

CLSSettlement

Corporate treasures

Corporate treasurers operating in the FX market today face a range of challenges to maximize operational efficiencies, while also complying with an increasing number of regulatory requirements.

Streamline your treasury operations for FX trading and benefit from best-in-class multilateral netting, improved cash management efficiencies and reduced settlement risk. Our leading payment-versus-payment (PvP) service is available to multinational corporations through our settlement members comprising over 75 of the world's most important financial institutions.

How we mitigate settlement risk

Multinational corporations can gain access to CLSSettlement to settle FX trades through our settlement members (third-party service providers) offering CLS-related services to their clients. The third-party service providers will connect your treasury operations to CLSSettlement, enabling the submission of trades. Third-party service providers are also responsible for handling all of the payment instructions and funding relating to these FX trades.

Why CLS?

Regulated and supervised by the Federal Reserve and recognized as a systemically important financial market infrastructure, CLS is critical to the orderly functioning of the global FX market.

Our unique PvP settlement service is linked to the real-time gross settlement (RTGS) systems of the 18 currencies eligible for CLSSettlement. The settlement of these payment instructions is final and irrevocable

75+
settlement members

38,000+
participants around the world use our services indirectly through our settlement members

Systemically important financial market infrastructure critical to the orderly functioning of the global FX market

8 USD trillion
average settled each day

18
of the most actively traded currencies globally¹

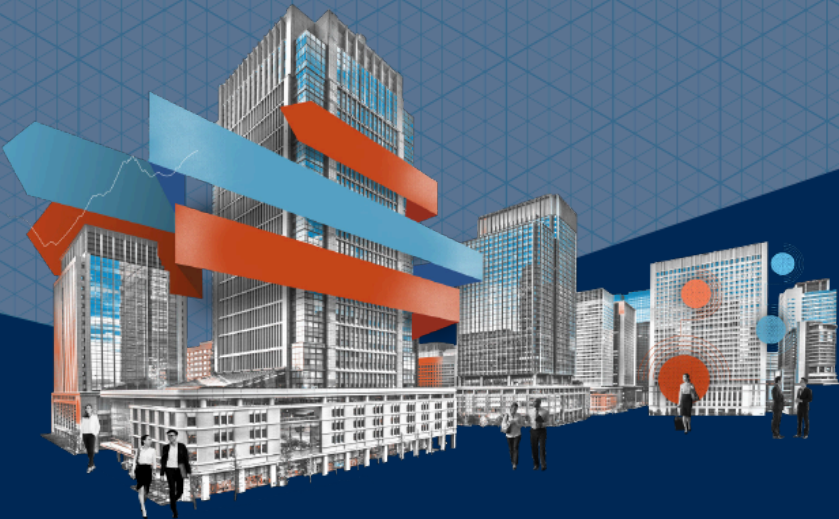
¹ Australian dollar, Canadian dollar, Danish krone, euro, Hong Kong dollar, Hungarian forint, Israeli shekel, Japanese yen, Korean won, Mexican peso, New Zealand dollar, Norwegian krone, Singapore dollar, South African rand, Swedish krona, Swiss franc, UK pound sterling and US dollar.

Awards

- Euromoney / Best Clearing and Settlement Provider 2024 / 2023
- FX Markets e-FX / Best Settlement Initiative 2023

Benefits:

- Provides significant operational efficiencies by centralizing and automating all FX confirmation, matching and payments to and from counterparty banks in CLSSettlement-eligible currencies
- Removes the requirement for individual counterparty payments for CLSSettlement eligible currencies to be initiated and managed by treasury
- Minimizes liquidity requirements and number of payments through multilateral netting (maximum one per currency and value date), thereby improving cash management efficiency
- Mitigates settlement risk and optimize credit line usage with counterparty banks



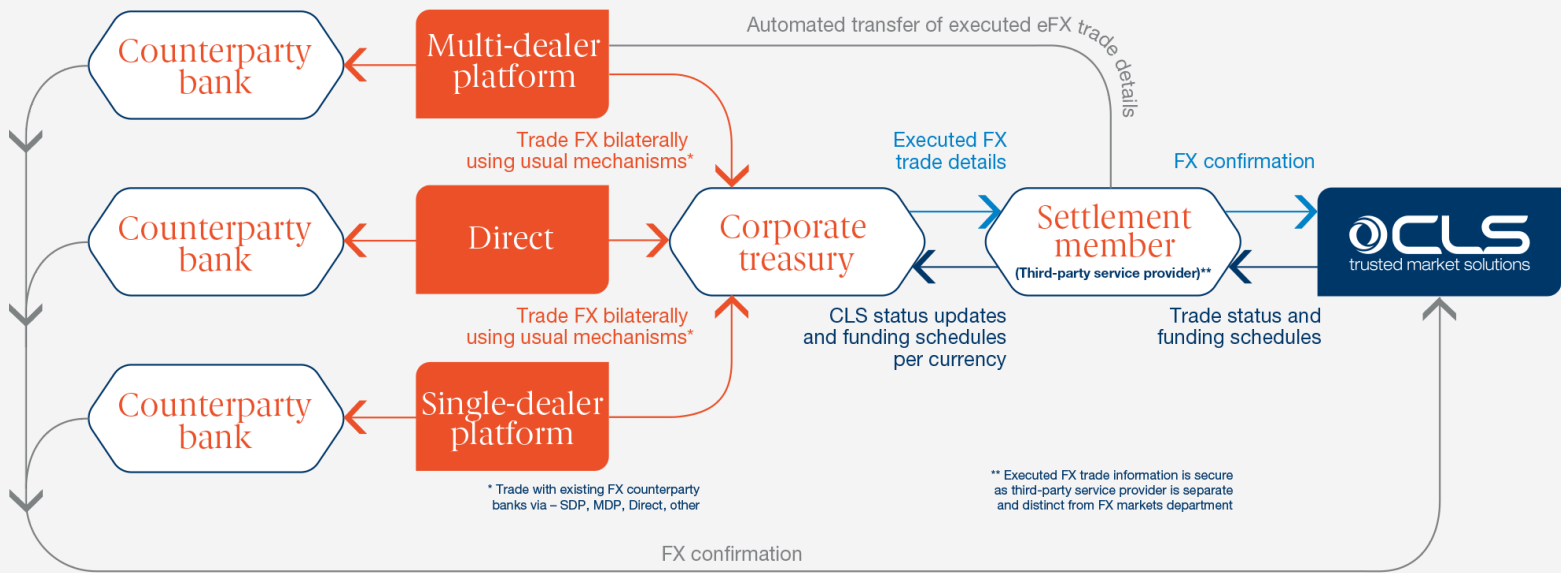
Increase liquidity efficiencies through multilateral netting

