without this capability, firms fall behind in pricing, risk control, and client service.

Data-driven strategies are no longer confined to high-frequency trading or sophisticated algorithmic functions.

They are becoming the foundation for even the most basic financing decisions. Whether you are adjusting your intraday funding positions or rebalancing collateral pools, your ability to make informed decisions in a timely manner relies entirely on the availability and quality of your analytics infrastructure.

The strategic value of analytics is no longer in question. It is the cornerstone of operational agility, regulatory compliance, and competitive advantage. Market participants who lack access to these capabilities risk flying blind in a fast-moving and increasingly transparent environment.

Visibility across markets

When funding markets seize or dislocations emerge, access to analytics that span markets and instruments separates leaders from laggards. Historical events — from the 2019 US funding shock to the pandemic-induced stress of 2020 — prove that those with broad-based monitoring, alerting, and forecasting tools are better positioned to manage through volatility.

Participants need to see where funding is flowing, what collateral is moving, and where stress is accumulating across books, venues, and counterparties. Holistic visibility empowers better decision-making, supports intraday liquidity management, and ensures that critical funding needs can be met even under pressure.

Crucially, visibility must transcend asset classes, legal structures, and geographies. The best-positioned firms integrate data not just from repo desks but also from derivatives, securities lending, credit, foreign exchange, and cash markets to identify correlations, detect arbitrage opportunities, and execute holistic liquidity strategies. As market participants face increasing globalisation and multi-currency collateralisation, such visibility becomes an enabler of scale and resilience.

The integration of securities lending and repo datasets creates a powerful synergy that enhances market insights and operational efficiency. By interlacing these datasets, stakeholders can gain a comprehensive view of liquidity dynamics, enabling them to make informed decisions regarding asset allocation and risk management. This combination allows for improved pricing models and better understanding of collateral movements, ultimately leading to optimised trading strategies and reduced costs. Furthermore, the enriched data landscape facilitates advanced analytics, empowering firms to identify trends and opportunities that may have otherwise gone unnoticed.

The role of repo data

In periods of heightened volatility and uncertainty — whether driven by geopolitical tension, economic policy shifts, or abrupt liquidity shocks — the value of repo data becomes even more pronounced. Analytics provide the early warning signals that enable institutions to anticipate changes in funding conditions, identify pressure points in collateral markets, and proactively adjust their strategies.

During such periods, access to detailed data across markets and instruments is essential for navigating price dislocations, liquidity fragmentation, and shifts in counterparty behaviour. Institutions that are blind to these dynamics risk being caught off guard by margin calls, collateral shortfalls, or deteriorating financing terms.

Moreover, volatile markets amplify the importance of monitoring and stress testing. By using analytics to simulate adverse scenarios and assess the resilience of funding arrangements, firms can avoid reactionary decision-making and maintain confidence with both clients and regulators.

Ultimately, in uncertain times, analytics shift from being a strategic advantage to a fundamental necessity. Those with access to repo data can act decisively; those without are left reacting to events they did not see coming.

A strategic necessity

In a collateral-constrained world, having visibility into a firm's collateral usage and optimisation opportunities is fundamental. Analytics help firms understand what assets are cheapest to deliver, which can be re-used or substituted, and where opportunity costs can be minimised.

Smart collateral management enables better pricing, improved liquidity buffers, and stronger regulatory ratios. As regulations such as net stable funding ratio (NSFR) and liquidity coverage ratio (LCR) continue to evolve, the ability to monitor collateral eligibility, haircuts, and encumbrance across entities and time zones is no longer optional — it is integral to meeting compliance and minimising friction in day-to-day operations.

Participants who can access these insights gain a funding advantage. They are able to make faster, smarter collateral allocation decisions and can respond to changes in market demand or regulation with greater agility. Without this data, firms risk inefficiencies that directly impact profitability.

Forward-looking rate intelligence

In a market where financing rates are volatile and highly sensitive to supply and demand dynamics, having access to market analytics is critical. Participants must anticipate rate shifts, model future funding costs, and understand the impact of macro events on their books.

Data analytics can also uncover early signs of liquidity stress or market segmentation — insights that are vital for shaping internal pricing decisions and identifying the best execution route for trades. Predictive rate intelligence helps distinguish transitory price movements from structural changes in the market.

Those with access to forward-looking rate analytics can better position their liquidity, price transactions more accurately, and defend margins in competitive markets. Without this, pricing becomes reactive, and exposures remain unmanaged.

Understanding systemic risk

The repo market's interdependence — spanning bilateral, triparty, and CCP-cleared activity — means that risk can propagate rapidly across the ecosystem. Analytics platforms capable of mapping these connections help firms to identify concentrations, monitor counterparty health, and simulate stress scenarios.

This visibility also enables better communication with regulators. Authorities increasingly expect market participants to demonstrate not just their own solvency, but also their understanding of interconnected exposures. Firms that rely on static or partial data are at a disadvantage when proving their resilience in both normal and stressed market conditions.

Participants need access to this level of risk intelligence not just to meet regulatory expectations, but to protect their own operational continuity. Those with this capability will be better prepared for systemic events and better aligned with regulators' expectations for transparency and resilience.

Data silos undermine market efficiency

Many firms still suffer from fragmented data across trading desks, custodians, and platforms. This siloed architecture stifles visibility and increases operational risk. Standardisation, reconciliation, and integration of data are critical steps toward unlocking the power of analytics.

Integrated data not only reduces operational risk but also drives performance. It enables holistic portfolio views, precise counterparty risk assessments, and seamless interaction between front, middle, and back-office teams. By unifying data infrastructure, firms can move beyond compliance to truly strategic financing.

Market participants must insist on infrastructure that breaks down silos and provides a unified view of activity. Only then can firms harness the full power of analytics to drive efficiency and reduce cost.

A single view of cost

As repo desks increasingly merge with credit, rates, and equity financing functions, the need for cross-asset funding intelligence grows. Without access to analytics that unify funding costs across desks, firms cannot make informed execution or pricing decisions.

In the absence of a consolidated cost-of-funding model, firms risk under-pricing trades, over-allocating collateral, or missing opportunities for internal netting. Analytics platforms that provide a unified view of funding costs across instruments, clients, and currencies are essential to accurate decision-making.

Participants must be able to assess the true cost of financing transactions — across desks, clients, and channels — in order to choose the most efficient route to market. Analytics provide the tools to support internal transfer pricing, assess client profitability, and improve balance sheet deployment.

Client fairness requires transparency

In an environment of heightened regulatory scrutiny, treating customers fairly is more than a principle — it is a requirement. Analytics ensure that pricing reflects actual costs, not opaque estimates. Firms can demonstrate best execution, explain spreads, and justify rates to clients and supervisors alike.

Transparency in financing transactions builds trust and facilitates long-term client relationships. Moreover, it ensures compliance with conduct regulations such as the second Markets in Financial Instruments Directive (MiFID II), the Securities Financing Transactions Regulation (SFTR), and various fair treatment mandates across jurisdictions. Without data to back up their pricing models, firms face higher compliance risk and reputational damage.

Access to market-based benchmarks, cost models, and profitability analysis supports transparent and defensible pricing. Participants without these capabilities expose themselves to conduct risk and erode client trust.

AI is only as good as the data

Artificial intelligence and machine learning are unlocking new insights in repo markets — from predictive pricing to collateral stress modelling. But these technologies depend on high-quality data and disciplined governance. Participants without clean, structured, and timely data will struggle to realise the benefits of these innovations.

Effective AI requires consistent data taxonomies, well-managed reference data, and rigorous data validation processes. Firms that invest in these foundational capabilities are not just future-proofing — they are creating new opportunities for efficiency, alpha generation, and differentiation.

Access to analytics tools is not just about visualisation — it is about building the data foundation that allows next-generation tools to function effectively.

Access to the future

In 2025 and beyond, access to repo data analytics will be a defining feature of successful market participants. From optimising liquidity to managing risk and ensuring client fairness, the benefits are clear.

Participants who lack these capabilities will find themselves outpaced by competitors, exposed to regulatory gaps, and unable to fully capitalise on market opportunities. The time for analytics as a luxury is over. It is now the price of admission into the next era of repo markets.

As markets continue to evolve and digitise, the ability to extract meaningful insights from financing data will determine not only who survives, but who thrives. Those who embrace analytics today will shape the repo market of tomorrow.

Matt Chessum
Director of securities finance
S&P Global Market Intelligence

Preparing the market for change

SIX's Richard Gomm, senior product manager, clearing, provides an introductory lesson on central counterparties, as well as a review of the impacts of recent developments on the repo market and upcoming central clearing regulation

What are the primary services offered by a CCP?

A central clearing counterparty (CCP) is a financial market infrastructure organisation that takes on counterparty credit risk between parties to a transaction and provides clearing and settlement services for trades in foreign exchange, securities, options, and derivative contracts.

CCPs are highly regulated institutions that specialise in managing counterparty credit risk. A CCP is a special purpose entity that interposes itself between the buyer and the seller in a securities transaction, acting as the seller to the buyer and as the buyer to the seller.

SIX offers clearing services for a full range of asset classes: derivatives (F&O and swaps) on interest rates, equity index and single stocks, energy (gas and power) and cash instruments on classic repos, buy-sell backs (BSB), cash equity and fixed income.

How do CCPs contribute to market stability?

CCPs offer significant benefits in trading by mitigating counterparty risk. They act as intermediaries, ensuring that both parties meet their obligations and reducing the risk of default. This structure enhances market stability and confidence, making trading more efficient and secure. Therefore, the most important responsibility of a CCP is guaranteeing trade completion in the event that one or both parties' default.

The removal or reduction of default risk, via the use of a CCP, plays an integral role in providing stability in highly-stressed market conditions such as the 2004 financial crisis, during the pandemic or geopolitical events more recently. In the EU, CCPs are regulated by national authorities, the central banks, and the European Securities and Markets Authority (ESMA), ensuring they meet stringent risk management and capital requirements.

What is the repo segment within the SIX clearing services?

In light of recent and ongoing economic pressures in relation to rising interest rates, SIX is acutely aware of the demand from market participants for new liquidity pools in repo markets. Furthermore, cleared repo volumes have peaked as demand for secured funding has grown. Our repo clearing segment (through our Spanish CCP) allows members to clear repo transactions on pan-European sovereign debt, and offers competitive pricing structures which afford members cost efficiencies in the region of 40-50 per cent versus our competitors, while simultaneously offering flexible segregation account models to manage risk and client assets efficiently.

Additionally, SIX has extended incentives, in relation to revenue share opportunities, to the repo clearing segment ensuring alignment with those implemented in the interest rate swap (IRS) segment. To summarise, SIX offers market participants competitive repo and IRS clearing services, providing access to new liquidity pools and unprecedented revenue share opportunities.

What are the benefits of the repo segment?

Clearing repos through SIX enhances market safety and efficiency by reducing counterparty risk, optimising collateral use, ensuring regulatory compliance supports European Market Infrastructure Regulation (EMIR) requirements, and streamlining post-trade operations.

If SIX were to summarise the key benefits of its repo segment, the highlights can be attributed to exponential fee savings, unprecedented revenue share opportunities via multiple partnership programmes and more efficient haircut parameters.

> **"The fact that the revenue share programme is open to all members is unprecedented in the market."**

Partnership or revenue share programmes are not new to the market. However, revenue share and partnership programmes have historically only been open to a handful of market participants which usually consists of the top 10 clearers at any one CCP. However, the repo partnership programmes offered by SIX work on generous revenue share principles and it is open to all members who trigger a very modest initial margin threshold.

Once the threshold has been triggered, a monetary kick back of the basis points spreads charged to the collateral balance will be paid back to the underlying member on a monthly basis. In addition to this, there is also a further kick back on a proportion of clearing fees.

The fact that the revenue share programme is open to all members is unprecedented in the market and, coupled with exponential fee savings in both IRS and repo, SIX is ideally positioned as an attractive alternative in Europe for all IRS and repo clearing requirements.

What new initiatives are being undertaken in the repo segment?

In addition to the exponential fee saving and revenue share opportunities already available for repo clearing, SIX are also exploring a first movers or liquidity provider programme.

