Central Clearing Webinar – May 27, 2026

TRANSCRIPT / CAPTIONS

WEBVTT

NOTE language:en-US

NOTE Confidence: 0.9535486698150635

00:00:01.639 --> 00:00:05.034
Good morning, good afternoon, and good evening, everyone, and thank

NOTE Confidence: 0.9535486698150635

00:00:05.085 --> 00:00:08.175
you for joining us for today's discussion on central clearing

NOTE Confidence: 0.9535486698150635

00:00:08.226 --> 00:00:09.239
in the evolving U.S.

NOTE Confidence: 0.9126639366149902

00:00:09.240 --> 00:00:10.080
Treasury market.

NOTE Confidence: 0.8234869837760925

00:00:10.560 --> 00:00:12.653
I'm Nate Wuerffel, and I'm the Global Head of Market

NOTE Confidence: 0.8234869837760925

00:00:12.694 --> 00:00:14.787
Structure at BNY, and I'm the Product Lead for our

NOTE Confidence: 0.8234869837760925

00:00:14.829 --> 00:00:15.960
Global Collateral platform.

NOTE Confidence: 0.9299359917640686

00:00:16.720 --> 00:00:18.836
We're pleased to have you here today for the latest

NOTE Confidence: 0.9299359917640686

00:00:18.878 --> 00:00:21.120
installment of our webinar series on central clearing.

NOTE Confidence: 0.9050987958908081

00:00:21.560 --> 00:00:24.676
We've been exploring the central clearing mandate and the various

NOTE Confidence: 0.9050987958908081

00:00:24.724 --> 00:00:28.032
perspectives across BNY and across the industry on

NOTE Confidence: 0.9050987958908081

00:00:28.080 --> 00:00:28.320
the implementation path.

NOTE Confidence: 0.9220329523086548

00:00:29.440 --> 00:00:32.185
Today, we're going to be building on the discussions in

NOTE Confidence: 0.9220329523086548

00:00:32.235 --> 00:00:34.781
our webinar series with a closer look at the latest

NOTE Confidence: 0.9220329523086548

00:00:34.831 --> 00:00:36.080
in industry developments.

NOTE Confidence: 0.9564282298088074

00:00:36.520 --> 00:00:39.578
And we're going to zero in on our Global Collateral

NOTE Confidence: 0.9564282298088074

00:00:39.642 --> 00:00:40.280
solutions.

NOTE Confidence: 0.8603756427764893

00:00:41.040 --> 00:00:44.146
We're going to look at sponsor GC Collateral-in-Lieu (CIL),

NOTE Confidence: 0.8603756427764893

00:00:44.205 --> 00:00:47.370
the Agent Clearing Service (ACS) and Done-away, all of the new

NOTE Confidence: 0.8603756427764893

00:00:47.428 --> 00:00:51.238
innovations and central clearing models that are available on our

NOTE Confidence: 0.8603756427764893

00:00:51.297 --> 00:00:52.879
Global Collateral platform.

NOTE Confidence: 0.9172706007957458

00:00:54.160 --> 00:00:57.040
I'm joined today by an excellent group of panelists.

NOTE Confidence: 0.8707759380340576

00:00:57.320 --> 00:00:58.760
To my left is Kevin Reinert.

NOTE Confidence: 0.9000887870788574

00:00:59.200 --> 00:01:01.627
He's the Business Development Lead for our Global Clearing and

NOTE Confidence: 0.9000887870788574

00:01:01.666 --> 00:01:02.880

our Global Collateral business.

NOTE Confidence: 0.8267654180526733

00:01:03.440 --> 00:01:07.211
Sofia Pavlidou, who's our Central Clearing Product Lead on the

NOTE Confidence: 0.8267654180526733

00:01:07.271 --> 00:01:11.043
Global Collateral platform and Ted Leveroni, the Global Head of

NOTE Confidence: 0.8267654180526733

00:01:11.103 --> 00:01:12.839
our Margin Services business.

NOTE Confidence: 0.9111200571060181

00:01:16.040 --> 00:01:18.351
So let me start by saying that BNY has a

NOTE Confidence: 0.9111200571060181

00:01:18.408 --> 00:01:21.817
long history in the U.S. Treasury market, having financed the

NOTE Confidence: 0.9111200571060181

00:01:21.875 --> 00:01:24.879
U.S. government for the first time over 235 years ago.

NOTE Confidence: 0.95157390832901

00:01:25.240 --> 00:01:27.401
And today we remain a leading player in the U.S.

NOTE Confidence: 0.95157390832901

00:01:27.448 --> 00:01:28.200
Treasury market.

NOTE Confidence: 0.8691036701202393

00:01:28.480 --> 00:01:31.005
We have over a third of the U.S. Treasury market

NOTE Confidence: 0.8691036701202393

00:01:31.060 --> 00:01:34.080
in custody within BNY, so over $10 trillion in custody.

NOTE Confidence: 0.8692342638969421

00:01:34.480 --> 00:01:37.080
We're the primary settlement provider for U.S.

NOTE Confidence: 0.9411354660987854

00:01:37.080 --> 00:01:38.640
Treasury market transactions.

NOTE Confidence: 0.8179658055305481

00:01:39.160 --> 00:01:42.240
We're one of the leading centrally cleared repo providers.

NOTE Confidence: 0.9023709297180176

00:01:42.520 --> 00:01:45.796
And of course, on our Global Collateral platform, we process

NOTE Confidence: 0.9023709297180176

00:01:45.850 --> 00:01:49.399
over $7.5 trillion dollars of financing activity, including U.S.

NOTE Confidence: 0.9429582357406616

00:01:49.400 --> 00:01:50.240
Treasury repo.

NOTE Confidence: 0.9185287356376648

00:01:51.560 --> 00:01:54.325
That gives us a unique perspective on the U.S. clearing

NOTE Confidence: 0.9185287356376648

00:01:54.377 --> 00:01:57.090
mandate and a unique set of services that we've been

NOTE Confidence: 0.9185287356376648

00:01:57.142 --> 00:02:01.368
talking through on our webinars, including clearing services, collateral services

NOTE Confidence: 0.9185287356376648

00:02:01.420 --> 00:02:04.968
that allow central clearing, centrally cleared financing, as well as

NOTE Confidence: 0.9185287356376648

00:02:05.020 --> 00:02:05.959
margin management.

NOTE Confidence: 0.8985627889633179

00:02:06.040 --> 00:02:09.040
And today we'll be zeroing in on our collateral services.

NOTE Confidence: 0.9722290635108948

00:02:10.960 --> 00:02:12.600
I do want to start just with a reminder.

NOTE Confidence: 0.9684853553771973

00:02:12.600 --> 00:02:14.776
I know many of you know these dates by heart

NOTE Confidence: 0.9684853553771973

00:02:14.825 --> 00:02:17.150
by now, but it's useful to go through the scope

NOTE Confidence: 0.9684853553771973

00:02:17.200 --> 00:02:19.079
of the Treasury clearing rule briefly.

NOTE Confidence: 0.965381383895874

00:02:19.080 --> 00:02:20.360
And so I'll do that today.

NOTE Confidence: 0.9561927318572998

00:02:21.200 --> 00:02:24.640
The clearing rule, as you know, requires covered clearing agencies.

NOTE Confidence: 0.7958747148513794

00:02:24.639 --> 00:02:28.580
That's central counterparties like FICC and CME and now ICE

NOTE Confidence: 0.7958747148513794

00:02:28.648 --> 00:02:33.200
to have clearing members submit eligible transactions for clearing.

NOTE Confidence: 0.9637178778648376

00:02:33.200 --> 00:02:36.491
So those eligible transactions are really what defines what must

NOTE Confidence: 0.9637178778648376

00:02:36.542 --> 00:02:37.880
be cleared under the rule.

NOTE Confidence: 0.8484355807304382

00:02:38.480 --> 00:02:42.586
Those eligible transactions include in the cash market all purchase

NOTE Confidence: 0.8484355807304382

00:02:42.647 --> 00:02:46.998

and sale transactions by direct CCP participants, in particular those

NOTE Confidence: 0.8484355807304382

00:02:47.059 --> 00:02:50.798
that are done on interdealer platforms where the platform the

NOTE Confidence: 0.8484355807304382

00:02:50.859 --> 00:02:55.027
participant brings together multiple buyers and sellers in a trading

NOTE Confidence: 0.8484355807304382

00:02:55.088 --> 00:02:55.639
facility.

NOTE Confidence: 0.9183194041252136

00:02:56.639 --> 00:03:01.043
In addition, transactions between direct members and other U.S. government

NOTE Confidence: 0.9183194041252136

00:03:01.102 --> 00:03:05.271
securities broker dealers or government securities dealers must also be

NOTE Confidence: 0.9183194041252136

00:03:05.330 --> 00:03:05.799
Must also be cleared.

NOTE Confidence: 0.9528713226318359

00:03:06.160 --> 00:03:08.977
That's roughly speaking about half of the U.S. cash market

NOTE Confidence: 0.9528713226318359

00:03:09.027 --> 00:03:12.096
transaction, which makes up about a trillion dollars of

NOTE Confidence: 0.9528713226318359

00:03:12.147 --> 00:03:12.599
daily activity.

NOTE Confidence: 0.8483697175979614

00:03:12.800 --> 00:03:15.330
About half of that is on interdealer platforms or between

NOTE Confidence: 0.8483697175979614

00:03:15.375 --> 00:03:17.239
dealers and must be cleared in the future.

NOTE Confidence: 0.9034640789031982

00:03:17.960 --> 00:03:20.436
And on the repo market side, the mandate

NOTE Confidence: 0.9034640789031982

00:03:20.488 --> 00:03:21.519
is actually broader.

NOTE Confidence: 0.8118054866790771

00:03:21.680 --> 00:03:25.977
It requires all repo and reverse repo agreements collateralized by

NOTE Confidence: 0.8118054866790771

00:03:26.042 --> 00:03:30.730
U.S.Treasury securities to which a direct participant

NOTE Confidence: 0.8118054866790771

00:03:30.795 --> 00:03:33.400
of a CCP is a counterparty to be cleared.

NOTE Confidence: 0.9287734627723694

00:03:33.400 --> 00:03:35.440
So those are also eligible transactions.

NOTE Confidence: 0.861677885055542

00:03:35.800 --> 00:03:38.102
And the U.S. repo market is $7-$8 trillion

NOTE Confidence: 0.861677885055542

00:03:38.157 --> 00:03:40.953
a day of daily activity and most, the vast majority

NOTE Confidence: 0.861677885055542

00:03:41.008 --> 00:03:43.639
of that will be centrally cleared in the future.

NOTE Confidence: 0.9024717211723328

00:03:44.840 --> 00:03:47.726
There are some transactions that are not in scope, those

NOTE Confidence: 0.9024717211723328

00:03:47.778 --> 00:03:51.489
involving a central bank, a sovereign entity and international financial

NOTE Confidence: 0.9024717211723328

00:03:51.541 --> 00:03:52.159
institution.

NOTE Confidence: 0.8939776420593262

00:03:52.720 --> 00:03:56.091
And there are some transactions that do not need to

NOTE Confidence: 0.8939776420593262

00:03:56.157 --> 00:03:59.991
be cleared, for example, a number of trades between direct

NOTE Confidence: 0.8939776420593262

00:04:00.057 --> 00:04:04.552
participants and non-dealers or non-government securities dealers or

NOTE Confidence: 0.8939776420593262

00:04:04.618 --> 00:04:08.320
those trades that are not done on interdealer platforms.

NOTE Confidence: 0.910053014755249

00:04:08.560 --> 00:04:11.092
And so that makes up a very large portion of

NOTE Confidence: 0.910053014755249

00:04:11.149 --> 00:04:14.660
the dealer to client market between dealers and their clients

NOTE Confidence: 0.910053014755249

00:04:14.718 --> 00:04:16.560
typically not centrally cleared.

NOTE Confidence: 0.8834450244903564

00:04:17.400 --> 00:04:19.560
So that's a quick overview of the of the rule.

NOTE Confidence: 0.9510858058929443

00:04:19.560 --> 00:04:21.376
And the key thing here is that by the end

NOTE Confidence: 0.9510858058929443

00:04:21.421 --> 00:04:23.858
of this year, those cash market transactions need to be

NOTE Confidence: 0.9510858058929443

00:04:23.903 --> 00:04:25.720

centrally cleared by the end of December (2026).

NOTE Confidence: 0.9526954293251038

00:04:26.040 --> 00:04:28.472
And then by the end of June of 2027, repo

NOTE Confidence: 0.9526954293251038

00:04:28.532 --> 00:04:31.439
market transactions need to be centrally cleared.

NOTE Confidence: 0.9661878347396851

00:04:32.279 --> 00:04:34.965
So how are we doing in terms of readiness for

NOTE Confidence: 0.9661878347396851

00:04:35.024 --> 00:04:35.919
those mandates?

NOTE Confidence: 0.8949756622314453

00:04:36.800 --> 00:04:39.620
Around the beginning of the year, we put out results

NOTE Confidence: 0.8949756622314453

00:04:39.674 --> 00:04:43.200
from a survey that BNY and other industry participants sponsored.

NOTE Confidence: 0.967052161693573

00:04:43.440 --> 00:04:46.051
And what we found was that about half of the

NOTE Confidence: 0.967052161693573

00:04:46.110 --> 00:04:49.612
marketplace is expecting to be able to meet those deadlines

NOTE Confidence: 0.967052161693573

00:04:49.672 --> 00:04:50.800
fairly confidently.

NOTE Confidence: 0.8787652254104614

00:04:51.360 --> 00:04:53.792
Another 40% of the of the marketplace said that they

NOTE Confidence: 0.8787652254104614

00:04:53.839 --> 00:04:56.600
were somewhat confident that they can meet those deadlines.

NOTE Confidence: 0.9318119287490845

00:04:57.040 --> 00:05:00.337
Perhaps I'll take the glasses half full perspective on this,

NOTE Confidence: 0.9318119287490845

00:05:00.392 --> 00:05:02.810
that I would say that there's quite a bit of

NOTE Confidence: 0.9318119287490845

00:05:02.865 --> 00:05:06.438
industry momentum around central clearing at this point and we've

NOTE Confidence: 0.9318119287490845

00:05:06.493 --> 00:05:08.966
moved really from what is the rule to how can

NOTE Confidence: 0.9318119287490845

00:05:09.021 --> 00:05:10.999
we implement this rule successfully.

NOTE Confidence: 0.9137288331985474

00:05:11.920 --> 00:05:14.848
That's important because it's the most important sovereign bond market

NOTE Confidence: 0.9137288331985474

00:05:14.889 --> 00:05:17.357
in the world and it's vitally important that the transition

NOTE Confidence: 0.9137288331985474

00:05:17.399 --> 00:05:19.240
to central clearing be done in a smooth way.

