

Mitigate settlement risk for your FX trades while benefiting from operational efficiencies, in addition to best-in-class netting and liquidity management. Our world-class payment-versus-payment settlement service delivers huge efficiencies and savings for our clients.

## CLSSettlement

### Investment Managers

**Our world-leading FX settlement service is available both directly, to settlement members, and indirectly, to third-party participants. Over 70 of the world's most important financial institutions choose to be settlement members of CLSSettlement – and over 35,000 more use our service, including banks, funds, non-bank financial institutions and multinational corporations.**

#### The benefits

- Settlement risk mitigation through payment-versus-payment (PvP) settlement leading to:
  - Credit efficiencies
  - An expanded range of counterparties
  - Increased trading opportunities
- Operational risk efficiencies; straight-through processing
- Matching/confirmation of trade instructions in real-time
- Active management of the settlement process: real-time reporting and visibility throughout the trade lifecycle
- The potential benefit of payment netting if offered by the custodian.

#### Reduce risk and improve efficiency

Over 500 investment managers are directing CLSSettlement to settle FX transactions for over 30,000 funds. Each fund is protected from the most significant risk associated with currency trading: settlement risk. This is the risk that one party to an FX transaction delivers the currency it sold, but does not receive the currency it bought from its counterparty, resulting in a loss of principal.

#### How we mitigate settlement risk

We mitigate settlement risk by simultaneously settling the payments on both sides of an FX trade. We do this using our unique PvP settlement service which 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.

Investment managers are directing their funds to our multicurrency cash settlement service via their custodians. Custodians then connect investment managers to CLSSettlement, enabling them to submit trades and see real-time trade status information. The custodians also process all of the payment instructions and funding on behalf of their customers.

<sup>1</sup> 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.

500<sup>+</sup>

investment managers

70<sup>+</sup>

settlement members

35,000<sup>+</sup>

participants around the world use our services indirectly through our settlement members

6.5<sup>+</sup>

USD trillion

average settled each day

18

of the most actively traded currencies globally<sup>1</sup>

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

#### Awards:



Best Settlement Initiative 2023

FX Markets e-FX 2023

Best FX Settlement & Risk Mitigation Solution  
FX Markets Asia  
2022 / 2021 / 2020

Best Trading Infrastructure Provider  
American Financial Technology 2021



Settlement

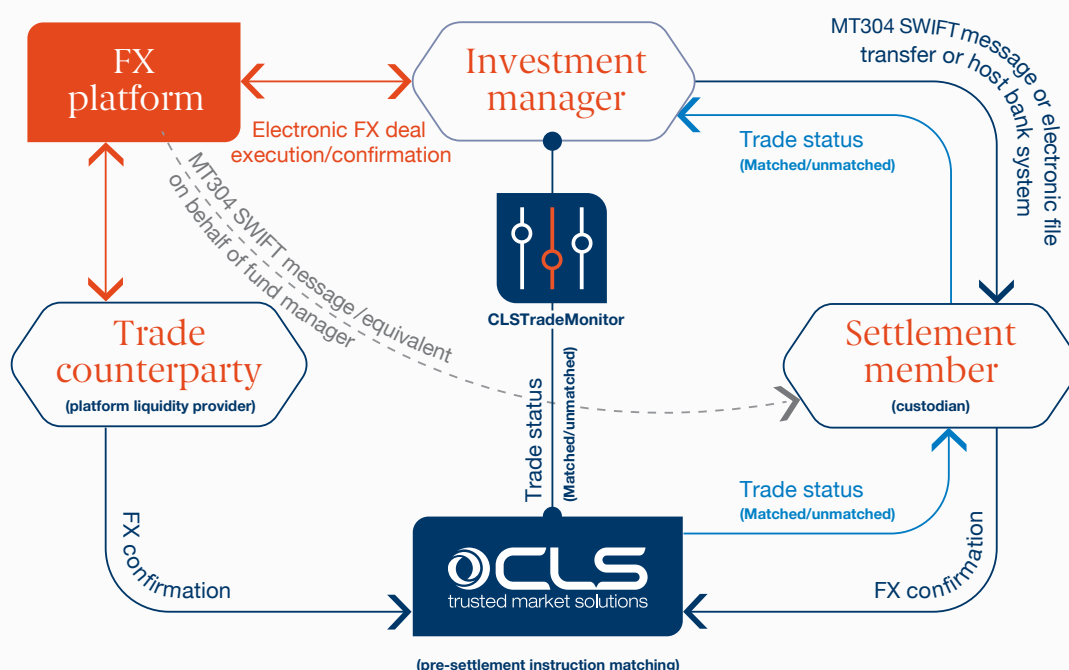


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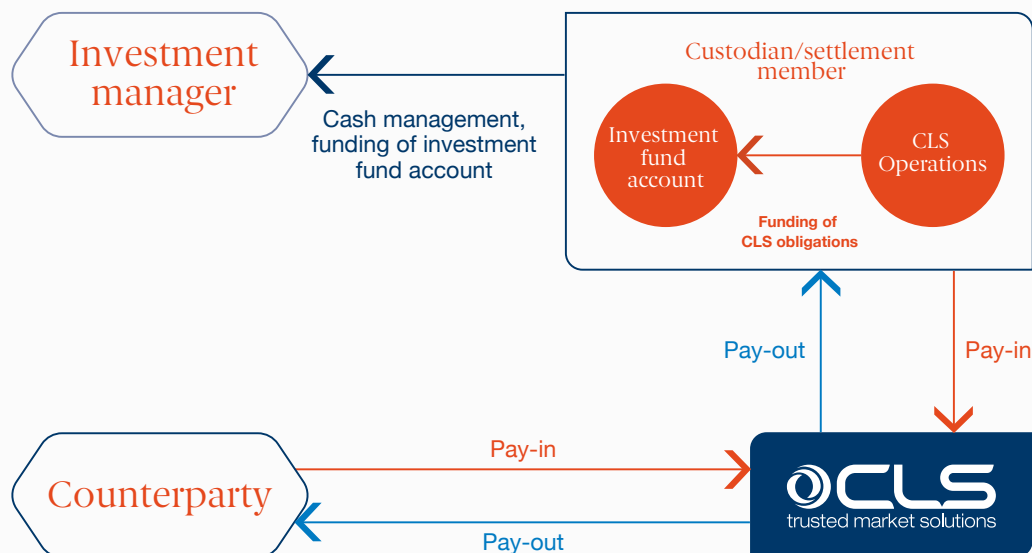


Data

## Typical investment manager connectivity to CLS settlement members



## Typical funding flows for CLS Settlement



For more information please email [enquiries@cls-group.com](mailto:enquiries@cls-group.com)

### FX Global Code

Using CLS products and services plays an integral part in helping you comply with the FX Global Code. Find out more at [cls-group.com](https://www.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.

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Hong Kong  
Tokyo

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New Jersey

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