The aforementioned programme is designed to offer liquidity providers potential revenue share, to include revenue generated by both spreads on collateral and fees, at segment level.

This equates to very generous revenue share opportunities in the first five years and perpetual annual member level revenue share opportunities beyond five years.

Furthermore, to the above, SIX will explore opportunities on how to leverage our existing international Spanish and Swiss-based offering, where, among others, we already offer a complete value chain for repo trading with the CO:RE trading platform and collateral management with Collateral Cockpit, as well as in addition a repo clearing service.

SIX is also piloting a trade affirmation tool which, subject to regulatory approval, enables brokers, dealers, and their counterparts to directly enter and validate repo trade details and economics via an online portal. Once both sides of the trade entry have been checked and validated, the repo trade is then given up to the CCP for central clearing.

What recent developments have impacted repo?

Since the inception of the Uncleared Margin Rules (UMR) in the OTC derivatives space in 2016, repo trading volumes have increased by over 50 per cent due to buy side institutions requiring access to high-grade collateral that are not readily available as part of their everyday inventory. Now more than ever, due to the increasing costs associated with managing collateral on a cross-border basis, there is a distinct need to reduce the fragmentation of collateral pools. Therefore, secured financing transactions such as repo, are a critical contributor to the efficient functioning of global capital markets.

More recently, the US Securities and Exchange Commission (SEC) announced regulatory reform measures pertaining to the mandatory clearing of US Treasury (UST) repo. The new regulations are due to come into force on 30 June 2027 and are designed to reduce systemic risk in the US$28.5 trillion US Treasury market via mandatory clearing.

The requirement to clear UST repo trades will not be exclusively limited to the US with the requirement for all eligible transactions to be centrally cleared regardless of the country of execution. The clearing mandate in the US will therefore have global implications and indirectly affect market participants in Europe.

As a result, there will be approximately an additional US$4 trillion in cash and repo transactions that will need to be centrally cleared once the SEC mandate enters into force. However, purely from a UST repo perspective, market participants anticipate that an additional US$2 trillion in daily volume will be in scope for mandatory clearing

If we take all of the above into consideration, I think you will agree that if ever there was a requirement for market participants to have the ability to leverage the full value chain providing execution, clearing, and collateral management optimisation solutions, then it is now.

SIX is well positioned in this regard and looks forward to providing members with a state-of-the-art solution to all repo requirements for many years to come.

Post-trade automation: Stock loan vs repo in times of volatility

Firms that neglect assigning budget for automated and real-time front-to-back-office operations are choosing to operate in a foggy and riskier economic environment, says Pirum's Jon Ford, head of fixed income business development

There is good volatility and there is bad volatility. A few weeks into the current trade wars, after 'Liberation Day', a friend and former colleague noted on the back of the well-advertised (and scary) 10-year US Treasury selloff: "What we've been seeing is bad volatility."

Of course, some folks will find a way to trade this market but — overall — when fundamentals are cast aside and desks are left to trade hourly changing headlines, trading becomes tough.

While Q1 volatility has served trading desks well, we will need to see Q2 results as to the impact of the sharp selloffs witnessed after the full tariff battle came into focus.

These days, when I see whipsawing markets like these, I see them through two lenses. One is a trading view: how crazy are these markets! Another is a collateral lens: how this type of trading activity puts more pressure on the settlement and movement of collateral.

Heightened volatility creates chaos in the post-trade and collateral ecosystem, increasing fails, overdraft costs and penalties, and further stressing the finely balanced art of managing collateral across one's enterprise.

Recent examples are the escalation of fails in the market during Covid, when daily US Treasury fails topped US$1 trillion per day, and the margin trainwreck of the mini-budget back in September of 2023.

What I have learned during the last 20 months as a post-trade technology expert is that collateral and operational inefficiency can be extremely costly.

What I have also found on my post-trade automation journey is that the pain is not felt equally between equity and fixed income financing. As a long-term practitioner in the fixed income industry, it is apparent that post-trade automation in fixed income finance has lagged that of equities. Some of that is structural, such as how markets are traded and financed. With the fixed income markets still largely bilateral and off-exchange, the knock-on effect has been a relative underinvestment in fixed income finance post-trade.

As a result, a fault line has emerged that separates the much more technologically advanced equities plate, from the legacy-riddled (from a post-trade technology-stack perspective) fixed income plate.

How and why did this fault line appear? And what are the consequences of not repairing it? That is what I will unpack in this article.

Post-GFC fixed income growth vs equities

As most folks know, the relative growth of the global fixed income markets compared to equites has been quite dramatic. As quantitative easing piled on government debt, low rates saw an explosion in credit debt.

Meanwhile, restrictions on banks saw trading migrate to the 'pod shops' — and volumes exploded.

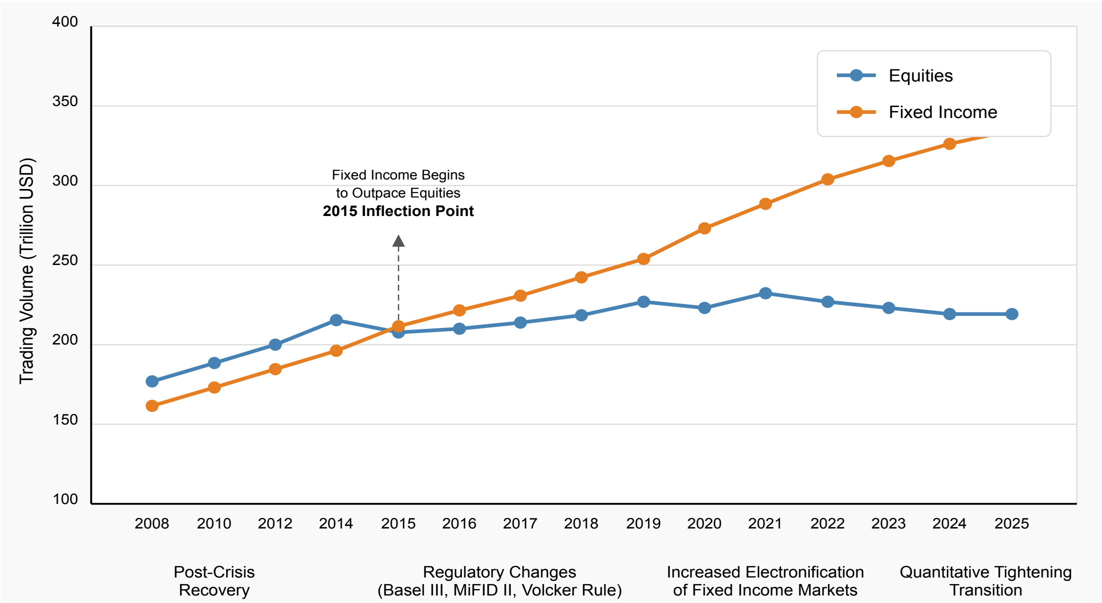
Within the fixed income financing space, auto execution has facilitated managing the trade flow but automation in the post-trade space has not kept up to speed. With the dramatic rise in rates, the cost of this inefficiency became increasingly, and painfully, apparent.

Out of the inefficiencies on the equities side, Pirum was born in 2000 — to automate, standardise data flows, and to connect the many layers of the equities landscape into a single, efficient ecosystem.

As noted above, post-global financial crisis (GFC), debt issuance and trading greatly outpaced equities. This obviously extended to the repo markets and related bond-borrow markets. As trading became more global within fixed income relative value and global macro, the financing of cross-currency and cross regional trades has made the post-trade landscape ever more complex and expensive.

A faulty engine does not scale well

Today, the lack of efficient post-trade systems and, most of all, automation is a glaring structural issue for fixed



income desks. From the discussions we have had across fixed income trading, middle office and settlement desks, the costs arising from these inefficiencies continue to grow.

In addition to the blunt cost of fails and fines, desks are now contending with risk-weighted assets (RWAs), liquidity coverage ratio (LCR), net stable funding ratio (NSFR), concentration risk, and counterparty risk, all of which puts pressure on controlling cost, satisfying client needs, and making money.

This is all the more important today, given that the challenges that spurred vendors like Pirum to automate equities are now more than evident in repo, such as globalisation and the proliferation of strategies (credit, quants, basis trading, relative value, global macro, emerging markets, structured credit, etc.). The results from this increased activity mean more size, more volume, more lifecycle events, and ultimately, more operational burden.

Case in point: the number of fails and penalties, as well as the amount of overdraft costs, incurred by fixed income trading desks is nothing short of staggering. In 2024, for example, EU capital markets were experiencing 6,000 average daily fails. In 2022, fixed income desks in the EU incurred €1.7 billion in penalties resulting from fails.

Thankfully, in the 48th series of its European repo market analyses, the International Capital Market Association (ICMA) noted: "The strong trend growth in the automation of trading in the dealer-to-customer segment, much of it driven by hedge funds… decelerated in the second-half of 2024. However, subsequent reports suggest that it is unlikely that the electronification of the D2C repo market will slow down in 2025." But there is still much work to be done.

The increased importance of line of sight

The relative lack of automation has not gone unnoticed. Indeed, some of the largest lenders, prime brokers, and dealers have engaged us to assist in accelerating the automation of their trading operations, front to back.

In the securities borrowing and lending (SBL) space, there has and continues to be much focus on inefficiencies in bond borrow, collateral movement, and triparty optimisation. What has been somewhat lacking is visibility between the SBL market and the repo trades, which ultimately drive that SBL activity.

It is somewhat obvious, but when you start to drill down, it is also quite complex. The standard bank construct sees a fixed income repo desk financing (long and shorts for their clients and often the bank). This results in a constant optimisation exercise of a collateral stack that runs from high-quality liquid asset (HQLA) to high yield. Equity finance desks, meanwhile, fund their prime brokers, delta one, firm trading, and solutions desk, oftentimes upgrading in HQLA sourced from lenders or their fixed income desks. Throw in treasury desks running liquidity buffers, managing LCR and NSFR, and soon the matrix becomes extremely complex — and fixed income is ever present.

Implementing automation: The key to long-term fixed income success

Automation is the only way to avoid fails, penalties, and overdraft costs. It is the only way to ensure an effective line of sight across enterprise operations. Ultimately, it is the means to manage complex collateral equations. Retaining accurate, real-time, and detailed visibility over counterparties, collateral movements, settlement statuses, etc., is vital every day, but even more so when faced with the 'Fog of Trade Wars'.

Automation is therefore no longer a fix, nor a 'nice-to-have' — it is the foundation for a resilient, profitable and long-term fixed income business.

Regulators worldwide are calling for automation, automation, automation. Adding to headcount is no longer a viable solution, when faced with regulatory drivers like T+1, SEC 10c-1a, Basel III, the Securities Financing Transactions Regulation (SFTR), the Central Securities Depository Regulation (CSDR), etc. The industry associations and working groups agree (see Tech Annual T+1 article by Amit Kohli and John Tootell). The only cost-effective and long-term solution to how trading must happen in the future is automation.

So, where to start?

Leveraging technology to automate and offer connectivity solutions to real-world securities finance problems has been Pirum's bread and butter for 25 years. Solutions, like our long-serving Post Trade Services solution, as well as RepoConnect and Recalls Manager, automate returns and recalls in real time. Today, Pirum is processing in excess US$4 trillion in transactions on a daily basis, with an additional US$4.7 trillion collateral managed, delivering up to 99.8 per cent straight-through processing (STP).

Recalls Manager, for example, supported our clients in transitioning smoothly to T+1 settlements in the US and Canada, and has now put them in a good position ahead of the move to T+1 in the EU and UK in 2027.

Contrasted by firms that did not automate with 'tried-and-tested' solutions, opting instead to throw headcount at the problem, and suffering as a result. As a report from Citi put it: "Every area appears to have been more impacted than originally anticipated, from funding to headcounts, securities lending and fail rates."

There is no good reason, in our view, why fixed income desks should not have the same level of control, efficiency, accuracy, and visibility enjoyed by their equity peers. That is why we have spent the last five years extending our equities offering to cover fixed income desks, with RepoConnect.