NOTE Confidence: 0.9085090756416321

00:05:20.080 --> 00:05:22.831
There were a couple of areas within that survey where

NOTE Confidence: 0.9085090756416321

00:05:22.883 --> 00:05:25.790
market participants said we need more clarity and one of

NOTE Confidence: 0.9085090756416321

00:05:25.842 --> 00:05:29.217
those areas was really around clearing models, the innovation and

NOTE Confidence: 0.9085090756416321

00:05:29.268 --> 00:05:32.176
clearing models and we're going to be talking about that

NOTE Confidence: 0.9085090756416321

00:05:32.228 --> 00:05:34.720
today as part of our Global Collateral offering.

NOTE Confidence: 0.9518377780914307

00:05:35.080 --> 00:05:38.670
Another area was around regulatory updates and what the SEC

NOTE Confidence: 0.9518377780914307

00:05:38.731 --> 00:05:42.078
can do with some remaining scoping areas that need some

NOTE Confidence: 0.9518377780914307

00:05:42.139 --> 00:05:43.599
clarity within the rule.

NOTE Confidence: 0.918619692325592

00:05:44.040 --> 00:05:46.806
So on the on the clearing model front, I would

NOTE Confidence: 0.918619692325592

00:05:46.867 --> 00:05:50.476
just say that we've seen real innovation and clearing models

NOTE Confidence: 0.918619692325592

00:05:50.536 --> 00:05:52.039
over the last six months.

NOTE Confidence: 0.8606064319610596

00:05:52.040 --> 00:05:55.513
So we've seen that the Fixed Income Clearing Corporation, which

NOTE Confidence: 0.8606064319610596

00:05:55.568 --> 00:05:58.435
is the long standing CCP in the treasury market has,

NOTE Confidence: 0.8606064319610596

00:05:58.490 --> 00:06:01.742
has released some new clearing models both within triparty

NOTE Confidence: 0.8606064319610596

00:06:01.797 --> 00:06:02.680

and bilaterally.

NOTE Confidence: 0.8947356343269348

00:06:02.680 --> 00:06:06.100
So we've seen the development of not just the traditional

NOTE Confidence: 0.8947356343269348

00:06:06.160 --> 00:06:09.520
Sponsored GC product, but now the second version of that

NOTE Confidence: 0.8947356343269348

00:06:09.580 --> 00:06:11.680
really which is Collateral-in-Lieu.

NOTE Confidence: 0.9475421905517578

00:06:11.760 --> 00:06:14.409
We're going to speak to that that's actually available within

NOTE Confidence: 0.9475421905517578

00:06:14.453 --> 00:06:15.800
our Global Collateral platform.

NOTE Confidence: 0.9240657687187195

00:06:16.320 --> 00:06:19.819
We've also seen the agent clearing service is now available

NOTE Confidence: 0.9240657687187195

00:06:19.879 --> 00:06:23.319
within triparty and more broadly within the repo markets.

NOTE Confidence: 0.9006070494651794

00:06:24.920 --> 00:06:27.986
And we're also seeing evolution in the availability for Done-away

NOTE Confidence: 0.9006070494651794

00:06:28.034 --> 00:06:30.760
clearing and we'll also be speaking about Done-away today.

NOTE Confidence: 0.8385219573974609

00:06:31.400 --> 00:06:33.480
So we're seeing real innovation in clearing models.

NOTE Confidence: 0.8469463586807251

00:06:33.480 --> 00:06:36.255
We also now have ICE and CME have now both

NOTE Confidence: 0.8469463586807251

00:06:36.321 --> 00:06:40.551
been approved as clear covered clearing agencies in the Treasury

NOTE Confidence: 0.8469463586807251

00:06:40.617 --> 00:06:41.080
market.

NOTE Confidence: 0.8985704183578491

00:06:41.400 --> 00:06:43.847
And so they will be offering up their models for

NOTE Confidence: 0.8985704183578491

00:06:43.898 --> 00:06:45.479
clearing in in the near future.

NOTE Confidence: 0.8907578587532043

00:06:47.360 --> 00:06:50.368
In terms of the regulatory clarity, the couple of areas

NOTE Confidence: 0.8907578587532043

00:06:50.423 --> 00:06:52.939
that the SEC is working on and you'll see this

NOTE Confidence: 0.8907578587532043

00:06:52.994 --> 00:06:55.838
out for public comment currently, one has to do with

NOTE Confidence: 0.8907578587532043

00:06:55.893 --> 00:06:57.479
inter affiliate transactions.

NOTE Confidence: 0.89625483751297

00:06:57.480 --> 00:07:00.989
And so let me briefly mention that inter affiliate trades

NOTE Confidence: 0.89625483751297

00:07:01.051 --> 00:07:02.960
can be exempted under the rule.

NOTE Confidence: 0.92512047290802

00:07:03.200 --> 00:07:06.435
As you may know, large global institutions typically do inter

NOTE Confidence: 0.92512047290802

00:07:06.488 --> 00:07:10.837
affiliate financing transactions where they're moving collateral or liquidity from

NOTE Confidence: 0.92512047290802

00:07:10.890 --> 00:07:14.073
one entity to another affiliate in order to manage liquidity

NOTE Confidence: 0.92512047290802

00:07:14.126 --> 00:07:17.679
requirements or collateral movements obligations to CCPs or others.

NOTE Confidence: 0.8484200835227966

00:07:18.880 --> 00:07:22.134
Those transactions, those inter affiliate trades can be exempted under

NOTE Confidence: 0.8484200835227966

00:07:22.181 --> 00:07:22.599
the rule.

NOTE Confidence: 0.917709231376648

00:07:22.920 --> 00:07:26.442
However, if you exempt those transactions, then the affiliate of

NOTE Confidence: 0.917709231376648

00:07:26.497 --> 00:07:29.524
the member, the affiliate must clear all of its outward

NOTE Confidence: 0.917709231376648

00:07:29.579 --> 00:07:30.239
facing repo.

NOTE Confidence: 0.9088759422302246

00:07:30.240 --> 00:07:32.491
So if it engages any repo with clients that needs

NOTE Confidence: 0.9088759422302246

00:07:32.537 --> 00:07:33.640
to be centrally cleared.

NOTE Confidence: 0.8560948967933655

00:07:34.240 --> 00:07:37.748
The industry felt like that was a particularly restrictive because

NOTE Confidence: 0.8560948967933655

00:07:37.802 --> 00:07:41.417

in international markets it can actually be challenging to centrally

NOTE Confidence: 0.8560948967933655

00:07:41.470 --> 00:07:42.640
clear all your trades.

NOTE Confidence: 0.8852207660675049

00:07:43.000 --> 00:07:45.126
It requires quite a bit of operational set up to

NOTE Confidence: 0.8852207660675049

00:07:45.170 --> 00:07:47.474
be able to put in the plumbing to actually centrally

NOTE Confidence: 0.8852207660675049

00:07:47.518 --> 00:07:48.359
clear those trades.

NOTE Confidence: 0.888073205947876

00:07:48.360 --> 00:07:50.956
And in some jurisdictions it can be more challenging with

NOTE Confidence: 0.888073205947876

00:07:51.002 --> 00:07:53.553
certain types of counterparties and it can also be there

NOTE Confidence: 0.888073205947876

00:07:53.598 --> 00:07:54.919
can also be time zone issues.

NOTE Confidence: 0.9207074642181396

00:07:55.240 --> 00:07:58.676
And for that for that reason SIFMA and other industry

NOTE Confidence: 0.9207074642181396

00:07:58.741 --> 00:08:03.538
participants have requested additional flexibility from the SEC to require

NOTE Confidence: 0.9207074642181396

00:08:03.603 --> 00:08:06.391
about 10% let's say of your repo book to be

NOTE Confidence: 0.9207074642181396

00:08:06.456 --> 00:08:08.919
done on a non-centrally cleared basis.

NOTE Confidence: 0.9387919902801514

00:08:08.920 --> 00:08:10.800
I think that would be useful type of flexibility.

NOTE Confidence: 0.8211690187454224

00:08:11.320 --> 00:08:16.022
We've also seen that there's an additional request for comment

NOTE Confidence: 0.8211690187454224

00:08:16.098 --> 00:08:19.663
on a exemption for non-U.S. CCP members to be able

NOTE Confidence: 0.8211690187454224

00:08:19.739 --> 00:08:23.986
to do non-centrally cleared trades when they face non-U.S.

NOTE Confidence: 0.8211690187454224

00:08:24.062 --> 00:08:25.200
counterparties.

NOTE Confidence: 0.966866135597229

00:08:25.760 --> 00:08:27.960
That would be a fairly significant exemption.

NOTE Confidence: 0.8675442337989807

00:08:28.280 --> 00:08:31.508
It would allow any non-U.S. CCP member to do as

NOTE Confidence: 0.8675442337989807

00:08:31.582 --> 00:08:36.425
much repo transactions with non-CCP participants with non-U.S. firms

NOTE Confidence: 0.8675442337989807

00:08:36.499 --> 00:08:37.599
as they wanted.

NOTE Confidence: 0.8911839127540588

00:08:37.760 --> 00:08:40.439
And there's been mixed feedback on this, on this provision

NOTE Confidence: 0.8911839127540588

00:08:40.485 --> 00:08:41.039
of the rule.

NOTE Confidence: 0.9668183922767639

00:08:41.160 --> 00:08:43.503
What I would say in general is that this is

NOTE Confidence: 0.9668183922767639

00:08:43.557 --> 00:08:44.920
a global Treasury market.

NOTE Confidence: 0.9157273173332214

00:08:44.920 --> 00:08:46.899
And so the rules of the road need to be

NOTE Confidence: 0.9157273173332214

00:08:46.950 --> 00:08:49.639
consistent and applied across the U.S. Treasury market.

NOTE Confidence: 0.9010297656059265

00:08:49.640 --> 00:08:52.878
And the principles that we think about are allowing for

NOTE Confidence: 0.9010297656059265

00:08:52.937 --> 00:08:55.941
some flexibility so that you don't have to spend an

NOTE Confidence: 0.9010297656059265

00:08:55.999 --> 00:08:59.709
exorbitant amount of cost centrally clearing a small portion of

NOTE Confidence: 0.9010297656059265

00:08:59.768 --> 00:09:03.007
trades, but providing a level playing field in terms of

NOTE Confidence: 0.9010297656059265

00:09:03.066 --> 00:09:06.717
the rule and also ensuring that there's not widespread evasion

NOTE Confidence: 0.9010297656059265

00:09:06.776 --> 00:09:09.838
of the rule because all of those things could result

NOTE Confidence: 0.9010297656059265

00:09:09.897 --> 00:09:10.839
in bad outcomes.

NOTE Confidence: 0.9600841403007507

00:09:11.720 --> 00:09:14.560

So we're expecting to hear more from the SEC shortly.

NOTE Confidence: 0.9028376936912537

00:09:14.559 --> 00:09:17.154
The comment period for those two rules closes this

NOTE Confidence: 0.9028376936912537

00:09:17.203 --> 00:09:19.448
Friday (May 29, 2026) and I'm sure the SEC will be acting on

NOTE Confidence: 0.9028376936912537

00:09:19.498 --> 00:09:23.239
those fairly quickly because they're important developments for the market.

NOTE Confidence: 0.9679433107376099

00:09:24.520 --> 00:09:26.658
So with that, those are the latest developments I think

NOTE Confidence: 0.9679433107376099

00:09:26.697 --> 00:09:27.320
in the industry.

NOTE Confidence: 0.8917669653892517

00:09:27.320 --> 00:09:28.952
And I think now is a good time for us

NOTE Confidence: 0.8917669653892517

00:09:28.996 --> 00:09:31.201
to transition over and start looking at some of

NOTE Confidence: 0.8917669653892517

00:09:31.245 --> 00:09:33.760
the Global Collateral solutions that we have here at BNY.

NOTE Confidence: 0.8757003545761108

00:09:34.000 --> 00:09:37.620
As I mentioned before, our Global Collateral platform supports over

NOTE Confidence: 0.8757003545761108

00:09:37.674 --> 00:09:41.078
$7.5 trillion dollars of daily financing activities that could

NOTE Confidence: 0.8757003545761108

00:09:41.132 --> 00:09:43.887
be securities lending, it can be triparty repo and

NOTE Confidence: 0.8757003545761108

00:09:43.941 --> 00:09:47.021
there's a a couple trillion dollars of Treasury triparty

NOTE Confidence: 0.8757003545761108

00:09:47.075 --> 00:09:49.722
repo and agency MBS repo in addition to that that

NOTE Confidence: 0.8757003545761108

00:09:49.776 --> 00:09:51.559
happen on our triparty platform.

NOTE Confidence: 0.9196410775184631

00:09:51.559 --> 00:09:55.271
So really the Global Collateral platform is an important way

NOTE Confidence: 0.9196410775184631

00:09:55.333 --> 00:10:00.035
for market participants to efficiently finance their collateral including in

NOTE Confidence: 0.9196410775184631

00:10:00.097 --> 00:10:01.520
the U.S. Treasury market.

NOTE Confidence: 0.9448956251144409

00:10:02.040 --> 00:10:04.442
And so I thought maybe I would turn things over

NOTE Confidence: 0.9448956251144409

00:10:04.493 --> 00:10:07.151
to Kevin who can speak more to our Global Collateral

NOTE Confidence: 0.9448956251144409

00:10:07.202 --> 00:10:10.320
platform and the types of activities that we're seeing there.

NOTE Confidence: 0.8585923314094543

00:10:10.920 --> 00:10:13.247
What are we hearing Kevin, from our clients about the

NOTE Confidence: 0.8585923314094543

00:10:13.291 --> 00:10:16.101
Global Collateral platform and what role does the Collateral

NOTE Confidence: 0.8585923314094543

00:10:16.145 --> 00:10:18.559
platform play with respect to centrally cleared trades?

NOTE Confidence: 0.8452250957489014

00:10:19.040 --> 00:10:19.520
Yeah, great.

NOTE Confidence: 0.9710020422935486

00:10:19.520 --> 00:10:19.960
Thanks.

NOTE Confidence: 0.9160056114196777

00:10:20.280 --> 00:10:21.000
Thanks, Nate.

NOTE Confidence: 0.8643645644187927

00:10:21.000 --> 00:10:24.188
And privileged to be here on the

NOTE Confidence: 0.8643645644187927

00:10:24.264 --> 00:10:24.720
stage.

NOTE Confidence: 0.809553325176239

00:10:25.400 --> 00:10:28.066
So I mean, I think scale matters here, right and

NOTE Confidence: 0.809553325176239

00:10:28.122 --> 00:10:30.400
matters within central clearing.

