

Clearstream Spotlight

Bridge: Improved settlement and matching between Clearstream and Euroclear

Clearstream, together with Euroclear Bank, offers improved settlement activity on the Bridge.

Thanks to enhanced interoperability between the two international central securities depositories (ICSDs), customers can enjoy a much faster turnaround for Bridge settlement, and extended timeframes in which to carry out their trades for all Bridge-eligible securities.

Faster matching results will be achieved with the implementation of a rolling matching file exchange pattern to replace the previous time-bound exchanges of matching ACE files, increasing the frequency to near real time.

The settlement turnaround in the operational day will almost triple, with the number of windows in which to settle increasing to 48 windows compared to 17 previously. The faster daytime settlement turnaround time, at 10–40 minutes down from 35–90 minutes, can enable better settlement and cash management.

Currency input deadlines for customers will be extended to be nearer to the respective local market deadlines. In particular, customers can use new settlement windows to settle EUR and GBP trades on the Bridge with a 20-minute deadline improvement until 15:20, as well as an extra two hours to settle in USD and other American time zone currencies until 17:00.

Last but not least, the settlement day period between the two ICSDs will be extended by 35 minutes, from 18:30 CET to 19:05 CET.

Forming the second milestone reached in an enhancement plan agreed by the two ICSDs back in 2015, these Bridge improvements support the growth of same-day cross-border collateral movements and repo transactions, helping to address one of the key challenges of global securities markets. Phase one of the Bridge enhancements was successfully implemented in September 2015, bringing the Bridge into a currency-driven model with significant improvements to input deadlines for core currencies (EUR, GBP, USD).

A short history of the Bridge

The Bridge enhancement is part of Clearstream's continuous efforts and commitment, together with Euroclear Bank, to address changing and increasing market needs and to optimise liquidity consumption and management.

Historically, the Bridge was a literal reality – a reference to the Pont Adolphe in Luxembourg, which physically linked Clearstream's depositories with Euroclear's on the other side of the valley. Physical deliveries of securities would take place every day to conduct settlement of trades between the two entities.

Today, customers enjoy the Bridge as an electronic link catering to significant volumes of (digital) settlements. Its Eurobond-settlement capabilities have made it one of the largest liquidity bridges worldwide.



More information

For more information about our Bridge enhancements, please contact your Relationship Manager.