The fact all of our clients deal in real-time data is key, particularly when money and stocks move faster in times of volatility. Our clients enjoy an accurate line of sight on all their trade, collateral movements, settlements, etc., while also helping them to comply with T+1 timelines. The benefits of automating the complete trade lifecycle combine powerfully to improve P&L and efficiency, enabling clients to focus on growing their business.

From a macro perspective, automation helps to make the entire securities finance industry more liquid, dynamic, and resilient, and less prone to costly errors, fostering bearish uncertainty — which, again, is why the regulators and industry associations are all for it.

One ecosystem

That is why I want to encourage the fixed income community, globally, to move beyond costly bilateral integrations, confusing email traffic, and laborious manual lifting, and engage with vendors like Pirum. I would also ask all firms to consider what they might look like in 2027 if they embrace automation versus if they do not.

Simply put, firms that neglect assigning budget for automated and real-time front-to-back-office operations are choosing to operate in a foggy and riskier economic environment. Tried and tested solutions like PTS, CollateralConnect, and RepoConnect, which already supports US$1.5 trillion in daily repo transactions flowing through it, are fast to integrate.

Automated solutions like Pirum's are also — out of the box — connected to the entire securities finance ecosystem (and most likely to at least one part of your organisation). And by ecosystem, I mean the single equities and fixed income space, the beating, two-chambered heart of the wider world of securities finance, which we are lucky to call our professional home.

Jon Ford
Head of fixed income business development
Pirum

Hidden Road's entrance into the fixed income and repo markets

Michael Santoro, head of fixed income and global funding group, and Robert Zambarano, managing director, macro and rates strategist at Hidden Road, explore the core operational inefficiencies facing the repo market and the firm's next steps to evolve this space

In March 2025, Hidden Road Partners, a technology-driven, multi-product, multi-asset prime brokerage firm, announced its expansion into the fixed income and repo markets.

This move represents a strategic diversification of Hidden Road's offerings as the firm aims to offer institutions a full suite of advanced services in clearing, prime brokerage, and financing across fixed income, foreign exchange (FX), digital assets, derivatives, and swaps.

Hidden Road's fixed income prime brokerage platform initially focuses on fixed income repo and global funding services, facilitated through the firm's approval as a Fixed Income Clearing Corporation (FICC) clearing member.

The firm's entry into the fixed income space is led by Mike Santoro, an industry veteran who has led repo and funding operations at a number of global financial institutions, including BNP Paribas and Guggenheim Securities.

The team, whose members average over two decades of experience building and scaling matched-book fixed income repo businesses, aims to leverage Hidden Road's technology and control infrastructure, scalable risk capital base, and ability to cross-margin across asset classes to offer a truly differentiated service to the institutional marketplace.

Understanding the repo market

The repo market is a cornerstone of short-term funding in the financial system. In a typical repo transaction, one party sells securities to another party in exchange for cash with an agreement to repurchase the securities at a later date, usually the next day, at a slightly higher price. This structure effectively makes repos a form of collateralised borrowing, with securities serving as collateral.

Repos are primarily used by financial institutions to manage short-term liquidity needs. They are also a key tool for central banks in implementing monetary policy.

For instance, the Federal Reserve utilises repos and reverse repos to regulate the money supply and influence short-term interest rates.

The repo market is large, with daily volumes often exceeding US$4 trillion in the US alone, the vast majority of which is in US Treasury securities.

The repo market is integral to maintaining the deep liquidity in the US Treasury market, which is commensurately large and growing due to ever-increasing US debt.

However, the repo market is also susceptible to stress. For example, at quarter and year-ends, funding pressure can spike as institutions, namely banks, seek to meet regulatory capital requirements, leading to increased repo rates.

US repo market is ripe for innovation

Despite its size and importance, operational inefficiencies persist in the repo market. For example:

- Many trades are still managed using legacy infrastructure, manual processes, and fragmented settlement systems. This increases the risk of fails, delays, and reconciliation issues.
- Many market participants, such as hedge funds, asset managers, and insurance companies, often struggle to access repo markets directly.
- The current system is rife with collateral optimisation challenges; it does not allow for real-time, dynamic collateral management across asset classes and counterparties, thereby reducing capital efficiency.
- Counterparty concentration risk is apparent, as the repo market relies heavily on a small number of large clearing banks and dealers. This creates bottlenecks and systemic vulnerabilities, especially during periods of market stress.

The role of non-bank entities

Historically, banks have dominated the repo market. However, in recent years, particularly following the global financial crisis, non-bank financial institutions have begun to play a more prominent role in the market as banks have scaled back their activities in the wake of increased regulation.

These entities, such as Hidden Road, bring several advantages to clients and the market:

1. **Flexibility and innovation.**
   Non-bank entities are often more agile and unconstrained than traditional banks, allowing them to innovate and adapt quickly to market changes. Hidden Road's technology-driven platform exemplifies this agility, offering real-time risk management and seamless execution across multiple asset classes.

2. **Reduced conflicts of interest.**
   Unlike banks that have proprietary trading desks competing with clients, non-bank entities like Hidden Road do not take proprietary positions and do not have traders — emphasising a conflict-free approach. This model fosters trust and transparency, which are fundamental to the repo market.

3. **Enhanced access to liquidity.**
   By leveraging technology and establishing relationships across various financial markets, non-bank entities can provide clients with enhanced access to liquidity. Hidden Road's integration of fixed income, FX, OTC swaps, and digital asset services into a unified platform is a testament to this capability.

4. **Regulatory compliance and infrastructure.**
   Non-bank entities that are members of clearing houses such as FICC can offer clients the benefits of centralised clearing, which enhances market stability and reduces counterparty risk. Hidden Road's FICC membership enables it to facilitate efficient transactions and provide clients with improved access to liquidity.

As mentioned, Hidden Road's unified platform provides a single access point to various markets and asset classes. This means clients can access the repo market without needing direct membership or large bilateral credit lines.

"Hidden Road will exponentially expand its capacity to service its pipeline and manage a much larger balance sheet dedicated to the repo business."

Michael Santoro
Managing director, head of fixed income and global funding group
Hidden Road

Moreover, clients can post a range of assets as collateral, thereby broadening market participation and increasing capital efficiency, particularly among multi-asset investors.

Hidden Road's emphasis on real-time risk management, margining, and trade matching reduces operational friction and allows more scalable repo trading, including automated settlement and dynamic collateral reuse.

In an era where financial markets are increasingly interconnected and complex, Hidden Road's approach provides clients with the tools and infrastructure needed to navigate these challenges effectively.

The next evolution

In April 2025, Hidden Road announced that it entered into a definitive agreement to be acquired by Ripple, a provider of digital asset infrastructure for financial institutions, for US$1.25 billion — creating one of the largest non-bank prime brokers globally.

With the backing of billions of dollars of capital from Ripple, Hidden Road will exponentially expand its capacity to service its pipeline and manage a much larger balance sheet dedicated to the repo business.

The transaction also marks a significant milestone in the convergence of traditional finance and digital assets and the integration of solutions spanning both markets.

For example, Ripple USD (RLUSD), Ripple's stablecoin pegged to the US dollar, will be utilised as collateral across Hidden Road's prime brokerage products, including in repo transactions.

This cross-margining capability between digital and traditional assets offers clients greater flexibility and efficiency in managing their portfolios.

Fragmented markets, regulatory constraints, and dated technology have created demand for disruption to legacy capital markets infrastructure.

The repo market is no different. As a multi-product, multi-asset, non-bank prime brokerage business with technology at its core, Hidden Road is poised to offer repo market participants and other institutional clients stable funding, operational efficiency, and an overall superior client experience.

"Hidden Road is poised to offer repo market participants and other institutional clients stable funding, and an overall superior client experience."

Robert Zambarano, CFA
Managing director, macro and rates strategist
Hidden Road

OSTTRA MarkitWire and LimitHub: New applications for repo in an agency cleared world

Robust middleware and limit-checking functionalities are essential for the success of agency models in global government bond repo markets, according to Neil Taylor, head of repo business development at OSTTRA

The introduction of agency clearing models, driven by the US Treasury clearing mandate, necessitates a change to existing pre-trade processes and post-trade workflows.

While existing market infrastructure supports a sponsored clearing model, changes will be essential to facilitate the required over-the-counter (OTC)-style clearing workflows.

OSTTRA's established suite of services addresses these needs by providing a robust framework, capable of reliably supporting all required workflows.

Learning from bilateral repo and OTC derivatives

The cleared repo environment is incorporating lessons learnt from a combination of bilateral repo and clearing for OTC derivatives.

Existing bilateral repo platforms and processes are being adapted for clearing, including defining the entities responsible for submitting trades to a central counterparty (CCP).

While US cleared repo regulations are different from those governing OTC derivatives, market participants require comparable services in order to be operationally efficient in their transactions. This holds true globally, where non-mandatory cleared repo is growing in popularity, driven by dealer and client needs.

The introduction of agency clearing in the repo markets shares similarities with futures and OTC derivatives clearing. This model, similar to that in OTC, underscores the critical need to confirm that counterparties possess the necessary funds for a trade.

This is particularly vital when clients utilise clearing brokers who have not agreed on the trade's economics, but are nonetheless accountable for related clearing processes, such as remitting margin to the CCP.

Proactive solution development

OSTTRA is proactively addressing these evolving market demands with the introduction of two key services: OSTTRA MarkitWire for Repo and OSTTRA LimitHub for US Treasuries.

Building upon its well-established OTC derivatives service within the same application, OSTTRA MarkitWire for Repo functions as a sophisticated middleware solution. This service provides real-time trade affirmation and confirmation capabilities that span the entire lifecycle of a repo transaction.

Looking ahead, OSTTRA MarkitWire for Repo will be further enhanced to support seamless trade submission to a range of CCPs and provide comprehensive capture of clearing status information.

This expansion initiative reflects OSTTRA's consistent approach across all asset classes, emphasising the fundamental importance of data standardisation and streamlined workflow processes.

By actively promoting industry-wide consistency and best practices in market operations, OSTTRA MarkitWire aims to significantly streamline and accelerate both the initial trade confirmation processes and the subsequent management of lifecycle events, ultimately fostering greater efficiency and reducing operational risk within the financial marketplace.

OSTTRA LimitHub for US Treasuries, an extension to the OTC derivatives service, will leverage the success of the established OTC derivatives counterpart. Unlike middleware, it provides clearing brokers with a crucial perspective on their exposure, both before and after trades, verifying client limits. This venue and middleware-agnostic solution offers clients flexibility in their trading and submission processes for limit checking.

OSTTRA LimitHub for OTC derivatives is already a central cornerstone of the clearing ecosystem, used by 17 futures clearing merchants (FCMs) for both pre and post-trade limit checks.

FCM Insights on the value of limit checks

Feedback from FCMs highlights the indispensable role of limit checks in the successful implementation of agency clearing models.

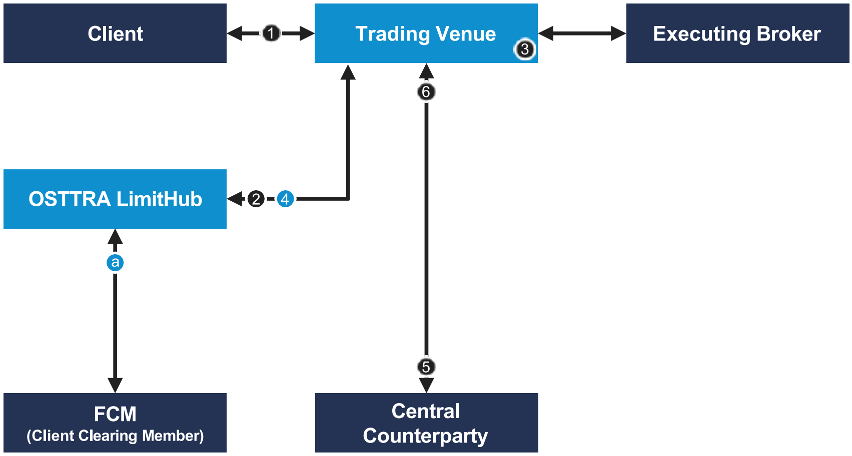
The OSTTRA LimitHub solution offers diverse models to accommodate various underlying activities and product types.