NOTE Confidence: 0.9078246355056763

00:10:30.400 --> 00:10:33.879
And we would look at our platform as you mentioned

NOTE Confidence: 0.9078246355056763

00:10:33.948 --> 00:10:38.750
$7.8 trillion of collateral that we're supporting, we're supporting

NOTE Confidence: 0.9078246355056763

00:10:38.819 --> 00:10:42.159
across 30+ markets, 1700 participants, right.

NOTE Confidence: 0.9050761461257935

00:10:42.600 --> 00:10:46.064

We run 20,000 optimization runs per day, which speaks to

NOTE Confidence: 0.9050761461257935

00:10:46.126 --> 00:10:49.775
the operational maturity of the platform and its ability to

NOTE Confidence: 0.9050761461257935

00:10:49.837 --> 00:10:53.240
allocate collateral to where, where it's needed, right.

NOTE Confidence: 0.8579570651054382

00:10:53.280 --> 00:10:55.840
And so when you think about to your back to

NOTE Confidence: 0.8579570651054382

00:10:55.900 --> 00:10:59.651
your question on central clearing within triparty, the ability

NOTE Confidence: 0.8579570651054382

00:10:59.711 --> 00:11:02.927
to navigate all of that within one single platform is,

NOTE Confidence: 0.8579570651054382

00:11:02.986 --> 00:11:03.880
is significant.

NOTE Confidence: 0.9209595918655396

00:11:04.400 --> 00:11:07.276
And kind of moving away from the bilateral movement

NOTE Confidence: 0.9209595918655396

00:11:07.329 --> 00:11:11.095
of collateral around to different market participants and maintaining it

NOTE Confidence: 0.9209595918655396

00:11:11.147 --> 00:11:14.286
within a single platform has been significant for the client

NOTE Confidence: 0.9209595918655396

00:11:14.338 --> 00:11:14.599
base.

NOTE Confidence: 0.9313967227935791

00:11:15.480 --> 00:11:17.515
And that that ability to have a long box where

NOTE Confidence: 0.9313967227935791

00:11:17.559 --> 00:11:19.904
you can place all of your collateral, what, what role

NOTE Confidence: 0.9313967227935791

00:11:19.948 --> 00:11:21.319
does that play for our clients?

NOTE Confidence: 0.8510801792144775

00:11:21.400 --> 00:11:22.440
How important is that?

NOTE Confidence: 0.8948527574539185

00:11:24.160 --> 00:11:25.800
It's significant, right?

NOTE Confidence: 0.8578439354896545

00:11:26.040 --> 00:11:29.320
Creates significant operational efficiencies, right?

NOTE Confidence: 0.915176272392273

00:11:29.320 --> 00:11:34.083
And the optimization is key because it enables clients to

NOTE Confidence: 0.915176272392273

00:11:34.166 --> 00:11:40.685
ensure that they're minimizing liquidity, minimizing capital costs and overall

NOTE Confidence: 0.915176272392273

00:11:40.768 --> 00:11:42.440
balance sheet usage.

NOTE Confidence: 0.8262737393379211

00:11:43.920 --> 00:11:47.186
And they're now the, the Global Collateral platform has multiple

NOTE Confidence: 0.8262737393379211

00:11:47.237 --> 00:11:50.656
CCPs connected to it, including obviously the

NOTE Confidence: 0.8262737393379211

00:11:50.707 --> 00:11:51.319
Fixed Income Clearing Corporation (FICC).

NOTE Confidence: 0.8850933313369751

00:11:51.320 --> 00:11:54.034
And you can do centrally cleared trades through that platform

NOTE Confidence: 0.8850933313369751

00:11:54.078 --> 00:11:55.279
in that same efficient way.

NOTE Confidence: 0.9392057061195374

00:11:55.280 --> 00:11:56.680
Is that how you think about it, Kevin?

NOTE Confidence: 0.935800313949585

00:11:57.040 --> 00:11:58.743
Yeah, I think that's the way to think about

NOTE Confidence: 0.935800313949585

00:11:58.777 --> 00:11:58.879
it.

NOTE Confidence: 0.8920196294784546

00:11:58.880 --> 00:12:01.896
And obviously with some of the new products that we'll

NOTE Confidence: 0.8920196294784546

00:12:01.952 --> 00:12:05.694
talk through here today, there's even more efficiencies to leverage

NOTE Confidence: 0.8920196294784546

00:12:05.750 --> 00:12:08.599
the triparty platform outside of you know, the

NOTE Confidence: 0.8920196294784546

00:12:08.655 --> 00:12:11.560
standard clearing structures in the bilateral space.

NOTE Confidence: 0.9446851015090942

00:12:12.640 --> 00:12:12.800
Great.

NOTE Confidence: 0.9620336890220642

00:12:15.320 --> 00:12:17.990
So maybe we should jump right into some of the

NOTE Confidence: 0.9620336890220642

00:12:18.049 --> 00:12:18.919

offerings here.

NOTE Confidence: 0.8193010091781616

00:12:19.440 --> 00:12:22.457
And Sofia, you've been our product lead for our centrally

NOTE Confidence: 0.8193010091781616

00:12:22.509 --> 00:12:26.203
cleared offerings, especially with respect to the Fixed Income Clearing

NOTE Confidence: 0.8193010091781616

00:12:26.255 --> 00:12:26.880
Corporation.

NOTE Confidence: 0.9217610955238342

00:12:26.880 --> 00:12:29.419
And as I mentioned earlier, we've seen quite a bit

NOTE Confidence: 0.9217610955238342

00:12:29.470 --> 00:12:32.669
of innovation, but there's the original Sponsored GC model that's

NOTE Confidence: 0.9217610955238342

00:12:32.720 --> 00:12:34.599
out there and it's in widespread use.

NOTE Confidence: 0.909360408782959

00:12:34.600 --> 00:12:36.663
So tell us a little bit about what we're seeing

NOTE Confidence: 0.909360408782959

00:12:36.707 --> 00:12:39.209
on the Collateral platform and about these models and how

NOTE Confidence: 0.909360408782959

00:12:39.253 --> 00:12:39.999
they're evolving.

NOTE Confidence: 0.8963432312011719

00:12:40.080 --> 00:12:43.279
Yes, thank you, Nate and Kevin, of course, and I'm

NOTE Confidence: 0.8963432312011719

00:12:43.343 --> 00:12:44.879
happy to join you today.

NOTE Confidence: 0.900189220905304

00:12:45.160 --> 00:12:47.441
So I will just reiterate a couple of points that

NOTE Confidence: 0.900189220905304

00:12:47.489 --> 00:12:50.150
were mentioned around our goal when we were building all

NOTE Confidence: 0.900189220905304

00:12:50.198 --> 00:12:52.480
these central clearing services on the platform.

NOTE Confidence: 0.7502601742744446

00:12:52.800 --> 00:12:56.688
Our goal was to enable clients to move seamlessly between

NOTE Confidence: 0.7502601742744446

00:12:56.756 --> 00:13:00.986
CCP's and also between the different services within CCP's and

NOTE Confidence: 0.7502601742744446

00:13:01.054 --> 00:13:05.079
yes, Sponsored GC, Collateral-in-Lieu , Agent Clearing Service.

NOTE Confidence: 0.9433141350746155

00:13:05.080 --> 00:13:07.564
The new offerings, which I'll go a little bit into

NOTE Confidence: 0.9433141350746155

00:13:07.614 --> 00:13:10.595
more detail, really build on the classic solutions we've had

NOTE Confidence: 0.9433141350746155

00:13:10.645 --> 00:13:11.440
on the platform.

NOTE Confidence: 0.9235069751739502

00:13:11.440 --> 00:13:14.616
And one of those is the sponsored GC service, which

NOTE Confidence: 0.9235069751739502

00:13:14.678 --> 00:13:17.606
has been for a couple of years on the platform,

NOTE Confidence: 0.9235069751739502

00:13:17.668 --> 00:13:20.160
a program that has realized huge growth.

NOTE Confidence: 0.8769320249557495

00:13:20.480 --> 00:13:24.615
We see since the finalization of the mandate and end

NOTE Confidence: 0.8769320249557495

00:13:24.695 --> 00:13:27.320
of 2023, more than 400% increase.

NOTE Confidence: 0.891209065914154

00:13:27.320 --> 00:13:30.000
This program is over $800 billion right now.

NOTE Confidence: 0.8383259177207947

00:13:30.360 --> 00:13:34.812
So this program enables sponsoring members to submit triparty

NOTE Confidence: 0.8383259177207947

00:13:34.884 --> 00:13:39.409
repos on a general collateral basis by facing sponsored members

NOTE Confidence: 0.8383259177207947

00:13:39.480 --> 00:13:43.287
on the triparty platform, which offers very much the

NOTE Confidence: 0.8383259177207947

00:13:43.359 --> 00:13:48.170
same experience as uncleared triparty, but having central clearing

NOTE Confidence: 0.8383259177207947

00:13:48.242 --> 00:13:49.320
on top of that.

NOTE Confidence: 0.8786224126815796

00:13:49.360 --> 00:13:52.430
And by looking at the graph there, and I hope

NOTE Confidence: 0.8786224126815796

00:13:52.498 --> 00:13:55.978
our audience can see that really this seems like an

NOTE Confidence: 0.8786224126815796

00:13:56.046 --> 00:14:00.071

uncleared triparty offering, but with the addition that we

NOTE Confidence: 0.8786224126815796

00:14:00.140 --> 00:14:03.688
on the Global Collateral platform play a role in the

NOTE Confidence: 0.8786224126815796

00:14:03.756 --> 00:14:08.122
novation by submitting specific details to FICC and other CCPs

NOTE Confidence: 0.8786224126815796

00:14:08.191 --> 00:14:12.626
in in the future alongside the sponsoring members submitting some

NOTE Confidence: 0.8786224126815796

00:14:12.694 --> 00:14:14.399
great details to the CCP.

NOTE Confidence: 0.8046060800552368

00:14:14.559 --> 00:14:17.380
So really how do we combine the efficiency of

NOTE Confidence: 0.8046060800552368

00:14:17.438 --> 00:14:19.279
triparty with central clearing?

NOTE Confidence: 0.8350160121917725

00:14:19.280 --> 00:14:21.868
This is the Sponsored GC which we will be referring

NOTE Confidence: 0.8350160121917725

00:14:21.921 --> 00:14:24.562
to as classic for now on because we've created the

NOTE Confidence: 0.8350160121917725

00:14:24.615 --> 00:14:27.679
enhanced version of this, which is the Collateral-in-Lieu and

NOTE Confidence: 0.8350160121917725

00:14:27.732 --> 00:14:29.000
you alluded to it, Nate.

NOTE Confidence: 0.8144571781158447

00:14:30.160 --> 00:14:34.573
The Collateral-in-Lieu service which we recently launched in December,

NOTE Confidence: 0.8144571781158447

00:14:34.639 --> 00:14:37.999
we saw the first trade there is really an extension

NOTE Confidence: 0.8144571781158447

00:14:38.064 --> 00:14:42.017
of the central clearing, the Sponsored GC service where what

NOTE Confidence: 0.8144571781158447

00:14:42.083 --> 00:14:45.311
happens we give FICC a lien on the assets that are

NOTE Confidence: 0.8144571781158447

00:14:45.377 --> 00:14:49.527
allocated to the platform to the cash investors Collateral-in-Lieu

NOTE Confidence: 0.8144571781158447

00:14:49.593 --> 00:14:50.120
account.

NOTE Confidence: 0.8997995257377625

00:14:50.320 --> 00:14:52.760
And this lien achieves a couple of benefits.

NOTE Confidence: 0.7935000658035278

00:14:53.160 --> 00:14:57.044
One of that is that it removes the sponsoring members

NOTE Confidence: 0.7935000658035278

00:14:57.117 --> 00:15:02.541
obligation to guarantee the sponsored members performance to

NOTE Confidence: 0.7935000658035278

00:15:02.614 --> 00:15:07.011
FICC, which reduces significant capital costs and RWA costs

NOTE Confidence: 0.7935000658035278

00:15:07.085 --> 00:15:11.262
and also alleviates the need for the sponsoring member to

NOTE Confidence: 0.7935000658035278

00:15:11.335 --> 00:15:15.440
submit margin on behalf of the sponsored member at FICC.

NOTE Confidence: 0.8216573596000671

00:15:15.680 --> 00:15:18.861
So a lot of the talk in central clearing

NOTE Confidence: 0.8216573596000671

00:15:18.935 --> 00:15:21.599
was about the increased margin cost.

NOTE Confidence: 0.7945732474327087

00:15:21.600 --> 00:15:23.986
And I think Collateral-in-Lieu is a direct

NOTE Confidence: 0.7945732474327087

00:15:24.046 --> 00:15:27.865
response to that because it addresses the double margining issue

NOTE Confidence: 0.7945732474327087

00:15:27.925 --> 00:15:31.923
for the money funds and really offers other substantial operational

NOTE Confidence: 0.7945732474327087

00:15:31.982 --> 00:15:32.519
benefits.

NOTE Confidence: 0.9138991832733154

00:15:32.520 --> 00:15:34.776
Some of them being that it enables the use of

NOTE Confidence: 0.9138991832733154

00:15:34.826 --> 00:15:37.985
joint trading accounts, which wasn't something that we could do

NOTE Confidence: 0.9138991832733154

00:15:38.035 --> 00:15:39.440
in the Sponsored GC version.

NOTE Confidence: 0.9076119661331177

00:15:39.680 --> 00:15:42.987
So we've seen the first trade come in December (2025) and I

NOTE Confidence: 0.9076119661331177

00:15:43.054 --> 00:15:46.969
think as clients get more operationally ready, we see that

NOTE Confidence: 0.9076119661331177

00:15:47.037 --> 00:15:48.319

program picking up.

NOTE Confidence: 0.873394787311554

00:15:48.360 --> 00:15:51.940
And obviously the changes and the improvement between the

NOTE Confidence: 0.873394787311554

00:15:51.998 --> 00:15:55.050
classic version and this one are very evident to the

NOTE Confidence: 0.873394787311554

00:15:55.109 --> 00:15:55.520
market.

NOTE Confidence: 0.7272816300392151

00:15:55.880 --> 00:15:56.080
Yeah.

NOTE Confidence: 0.6599809527397156

00:15:56.080 --> 00:15:58.692
And you so you mentioned Sofia the double margining

NOTE Confidence: 0.6599809527397156

00:15:58.740 --> 00:15:59.120
problem.

NOTE Confidence: 0.8747743964195251

00:15:59.240 --> 00:16:01.191
Maybe you can just explain a little bit what the

NOTE Confidence: 0.8747743964195251

00:16:01.232 --> 00:16:03.875
double margining problem was and how Collateral-in-Lieu addresses

NOTE Confidence: 0.8747743964195251

00:16:03.916 --> 00:16:04.119
that?