Once FX trades are submitted to CLSSettlement, we validate, confirm and match all transactions. On each settlement date, we simultaneously settle each pair of matched payment instructions.

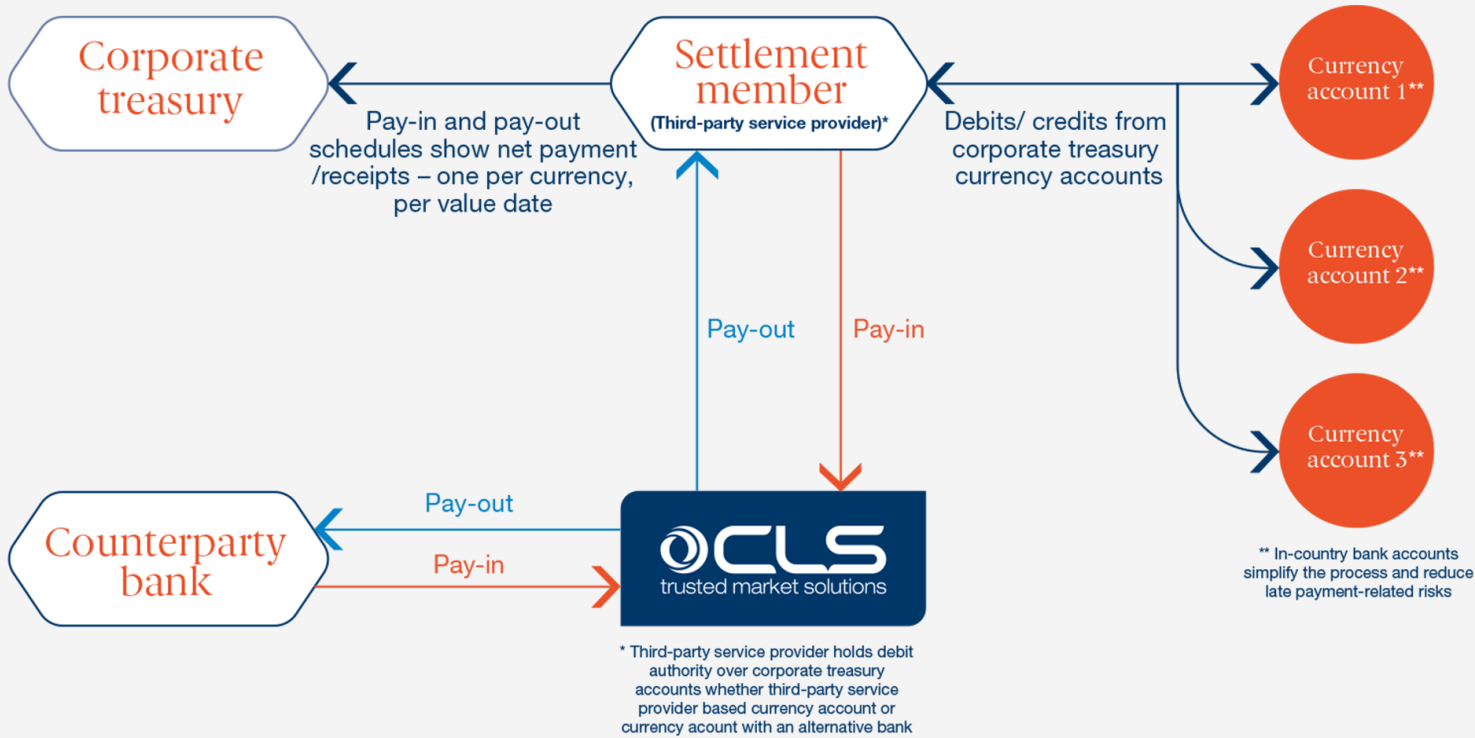
Each settlement member only transfers the net amount of its combined payment obligations in each currency, while still settling the gross value of its instructions.

This process considerably reduces the cash required to settle the payment of trades in a given day.

Typical FX workflow for CLSSettlement



Typical funding flows for CLSSettlement



FX Global code

Using CLS products and services plays an integral part in helping you comply with the [FX Global Code](#).

For more information please email enquiries@cls-group.com

Trusted by thousands of counterparties within the global FX ecosystem, CLS makes FX safer, smoother and more cost effective. Trillions of dollars' worth of currency flows through our systems each day

London
Hong Kong
Tokyo

New York
New Jersey

info@cls-group.com
cls-group.com

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