For electronic venues, it supports both a Ping model — where orders are routed to OSTTRA LimitHub for verification, and an approval or rejection message is returned based on limits set by the FCM (Figure 1) — and a Push model.

In the Push model, particularly where a venue operates a central limit order book (CLOB), OSTTRA LimitHub proactively pushes limits to the venue for local storage, ensuring minimal latency.

Furthermore, the service will support off-venue executed transactions through post-trade, pre-cleared workflows, enabling middleware to connect directly for limit checks (Figure 2) or CCPs to perform request consent workflows with clearing brokers (Figure 3).

Figure 1 - Request for Quote (RFQ) Trading Venues

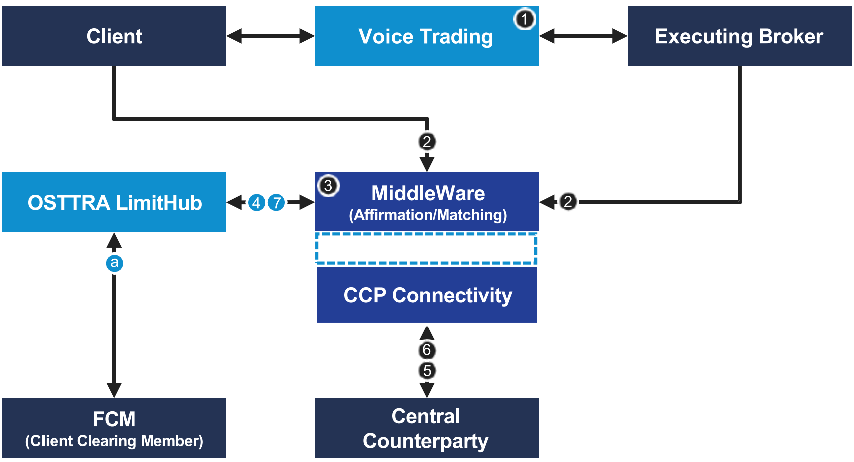


a) Client Clearing Member pushes client limits to OSTTRA LimitHub

1) Client submits order to Trading Venue
2) Trading Venue pings OSTTRA LimitHub for Client limit check
3) Trade executed on Trading Venue
4) Trading Venue sends post-trade notification to OSTTRA LimitHub (to confirm limit consumption)
5) Trading Venue submits trades to Central Counterparty
6) Central Counterparty novates trades and sends clearing confirmed response to trading venue

Note: OSTTRA LimitHub coordinates additional Limit Checks with FCM e.g. Double Ping/Pass Through

Figure 2 – Middleware performs FCM request consent



a) Client Clearing Member pushes client limits to OSTTRA LimitHub

1) Client executes voice trade with Executing Broker
2) Client and executing broker submit trades to MiddleWare
3) MiddleWare matches Client trade with Executing Broker trade
4) MiddleWare pings OSTTRA LimitHub for Client limit check
5) MiddleWare submits trades to Central Counterparty
6) Central Counterparty novates trades and sends clearing confirmed response to MiddleWare
7) MiddleWare sends notification to OSTTRA LimitHub (to confirm limit consumption)

Note: OSTTRA LimitHub coordinates additional Limit Checks with FCM e.g. Double Ping/Pass Through

OSTTRA LimitHub for US Treasuries is currently in development with user acceptance testing access planned for completion by the end of summer 2025. Rollout is expected by early 2026, at which point client onboarding will start.

The product will encompass both cash and repo transactions under the US Treasury clearing mandate.

Although the mandate has been delayed until June 2027, industry participants are unified in their commitment to proactive preparation.

A unified view

Together, OSTTRA MarkitWire for Repo and OSTTRA LimitHub will provide the following capabilities:

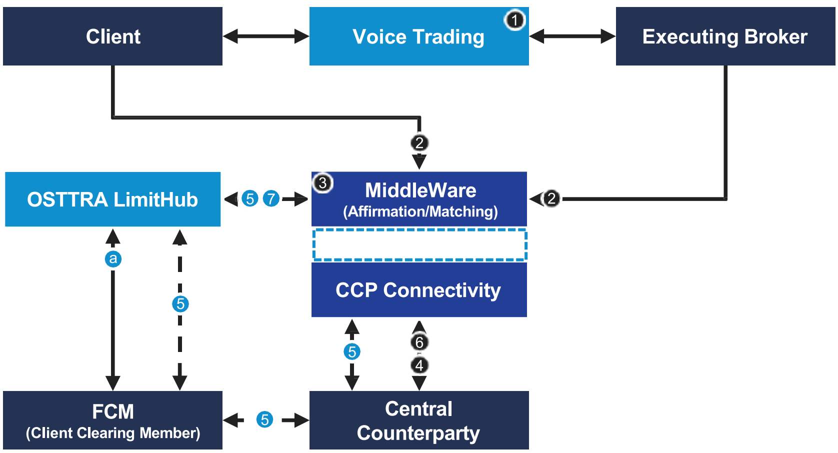
OSTTRA MarkitWire for Repo

- Cleared and uncleared repo support
- Trade affirmation and confirmation
- Lifecycle event management
- OSTTRA LimitHub connectivity
- Clearing submission and status view

OSTTRA LimitHub for US Treasuries and Repo

- Pre-trade limit monitoring and management
- What-if credit checks

Figure 3 – CCP performs FCM request consent



a) Client Clearing Member pushes client limits to OSTTRA LimitHub

1) Client executes voice trade with Executing Broker
2) Client and executing broker submit trades to MiddleWare
3) MiddleWare matches Client trade with Executing Broker trade
4) MiddleWare submits trades to Central Counterparty
5) Central Counterparty initiates RequestConsent workflow with OSTTRA LimitHub for Client limit check*
6) Central Counterparty novates trades and sends clearing confirmed response to MiddleWare
7) MiddleWare sends notification to OSTTRA LimitHub (to confirm limit consumption)

*Note: OSTTRA LimitHub coordinates additional Limit Checks with FCM e.g. Double Ping/Pass Through *
FCM May connect directly to Central Counterparty for RequestConsent workflow*

- Bunched order allocations
- Post-trade limit monitoring and management

To address anticipated fragmentation within the repo market (non-cleared and cleared, including sponsored and agency), OSTTRA MarkitWire Repo and LimitHub offer services that acknowledge the wider market's specific characteristics.

These services will provide users with a comprehensive, unified view of all orders, trades, and clearing statuses across their entire network, encompassing both bilateral and CCP-cleared transactions.

By integrating diverse data sources, firms gain a holistic perspective on activity involving clients, counterparties, and clearing houses.

Recognising that no single service meets all client needs, the true value lies in the synergy of these integrated applications.

While central clearing of US Treasury repo has been in place for many years, the evolution of different clearing models remains an ongoing process. Rules and accounting treatments that will govern these models are in the final stages of approval and are expected to significantly shape market participant behaviour and infrastructure development.

As the industry adopts services that were initially developed for bilateral repo and OTC derivatives, the question remains whether the cleared repo market will also come to look like the cleared OTC derivatives market. Such convergence could present a range of new product opportunities that drive standardisation in both trading and post-trade processes. One potential outcome is greater operational efficiency which alleviates burdens for dealers and clients. This may represent a positive, albeit unintended, consequence of the new regulation.

Robust middleware and limit checking functionalities are essential for the success of agency models in global government bond repo markets.

Whether mandated for clearing in the US or voluntarily cleared elsewhere, these services ensure strong operational integrity and risk management. Their effectiveness will be the ultimate measure of success in this rapidly developing area.

"Recognising that no single service meets all client needs, the true value lies in the synergy of these integrated applications."

Neil Taylor
Head of repo business development
OSTTRA

Repo clearing in Europe: Trends, challenges, and Euronext's repo expansion

Euronext's Yama Darriet, head of OTC capture and Repo Expansion Initiative, discusses the firm's major step forward in strengthening collateral management and repo clearing capabilities across Europe

With European capital markets in flux, collateral efficiency and robust repo clearing have never been more critical.

The latest International Capital Market Association (ICMA) European Repo Market Survey (Number 48), conducted on 11 December 2024 and published in April 2025, reports that outstanding repo and reverse repo volumes fell to €10,860 billion — a 2.3 per cent decline from June 2024 and the first contraction since mid-2020.

At the same time, the survey showed a slight convergence of outstanding reverse repo versus repo balances, underscoring how the European Central Bank (ECB) quantitative-tightening measures and the repayment of targeted longer-term refinancing operations (TLTROs) are expanding available collateral pools and normalising repo rates.

Additionally, the ICMA survey data showed, that against this backdrop of shrinking volumes, electronification patterns are shifting; voice and bilateral-brokered trades are regaining market share even as dealer-to-customer platforms continue to grow.

Cross-border US dollar transactions are surging. US Treasury (UST) securities now dominate collateral pools at record levels, and haircut dynamics are evolving — asset-backed securities (ABS) and financial-corporate haircuts have increased, while covered bonds and mortgage-backed securities (MBS) have seen some relief.

Meanwhile, regulatory reforms — from the European Market Infrastructure Regulation (EMIR) Refit in Europe to the US Securities and Exchange Commission's (SEC's) delayed US Treasury clearing mandate — are driving firms to rethink collateral workflows and reporting infrastructure.

In the US, as noted previously, the SEC has recently extended the compliance deadlines for new regulations requiring certain US Treasury and repo transactions to be centrally cleared.

Originally set to be phased in by June 2026, the deadlines have been pushed back by a year to 2027 following concerns from US trade associations about possible market disruption.

This extension provides firms with additional time to adapt and ensure operational readiness for the new clearing requirements.

While Europe does not yet have a similar mandate for central clearing of repo transactions, the developments in the US have sparked discussions among European market participants.

Notably, the Bank of England (BoE) is actively exploring the potential benefits of mandating central clearing for repo transactions on UK gilts, though no formal decision has been made.

The BoE has reportedly been assessing the implications of such a mandate, particularly considering the lessons learnt from the 2022 liability-driven investment (LDI) crisis and its recent system-wide exploratory scenario (SWES) stress test.

This test revealed that during periods of market stress, banks tend to withdraw from repo markets, limiting liquidity precisely when buy side firms need it most. Central clearing could mitigate these risks by reducing counterparty credit exposures and enhancing market resilience.

Although the BoE has not yet confirmed its plans, Governor Andrew Bailey has acknowledged that improving financial infrastructure — for example, expanding clearing for gilt repo — could be a viable policy response to vulnerabilities in the market.

Similarly, discussions are emerging in the European Union regarding a possible government bond clearing mandate, reflecting a broader regulatory trend inspired by US reforms.

Enhancing repo clearing and collateral management

In response to these evolving trends, Euronext is committed to delivering innovative clearing and collateral management solutions that enhance market efficiency and liquidity — not just for repo, but across all asset classes.

A key development in this strategy is Euronext's recently announced collaboration with Euroclear, its first of several strategic alliances with triparty agents.

On 11 February 2025, Euronext confirmed the alliance with Euroclear to strengthen its collateral management services.

This alliance, and future similar collaborations, will enhance Euronext Clearing by providing clients with automated and adaptable collateral services.

At the time of announcement, Anthony Attia, global head of derivatives and post-trade at Euronext, said: "This partnership marks a significant milestone in Euronext's 'Innovate for Growth 2027' strategy, reinforcing Euronext Clearing's role as a cornerstone of the group's broader strategic ambitions.

"It demonstrates our commitment to delivering best-in-class clearing and collateral management solutions for our clients. It is a key milestone in the expansion across Europe of Euronext Clearing's repo franchise.

"As we develop Euronext Clearing's services, we are creating value for stakeholders and positioning Euronext at the forefront of innovation in clearing and collateral management."

Through these triparty agent collaborations, firms, such as Euroclear, manage the selection, valuation, and substitution of collateral, ensuring compliance with eligibility standards while optimising operational efficiency.

Expansion of repo clearing services

The Euroclear collaboration is a key enabler of Euronext's upcoming Repo Expansion Initiative; a phased-approach expansion of its repo clearing services; building on the 25-year strong foundation and expertise, where Euronext has been the trusted home of Italian repo clearing. The first phase — the Repo Foundation — is scheduled to launch in June 2025.