NOTE Confidence: 0.8804872632026672

00:16:04.120 --> 00:16:04.520
Yes.

NOTE Confidence: 0.8168315887451172

00:16:04.920 --> 00:16:08.406
So usually when you're thinking about a Treasury trade, say

NOTE Confidence: 0.8168315887451172

00:16:08.465 --> 00:16:11.597
100, you need to collateralize that on triparty with

NOTE Confidence: 0.8168315887451172

00:16:11.656 --> 00:16:14.729
2% margin, OK, That's the money market fund (MMF)

NOTE Confidence: 0.8168315887451172

00:16:14.788 --> 00:16:15.319
practice.

NOTE Confidence: 0.95821613073349

00:16:15.400 --> 00:16:18.735
And on top of that, the sponsoring member would have

NOTE Confidence: 0.95821613073349

00:16:18.799 --> 00:16:21.942
to contribute an extra 2% to the clearing fund to

NOTE Confidence: 0.95821613073349

00:16:22.006 --> 00:16:22.520
the CCP.

NOTE Confidence: 0.9180606603622437

00:16:22.720 --> 00:16:25.475
So this leads to this problem where you need to

NOTE Confidence: 0.9180606603622437

00:16:25.534 --> 00:16:26.999
contribute double margin.

NOTE Confidence: 0.8073642253875732

00:16:27.160 --> 00:16:29.801
So what the latter in view does is that given

NOTE Confidence: 0.8073642253875732

00:16:29.859 --> 00:16:32.618
this lien that we give to FICC on the platform,

NOTE Confidence: 0.8073642253875732

00:16:32.677 --> 00:16:36.198
alleviate the need for the contribution to the clearing fund

NOTE Confidence: 0.8073642253875732

00:16:36.257 --> 00:16:38.898
and we just keep the 2% which is the practice

NOTE Confidence: 0.8073642253875732

00:16:38.957 --> 00:16:39.719
on triparty.

NOTE Confidence: 0.6524636745452881

00:16:40.040 --> 00:16:40.160
Right.

NOTE Confidence: 0.8282047510147095

00:16:40.160 --> 00:16:42.630
So the member, the sponsored member posts 102%

NOTE Confidence: 0.8282047510147095

00:16:42.679 --> 00:16:45.101
to the money fund, which is which money funds like

NOTE Confidence: 0.8282047510147095

00:16:45.150 --> 00:16:47.815
because the money funds get that practice of being over

NOTE Confidence: 0.8282047510147095

00:16:47.863 --> 00:16:50.480
collateralized, which has become an industry practice.

NOTE Confidence: 0.8113247156143188

00:16:51.360 --> 00:16:53.803
And then that two, that 102% is then

NOTE Confidence: 0.8113247156143188

00:16:53.865 --> 00:16:56.872
recognized by the CCP and there's a lien on that

NOTE Confidence: 0.8113247156143188

00:16:56.935 --> 00:16:58.000
102%, correct.

NOTE Confidence: 0.9030527472496033

00:16:58.000 --> 00:17:01.200
That allows them to obviate the need for a guarantee

NOTE Confidence: 0.9030527472496033

00:17:01.261 --> 00:17:03.600

by that sponsor and there's no margin.

NOTE Confidence: 0.9171786308288574

00:17:03.600 --> 00:17:06.481
And those two pieces, I think as you said, are

NOTE Confidence: 0.9171786308288574

00:17:06.544 --> 00:17:08.799
really critical to the efficiencies.

NOTE Confidence: 0.7651958465576172

00:17:08.920 --> 00:17:09.280
Yes.

NOTE Confidence: 0.8667292594909668

00:17:09.320 --> 00:17:12.330
And it's, I would comment from that point a little

NOTE Confidence: 0.8667292594909668

00:17:12.390 --> 00:17:15.099
bit later, but the fact that there is this 2%

NOTE Confidence: 0.8667292594909668

00:17:15.159 --> 00:17:18.169
haircut on triparty is one of the enhancements we

NOTE Confidence: 0.8667292594909668

00:17:18.229 --> 00:17:21.240
also rolled out in the Global Collateral platform.

NOTE Confidence: 0.9221960306167603

00:17:21.240 --> 00:17:23.330
We were not able to do that before, but as

NOTE Confidence: 0.9221960306167603

00:17:23.380 --> 00:17:27.113
we're launching new products, we're launching also more efficient solutions

NOTE Confidence: 0.9221960306167603

00:17:27.163 --> 00:17:27.959
on the platform.

NOTE Confidence: 0.8025166392326355

00:17:28.200 --> 00:17:31.428
And controlling the margin on triparty 2% in this

NOTE Confidence: 0.8025166392326355

00:17:31.493 --> 00:17:35.303
instance is something that we've also rolled out and really

NOTE Confidence: 0.8025166392326355

00:17:35.368 --> 00:17:38.919
helps risk manage the program for CCPs on the platform.

NOTE Confidence: 0.8662142753601074

00:17:39.640 --> 00:17:42.474
And maybe to bring Kevin into this conversation a little

NOTE Confidence: 0.8662142753601074

00:17:42.525 --> 00:17:45.461
bit, I mean, obviously we've been talking with our clients

NOTE Confidence: 0.8662142753601074

00:17:45.512 --> 00:17:47.891
both on the dealer side and the money fund side

NOTE Confidence: 0.8662142753601074

00:17:47.942 --> 00:17:51.131
about Collateral-in-Lieu because of these efficiencies that the

NOTE Confidence: 0.8662142753601074

00:17:51.181 --> 00:17:51.839
sponsors get.

NOTE Confidence: 0.8431594371795654

00:17:52.240 --> 00:17:54.944
So it seems pretty clear that the sponsors would like

NOTE Confidence: 0.8431594371795654

00:17:54.995 --> 00:17:57.343
this, like what's in it for the money funds on

NOTE Confidence: 0.8431594371795654

00:17:57.394 --> 00:17:59.640
on Collateral-in-Lieu, like is it capacity?

NOTE Confidence: 0.8618959784507751

00:17:59.640 --> 00:18:01.781
Is it you know, is this

NOTE Confidence: 0.8618959784507751

00:18:01.839 --> 00:18:04.559
the new way that central clearing will be done?

NOTE Confidence: 0.8578782081604004

00:18:04.560 --> 00:18:05.720
Like how should we think about this?

NOTE Confidence: 0.9339499473571777

00:18:05.720 --> 00:18:06.760
What are we hearing from clients?

NOTE Confidence: 0.8440711498260498

00:18:06.760 --> 00:18:10.106
Yeah, I think from clients we're well, it's really

NOTE Confidence: 0.8440711498260498

00:18:10.166 --> 00:18:13.513
on the on the client side, it's balance sheet efficiency

NOTE Confidence: 0.8440711498260498

00:18:13.573 --> 00:18:16.621
which enables them to do more with the money funds,

NOTE Confidence: 0.8440711498260498

00:18:16.681 --> 00:18:17.039
right.

NOTE Confidence: 0.8343297839164734

00:18:17.040 --> 00:18:21.222
So that the balance sheet consumption around month end

NOTE Confidence: 0.8343297839164734

00:18:21.294 --> 00:18:24.972
statement date may may be less sensitive now as you

NOTE Confidence: 0.8343297839164734

00:18:25.044 --> 00:18:29.371
know the balance sheet costs or balance sheet consumption is

NOTE Confidence: 0.8343297839164734

00:18:29.443 --> 00:18:32.400
lower with the lower margin requirements.

NOTE Confidence: 0.8504540324211121

00:18:32.920 --> 00:18:34.360

That's what we're hearing generally.

NOTE Confidence: 0.9562065005302429

00:18:34.720 --> 00:18:37.421
I mean, I think, you know the open question is

NOTE Confidence: 0.9562065005302429

00:18:37.479 --> 00:18:40.239
around pricing, how that will impact if at all.

NOTE Confidence: 0.9217172861099243

00:18:40.760 --> 00:18:43.000
But more generally, it's about balance sheet.

NOTE Confidence: 0.9095163345336914

00:18:43.080 --> 00:18:45.896
Capacity, yeah, I think capacity is one of those things

NOTE Confidence: 0.9095163345336914

00:18:45.948 --> 00:18:48.560
that people talk a lot about with central clearing.

NOTE Confidence: 0.8540983200073242

00:18:48.560 --> 00:18:50.841
You know, we've heard from the very beginning that, OK,

NOTE Confidence: 0.8540983200073242

00:18:50.882 --> 00:18:53.247
we have a central clearing mandate, It's going to require

NOTE Confidence: 0.8540983200073242

00:18:53.288 --> 00:18:55.279
most of the repo market to be centrally cleared.

NOTE Confidence: 0.9552392959594727

00:18:55.760 --> 00:18:57.200
Is there enough margin out there?

NOTE Confidence: 0.945225179195404

00:18:57.200 --> 00:18:58.360
Is there enough capacity?

NOTE Confidence: 0.851981520652771

00:18:58.359 --> 00:19:00.276
And I know we're going to get to this in

NOTE Confidence: 0.851981520652771

00:19:00.323 --> 00:19:02.766
the Done-away discussion, but that seems to be one of

NOTE Confidence: 0.851981520652771

00:19:02.814 --> 00:19:05.688
the key things that markets participants are focused

NOTE Confidence: 0.851981520652771

00:19:05.736 --> 00:19:06.120
on here.

NOTE Confidence: 0.6883841156959534

00:19:06.200 --> 00:19:06.840
Absolutely.

NOTE Confidence: 0.909783124923706

00:19:07.280 --> 00:19:10.222
And I would also emphasize the use of joint trading

NOTE Confidence: 0.909783124923706

00:19:10.280 --> 00:19:10.800
accounts.

NOTE Confidence: 0.9271547198295593

00:19:11.040 --> 00:19:13.519
This is something that is operationally very efficient for the

NOTE Confidence: 0.9271547198295593

00:19:13.559 --> 00:19:14.039
money funds.

NOTE Confidence: 0.7720696926116943

00:19:14.040 --> 00:19:16.668
We've heard that that's a big advantage as to why

NOTE Confidence: 0.7720696926116943

00:19:16.722 --> 00:19:19.887
would someone use Collateral-in-Lieu versus the sponsored GC

NOTE Confidence: 0.7720696926116943

00:19:19.941 --> 00:19:20.800
Classic version.

NOTE Confidence: 0.9001407027244568

00:19:21.120 --> 00:19:24.560
And that's a key benefit, I would say operationally.

NOTE Confidence: 0.6403738260269165

00:19:26.200 --> 00:19:26.440
OK.

NOTE Confidence: 0.798180878162384

00:19:26.440 --> 00:19:29.081
So Collateral-in-Lieu, we have a

NOTE Confidence: 0.798180878162384

00:19:29.145 --> 00:19:32.881
new version of sponsored GC Classic and now

NOTE Confidence: 0.798180878162384

00:19:32.945 --> 00:19:36.360
Collateral-in-Lieu, but there's also the Agent Clearing Service (in triparty), yes.

NOTE Confidence: 0.8812451362609863

00:19:36.720 --> 00:19:40.603
So the Agent Clearing Service was really an existing service

NOTE Confidence: 0.8812451362609863

00:19:40.668 --> 00:19:43.839
offered at FICC in the bilateral version of this.

NOTE Confidence: 0.8777048587799072

00:19:44.080 --> 00:19:47.022
And what we've done now is really bring the ACS

NOTE Confidence: 0.8777048587799072

00:19:47.085 --> 00:19:48.400
version on triparty.

NOTE Confidence: 0.8603334426879883

00:19:48.600 --> 00:19:52.222
So it allows the agent clearing members and they're underlying

NOTE Confidence: 0.8603334426879883

00:19:52.280 --> 00:19:56.078
the executing firm customers to continue leverage the benefits of

NOTE Confidence: 0.8603334426879883

00:19:56.136 --> 00:19:59.758

the agent clearing service while enjoying the benefits and the

NOTE Confidence: 0.8603334426879883

00:19:59.817 --> 00:20:02.679
operational efficiency, scalability of triparty.

NOTE Confidence: 0.8553525805473328

00:20:03.120 --> 00:20:06.600
So from a set of perspective this is also something.

NOTE Confidence: 0.8462229371070862

00:20:06.720 --> 00:20:11.353
That is very efficient because clients and clearing members can

NOTE Confidence: 0.8462229371070862

00:20:11.427 --> 00:20:15.325
continue use the same omnibus account at FICC that is

NOTE Confidence: 0.8462229371070862

00:20:15.398 --> 00:20:20.105
established for the DVP agent clearing service and just creating

NOTE Confidence: 0.8462229371070862

00:20:20.179 --> 00:20:24.445
new accounts on triparty and uses the exact operational

NOTE Confidence: 0.8462229371070862

00:20:24.518 --> 00:20:29.078
flow and legal construct that the sponsored GC classic version

NOTE Confidence: 0.8462229371070862

00:20:29.152 --> 00:20:29.519
uses.

NOTE Confidence: 0.8541327118873596

00:20:29.600 --> 00:20:32.732
So really for our clients and on purpose, we added

NOTE Confidence: 0.8541327118873596

00:20:32.795 --> 00:20:35.802
all these graphs on screen just to show that the

NOTE Confidence: 0.8541327118873596

00:20:35.865 --> 00:20:38.998
experience we would want to offer and triparty is

NOTE Confidence: 0.8541327118873596

00:20:39.060 --> 00:20:42.506
really seamless and experience and same as the one that

NOTE Confidence: 0.8541327118873596

00:20:42.569 --> 00:20:43.760
clients know today.

NOTE Confidence: 0.8847596645355225

00:20:44.160 --> 00:20:47.146
So this is really one model that is well known

NOTE Confidence: 0.8847596645355225

00:20:47.211 --> 00:20:50.392
to the market and we are just unlocking even more

NOTE Confidence: 0.8847596645355225

00:20:50.457 --> 00:20:54.807
scalability as we're thinking about our Collateral platform to play

NOTE Confidence: 0.8847596645355225

00:20:54.872 --> 00:20:57.859
a key role in making our clients comply with a

NOTE Confidence: 0.8847596645355225

00:20:57.924 --> 00:21:01.560
mandate when scalability is really a key component here.

NOTE Confidence: 0.9032816886901855

00:21:02.400 --> 00:21:04.800
Yeah, I mean, interestingly like the, you know, it used

NOTE Confidence: 0.9032816886901855

00:21:04.843 --> 00:21:07.243
to be a correspondent clearing service that was done in

NOTE Confidence: 0.9032816886901855

00:21:07.287 --> 00:21:09.730
the cash market, the purchase and sale market, then that

NOTE Confidence: 0.9032816886901855

00:21:09.774 --> 00:21:11.519
got converted to Agent Clearing Service.

NOTE Confidence: 0.9586760401725769

00:21:11.520 --> 00:21:14.653
And so it is well known within the cash market,

NOTE Confidence: 0.9586760401725769

00:21:14.719 --> 00:21:17.386
not so well known yet in the in the repo

NOTE Confidence: 0.9586760401725769

00:21:17.453 --> 00:21:17.919
market.

NOTE Confidence: 0.8760915994644165

00:21:18.240 --> 00:21:20.498
And you know, one of the things that I've heard

NOTE Confidence: 0.8760915994644165

00:21:20.546 --> 00:21:23.429
in talking with market participants and clients that you know,

NOTE Confidence: 0.8760915994644165

00:21:23.477 --> 00:21:25.879
they're thinking about which model to use.

NOTE Confidence: 0.914810061454773

00:21:25.880 --> 00:21:28.279
And so maybe to bring Kevin into this a little

NOTE Confidence: 0.914810061454773

00:21:28.331 --> 00:21:30.678
bit as well, you know, what are you

NOTE Confidence: 0.914810061454773

00:21:30.730 --> 00:21:33.390
you both hearing in terms of the debate between the

NOTE Confidence: 0.914810061454773

00:21:33.442 --> 00:21:36.728
use of these models, people know sponsored collateral news more

NOTE Confidence: 0.914810061454773

00:21:36.780 --> 00:21:39.805
efficient, but Agent Clearing Service can get you this

NOTE Confidence: 0.914810061454773

00:21:39.857 --> 00:21:40.640

net margin benefit.

NOTE Confidence: 0.9356343746185303

00:21:40.640 --> 00:21:42.849
So what are we hearing about the different models and

NOTE Confidence: 0.9356343746185303

00:21:42.891 --> 00:21:43.599
their advantages?

NOTE Confidence: 0.8763903975486755

00:21:45.400 --> 00:21:48.032
I think the net margin is the big one,

NOTE Confidence: 0.8763903975486755

00:21:48.095 --> 00:21:51.981
right, the netting across on both sides and really compressing

NOTE Confidence: 0.8763903975486755

00:21:52.044 --> 00:21:55.680
margin even further within the ACS model versus sponsored.

NOTE Confidence: 0.8667011857032776

00:21:56.600 --> 00:21:59.167
I also think the market has spent a lot of

NOTE Confidence: 0.8667011857032776

00:21:59.228 --> 00:22:02.835
time implementing sponsored right and it's a heavy

NOTE Confidence: 0.8667011857032776

00:22:02.897 --> 00:22:07.359
lift, a lot of work with counterparties, documentation systems, et cetera.

NOTE Confidence: 0.9439017176628113

00:22:07.840 --> 00:22:11.001
And so the take up of ACS is still a

NOTE Confidence: 0.9439017176628113

00:22:11.089 --> 00:22:11.879
bit slow.

NOTE Confidence: 0.8837509751319885

00:22:12.640 --> 00:22:15.774
I think you know that you know, utopia of no

NOTE Confidence: 0.8837509751319885

00:22:15.845 --> 00:22:20.048
margin is very appealing, but the ability to implement that

NOTE Confidence: 0.8837509751319885

00:22:20.119 --> 00:22:23.040
is proving difficult at least quickly.

NOTE Confidence: 0.8485258221626282

00:22:23.640 --> 00:22:25.863
And then I and then the other piece of

NOTE Confidence: 0.8485258221626282

00:22:25.916 --> 00:22:28.934
this is really the counterparty side of the liquidity

NOTE Confidence: 0.8485258221626282

00:22:28.987 --> 00:22:32.057
providers and their take up of the model and understanding

NOTE Confidence: 0.8485258221626282

00:22:32.110 --> 00:22:34.545
of the model and support of the model is still

NOTE Confidence: 0.8485258221626282

00:22:34.598 --> 00:22:36.239
an open item out in the market.

NOTE Confidence: 0.8975481986999512

00:22:37.920 --> 00:22:39.160
Yeah, I would agree to that.

NOTE Confidence: 0.8984227776527405

00:22:39.800 --> 00:22:42.734
And I think that as the market is examining all

NOTE Confidence: 0.8984227776527405

00:22:42.796 --> 00:22:46.729
these models and yes, no one-size-fits-all here, but as clients

NOTE Confidence: 0.8984227776527405

00:22:46.792 --> 00:22:50.038
are navigating which one is best long term for their

NOTE Confidence: 0.8984227776527405

00:22:50.101 --> 00:22:53.472
needs, we see a transition from the Sponsored GC version

NOTE Confidence: 0.8984227776527405

00:22:53.534 --> 00:22:56.968
into Collateral-in-Lieu, which is the model that, yes,

NOTE Confidence: 0.8984227776527405

00:22:57.030 --> 00:23:00.214
the market knows and operationally to get it set up

NOTE Confidence: 0.8984227776527405

00:23:00.277 --> 00:23:02.399
is very well known for the market.

NOTE Confidence: 0.8908936977386475

00:23:02.520 --> 00:23:05.408
So in the short run, I would expect

NOTE Confidence: 0.8908936977386475

00:23:05.466 --> 00:23:07.200
Collateral-in-Lieu to be the dominant model.

NOTE Confidence: 0.892292320728302

00:23:07.200 --> 00:23:10.604
And then we will see a balance in the future

NOTE Confidence: 0.892292320728302

00:23:10.681 --> 00:23:13.079
depending on each dealer’s needs.

NOTE Confidence: 0.6299806833267212

00:23:13.440 --> 00:23:13.680
Yeah.

NOTE Confidence: 0.9343076348304749

00:23:13.840 --> 00:23:16.134
I think that that point about dealer needs is really

NOTE Confidence: 0.9343076348304749

00:23:16.178 --> 00:23:19.399
important because some dealers might have different capacity constraints.

NOTE Confidence: 0.9676337242126465

00:23:19.400 --> 00:23:21.200

So you might be constrained on margin.

NOTE Confidence: 0.9090617895126343

00:23:21.200 --> 00:23:23.359
And if your goal was to reduce the amount of

NOTE Confidence: 0.9090617895126343

00:23:23.409 --> 00:23:26.747
margin that you're posting for both when you're reversing collateral

NOTE Confidence: 0.9090617895126343

00:23:26.796 --> 00:23:28.907
and then when you flip it around to a money

NOTE Confidence: 0.9090617895126343

00:23:28.956 --> 00:23:31.165
fund like you can, you can net that in theory

NOTE Confidence: 0.9090617895126343

00:23:31.214 --> 00:23:33.079
to zero under the Agent Clearing Service.

NOTE Confidence: 0.9212965965270996

00:23:33.080 --> 00:23:35.977
So that's pretty powerful if margin is your constraint, but

NOTE Confidence: 0.9212965965270996

00:23:36.026 --> 00:23:39.119
of course, other dealers may be faced with capital constraints.

NOTE Confidence: 0.9184830784797668

00:23:39.120 --> 00:23:43.640
And so ACS doesn't alleviate capital constraints.

NOTE Confidence: 0.8650023937225342

00:23:43.640 --> 00:23:46.274
You still have to guarantee your clients into clearing

NOTE Confidence: 0.8650023937225342

00:23:46.319 --> 00:23:49.132
Collateral-in-Lieu actually obviates the need for that guarantee for

NOTE Confidence: 0.8650023937225342

00:23:49.176 --> 00:23:51.319
money funds on the money fund side of the trade.

NOTE Confidence: 0.8997965455055237

00:23:51.320 --> 00:23:54.134
So if capital was your constraint, it could be that

NOTE Confidence: 0.8997965455055237

00:23:54.189 --> 00:23:56.396
Collateral-in-Lieu is a is a way to get those

NOTE Confidence: 0.8997965455055237

00:23:56.451 --> 00:23:59.652
efficiencies on the RWA front and margin, although you can

NOTE Confidence: 0.8997965455055237

00:23:59.707 --> 00:24:02.079
only get the money fund side of the margin.

NOTE Confidence: 0.853922426700592

00:24:02.080 --> 00:24:04.327
So I do think to your point, Sofia, like there

NOTE Confidence: 0.853922426700592

00:24:04.375 --> 00:24:06.479
and, and Kevin, there's going to be a lot of

NOTE Confidence: 0.853922426700592

00:24:06.527 --> 00:24:09.014
of a discussion in the marketplace about what is the

NOTE Confidence: 0.853922426700592

00:24:09.062 --> 00:24:11.788
right model given a dealer's constraints and then who are

NOTE Confidence: 0.853922426700592

00:24:11.835 --> 00:24:14.561
their client base and are they comfortable with that kind

NOTE Confidence: 0.853922426700592

00:24:14.609 --> 00:24:15.039
of model?

NOTE Confidence: 0.9158036708831787

00:24:15.040 --> 00:24:17.427
Because there are risk differences in these models as well

NOTE Confidence: 0.9158036708831787

00:24:17.471 --> 00:24:19.239
that I think should be closely examined.

NOTE Confidence: 0.8590158820152283

00:24:21.000 --> 00:24:22.480
OK, so that's Agent Clearing Service.

NOTE Confidence: 0.9132378101348877

00:24:22.480 --> 00:24:24.259
But I know for all of this, we had to

NOTE Confidence: 0.9132378101348877

00:24:24.307 --> 00:24:27.290
enable this on the Global Collateral platform and there's also

NOTE Confidence: 0.9132378101348877

00:24:27.338 --> 00:24:29.840
the legal documentation and the onboarding approach.

NOTE Confidence: 0.9628804326057434

00:24:29.920 --> 00:24:31.324
So maybe you can tell us a little bit about

NOTE Confidence: 0.9628804326057434

00:24:31.356 --> 00:24:31.519
that.

NOTE Confidence: 0.8246906995773315

00:24:31.680 --> 00:24:31.960
Yes.

NOTE Confidence: 0.8975114226341248

00:24:31.960 --> 00:24:35.407
So it's really important as we're launching all these new

NOTE Confidence: 0.8975114226341248

00:24:35.467 --> 00:24:38.975
services to be able to continue advancing the platform and

NOTE Confidence: 0.8975114226341248

00:24:39.036 --> 00:24:42.302
how flexibilities and how many features it has and how

NOTE Confidence: 0.8975114226341248

00:24:42.362 --> 00:24:46.233

we're responding to client needs with central clearing and these

NOTE Confidence: 0.8975114226341248

00:24:46.293 --> 00:24:47.080
are evolving.

NOTE Confidence: 0.9144867062568665

00:24:47.359 --> 00:24:50.059
So one of these that I wanted to touch upon

NOTE Confidence: 0.9144867062568665

00:24:50.121 --> 00:24:54.013
is we heard many clients really wanting some transparency into

NOTE Confidence: 0.9144867062568665

00:24:54.076 --> 00:24:55.519
the novation process.

NOTE Confidence: 0.826219916343689

00:24:55.520 --> 00:24:58.194
And this is why we've introduced the novation feature in

NOTE Confidence: 0.826219916343689

00:24:58.240 --> 00:24:58.839
the platform.

NOTE Confidence: 0.9254555702209473

00:24:59.000 --> 00:25:02.954
So usually the clearing members have access into the novation

NOTE Confidence: 0.9254555702209473

00:25:03.017 --> 00:25:03.519
process.

NOTE Confidence: 0.8865787982940674

00:25:03.520 --> 00:25:06.311
They are usually the ones connected to the CCP, but

NOTE Confidence: 0.8865787982940674

00:25:06.366 --> 00:25:08.720
what happens with their underlying clients?

NOTE Confidence: 0.8642733097076416

00:25:09.000 --> 00:25:12.389
We are now introducing the novation feature where at the

NOTE Confidence: 0.8642733097076416

00:25:12.448 --> 00:25:16.714
minimum, every client on the Global Collateral platform that participates

NOTE Confidence: 0.8642733097076416

00:25:16.773 --> 00:25:20.221
in central clearing services will know that their trade has

NOTE Confidence: 0.8642733097076416

00:25:20.280 --> 00:25:21.040
been novated.

NOTE Confidence: 0.8830001354217529

00:25:21.240 --> 00:25:24.395
And when we're thinking about a mandate, it's really critical

NOTE Confidence: 0.8830001354217529

00:25:24.447 --> 00:25:27.292
for clients and the desks to know that they're actually

NOTE Confidence: 0.8830001354217529

00:25:27.344 --> 00:25:28.999
compliant by the end of the day.

NOTE Confidence: 0.9500464200973511

00:25:29.280 --> 00:25:32.552
So this is one feature that has we have already

NOTE Confidence: 0.9500464200973511

00:25:32.625 --> 00:25:36.479
rolled out to just see how clients are enjoying this.

NOTE Confidence: 0.8637120127677917

00:25:36.480 --> 00:25:38.120
And we've received really good feedback.

NOTE Confidence: 0.858880877494812

00:25:38.359 --> 00:25:41.360
And alongside that, we've increased the data that we offer

NOTE Confidence: 0.858880877494812

00:25:41.412 --> 00:25:42.239
on the platform.

NOTE Confidence: 0.845476508140564

00:25:42.400 --> 00:25:45.291
Yes, in the past we had three central clearing

NOTE Confidence: 0.845476508140564

00:25:45.349 --> 00:25:46.680
models on the platform.

NOTE Confidence: 0.9476263523101807

00:25:46.800 --> 00:25:49.286
Now we're looking into more than five to six by the end

NOTE Confidence: 0.9476263523101807

00:25:49.338 --> 00:25:51.877
of the year, which means that clients need to be

NOTE Confidence: 0.9476263523101807

00:25:51.930 --> 00:25:54.839
able to separate and distinguish between that activity.

NOTE Confidence: 0.8404899835586548

00:25:54.920 --> 00:25:57.852
So here it comes, our enhanced data where clients will

NOTE Confidence: 0.8404899835586548

00:25:57.907 --> 00:26:00.948
be able to see which CCP they're interacting with, which

NOTE Confidence: 0.8404899835586548

00:26:01.002 --> 00:26:04.587
central clearing service they're operating in, who is the clearing

NOTE Confidence: 0.8404899835586548

00:26:04.641 --> 00:26:07.520
member for the trade and where is the clearing model?

NOTE Confidence: 0.8483907580375671

00:26:07.520 --> 00:26:08.880
Is it Done-with, Done-away?

NOTE Confidence: 0.9161490201950073

00:26:09.280 --> 00:26:13.929
And the enhancement there has received good responses for clients

NOTE Confidence: 0.9161490201950073

00:26:14.000 --> 00:26:17.648

because it's interesting for them to be able to see

NOTE Confidence: 0.9161490201950073

00:26:17.720 --> 00:26:22.369
which models they're using and how they're allocating their

NOTE Confidence: 0.9161490201950073

00:26:22.440 --> 00:26:23.800
financing activity.