This enhanced offering is designed to attract international counterparties and expand Euronext's repo clearing operations beyond Italy; covering a broader range of European government bonds, including Spanish, Portuguese, and Irish government bonds in June 2025, followed by German, French, Dutch, Belgium, and Euro-denominated in September 2025. Austrian and Finnish will follow by December 2025.

The Repo Expansion Initiative marks an important milestone in Euronext Clearing's broader transition from an Italian-focused CCP to a pan-European, cross-asset clearing house, with membership solutions for both sell and buy side firms.

By providing clearing services across multiple markets and asset classes, Euronext is reinforcing its role in supporting liquidity, collateral efficiency, and risk management across European fixed income and repo markets.

Additionally, this initiative aligns with Euronext's wider market infrastructure, including the addition of the MTS trading platform; now a part of the Euronext group after the acquisition of Borsa Italiana.

Notably, repo trading at Euronext, through the MTS trading platform, now sees volumes exceeding €180 billion a day, as of April 2025.

Market trends and regulatory developments

The Euronext collaborations and the Repo Expansion Initiative coincide with a period of structural change in the European repo market.

As the ECB ceases reinvestments of maturing bonds from its monetary policy portfolios from January 2025 — equivalent to approximately €40 billion per month — the market is undergoing a substantial withdrawal of central bank-provided liquidity.

A Securities Finance Times article highlights a marked resurgence in cash-driven and triparty repo activity. Average daily term-adjusted repo volumes rose by 70 per cent in 2023, increasing from €210.3 billion to €357.8 billion.

Over the same period, general collateral and special repo segments expanded by 142 per cent and 38 per cent year-on-year, respectively.

However, growth has moderated in 2024, with a slowdown in overall volumes and a contraction in activity in some segments, reflecting changing collateral dynamics and reduced scarcity in certain sovereign bonds.

At the same time, triparty repo activity has continued to build momentum. As the ECB's TLTRO III facility winds down, market participants have sought alternative funding sources.

This has led to a rise in uncleared triparty repo transactions, with banks re-entering the lending space, corporates increasing their participation, and buy side firms actively seeking returns through repo markets.

These shifts underscore the growing importance of netting efficiency and collateral optimisation — particularly as spreads between core and peripheral eurozone repo rates continue to compress to historic lows.

The full findings are detailed in the April 2025 repo market analysis published in the latest ICMA European Repo Market Survey.

Conclusion

Euronext's Repo Expansion Initiative marks a major step forward in strengthening collateral management and repo clearing capabilities across Europe.

By expanding access to cleared repo markets and reinforcing cross-border infrastructure, Euronext is helping market participants adapt to a rapidly evolving regulatory and liquidity environment.

Findings from the latest ICMA European Repo Market Survey indicate a contraction in outstanding volumes — reflecting the impact of central bank balance sheet reductions and seasonal balance sheet adjustments. Notably, net reverse-repo positioning has dropped to its lowest share of market activity in years, underscoring the importance of efficient collateral reuse and robust clearing solutions.

Looking ahead, repo desks should prepare for ongoing changes in collateral availability amid sustained sovereign issuance and quantitative tightening.

Diverging funding dynamics between US dollar and euro markets, the continued push toward market electronification, and shifting post-trade regulatory requirements — such as the Securities Financing Transactions Regulation (SFTR) and margining rules — are set to reshape operating models and counterparty workflows.

As Euronext continues its journey to a pan-European, cross-asset clearing provider, it is uniquely positioned to support firms navigating these shifts.

The growing demand for transparency, resilience and efficiency across funding markets reinforces the critical role of clearing in the next phase of European capital markets.

Please note that since publication, some data included may no longer reflect the latest market developments, particularly considering the significant movements seen during the first quarter of 2025.

Revolutionising repo trading: A conversation with MarketAxess' Sunil Daswani

Securities Finance Times speaks with Sunil Daswani, repo business lead at MarketAxess, about how the firm's post-trade matching technology is transforming securities financing operations and addressing key industry challenges

Could you start by explaining what MarketAxess Post-Trade Repo is and the problem it aims to solve in the securities financing market?

MarketAxess Post-Trade Repo is a near-real-time exception management tool designed specifically for the repo market. To understand its importance, we need to recognise that the repo market has traditionally faced significant operational challenges — particularly around trade matching and confirmation.

Before platforms like ours, firms often relied on manual processes or fragmented systems to confirm trade details, which created delays, discrepancies, and increased settlement risk. Our solution addresses these inefficiencies by providing a centralised platform where counterparties can quickly match trade economics, settlement instructions, and other critical details.

The core problem we are solving is simple but crucial: ensuring that when two parties agree to a repo transaction, all of the details are confirmed accurately and promptly, which dramatically reduces operational and settlement risk.

Our best practice guideline is confirming a trade within 15 minutes of execution. However, given many of our clients are adopting near real-time messaging via the FIX API, we are seeing over 50 per cent of trades matched in less than one minute and circa 90 per cent within 60 minutes.

MarketAxess has a long history in fixed income trading and post-trade services. How did the company expand into the repo space?

MarketAxess has been delivering matching solutions through our post-trade engine for over 30 years, primarily in the fixed income space. Our expansion into securities financing came in 2008 with the launch of the MarketAxess Post-Trade Repo matching service.

This move was a natural evolution of our expertise. We recognised that the repo market — despite its enormous size and importance to market liquidity — was significantly underserved when it came to post-trade automation.

Many of the same challenges we had successfully addressed in bonds existed in repo, but with additional complexities given the nature of repo transactions.

Our deep understanding of fixed income markets, combined with our established technology infrastructure and network of market participants, positioned us well to extend our services into this space. Today, we connect the largest community of sell side firms to both European and US buy side firms for repo matching.

How does the MarketAxess Post-Trade Repo platform work in practice?

The workflow is designed to be both comprehensive and straightforward. When a repo trade is executed between counterparties, both sides submit their trade details to our platform, either through FIX protocol or CSV files via secure FTP transmission, depending on their technical preferences.

Our system then processes these trade details in near-real-time, comparing all the critical elements — economics, fund IDs, settlement instructions, and more. If everything matches, both parties receive confirmation immediately.

If there are discrepancies, these are flagged as exceptions that need resolution. The platform will highlight both the fields and values in disagreement, drastically reducing the time needed to investigate and resolve.

What makes our solution particularly powerful is MarketAxess Insight, our web-based exception management platform.

It provides a dashboard that highlights intraday match rates and outstanding exceptions, split by both trade date and settlement date. This gives operations teams a clear view of what needs attention.

The platform also supports the entire lifecycle of repo trades, including events like rerates and closeouts, which are common in repo but can create operational complexity.

Throughout this process, we are sending matching statuses back to the client and counterparty, ensuring complete transparency.

What features of MarketAxess Post-Trade Repo do your clients find most valuable?

Based on client feedback, several features consistently stand out. First is our auto-pairing functionality, which intelligently identifies potential matches even when there are minor discrepancies. This dramatically speeds up the exception management process.

Second is our comprehensive matching scope. We continually enhance our matching platform in partnering with our clients to stay ahead of evolving market dynamics — more recently addressing the rising demand to match evergreen, extendible, callable repos, and their associated lifecycle events.

In addition, we do not just match basic trade economics — we verify fund IDs, place of settlement, and both two-way and four-way settlement instructions. This thoroughness helps prevent settlement failures before they occur.

Third is our support for lifecycle events. Repo is not just about the initial trade — events like rerates and closeouts need to be confirmed just as accurately as the original transaction. Our platform handles these seamlessly.

Fourth is our pair-off functionality, which allows firms to identify, communicate, and agree on pair-offs ahead of value date directly on the platform. This is becoming increasingly important for efficient balance sheet management and minimising intraday liquidity requirements.

Finally, our clients greatly value our analytics capabilities. The platform provides extensive MIS for trend analysis, allowing operations teams to identify recurring issues and drive continuous improvement in their processes. Firms can also benchmark their performance against industry averages, which provides valuable context.

The repo market has seen increased regulatory focus in recent years. How does MarketAxess Post-Trade Repo help firms address regulatory requirements?

You are absolutely right that regulation has become a major driver in the repo space. Four regulatory developments in particular are pushing firms toward solutions like ours: accelerated settlement timelines; US Treasury repo mandatory clearing; the Central Securities Depositories Regulation (CSDR); and the Securities Financing Transactions Regulation (SFTR).

Accelerated settlement is putting pressure on firms to confirm trades more quickly and accurately.

The traditional approach of leaving matching until the end of the day simply does not work in a T+1 or same-day settlement environment. Our near-real-time matching capabilities are essential for meeting these compressed timeframes.

US Treasury repo mandatory clearing is very much on our clients radar, we have seen a significant growth of sponsored repo being matched on our platform, providing our buy side clients greater visibility and insights across both bilateral and sponsored repo flow.

CSDR introduced penalties for settlement fails in Europe, creating a direct financial incentive to get matching right the first time. By identifying and resolving discrepancies on trade date, our platform helps firms avoid these penalties.

SFTR brought significant reporting obligations for securities financing transactions. While we do not handle the regulatory reporting directly, the same accurate trade data that is essential for matching is also crucial for compliant reporting. Many firms leverage our confirmed matched data as part of their SFTR reporting workflow.

Overall, regulatory pressures are driving a fundamental shift from reactive to proactive exception management in the repo market, which aligns perfectly with our platform's capabilities.

You mentioned that MarketAxess Post-Trade Repo connects the "broadest repo matching community". Can you tell us more about the network effect this creates?

This is actually one of our key differentiators. Today, our community includes over 112 matching firms across both the buy and sell side, including seven major fund administrators who match on behalf of multiple underlying buy side clients.

The network effect this creates is powerful. For any matching platform, value increases exponentially with the number of counterparties you can reach.

If you are connected to our platform, you can potentially match with any other participant in our network without establishing separate connections or workflows.

For sell side firms who deal with numerous counterparties, this means they can standardise their confirmation process across a broad client base. For buy side firms, it means they can match with multiple dealers through a single interface.

This community aspect also creates a virtuous cycle for best practices. As more firms adopt standardised approaches to post-trade processes through our platform, it raises the operational standard across the industry.

And with our benchmarking capabilities, firms can see how their performance compares to the community average, which often drives further improvements.

What are the key operational and risk benefits that firms typically realise after implementing MarketAxess Post-Trade Repo?

The benefits typically fall into several categories. First and most directly, firms see a significant reduction in settlement fails. By identifying and resolving discrepancies on trade date rather than at settlement, they prevent costly fails before they occur. With CSDR penalties now in effect, this translates to direct financial savings.

Second, there is substantial operational efficiency. Our clients report major reductions in the time their teams spend on manual matching and exception resolution. This allows those skilled professionals to focus on more value-added activities rather than routine reconciliation.

Third is improved risk management. Having confirmed, matched trades means fewer surprises and better visibility into actual exposures. This is particularly valuable in volatile market conditions when certainty becomes even more important.

Fourth is better scalability. As trading volumes grow, manual matching processes do not scale well — they require proportionally more headcount.

Automated matching through our platform allows firms to handle increasing volumes without equivalent increases in operational resources.

Finally, there is the data advantage. The analytics available through our platform help firms identify root causes of exceptions and address them systematically, leading to continuous improvement in their processes.

How does MarketAxess Post-Trade Repo fit into the broader technology ecosystem at financial institutions?

We have designed our platform with integration in mind. Financial institutions typically have complex technology landscapes with multiple systems handling different aspects of the trading lifecycle. Our goal is to complement and enhance this ecosystem, not replace it.

That is why we offer flexible connectivity options. Firms can integrate with us via the latest FIX protocols which is ideal for those who want real-time integration. Alternatively, they can use CSV files via secure FTP transmission, which might be preferable for firms with simpler technical requirements or those who want to get started quickly.

Many of our clients integrate our matching data back into their internal systems, using it to update their books and records automatically once a match is confirmed. This creates straight-through processing that extends beyond just the matching function.

We also recognise that firms are at different stages in their digital transformation journeys. Some are looking to automate every aspect of their operations, while others are taking more incremental approaches.