NOTE Confidence: 0.8353819847106934

00:26:24.280 --> 00:26:27.751
And every model that we discussed earlier and the future

NOTE Confidence: 0.8353819847106934

00:26:27.813 --> 00:26:31.098
ones will all be available and they're both Done-with

NOTE Confidence: 0.8353819847106934

00:26:31.160 --> 00:26:32.399
and Done-away basis.

NOTE Confidence: 0.933016836643219

00:26:32.640 --> 00:26:37.198
So historically our platform had collateral providers and receivers and

NOTE Confidence: 0.933016836643219

00:26:37.262 --> 00:26:41.563
sponsoring members and sponsored members, which means that this was

NOTE Confidence: 0.933016836643219

00:26:41.627 --> 00:26:43.040
a Done-with construct.

NOTE Confidence: 0.8478739261627197

00:26:43.200 --> 00:26:47.192
Now we've introduced this Done-away agent sponsor view where

NOTE Confidence: 0.8478739261627197

00:26:47.258 --> 00:26:51.583
third party clients can really operate their Done-away businesses

NOTE Confidence: 0.8478739261627197

00:26:51.650 --> 00:26:55.177
and use our triparty infrastructure to connect to

NOTE Confidence: 0.8478739261627197

00:26:55.243 --> 00:26:59.302
the CCPs and send messaging and submit novation through our

NOTE Confidence: 0.8478739261627197

00:26:59.369 --> 00:27:03.494
platform, which is something that can help some clients really

NOTE Confidence: 0.8478739261627197

00:27:03.561 --> 00:27:07.952
set up their technology infrastructure and really outsource all of

NOTE Confidence: 0.8478739261627197

00:27:08.019 --> 00:27:11.080
this to us to enable them to understand this business.

NOTE Confidence: 0.861701488494873

00:27:11.480 --> 00:27:16.293
And obviously, I mentioned this earlier for Collateral-inLieu, but

NOTE Confidence: 0.861701488494873

00:27:16.368 --> 00:27:20.956
we're now supporting minimum margin and haircuts that are set

NOTE Confidence: 0.861701488494873

00:27:21.031 --> 00:27:22.160
up by the CCPs.

NOTE Confidence: 0.9130949974060059

00:27:22.560 --> 00:27:25.756
So these are some of the technology enhancements that we

NOTE Confidence: 0.9130949974060059

00:27:25.813 --> 00:27:27.239
did for central clearing.

NOTE Confidence: 0.9715750217437744

00:27:27.520 --> 00:27:30.609
But what is everyone most excited about, I would say

NOTE Confidence: 0.9715750217437744

00:27:30.669 --> 00:27:33.640
is what are we doing with documentation and legal.

NOTE Confidence: 0.9561240673065186

00:27:33.640 --> 00:27:35.960
This is really one of the key issues.

NOTE Confidence: 0.8244324326515198

00:27:35.960 --> 00:27:37.080
One of them was cost.

NOTE Confidence: 0.8655805587768555

00:27:37.080 --> 00:27:40.127
The second one was how can we more easily on

NOTE Confidence: 0.8655805587768555

00:27:40.196 --> 00:27:43.867
board in the central clearing and get access to these

NOTE Confidence: 0.8655805587768555

00:27:43.936 --> 00:27:44.560
services.

NOTE Confidence: 0.8883360028266907

00:27:44.800 --> 00:27:48.682
So having the principle of simplicity in mind for FICC

NOTE Confidence: 0.8883360028266907

00:27:48.754 --> 00:27:53.355
services, we created this adherence agreement, which is really a

NOTE Confidence: 0.8883360028266907

00:27:53.427 --> 00:27:57.813
single signature document where clients need to sign once and

NOTE Confidence: 0.8883360028266907

00:27:57.885 --> 00:28:01.840
it unlocks access to all FICC services on the platform.

NOTE Confidence: 0.9509629011154175

00:28:02.240 --> 00:28:04.710
And I'll bring this a little bit into life by

NOTE Confidence: 0.9509629011154175

00:28:04.765 --> 00:28:08.280
giving an example of how we're thinking about this.

NOTE Confidence: 0.9094557762145996

00:28:08.280 --> 00:28:12.418

Historically, if you think about a dealer facing fifteen counterparties operating

NOTE Confidence: 0.9094557762145996

00:28:12.485 --> 00:28:15.889
now under three models, this would mean that the dealer

NOTE Confidence: 0.9094557762145996

00:28:15.956 --> 00:28:18.560
would need to sign a document 45 times.

NOTE Confidence: 0.9141688346862793

00:28:18.920 --> 00:28:21.713
And on the other hand side, all the counterparties would

NOTE Confidence: 0.9141688346862793

00:28:21.762 --> 00:28:22.959
also need 45 signatures.

NOTE Confidence: 0.9153918623924255

00:28:23.080 --> 00:28:24.840
This is 90 signatures in total.

NOTE Confidence: 0.9259053468704224

00:28:25.280 --> 00:28:28.688
By using the adherence agreement, we're able to bring this

NOTE Confidence: 0.9259053468704224

00:28:28.747 --> 00:28:30.039
down to 16 signatures.

NOTE Confidence: 0.8915812373161316

00:28:30.400 --> 00:28:33.173
This is one signature for the dealer and 15 signatures

NOTE Confidence: 0.8915812373161316

00:28:33.226 --> 00:28:34.719
for each of the money funds.

NOTE Confidence: 0.843933641910553

00:28:35.080 --> 00:28:40.532
And this unlocks great operational benefits because it's one signature

NOTE Confidence: 0.843933641910553

00:28:40.610 --> 00:28:45.050
unlocks all products and it's around 82% decrease I think

NOTE Confidence: 0.843933641910553

00:28:45.128 --> 00:28:46.920
in signatures required.

NOTE Confidence: 0.9057186245918274

00:28:47.480 --> 00:28:50.883
So by creating this document, we are not only, yes,

NOTE Confidence: 0.9057186245918274

00:28:50.950 --> 00:28:55.889
reducing number of signatures, but we preserve optionality because clients

NOTE Confidence: 0.9057186245918274

00:28:55.955 --> 00:28:58.758
do not really need to commit to one of the

NOTE Confidence: 0.9057186245918274

00:28:58.825 --> 00:28:59.760
FICC services.

NOTE Confidence: 0.8532308340072632

00:29:00.000 --> 00:29:03.966
They can sign this agreement per legal entity and decide

NOTE Confidence: 0.8532308340072632

00:29:04.037 --> 00:29:06.800
later upon which model suits the needs.

NOTE Confidence: 0.7523557543754578

00:29:07.000 --> 00:29:10.923
Because this would cover the Sponsored GC classic,

NOTE Confidence: 0.7523557543754578

00:29:10.984 --> 00:29:13.640
Collateral-in-Lieu service, and the Agent Clearing Service (in triparty).

NOTE Confidence: 0.9602996110916138

00:29:14.320 --> 00:29:17.960
So really good novation within the market.

NOTE Confidence: 0.792661190032959

00:29:17.960 --> 00:29:19.560
Then there are other ones out there.

NOTE Confidence: 0.7168005704879761

00:29:19.600 --> 00:29:25.511
FICC rolled out their MSMA agreement, which helps onboard funds

NOTE Confidence: 0.7168005704879761

00:29:25.604 --> 00:29:27.200
easily onto FICC.

NOTE Confidence: 0.8046053647994995

00:29:27.200 --> 00:29:31.160
We've seen many proposals from SIFMA.

NOTE Confidence: 0.8875709176063538

00:29:31.280 --> 00:29:34.519
So there's a lot of focus, but it's working and

NOTE Confidence: 0.8875709176063538

00:29:34.588 --> 00:29:38.379
it's really a focus that both our clients and ourselves

NOTE Confidence: 0.8875709176063538

00:29:38.447 --> 00:29:40.239
are continuing to advance.

NOTE Confidence: 0.8435461521148682

00:29:40.680 --> 00:29:43.227
Yeah, I think the point you made about giving

NOTE Confidence: 0.8435461521148682

00:29:43.279 --> 00:29:45.359
people optionality is a really good one.

NOTE Confidence: 0.897231936454773

00:29:45.840 --> 00:29:49.392
The adherence agreement allows a client or a dealer to

NOTE Confidence: 0.897231936454773

00:29:49.457 --> 00:29:51.760
engage in any of the FICC services.

NOTE Confidence: 0.7852579355239868

00:29:51.760 --> 00:29:55.377
So Sponsored GC, Collateral-in-Lieu, Agent Clearing Service (in triparty), it doesn't

NOTE Confidence: 0.7852579355239868

00:29:55.430 --> 00:29:56.760

obligate them to do that.

NOTE Confidence: 0.9342668652534485

00:29:56.800 --> 00:29:58.360
It gives them the control to do it.

NOTE Confidence: 0.8873114585876465

00:29:58.360 --> 00:30:00.873
So you're unlocking that ability to do those trade types

NOTE Confidence: 0.8873114585876465

00:30:00.918 --> 00:30:02.039
with your counterparties.

NOTE Confidence: 0.9097711443901062

00:30:02.840 --> 00:30:04.674
And so if you as a money fund sign it

NOTE Confidence: 0.9097711443901062

00:30:04.723 --> 00:30:07.500
once, you're now can face any of your counterparties and

NOTE Confidence: 0.9097711443901062

00:30:07.549 --> 00:30:10.424
as long as they've signed the adherence agreement, you

NOTE Confidence: 0.9097711443901062

00:30:10.474 --> 00:30:12.160
can now conduct a trade with them.

NOTE Confidence: 0.8963216543197632

00:30:12.480 --> 00:30:14.688
But whether you do that is completely under your control,

NOTE Confidence: 0.8963216543197632

00:30:14.727 --> 00:30:14.959
right?

NOTE Confidence: 0.9363663792610168

00:30:15.040 --> 00:30:17.659
You can go to the counterparty and say, I'd like

NOTE Confidence: 0.9363663792610168

00:30:17.714 --> 00:30:20.824
to set up accounts for Agent Clearing Service under these

NOTE Confidence: 0.9363663792610168

00:30:20.879 --> 00:30:22.079
eligibility schedules.

NOTE Confidence: 0.9348465204238892

00:30:22.080 --> 00:30:24.520
And that's completely within the control of the counterparties.

NOTE Confidence: 0.9393916726112366

00:30:24.800 --> 00:30:27.589
But by signing that one adherence agreement, now you're

NOTE Confidence: 0.9393916726112366

00:30:27.636 --> 00:30:29.479
just reducing the documentation burden.

NOTE Confidence: 0.8361047506332397

00:30:29.480 --> 00:30:32.476
It means you can speed up that that adherence process

NOTE Confidence: 0.8361047506332397

00:30:32.533 --> 00:30:35.359
and move more quickly towards the mandate.

NOTE Confidence: 0.7988336086273193

00:30:35.640 --> 00:30:36.480
Yes, exactly.

NOTE Confidence: 0.629633367061615

00:30:37.040 --> 00:30:37.280
Yeah.

NOTE Confidence: 0.9122868180274963

00:30:37.440 --> 00:30:40.717
You also mentioned some of the enhancements we've made to

NOTE Confidence: 0.9122868180274963

00:30:40.774 --> 00:30:42.039
the data enhancements.

NOTE Confidence: 0.8786413669586182

00:30:42.320 --> 00:30:44.939
And so it sounds like to me that counterparties could

NOTE Confidence: 0.8786413669586182

00:30:44.989 --> 00:30:47.410
basically say like one day, if a dealer felt like

NOTE Confidence: 0.8786413669586182

00:30:47.460 --> 00:30:50.080
using Sponsored GC Collateral-in-Lieu was the best model.

NOTE Confidence: 0.9164189100265503

00:30:50.360 --> 00:30:52.949
They could conduct a trade with the counterparty and then

NOTE Confidence: 0.9164189100265503

00:30:52.994 --> 00:30:55.356
the next day they could do an Agent Clearing Service

NOTE Confidence: 0.9164189100265503

00:30:55.402 --> 00:30:58.173
of that counterparty and that's going to be easily selectable

NOTE Confidence: 0.9164189100265503

00:30:58.218 --> 00:30:59.400
within the infrastructure.

NOTE Confidence: 0.9593941569328308

00:30:59.400 --> 00:31:00.680
Is that how to think about it?

NOTE Confidence: 0.8707964420318604

00:31:00.680 --> 00:31:01.680
Yes, exactly.

NOTE Confidence: 0.8381413817405701

00:31:01.680 --> 00:31:05.173
We will have designated trade identifiers on each of

NOTE Confidence: 0.8381413817405701

00:31:05.234 --> 00:31:08.298
those so that clients are able to see exactly what

NOTE Confidence: 0.8381413817405701

00:31:08.359 --> 00:31:11.730
you said that yes, I'm doing Collateral-in-Lieu, I'm doing

NOTE Confidence: 0.8381413817405701

00:31:11.791 --> 00:31:14.119

Agent Clearing Service and Sponsored GC.

NOTE Confidence: 0.8458554744720459

00:31:14.320 --> 00:31:17.129
For the purposes of each model there are different accounts

NOTE Confidence: 0.8458554744720459

00:31:17.177 --> 00:31:19.319
which are which enabled really us to do that.

NOTE Confidence: 0.8228617310523987

00:31:19.600 --> 00:31:22.987
And so the reason for that is because these are

NOTE Confidence: 0.8228617310523987

00:31:23.059 --> 00:31:26.519
risk managed differently at FICC and other CCPs.

NOTE Confidence: 0.9309407472610474

00:31:26.760 --> 00:31:29.507
So yes, clients will be able to see all of

NOTE Confidence: 0.9309407472610474

00:31:29.572 --> 00:31:33.039
that activity, which they were not able to do before.

NOTE Confidence: 0.9422369599342346

00:31:33.040 --> 00:31:36.179
It wasn't as flexible and nimble to say, okay, these

NOTE Confidence: 0.9422369599342346

00:31:36.239 --> 00:31:39.439
are my clearing models and we've made it much easier.

NOTE Confidence: 0.9050601720809937

00:31:40.120 --> 00:31:42.323
And then one last point, I thought you made a

NOTE Confidence: 0.9050601720809937

00:31:42.372 --> 00:31:45.163
really good point was that the visibility of the novation

NOTE Confidence: 0.9050601720809937

00:31:45.212 --> 00:31:48.199
process, you know, we've gotten really good feedback on that.

NOTE Confidence: 0.8412381410598755

00:31:48.200 --> 00:31:50.521
And if you can just imagine a world where the

NOTE Confidence: 0.8412381410598755

00:31:50.572 --> 00:31:53.254
entire Treasury market and you know, all repo in the

NOTE Confidence: 0.8412381410598755

00:31:53.306 --> 00:31:56.916
Treasury market needs to be centrally cleared, understanding when that

NOTE Confidence: 0.8412381410598755

00:31:56.968 --> 00:32:00.321
novation has occurred is, is incredibly important for dealers and

NOTE Confidence: 0.8412381410598755

00:32:00.372 --> 00:32:03.622
their counterparties to know when they're guaranteed by the CCP

NOTE Confidence: 0.8412381410598755

00:32:03.673 --> 00:32:05.839
and when the margining processes kick off.

NOTE Confidence: 0.8912016153335571

00:32:05.840 --> 00:32:08.542
So that information is going to be, I think, quite

NOTE Confidence: 0.8912016153335571

00:32:08.596 --> 00:32:09.839
critical going forward.

NOTE Confidence: 0.8376537561416626

00:32:10.080 --> 00:32:10.880
Yes, exactly.

NOTE Confidence: 0.8379086256027222

00:32:12.120 --> 00:32:12.280
OK.

NOTE Confidence: 0.9499006867408752

00:32:12.280 --> 00:32:15.009
So we talked about capacity, we talked about the different

NOTE Confidence: 0.9499006867408752

00:32:15.056 --> 00:32:16.279
models that are out there.

NOTE Confidence: 0.8986231684684753

00:32:16.280 --> 00:32:19.330
And one of the things that we've sort of seen

NOTE Confidence: 0.8986231684684753

00:32:19.398 --> 00:32:22.788
well in advance is that capacity is limited and it

NOTE Confidence: 0.8986231684684753

00:32:22.856 --> 00:32:24.280
may not be available.

NOTE Confidence: 0.8996338844299316

00:32:24.280 --> 00:32:28.043
And so if there's capacity constraints that a dealer has

NOTE Confidence: 0.8996338844299316

00:32:28.111 --> 00:32:31.270
in being able to clear trade, I guess they have

NOTE Confidence: 0.8996338844299316

00:32:31.337 --> 00:32:32.480
a couple options.

NOTE Confidence: 0.8704895973205566

00:32:32.480 --> 00:32:34.839
One is they could, you know, not do those trades

NOTE Confidence: 0.8704895973205566

00:32:34.888 --> 00:32:37.592
if they have capacity constraints or they could turn to

NOTE Confidence: 0.8704895973205566

00:32:37.641 --> 00:32:38.920
somebody else to clear it.

NOTE Confidence: 0.8963313102722168

00:32:38.920 --> 00:32:41.303
And I think, Ted, that kind of brings us to

NOTE Confidence: 0.8963313102722168

00:32:41.358 --> 00:32:42.800

the discussion of Done-away.

NOTE Confidence: 0.7948996424674988

00:32:43.440 --> 00:32:45.635
And maybe it'd be just helpful to start with like

NOTE Confidence: 0.7948996424674988

00:32:45.679 --> 00:32:48.143
just explaining again what is Done-with and Done-away and

NOTE Confidence: 0.7948996424674988

00:32:48.188 --> 00:32:50.294
and what is it that we're thinking about in, in

NOTE Confidence: 0.7948996424674988

00:32:50.339 --> 00:32:51.279
our service offering?

NOTE Confidence: 0.8185414671897888

00:32:51.280 --> 00:32:51.640
Sure.

NOTE Confidence: 0.6990312337875366

00:32:51.640 --> 00:32:52.120
Thanks, Nate.

NOTE Confidence: 0.8375511169433594

00:32:52.120 --> 00:32:54.770
So to understand Done-away, you have to understand what the

NOTE Confidence: 0.8375511169433594

00:32:54.817 --> 00:32:57.561
model looks like prior to the innovations, prior to Done-away

NOTE Confidence: 0.8375511169433594

00:32:57.607 --> 00:32:59.839
and prior to everything that you just discussed.

NOTE Confidence: 0.8638489842414856

00:33:01.360 --> 00:33:03.694
Prior to that, if you wanted to clear a trade,

NOTE Confidence: 0.8638489842414856

00:33:03.745 --> 00:33:04.759
you had two choices.

NOTE Confidence: 0.7763739824295044

00:33:04.760 --> 00:33:06.925
You could be a direct member of the FICC or

NOTE Confidence: 0.7763739824295044

00:33:06.975 --> 00:33:09.795
you could be sponsored by your counterparty to have your

NOTE Confidence: 0.7763739824295044

00:33:09.846 --> 00:33:11.759
side of the trade entered at the FICC.

NOTE Confidence: 0.8824917674064636

00:33:12.160 --> 00:33:14.773
So when you think about this, this is

NOTE Confidence: 0.8824917674064636

00:33:14.831 --> 00:33:17.909
a difficult situation because if you are a money fund

NOTE Confidence: 0.8824917674064636

00:33:17.967 --> 00:33:22.033
today typically you mentioned 15 counterparties, say you're trading 15

NOTE Confidence: 0.8824917674064636

00:33:22.091 --> 00:33:25.285
dealers, maybe two or three of those dealers you

NOTE Confidence: 0.8824917674064636

00:33:25.343 --> 00:33:28.480
have sponsored agreements with and the rest you don't.

NOTE Confidence: 0.8753595352172852

00:33:29.160 --> 00:33:31.262
And if you're a dealer, you might have one or

NOTE Confidence: 0.8753595352172852

00:33:31.308 --> 00:33:34.158
two money funds, couple hedge funds that you have sponsorship

NOTE Confidence: 0.8753595352172852

00:33:34.205 --> 00:33:35.840
agreements, but the rest you don't.

NOTE Confidence: 0.9063134789466858

00:33:35.840 --> 00:33:38.867
And so if you want to prepare for

NOTE Confidence: 0.9063134789466858

00:33:38.934 --> 00:33:43.239
clearing in time, you would need to enter sponsorship agreements

NOTE Confidence: 0.9063134789466858

00:33:43.307 --> 00:33:47.276
with every one of those counterparties or stop trading with

NOTE Confidence: 0.9063134789466858

00:33:47.343 --> 00:33:47.679
them.

NOTE Confidence: 0.8525782227516174

00:33:48.120 --> 00:33:50.763
And when you're entering agreements with every one of those

NOTE Confidence: 0.8525782227516174

00:33:50.808 --> 00:33:54.080
counterparties and negotiating them, your counterparty is doing the same.

NOTE Confidence: 0.9019114971160889

00:33:54.080 --> 00:33:55.720
And so you're competing for resources.

NOTE Confidence: 0.9053229689598083

00:33:55.720 --> 00:33:57.692
You may be on the top priority of one money

NOTE Confidence: 0.9053229689598083

00:33:57.738 --> 00:33:59.987
fund or one dealer and you might find that you're

NOTE Confidence: 0.9053229689598083

00:34:00.032 --> 00:34:01.959
actually in the bottom priority with them.

NOTE Confidence: 0.7259846925735474

00:34:01.960 --> 00:34:05.026
And so it's a heavy lift to

NOTE Confidence: 0.7259846925735474

00:34:05.100 --> 00:34:08.391

get set up to, to continue to trade all your

NOTE Confidence: 0.7259846925735474

00:34:08.466 --> 00:34:12.280
counterparties once you need to clear those trades.

NOTE Confidence: 0.9313183426856995

00:34:13.320 --> 00:34:15.674
And then on top of it, we talked about RWA,

NOTE Confidence: 0.9313183426856995

00:34:15.729 --> 00:34:18.960
we talked about credit, we talked about liquidity capacity.

NOTE Confidence: 0.939536452293396

00:34:19.480 --> 00:34:23.087
If you're a sponsoring bank, you are impacted by all

NOTE Confidence: 0.939536452293396

00:34:23.156 --> 00:34:24.959
those binding constraints.

NOTE Confidence: 0.909288763999939

00:34:25.480 --> 00:34:29.287
So you take that into totality and you say there's

NOTE Confidence: 0.909288763999939

00:34:29.363 --> 00:34:32.257
got to be a better way to clear the

NOTE Confidence: 0.909288763999939

00:34:32.333 --> 00:34:33.399
entire market.

NOTE Confidence: 0.8281680345535278

00:34:34.000 --> 00:34:37.635
And fortunately, this has been solved already in the swap

NOTE Confidence: 0.8281680345535278

00:34:37.699 --> 00:34:40.696
space, in the cleared swap space with a give up

NOTE Confidence: 0.8281680345535278

00:34:40.760 --> 00:34:43.119
model and so a Done-away model for U.S.

NOTE Confidence: 0.9127590656280518

00:34:43.120 --> 00:34:44.160
Treasury clearing.

NOTE Confidence: 0.888372004032135

00:34:44.360 --> 00:34:47.311
Repo clearing is similar to a give up model where

NOTE Confidence: 0.888372004032135

00:34:47.372 --> 00:34:50.504
you can continue to trade with all of your executing

NOTE Confidence: 0.888372004032135

00:34:50.565 --> 00:34:54.541
counterparties, but you concentrate the clearing of your trades to

NOTE Confidence: 0.888372004032135

00:34:54.601 --> 00:34:58.095
one or two service providers, clearing agents,

NOTE Confidence: 0.888372004032135

00:34:58.155 --> 00:34:59.240
sponsoring agents.

NOTE Confidence: 0.9240652322769165

00:35:00.720 --> 00:35:01.800
So that's the way it works.

NOTE Confidence: 0.8662217855453491

00:35:01.800 --> 00:35:04.076
What you would do is you would, you would execute

NOTE Confidence: 0.8662217855453491

00:35:04.123 --> 00:35:07.003
your transaction with your clearing broker or sorry, with your

NOTE Confidence: 0.8662217855453491

00:35:07.050 --> 00:35:07.840
executing broker.

NOTE Confidence: 0.8952416777610779

00:35:07.840 --> 00:35:10.798
If you're a money fund or if you're a dealer,

NOTE Confidence: 0.8952416777610779

00:35:10.864 --> 00:35:14.611
you're executing the trade, but the money fund and

NOTE Confidence: 0.8952416777610779

00:35:14.677 --> 00:35:17.965
then the FICC member would clear their side of the

NOTE Confidence: 0.8952416777610779

00:35:18.030 --> 00:35:21.712
trade, but the cash provider money fund would have their

NOTE Confidence: 0.8952416777610779

00:35:21.778 --> 00:35:24.999
side of the trade cleared by a Done-away sponsor.

NOTE Confidence: 0.8177087306976318

00:35:25.560 --> 00:35:28.991
The process would all be done in triparty sponsored

NOTE Confidence: 0.8177087306976318

00:35:29.057 --> 00:35:30.839
GC the way Sofia provided.

NOTE Confidence: 0.7017718553543091

00:35:30.840 --> 00:35:32.888
So all the messaging would be taken care of and

NOTE Confidence: 0.7017718553543091

00:35:32.932 --> 00:35:35.503
you just sit back, get your novation

NOTE Confidence: 0.7017718553543091

00:35:35.547 --> 00:35:37.160
confirmations back, trade is cleared.

NOTE Confidence: 0.960747480392456

00:35:37.440 --> 00:35:38.000
You are.

NOTE Confidence: 0.8478850722312927

00:35:38.360 --> 00:35:41.360
You're compliant with the rules and happy days.

NOTE Confidence: 0.7651451826095581

00:35:42.760 --> 00:35:44.960

So why would why would a dealer?

NOTE Confidence: 0.8939186334609985

00:35:45.240 --> 00:35:46.120
Why would a dealer?

NOTE Confidence: 0.7439070343971252

00:35:46.120 --> 00:35:48.900
And so I imagine BNY is planning to offer a

NOTE Confidence: 0.7439070343971252

00:35:48.965 --> 00:35:49.999
Done-away service.

NOTE Confidence: 0.8048427104949951

00:35:50.960 --> 00:35:53.798
Why would a dealer choose to come to BNY for

NOTE Confidence: 0.8048427104949951

00:35:53.863 --> 00:35:54.959
Done-away clearing?

NOTE Confidence: 0.8267683386802673

00:35:55.520 --> 00:35:58.329
In two situations had a number of conversations with

NOTE Confidence: 0.8267683386802673

00:35:58.380 --> 00:36:01.496
dealers and their interest in the Done-away service usually

NOTE Confidence: 0.8267683386802673

00:36:01.547 --> 00:36:03.079
falls into one of two buckets.

NOTE Confidence: 0.9465762972831726

00:36:03.800 --> 00:36:06.157
We have a large number of dealers out there that

NOTE Confidence: 0.9465762972831726

00:36:06.206 --> 00:36:08.759
don't have any sponsoring program today.

NOTE Confidence: 0.9032586812973022

00:36:09.040 --> 00:36:10.080
They need to set it up.

NOTE Confidence: 0.8923473954200745

00:36:10.280 --> 00:36:12.759
And so they look at us as a way to

NOTE Confidence: 0.8923473954200745

00:36:12.832 --> 00:36:16.990
essentially cut in half the effort to launch a

NOTE Confidence: 0.8923473954200745

00:36:17.063 --> 00:36:21.804
sponsored program because they could have all their cash provider

NOTE Confidence: 0.8923473954200745

00:36:21.877 --> 00:36:25.378
side of the transactions cleared by us in a

NOTE Confidence: 0.8923473954200745

00:36:25.451 --> 00:36:26.399
Done-away fashion.

NOTE Confidence: 0.9256547689437866

00:36:26.520 --> 00:36:28.739
And then they can concentrate on really just launching a

NOTE Confidence: 0.9256547689437866

00:36:28.778 --> 00:36:30.760
sponsored service with their collateral providers.

NOTE Confidence: 0.8602864742279053

00:36:31.640 --> 00:36:34.540
And then the other dealers that already have sponsored

NOTE Confidence: 0.8602864742279053

00:36:34.590 --> 00:36:37.640
arrangements today, but not with all of their counterparties.

NOTE Confidence: 0.9226034879684448

00:36:37.880 --> 00:36:40.891
They view it as a part of their overall solution

NOTE Confidence: 0.9226034879684448

00:36:40.953 --> 00:36:44.090
where they can say I'm going to concentrate on and

NOTE Confidence: 0.9226034879684448

00:36:44.153 --> 00:36:47.289
documenting all my hedge funds and my top three or

NOTE Confidence: 0.9226034879684448

00:36:47.352 --> 00:36:50.614
four money funds, get those over the line before the

NOTE Confidence: 0.9226034879684448

00:36:50.677 --> 00:36:54.504
deadline and then leverage the Done-away service to ensure that

NOTE Confidence: 0.9226034879684448

00:36:54.566 --> 00:36:57.389
I can continue to trade with the other 80% of

NOTE Confidence: 0.9226034879684448

00:36:57.452 --> 00:37:00.839
their money funds via a Done-away sponsored arrangement.