Our platform can accommodate both strategies, providing value whether it is part of a comprehensive automation initiative or a targeted solution for a specific pain point.

Looking ahead, what trends do you see shaping the repo market and post-trade operations, and how is MarketAxess preparing for them?

Several significant trends are converging that will shape the future of repo operations. First, settlement cycles continue to compress globally. The US move to T+1 is just one example, and this acceleration puts even more pressure on post-trade processes to operate in near real-time.

Second, we are seeing increased focus on intraday liquidity management, partly driven by Basel regulations. This is elevating the importance of repo as a liquidity management tool and creating demand for more granular, real-time information about repo positions and settlements.

Third, there is growing interest in exploring blockchain and distributed ledger technology (DLT) for securities financing. While widespread adoption is not imminent, these technologies could eventually transform how repo trades are executed, cleared, and settled.

Fourth, the industry continues to consolidate, with fewer but larger players handling growing volumes. This creates both challenges and opportunities around scalability and standardisation.

At MarketAxess, we are preparing for these trends in several ways. We are continuing to enhance our real-time capabilities to support compressed settlement cycles.

We are expanding our analytics to provide more actionable insights for liquidity management. We are exploring how emerging technologies might complement our existing solutions. And we are ensuring our platform can scale to handle growing volumes without compromising performance.

Ultimately, our vision is to move beyond just matching and exception management, and toward a more comprehensive platform that addresses the entire post-trade lifecycle for repo. The foundation we have built with our current offering positions us well to deliver on that vision as the market evolves.

For firms considering improving their repo matching processes, what advice would you give them based on your experience working with many industry participants?

My first piece of advice would be to recognise that post-trade efficiency is no longer just an operational ‘nice-to-have’ — it is becoming a competitive necessity, especially as settlement cycles compress and regulatory scrutiny increases. The firms that excel going forward will be those that can execute, confirm, and settle trades with minimal friction.

Second, when evaluating solutions, look beyond just the technology to consider the network.

The most sophisticated matching platform adds limited value if it does not connect you to your counterparties.

Our community of over 112 (and growing) actively matching firms provides immediate network benefits.

Third, take a holistic view of the repo lifecycle. Matching is not just about the initial trade confirmation — it is about managing the entire lifecycle, including events like rerates and closeouts. Ensure any solution you consider addresses these aspects comprehensively.

Fourth, leverage data and analytics to drive continuous improvement. The real power comes not just from automating existing processes but from using insights to refine those processes over time. Look for solutions that provide meaningful analytics you can act upon.

Finally, consider how post-trade solutions fit into your broader strategic initiatives around efficiency, risk management, and regulatory compliance.

The most successful implementations we have seen are those that align with these broader objectives rather than being treated as isolated technical projects. For firms ready to take the next step, I would encourage them to reach out to our sales team.

We typically begin with a detailed assessment of current processes and pain points, which allows us to demonstrate exactly how our solution would address your specific challenges.

Building trust in global capital markets

As debt capital markets continue to evolve, the association's role in setting standards and advocating for market participants has never been more critical, according to ICMA's Sanaa Clausse BenAbdelhadi, senior director, head of business development, membership and events sponsorship

For readers who may not be familiar with ICMA, could you give us an overview of the association and its core mission?

The International Capital Market Association, or ICMA, is a not-for-profit trade association that has been at the heart of international debt capital markets for over 50 years. Our mission is to promote resilient, well-functioning, and globally coherent debt securities markets, which are essential to fund sustainable economic growth and development.

We represent a diverse community of over 620 member institutions from more than 70 jurisdictions worldwide, including banks, issuers, asset managers, infrastructure providers, and law firms. What makes ICMA distinctive is our focus on cross-border markets and our commitment to international standards that help these markets operate efficiently. ICMA's core areas of focus are primary markets, secondary markets, repo and collateral markets, and cross-cutting themes: sustainable finance and fintech and digitalisation.

What value do institutions gain from joining ICMA?

The benefits are substantial and multifaceted. Firstly, members become part of a respected global community with unparalleled networking opportunities. Our events, committees, and working groups connect professionals across the debt capital markets, facilitating relationship-building and knowledge exchange.

Secondly, members have a real voice in shaping both market practice and the regulatory environment. Through our committees and working groups, they can influence the development of best practices and regulatory responses. This is particularly valuable for institutions looking to have input into how markets evolve.

Thirdly, members have access to our standard documentation and legal opinions, which are foundational to efficient market operations. This includes the ICMA Primary Market Handbook, our secondary market rules and recommendations, and legal opinions on the Global Master Repurchase Agreement (GMRA) covering more than 70 jurisdictions.

These are supported by a dedicated Legal & Regulatory Helpdesk which provides our members with guidance on the standard documentation and regulations we cover, at no extra cost.

Fourthly, we provide extensive educational opportunities through our highly regarded training programmes, which are available at preferential rates to members. These range from introductory courses to specialised programmes for experienced professionals.

Finally, membership is widely recognised as a mark of credibility in the international capital markets. It signals to counterparties and clients that an institution is committed to market standards and best practices.

Could you elaborate on the documentation and standards that ICMA provides to members?

Our documentation forms the backbone of the international debt capital market, covering all sections of the market. The ICMA Primary Market Handbook provides comprehensive recommendations, guidance, and standard language for syndicated international bond issuance. It is essentially the industry playbook for how primary market transactions should be conducted.

In the secondary market, our rules and recommendations cover critical areas like the buy-in process and settlement efficiency, helping to ensure that when issues arise, there are clear, agreed procedures for resolution.

Last but certainly not least, for the repo market, our GMRA is the international standard. What is especially valuable are the annually updated legal opinions covering the enforceability of the GMRA's netting provisions in over 70 jurisdictions. These opinions provide crucial legal certainty for cross-border repo transactions.

Talking about the repo markets, what is the extent of ICMA's work and resources?

Repo and collateral are very much at the heart of ICMA's work. Since the early 1990s, ICMA has helped to shape the international repo market and supported its smooth operation over the years. Our European Repo and Collateral Council (ERCC) remains central to this work, having been created back in 1999 as the main representative body for the cross-border repo market in Europe.

The ERCC brings together a community of over 120 firms, including all of the relevant players in the market, from sell sides to buy sides, market infrastructures and other service providers. More recently, we also added the Global Repo and Collateral Forum (GRCF), which complements the ERCC and is open to all ICMA members around the world, reflecting the global nature and significance of our repo and collateral work.

In no small part this success is of course also thanks to the status of the GMRA that I mentioned earlier. Full ICMA members not only have access to the document itself but also, and probably more importantly, to the underlying legal opinions which are constantly evolving and expanding.

For example, we have recently added Ghana and Malaysia to the list, with Saudi Arabia reportedly next in line. As mentioned above, these opinions are critical for members in terms of legal certainty and given the market price of the opinions, those savings alone can justify the annual ICMA membership fees.

Also, we make available to our members a plethora of resources related to repo, from our Repo FAQs to our Guides of Best Practice on repo markets, to ICMA's biannual European Repo Market Survey, which we have been producing since 2001.

We also provide a crucial bridge between the market and regulators. Through ICMA's ERCC and more recently the GRCF, we have been advocating on behalf of our members on numerous regulatory initiatives impacting the repo markets, from Securities Financing Transactions Regulation (SFTR) reporting to liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR), and more recently the Central Securities Depository Regulation (CSDR) and the shortening of the settlement cycle to T+1, which continues to keep us very busy.

Last but not least, ICMA believes that capacity building is paramount to the well-functioning of the markets. In the repo space specifically, we provide a number of training courses on repo and collateral markets, for delegates of all levels of seniority, from front to back office as well as legal.

And we are also actively engaged in many emerging markets to help local participants and regulators to establish and maintain a safe and efficient repo market, which is a crucial backbone for an efficient financial market.

How does ICMA engage with regulators and policymakers to influence the regulatory landscape?

This is one of our core activities. We maintain constructive dialogue with regulators and policymakers at the national, regional, and global level. Our committees and working groups — which include more than 5,000 fixed income professionals — develop industry consensus positions that we then advocate for in our interactions with regulators.

What is particularly valuable is that we bring market expertise and technical knowledge to these discussions. Regulators appreciate our input because it comes from practitioners who understand the practical implications of regulatory changes. We are not just representing individual interests but working toward optimal solutions for the whole market.

When new regulations are introduced, we also provide practical guidance to our members on implementation, for example, around regulatory reporting requirements. Our Legal & Regulatory Helpdesk is a valuable resource for members navigating these complexities.

As markets face increasing digitalisation, how is ICMA helping members navigate technological change?

Digital transformation is indeed reshaping capital markets fundamentally. ICMA is taking a leading role in helping members understand and adapt to these changes.

We have established dedicated working groups focused on specific aspects of market digitalisation, including blockchain applications, tokenisation of securities, digital assets, and the evolution of market infrastructure. These groups bring together experts to analyse developments, identify opportunities and challenges, as well as develop best practices.

We regularly publish research and guidance on digital topics. For example, we have produced comprehensive reports on distributed ledger technology (DLT) in bond markets and the implications of central bank digital currencies for debt markets.

We also organise specialised events and webinars that help members stay informed about technological innovations and their practical applications. These provide valuable forums for knowledge sharing and discussion.

Looking ahead, what do you see as the key challenges and opportunities for debt capital markets, and how will ICMA continue to support its members?

The challenges are certainly significant. We are operating in an environment of sustained geopolitical tensions, economic uncertainties, and technological disruption. Regulatory fragmentation remains a concern, with differing approaches across jurisdictions creating complexity for market participants.

Climate change and the broader sustainability agenda present both challenges and opportunities. The transition to a low-carbon economy requires massive capital reallocation, and debt markets will play a crucial role in financing this shift.

In terms of opportunities, digital innovation is opening new possibilities for market efficiency and inclusion. We are seeing the emergence of new asset classes and market structures that could transform how capital is raised and allocated.

ICMA will continue supporting members through these changes by:

1. Providing leadership on market standards and best practices, particularly as new instruments and technologies emerge.
2. Offering insights and education to help members navigate complexity.
3. Advocating for regulatory approaches that balance innovation, stability, and market integrity.
4. Facilitating dialogue between all market participants to find collective solutions.

Ultimately, our goal remains consistent, to promote well-functioning cross-border capital markets, which are essential to fund sustainable economic growth.

Finally, for institutions considering ICMA membership, what would be your message to them?

I would emphasise that joining ICMA means becoming part of the solution. In today's capital markets, the challenges are too complex for any single institution to address alone. By joining our community, institutions gain both collective influence and collective intelligence.

The networking opportunities alone are invaluable — connecting with peers, potential clients, and industry leaders. But beyond networking, members actively shape the future of the markets through our committees and working groups.

For institutions concerned about regulatory compliance and operational efficiency, our documentation, legal opinions, and educational resources provide tangible, immediate value.

I would encourage interested organisations to reach out to me directly at sanaa.clausse@icmagroup.org.

We tailor our approach to each institution's specific needs and interests, ensuring they can maximise the benefits of membership from day one.

In an environment of constant change, ICMA provides both a compass and a community — helping members navigate complexity while contributing to markets that are efficient, resilient, and sustainable.

Challenges and opportunities

Ruth Ferris, head of financing Asia at MUFG, speaks with Justin Lawson about the evolving landscape of the repo market, discussing recent trends, challenges, and prospects for the year ahead

What are the current hurdles facing the repo market, and how is your firm working to help clients combat barriers?

Central clearing will be a significant change in the US repo market. The move represents one of the most noteworthy shifts in US capital markets for decades. There are concerns over the viability of the current deadlines, the lack of a phased approach, questions surrounding the economics of providing clearing services for Treasuries and repo to clients, and information gaps, such as from central counterparty clearing houses (CCPs) which are still developing their models to process the transactions.

Further clarification and additional regulatory activity around accounting treatment, capital requirements, and cross-asset margin offsets will ultimately indicate how the market proceeds. However, in the meantime, market participants have to plan their investment in technology to increase automation and reduce overheads for the required build-out.

Onboarding, and the Know Your Client (KYC) process for clients, continues to be a challenge for the market — every counterparty has different requirements which makes it a very slow negotiations process, especially across jurisdictions and time zones. If there was a formalised market KYC process, whether all firms had to be a member of an association like the Wolfsberg Group or a centralised database based on the counterparty legal entity identifier (LEI) with KYC documentation available, it would benefit all market participants. Initiatives like the Common Domain Model (CDM) will encourage transparency and consistency across the market.

Market participants are looking at a global 'follow the sun' workflow, this will be progressively important as individual jurisdictions withdraw excess liquidity at different speeds. We are seeing firms set up trading hubs in the Middle East and expand into Asia in order to capture more market share and to diversify assets.

At MUFG, we have moved people internally and welcomed new hires to set up a trading desk in Hong Kong to price during Asian hours. We are also in the process of setting up a non-JGB repo trading desk at our affiliated Japanese entity, Mitsubishi UFJ Morgan Stanley.

How are you positioning yourself to capture new opportunities for growth within this market? Which emerging markets are showcasing an interest to further its development?

The UK and EU markets will continue their assessments in shortening the settlement cycle to T+1 and I believe we will see significant development in repo transactions involving digital cash, digital securities, and tokenisation of traditional securities.

At MUFG, we are actively expanding our geographical footprint across Asia, with our new Hong Kong desk being a prime example. This positions us to better serve clients in these growing markets and capitalise on the region's increasing importance in global repo flows. We are also investing heavily in our technology infrastructure to ensure we can seamlessly integrate with the digital innovations that are reshaping the market.

In terms of emerging markets, we are seeing considerable interest in developing repo markets across Southeast Asia, particularly in Indonesia and Malaysia. These markets are looking to establish more sophisticated financial infrastructures, and repo plays a crucial role in providing liquidity and supporting their government bond markets. India is also making strides in enhancing its repo framework, which presents interesting opportunities for international players.

The ECB recently published its Euro Money Market Study 2024. How do you interpret the findings regarding the euro repo market activity and trading volumes?

The European Central Bank's (ECB's) 2024 Euro Money Market Study reveals fascinating trends in the euro repo market. What stands out is the robust growth in secured transactions, with volumes increasing by approximately 12 per cent compared to the previous year. This growth occurred despite challenging economic conditions, which I believe underscores the essential role that repo plays in maintaining market liquidity.

The study shows that over 70 per cent of euro repo transactions are now being executed through electronic platforms, representing a significant shift from voice trading. This digitalisation trend aligns with what we are seeing globally, as market participants seek greater efficiency and transparency. The data also indicates a growing concentration of activity among the largest market participants, which raises some questions about market diversity and resilience that regulators may need to address.

Another key insight from the study is the increased prevalence of centrally cleared transactions, with CCPs now intermediating over 60 per cent of euro repo trading. This shift toward central clearing reflects both regulatory pressure and risk management considerations in a post-crisis world. At MUFG, we are helping our clients navigate this changing landscape by enhancing our clearing capabilities and providing guidance on optimal clearing strategies.

The study highlights changes in collateral usage patterns. How do you see these evolving, and what implications might this have for market participants?

The ECB study presents some notable shifts in collateral usage within the euro repo market. There has been a diversification away from core eurozone government securities toward a broader range of collateral, including regional government bonds and high-quality corporate debt. This trend reflects both yield-seeking behaviour and the relative scarcity of traditional collateral in certain periods.

The study shows a nearly 20 per cent increase in the use of non-government collateral compared to pre-pandemic levels. This is significant because it indicates that market participants are becoming more comfortable with a wider collateral spectrum. At MUFG, we are seeing clients increasingly exploring collateral optimisation strategies to make the most efficient use of their assets.

What is particularly interesting is the geographical dimension to this trend. There has been stronger demand for collateral from peripheral eurozone countries, reflecting changing risk perceptions and yield differentials. The study also points to seasonal patterns in collateral usage, with quarter-end and year-end still showing pronounced effects on both availability and pricing.

For market participants, these changing collateral patterns mean they need to be more flexible and sophisticated in their approach. Those who can efficiently manage a diverse collateral pool will have a competitive advantage. We are also seeing this drive investments in collateral management technology, as manual processes simply cannot keep pace with the increasing complexity.

The study discusses the impact of monetary policy normalisation on repo rates and market functioning. What has been your experience with this transition?

The monetary policy normalisation process outlined in the ECB study has indeed created both challenges and opportunities in the repo market. As the ECB has unwound its asset purchase programmes and raised interest rates, we have observed increased volatility in repo rates, particularly around key dates such as reserve maintenance periods and quarter-ends.

The study notes that the spread between repo rates and the ECB's deposit facility rate widened during certain periods, which aligns with our observations. This widening reflects changing liquidity conditions and collateral values in the market. The transmission of monetary policy through the repo market has generally been effective, though not always smooth.

From our perspective at MUFG, the normalisation process has led to a welcome return of more market-determined rates after years of distortion from extraordinary monetary policy measures. However, it has also required market participants to adapt rapidly to a new environment after becoming accustomed to excess liquidity conditions.

One interesting aspect not fully captured in the study is the asymmetric impact across different market segments. While some areas have transitioned smoothly, others have experienced more friction. For instance, the specialness premium for certain benchmark securities has increased significantly during this normalisation phase, creating both trading opportunities and funding challenges.

For our clients, we have emphasised the importance of scenario planning and maintaining flexible funding strategies to navigate this transition. The path to normalisation is not complete, and we expect further adjustments as central banks continue to recalibrate their approaches in response to economic conditions.

The report discusses developments in market structure, including the role of CCPs and trading venues. How do you see market infrastructure evolving to meet future needs?

The ECB study correctly identifies the growing importance of market infrastructure in the euro repo space. Central clearing has become increasingly dominant, with the report showing that over 60 per cent of transactions are now cleared through CCPs. This trend is likely to continue as regulations further incentivise clearing and as participants seek to optimise capital usage.

What is particularly noteworthy is the acceleration in electronic trading. The study reports that nearly three-quarters of euro repo transactions are now executed electronically, which represents a significant transformation from just five years ago. At MUFG, we have invested substantially in our electronic execution capabilities to ensure we can provide liquidity across multiple venues.

Looking ahead, I believe we will see further consolidation among trading platforms, as scale becomes increasingly important. The study hints at this trend, noting increased concentration in trading volumes across fewer venues. This consolidation could potentially raise concerns about systemic risk, but it also creates opportunities for efficiency gains.

Another infrastructure development that deserves attention is the push toward shorter settlement cycles. While the study does not extensively cover this aspect, the industry's move toward T+1 settlement in equities will inevitably impact related repo markets. This shift will require significant infrastructure upgrades and process redesigns.

I also anticipate continued innovation in post-trade services. The study mentions improvements in interoperability between triparty agents, and we are seeing growing interest in services that help optimise collateral usage across multiple locations and legal entities. These developments are crucial as regulations like NSFR make efficient collateral usage more important than ever.

Finally, as mentioned earlier, we should expect significant development in infrastructure supporting digitalised securities and tokenised assets. These innovations could fundamentally transform how repo transactions are executed and settled, potentially reducing costs and increasing transparency.

The ECB study mentions emerging trends in term structure and maturity for repo transactions. What implications does this have for liquidity management strategies?

The ECB study presents some fascinating insights into the evolving term structure of the euro repo market. There has been a notable increase in the average maturity of transactions, with the proportion of trades beyond one-week maturity growing by around 15 per cent compared to previous years. This extension in duration reflects both improved confidence in counterparties and strategic shifts in liquidity management.

For market participants, this maturity extension has significant implications. Traditionally, the repo market has been heavily concentrated in overnight transactions, but the growth in term transactions provides more stability for funding profiles. At MUFG, we are helping clients leverage this trend by structuring term repo facilities that provide funding certainty while optimising capital usage.

The study also highlights seasonal variations in maturity preferences, with notable contractions around reporting periods followed by extensions immediately after. This pattern creates both challenges and opportunities for liquidity managers. The more sophisticated market participants are developing strategies that anticipate these cycles, using them to optimise funding costs and collateral usage.

Another important observation from the data is the growing divergence between interbank and direct-to-customer (D2C) maturity profiles. The average maturity in D2C transactions has extended more significantly than in interbank trades, reflecting different risk appetites and regulatory treatments. This bifurcation creates interesting arbitrage opportunities for institutions operating in both segments.

Looking forward, I believe central bank policy will continue to influence maturity preferences significantly. As monetary policy normalises further, we may see additional extension in average maturities as market participants lock in rates and prepare for potential volatility. This evolution will require adaptive liquidity management strategies that can respond to changing term structures while maintaining necessary flexibility.

For treasury departments and asset managers alike, these developments emphasise the importance of sophisticated term structure analysis when formulating repo strategies. The one-size-fits-all approach to repo maturity is increasingly obsolete in today's market environment.

How do you assess the outlook for the repo market in 2025?

Traditionally, repo has remained unaffected by significant changes, regulations and development, while other markets have evolved beyond comparison. It is an exciting time for the repo market, provided market participants remain dynamic and nimble to adjust to market conditions and changes.

We are seeing notable trends in repo primarily driven by economic uncertainties, regulatory shifts, and market dynamics in the US. and global financial systems.

In April 2025, the US repo market remained liquid and open, which helped bond markets manage volatility stemming from broader economic uncertainties, such as trade tensions and tariff announcements. Unlike previous stress events (e.g. September 2019 or March 2020), the repo market did not exacerbate liquidity shortages, largely due to increased adoption of cleared repo transactions. Central clearing has enhanced market stability by reducing counterparty risk and improving transparency.

Reverse repo volumes at the Federal Reserve saw significant fluctuations. By mid-April, the overnight reverse repo facility dropped to a low of US$54.8 billion, the lowest since April 2021, raising concerns about diminishing excess liquidity in the financial system.

However, by mid-May, reverse repo volumes rebounded to US$109 billion, indicating a partial recovery in cash parking by money market funds and other participants. This volatility reflects ongoing adjustments to liquidity conditions as the Fed continues its quantitative tightening policy.

Repo market volumes surged with a significant portion driven by hedge funds leveraging Treasury securities for short-term financing. This trend continued into April and May 2025, with high transaction volumes reflecting increased reliance on repo for funding speculative trading strategies. The growth in volumes has occasionally strained dealer balance sheets, contributing to periodic funding pressures.

The announcement of new US tariffs in early April 2025, particularly targeting China, introduced volatility in financial markets. While repo markets absorbed this volatility, funding pressures were observed, particularly for highly leveraged hedge funds. These pressures were not severe enough to disrupt market functioning but highlighted the market's sensitivity to macroeconomic shocks.

The repo market continued to modernise, with increased adoption of cleared repo transactions driven by regulatory pushes and market efficiency goals. Discussions around potential exemptions of US Treasuries from the Supplementary Leverage Ratio (SLR) calculations were ongoing, which could further support bilateral repo markets if implemented. However, these regulatory changes were not expected to be resolved until later in the year.

FICC's Government Securities Division (GSD) hit a new peak of over US$11 trillion on 9 April, successfully processing US$11.4 trillion in transactions (an 8.88 per cent increase from the prior peak of US$10.47 trillion on 28 February 2025).

On 9 April, FICC reached a new peak volume of 1.206 million transactions (a 23 per cent increase from the previous peak of 978,000 transactions on 7 April

2025) Q1 2025 monthly FICC volume averages were 4 per cent higher than the previous quarter and 32 per cent higher year-on-year.

MUFG has partnered with the London Reporting House to contribute our SFTR data, and receive access to anonymised, granular, detailed and timely data utilising the LRH's repo analytics tools to provide a deeper view of the market.

In the UK, the Bank of England is exploring reforms to enhance gilt repo market resilience, with a discussion paper planned for later in 2025. The new system is expected to generate income, reducing public sector financial burdens. This could influence global repo markets by setting a precedent for central bank-led liquidity solutions.

Technology will continue to drive market evolution. The efficiencies gained through automation and electronic trading will further compress margins, making scale and operational excellence even more important. We will also see more concrete applications of distributed ledger technology (DLT) in repo, moving beyond pilot programmes to real commercial implementations, particularly in areas like intraday liquidity management.

From a market dynamics perspective, I expect continued normalisation of repo rates as central banks further reduce their balance sheets. This should create more trading opportunities but also potentially more volatility. Market participants will need to be increasingly sophisticated in how they approach collateral management, as the value of optimisation will increase in this environment.

Finally, sustainable finance will increasingly influence the repo market. We are already seeing growing interest in green repos and sustainable collateral frameworks. I expect this trend to accelerate, with potential regulatory incentives for transactions involving ESG-aligned collateral.

In summary, 2025 promises to be a transformative year for the repo market. Those institutions that can navigate the complex regulatory landscape, embrace technological change, and adapt to evolving market structures will be well-positioned to thrive.

What advice would you give to market participants preparing for upcoming changes to regulation and technology?

For market participants preparing for these changes, I have several key recommendations. First, do not underestimate the operational impact of central clearing implementation in the US and the potential ripple effects globally. Start preparing now by reviewing your clearing relationships, understanding the economic implications, and identifying any technology gaps in your infrastructure.

Second, accelerate your digitalisation efforts. The ECB study clearly shows the market is moving rapidly toward electronic execution and automated processes. Firms that remain reliant on manual workflows will find themselves at a competitive disadvantage. I would recommend prioritising investments in straight-through processing and API connectivity.

Third, develop a comprehensive collateral optimisation strategy. As regulations make efficient collateral usage more important and as the collateral landscape diversifies, the ability to mobilise and allocate collateral effectively will become a key differentiator. This might require investments in technology but will pay dividends in reduced funding costs and improved capital efficiency.

Fourth, do not overlook the T+1 settlement initiatives in the UK and EU. These will compress settlement timeframes and potentially create new operational risks if your processes are not prepared. Review your entire trade lifecycle to identify potential bottlenecks and address them before they become problems.

Finally, stay engaged with industry groups and regulators. The pace of change is accelerating, and it is crucial to have early visibility into emerging regulations and market practices. Active participation in industry consultations can also help shape outcomes in ways that benefit the broader market.

At MUFG, we are partnering closely with our clients on all these fronts, providing not just execution services but strategic advice on navigating this complex and evolving landscape. The changes present challenges, certainly, but also significant opportunities for those who prepare effectively.

ABSOLUTE COLLATERAL

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www.absolutecollateral.com

Absolute Collateral is a repo trading platform for global, conventional and Islamic buy- & sell-side clients across international and domestic assets. We play our part in helping develop a deep & liquid tradeable market from within the MENA region by working with the wider ecosystem.

Based in the DIFC Dubai, we have recently expanded and joined the Central Bank of Bahrain fintech regulatory sandbox as an approved company. Our next steps are to join further GCC sandboxes and partner with local and global entities that support our ethos of developing the markets from within the region.

We host regional roundtables with banks, central banks, banking & legal associations ready and committed to growing their own markets and collaborate with custodians / post trade services that compliment our ethos.

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Eurex stands for the leading European derivatives exchange and – with Eurex Clearing – one of the leading central counterparties globally. We are the architect of market liquidity, efficiency and integrity by providing our customers with innovative solutions to seamlessly manage risk.

On the trading side, we mastermind the most efficient derivatives landscape by pioneering ingenious products and infrastructures as well as by building 'smart' into technology – offering a broad range of international benchmark products, operating the most liquid fixed income markets in the world and featuring open and low-cost electronic access.

As central counterparty, Eurex Clearing builds trusted relationships with and amongst market participants, paving their way for efficient risk management via unique clearing models.

Eurex automated and integrated joint Clearing House, Eurex Clearing AG eliminates the individual counterparty risk by offering central counterparty services for instruments traded on the Eurex exchanges, Eurex Repo GmbH and the FWB® Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange: Xetra® and floor).

This way Eurex participants benefit from a high-quality, cost-efficient and comprehensive value chain of trading and clearing services via one single electronic system.

EURONEXT CLEARING

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Euronext Clearing (previously CC&G) is a multi-asset CCP serving major European markets. For over 25 years, it has been the trusted home of Italian repo clearing, facilitating Italian Government Debt transactions through MTS' leading repo trading platform. As part of Euronext's 'Innovate for Growth 2027' strategic plan, the firm are expanding the Euronext Repo Clearing offer across Europe with the Repo Expansion Initiative.

This initiative extends the Italian repo clearing services to international clients while broadening coverage to include a wider range of European government. Backed by a robust risk framework, Euronext Clearing is driving greater efficiency, liquidity, and operational resilience in repo markets.

The Repo Foundation marks the first phase of Euronext's Repo Expansion, establishing the groundwork for a more competitive and efficient repo clearing landscape. This phase, set for June 2025 (subject to operational readiness and regulatory approval) will bring:

- **Expanded product coverage:** Introducing clearing for a broader range of European government bonds, including Spanish, Portuguese, and Irish sovereign debt alongside our historical Italian debt clearing.

- **Enhanced collateral optimisation capabilities:** Extending eligible collateral with the inclusion of new currencies and securities, improving liquidity flexibility.

- **Enhanced collateral management:** Improving operational efficiency through multiple strategic collaborations with leading triparty agents, to deliver automated, flexible, and streamlined collateral solutions for balance sheet optimisation and efficient collateral management.

- Scan the QR code below to learn more, or visit - https://www.euronext.com/en/post-trade/euronext-clearing/repo-clearing

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MarketAxess Post-Trade is a leading provider of trade matching and regulatory reporting services and is a trusted source of comprehensive and unbiased pricing and liquidity information to the global securities market. MarketAxess processes over 1 billion cross-asset class transactions annually on behalf of its community of over 600 entities including approximately 12 million fixed income transactions. MarketAxess operates an approved publication arrangement (APA) and approved reporting mechanism (ARM) for MiFID II trade and transaction reporting. Additionally, MarketAxess provides support for other regulatory regimes such as SFTR helping clients automate, standardise, and streamline their reporting at every stage.

MarketAxess is headquartered in New York and has offices in London, Amsterdam, Boston, Chicago, Los Angeles, Miami, Salt Lake City, San Francisco, São Paulo, Hong Kong and Singapore.

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HSBC is one of the world's largest banking and financial services organisations. Our global businesses serve more than 40 million customers worldwide through a network that covers 64 countries and territories. Our customers range from individual savers and investors to some of the world's biggest companies, governments and international organisations. We aim to connect them to opportunities and help them to achieve their ambitions.

We offer businesses loans to invest in growth, and products such as foreign exchange and trade financing that enable them to expand internationally. And for large companies and organisations operating across borders, we offer tailored advice on decisions such as financing major projects, issuing debt or making acquisitions.

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Frictionless, precise and real-time transfer of ownership of securities.

HQLA ^{X} is an innovative financial technology firm that leverages Distributed Ledger Technology (DLT) to bring game-changing efficiencies to the securities finance and repo industry.

Our core clients are banks and asset managers active in the global securities finance and repo markets, and our unique platform enables market participants to execute frictionless, precise and real-time transfer of ownership of securities.

HQLA ^{X} allows clients to meet their collateral obligations without needing to physically move securities. This is achieved by combining a regulated custodian with new technology (DLT) to represent legal ownership of securities. As a result, ownership of securities can be transferred in real-time when required.

HQLA ^{X} couples the benefits of DLT with existing triparty and custody infrastructure, making it easy for clients to improve their collateral mobility and avoid costly intraday liquidity.

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JSF has founded in 1950 as the financial institution specializing in securities finance as the name and has already been engaged in this business for 95 years, including the predecessor company.

Since established, JSF have been working for major role in Japanese financial markets providing the infrastructure for the securities finance, such as the margin loan for equities and securities lending/borrowing transactions.

JSF has been keeping high credit-ratings such as long-term A and short-term A-1 in S&P.

JSF has long time been focusing on Japanese markets, however, with the awareness that JSF is one of the players in the Asian markets, so we have recently begun to handle the Asian equities repo transactions, such as Taiwan, Hong Kong and Korea, to contribute to develop the Asian markets.

And, due to the increasing demand for government bonds as collateral for various financial regulations, the repo transactions related to JGB and other government bonds where JSF lending these government bonds to the overseas financial institutions are also expanding.

www.mufgemea.com/emea/

As a leading Japanese mega banks, MUFG combines its global network and financial strength with a dedication to becoming the world's most trusted financial group. MUFG has a 360-year history of empowering a brighter future for our clients. We pride ourselves on exceeding client expectations and building long-term relationships. Established in the world's most dynamic locations, we combine local-market knowledge with global access and expertise to keep our clients on the right side of opportunity.

MUFG Securities Secured Financing desks offer high-quality market-making services providing corporations, governments, investors and institutions with a broad range of financial products and services.

The team operates across global platforms with trading desks in London, New York, Toronto, Tokyo, Hong Kong, and a branch in Dubai.

Our focus on repo, SBL, delta one, TRS and indices trading positions us as a key player in supporting our clients and counterparties. We offer a comprehensive suite of services across high-grade government and corporate bonds, equities and TRS.

Backed by experienced traders and advanced technology, the desk delivers innovative solutions, ensuring we remain at the forefront of the industry

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For more information about MUFG, please visit https://www.mufgemea.com/emea/

www.pirum.com/contact-us

Pirum was founded in 2000 with the objective of automating the securities finance and collateral management industries. The Software as a Service (SaaS) platform has since become the industry gold-standard, globally, for automation and connectivity solutions.

Today, the Pirum product suite, which uniquely covers pre- and post-trade flows as well as collateral management/ optimization functionality, is used and trusted by over 150 leading financial institutions around the world, covering both buy- and sell-side activities.

Pirum delivers automation, operational efficiency and resilience, reduced cost, and facilitates regulatory compliance for its network of clients, who use Pirum's solutions to connect, communicate, and process their trades, as well as manage and optimize their collateral in global financial markets.

By connecting industry participants around the world, the Pirum dynamo sits at the heart of a complex multi-party financial markets eco-system, all the while increasing transparency and resilience, streamlining operations and fostering collaboration. www.pirum.com

osttra.com

OSTTRA – The home of industry-shaping businesses MarkitServ, Traiana, TriOptima and Reset, OSTTRA (osttra.com) brings the expertise, processes and networks together to solve the post-trade challenges of the global financial markets. OSTTRA strengthens the post-trade ecosystem with robust, progressive end-to-end solutions and unrivalled connectivity.

OSTTRA triResolve Margin provides much more than a collateral workflow solution. By enabling STP of calls from issuance through to pledge and settlement, customers can complete margin calls in seconds, not hours. The unique integration with OSTTRA triResolve means users gain access to their counterparty network. This connectivity delivers valuable insight into portfolio differences, facilitating proactive investigation of discrepancies and prompt dispute resolution.

Cloud-based and cross-asset class, our integrated solution covers bi-lateral and cleared trades across OTC and ETD instruments, providing a comprehensive view of all activity across counterparties in real time.

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Calculation of VM/IM margin calls in real-time gives unique insight into counterparty calls in advance.

Optimise margin workflow with automatic selection of collateral to deliver to counterparties based on client priority.

Automated SWIFT connectivity with access to a large network of custodians & triparty agents.

Margin & risk analytics support pre-trade decision making with scenarios to assess margin implications before execution.

Initial Margin optimisation to reduce IM funding costs & free up capital.

For more information contact info@osttra.com or go to **osttra.com/complete-margin-management**

S&P Global
Market Intelligence

S&P Global Market Intelligence

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S&P Global Market Intelligence is a division of S&P Global (NYSE: SPGI), the world's foremost provider of credit ratings, benchmarks and analytics in the global capital and commodity markets, offering ESG solutions, deep data and insights on critical business factors. S&P Global Market Intelligence stands at the forefront of the securities finance industry, offering unparalleled coverage of over $41 trillion in global securities across the lending programs of more than 20,000 institutional funds. Our data is sourced directly from industry practitioners, including 20+ years of historical data and over 3 million intraday transactions

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SIX connects financial market participants in Switzerland, Spain and throughout the world. The company is owned by around 120 national and international financial institutions. They are the main users of our services and our most important customers.

Our close relationship with them guarantees stability of the financial infrastructure and processes, proximity to clients' evolving business needs and competitive prices.

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LMA | Loan Market Association

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