NOTE Confidence: 0.8549769520759583

00:37:01.280 --> 00:37:03.436
And how about on the on the cash investor

NOTE Confidence: 0.8549769520759583

00:37:03.484 --> 00:37:05.784
side, like what's in it for the cash investor in

NOTE Confidence: 0.8549769520759583

00:37:05.832 --> 00:37:06.359
this model?

NOTE Confidence: 0.8150144815444946

00:37:06.520 --> 00:37:10.320
It's s straight up a document resource exercise, right?

NOTE Confidence: 0.8782026171684265

00:37:10.320 --> 00:37:13.053
So they look at, they look at it and say,

NOTE Confidence: 0.8782026171684265

00:37:13.120 --> 00:37:16.320
I want to continue to access the

NOTE Confidence: 0.8782026171684265

00:37:16.386 --> 00:37:19.919

the pricing advantages that I get with a large number

NOTE Confidence: 0.8782026171684265

00:37:19.986 --> 00:37:20.719
of dealers.

NOTE Confidence: 0.9015454053878784

00:37:21.360 --> 00:37:24.565
I want to continue to trade with them, but I

NOTE Confidence: 0.9015454053878784

00:37:24.638 --> 00:37:28.717
don't have the legal resources to document

NOTE Confidence: 0.9015454053878784

00:37:28.790 --> 00:37:30.319
with 20+ dealers.

NOTE Confidence: 0.8317055106163025

00:37:30.480 --> 00:37:33.137
So it's just much easier for me to go through

NOTE Confidence: 0.8317055106163025

00:37:33.196 --> 00:37:36.622
A sponsored Done-away program with, with BNY and continue

NOTE Confidence: 0.8317055106163025

00:37:36.681 --> 00:37:39.811
to trade with the dealers that they were trading with

NOTE Confidence: 0.8317055106163025

00:37:39.870 --> 00:37:40.520
originally.

NOTE Confidence: 0.9290316104888916

00:37:40.680 --> 00:37:42.790
And then if they add new dealers going forward, they

NOTE Confidence: 0.9290316104888916

00:37:42.831 --> 00:37:45.104
don't have to delay those trades until they get sponsors

NOTE Confidence: 0.9290316104888916

00:37:45.145 --> 00:37:46.159
arrangements up in place.

NOTE Confidence: 0.7797064781188965

00:37:46.400 --> 00:37:49.907
They can leverage again, leverage the Done-away sponsorship that that

NOTE Confidence: 0.7797064781188965

00:37:49.959 --> 00:37:50.640
BNY provides.

NOTE Confidence: 0.7066269516944885

00:37:51.960 --> 00:37:52.160
Yeah.

NOTE Confidence: 0.8516350388526917

00:37:52.160 --> 00:37:54.878
The, you know, thinking about sort of like the swaps

NOTE Confidence: 0.8516350388526917

00:37:54.931 --> 00:37:57.702
market example, you know, it sort of makes you wonder

NOTE Confidence: 0.8516350388526917

00:37:57.754 --> 00:38:00.316
why is it that Done-away hasn't developed in the in

NOTE Confidence: 0.8516350388526917

00:38:00.368 --> 00:38:03.087
the Treasury market yet today and we haven't yet

NOTE Confidence: 0.8516350388526917

00:38:03.139 --> 00:38:06.120
seen substantial Done-away activity in the Treasury market.

NOTE Confidence: 0.9096192717552185

00:38:06.440 --> 00:38:09.285
My guess is that these clearing deadlines, right as you

NOTE Confidence: 0.9096192717552185

00:38:09.337 --> 00:38:12.700
approach those clearing deadlines, that's the thing that is going

NOTE Confidence: 0.9096192717552185

00:38:12.751 --> 00:38:16.114
to introduce the capacity constraints as you're building out your

NOTE Confidence: 0.9096192717552185

00:38:16.166 --> 00:38:19.787
documentation or you're thinking about margin or you're thinking about

NOTE Confidence: 0.9096192717552185

00:38:19.839 --> 00:38:22.685
RWA, you're thinking to yourself as a dealer, you know,

NOTE Confidence: 0.9096192717552185

00:38:22.736 --> 00:38:25.168
when do I have finite capacity and when might I

NOTE Confidence: 0.9096192717552185

00:38:25.220 --> 00:38:27.341
need a third party to come in and help me

NOTE Confidence: 0.9096192717552185

00:38:27.393 --> 00:38:27.599
out?

NOTE Confidence: 0.8495436906814575

00:38:27.600 --> 00:38:29.400
Is that how you think this might evolve?

NOTE Confidence: 0.8083548545837402

00:38:29.600 --> 00:38:31.133
I think it definitely is the way it's going to

NOTE Confidence: 0.8083548545837402

00:38:31.166 --> 00:38:31.399
evolve.

NOTE Confidence: 0.9259849786758423

00:38:31.400 --> 00:38:34.342
If you think about the swaps market, there was swaps

NOTE Confidence: 0.9259849786758423

00:38:34.399 --> 00:38:37.795
clearing prior to the clearing mandate, but there wasn't the

NOTE Confidence: 0.9259849786758423

00:38:37.851 --> 00:38:40.115
impetus to get it going even if it was a

NOTE Confidence: 0.9259849786758423

00:38:40.172 --> 00:38:42.039

a very good tried and true model.

NOTE Confidence: 0.9485220909118652

00:38:42.040 --> 00:38:44.097
And I think that's what we see here as well

NOTE Confidence: 0.9485220909118652

00:38:44.145 --> 00:38:46.777
is, is there were reasons why they were clearing trades

NOTE Confidence: 0.9485220909118652

00:38:46.825 --> 00:38:47.399
in the past.

NOTE Confidence: 0.8537176251411438

00:38:47.400 --> 00:38:49.996
There were some dealers out there like BNY

NOTE Confidence: 0.8537176251411438

00:38:50.046 --> 00:38:52.692
that had a sponsored service today where all of their

NOTE Confidence: 0.8537176251411438

00:38:52.741 --> 00:38:54.039
trades were being cleared.

NOTE Confidence: 0.8379976153373718

00:38:54.719 --> 00:38:57.264
And then there are other dealers that were sponsoring some

NOTE Confidence: 0.8379976153373718

00:38:57.308 --> 00:38:59.590
of their trades and declaring for you know, kind

NOTE Confidence: 0.8379976153373718

00:38:59.634 --> 00:39:01.960
of month end balance sheet, balance sheet management.

NOTE Confidence: 0.9072775840759277

00:39:02.719 --> 00:39:05.877
But when everything needs to be cleared, they start running

NOTE Confidence: 0.9072775840759277

00:39:05.931 --> 00:39:10.266
into all of those challenges, documentation challenges, RWA challenges, liquidity

NOTE Confidence: 0.9072775840759277

00:39:10.319 --> 00:39:12.888
challenges, all of their all of these

NOTE Confidence: 0.9072775840759277

00:39:12.942 --> 00:39:16.634
resource constraints that could ultimately limit the amount of trades

NOTE Confidence: 0.9072775840759277

00:39:16.688 --> 00:39:18.080
they can execute.

NOTE Confidence: 0.45769423246383667

00:39:18.240 --> 00:39:18.920
Yeah, yeah.

NOTE Confidence: 0.9072174429893494

00:39:18.920 --> 00:39:21.152
And given the, I mean, we're about a year away

NOTE Confidence: 0.9072174429893494

00:39:21.200 --> 00:39:23.481
from the repo deadline and so now it feels like

NOTE Confidence: 0.9072174429893494

00:39:23.530 --> 00:39:26.102
the right time for people to really be thinking ahead

NOTE Confidence: 0.9072174429893494

00:39:26.150 --> 00:39:29.353
about those capacity constraints and, and figuring out where might

NOTE Confidence: 0.9072174429893494

00:39:29.402 --> 00:39:32.120
they need additional support to be able to clear things.

NOTE Confidence: 0.8612093925476074

00:39:32.800 --> 00:39:35.989
So the Done-away offering that

NOTE Confidence: 0.8612093925476074

00:39:36.044 --> 00:39:38.409
we will have is going to be focused on cash

NOTE Confidence: 0.8612093925476074

00:39:38.464 --> 00:39:42.039
investors and triparty in particular, not necessarily outside of

NOTE Confidence: 0.8612093925476074

00:39:42.094 --> 00:39:45.119
triparty or in the collateral provision space for now.

NOTE Confidence: 0.9592142701148987

00:39:45.120 --> 00:39:45.840
Is that fair?

NOTE Confidence: 0.8664912581443787

00:39:46.040 --> 00:39:49.355
Exactly the way we're envisioning launching it today and what's

NOTE Confidence: 0.8664912581443787

00:39:49.408 --> 00:39:51.934
going to be offered day one, there's a couple of

NOTE Confidence: 0.8664912581443787

00:39:51.987 --> 00:39:53.040
borders around that.

NOTE Confidence: 0.8812445998191833

00:39:53.520 --> 00:39:55.678
One is we're going to be broadening it to cash

NOTE Confidence: 0.8812445998191833

00:39:55.724 --> 00:39:58.352
providers on top of our current Done-with sponsored book

NOTE Confidence: 0.8812445998191833

00:39:58.399 --> 00:40:00.979
that that adds simplicity and it takes advantage of the

NOTE Confidence: 0.8812445998191833

00:40:01.026 --> 00:40:03.512
fact that we already have relationships with 90 to 95%

NOTE Confidence: 0.8812445998191833

00:40:03.559 --> 00:40:04.919
of the money funds out there.

NOTE Confidence: 0.7911478281021118

00:40:05.520 --> 00:40:08.709

We're also going to require the trade to be settled

NOTE Confidence: 0.7911478281021118

00:40:08.772 --> 00:40:11.712
on triparty and that Collateral-in-Lieu is

NOTE Confidence: 0.7911478281021118

00:40:11.774 --> 00:40:12.400
leveraged.

NOTE Confidence: 0.9160964488983154

00:40:12.560 --> 00:40:16.960
We don't see those being hindrance.

NOTE Confidence: 0.8530810475349426

00:40:17.320 --> 00:40:19.639
To the overall offering, in fact most of the clients

NOTE Confidence: 0.8530810475349426

00:40:19.684 --> 00:40:21.646
we talked to are already on triparty and as

NOTE Confidence: 0.8530810475349426

00:40:21.691 --> 00:40:24.412
we discussed earlier, they already want to

NOTE Confidence: 0.8530810475349426

00:40:24.456 --> 00:40:24.679
use Collateral-in-Lieu.

NOTE Confidence: 0.8668113350868225

00:40:24.880 --> 00:40:28.155
So putting them all together, bundling it within a sponsored

NOTE Confidence: 0.8668113350868225

00:40:28.209 --> 00:40:30.120
Done-away service just makes sense.

NOTE Confidence: 0.9196571111679077

00:40:31.040 --> 00:40:31.400
That's great.

NOTE Confidence: 0.5719887018203735

00:40:31.880 --> 00:40:32.120
OK.

NOTE Confidence: 0.8602772951126099

00:40:32.120 --> 00:40:34.331
So we've walked through sort of the view from the

NOTE Confidence: 0.8602772951126099

00:40:34.376 --> 00:40:36.769
clients, all the new models that are available in

NOTE Confidence: 0.8602772951126099

00:40:36.814 --> 00:40:39.432
triparty and now this Done-away clearing service that's going

NOTE Confidence: 0.8602772951126099

00:40:39.477 --> 00:40:40.200
to be available.

NOTE Confidence: 0.9170927405357361

00:40:40.520 --> 00:40:42.429
I mean, maybe I'll just ask a question for from

NOTE Confidence: 0.9170927405357361

00:40:42.470 --> 00:40:43.120
each one of you.

NOTE Confidence: 0.9068095684051514

00:40:43.120 --> 00:40:45.792
You know, what's the one thing that

NOTE Confidence: 0.9068095684051514

00:40:45.849 --> 00:40:48.692
you think firms should be doing right now in order

NOTE Confidence: 0.9068095684051514

00:40:48.749 --> 00:40:51.592
to prepare for the mandates, you know, by year end

NOTE Confidence: 0.9068095684051514

00:40:51.649 --> 00:40:53.923
cash and then by end of June of 2027 for

NOTE Confidence: 0.9068095684051514

00:40:53.980 --> 00:40:54.719
repo markets.

NOTE Confidence: 0.9167136549949646

00:40:54.719 --> 00:40:57.419
So maybe Kevin, what's, what's the one thing people need

NOTE Confidence: 0.9167136549949646

00:40:57.467 --> 00:40:58.480
to be thinking about?

NOTE Confidence: 0.589859664440155

00:41:01.280 --> 00:41:02.880
Oh, you got me there, Nate.

NOTE Confidence: 0.7866122126579285

00:41:04.360 --> 00:41:07.052
I think it's really on this we

NOTE Confidence: 0.7866122126579285

00:41:07.112 --> 00:41:10.343
call it whether it's vendor or in house technology and

NOTE Confidence: 0.7866122126579285

00:41:10.403 --> 00:41:13.873
ensuring that they have the right information and data set

NOTE Confidence: 0.7866122126579285

00:41:13.933 --> 00:41:17.224
to facilitate the all the reporting that's going to

NOTE Confidence: 0.7866122126579285

00:41:17.284 --> 00:41:18.959
be required on the back end.

NOTE Confidence: 0.9390243291854858

00:41:19.120 --> 00:41:21.875
Yeah, that's a great point because there's a lot of

NOTE Confidence: 0.9390243291854858

00:41:21.929 --> 00:41:25.603
like up and downstream dependencies people have on different service

NOTE Confidence: 0.9390243291854858

00:41:25.657 --> 00:41:27.440
providers within their own shops.

NOTE Confidence: 0.9112994074821472

00:41:27.719 --> 00:41:29.943

The changes that you need to make and the running

NOTE Confidence: 0.9112994074821472

00:41:29.988 --> 00:41:31.758
the plumbing in a new way to be able to

NOTE Confidence: 0.9112994074821472

00:41:31.804 --> 00:41:33.120
centrally clear transactions.

NOTE Confidence: 0.9386654496192932

00:41:33.120 --> 00:41:35.395
I mean, it's something that we think about a lot

NOTE Confidence: 0.9386654496192932

00:41:35.442 --> 00:41:37.576
as we comply as a firm, but also obviously in

NOTE Confidence: 0.9386654496192932

00:41:37.623 --> 00:41:38.239
the industry.

NOTE Confidence: 0.3363945484161377

00:41:38.560 --> 00:41:39.840
Yep, Sofia.

NOTE Confidence: 0.8447036743164062

00:41:39.920 --> 00:41:42.409
Yeah, I had in my mind to talk about the

NOTE Confidence: 0.8447036743164062

00:41:42.471 --> 00:41:46.330
importance of documentation in general, how important it is to

NOTE Confidence: 0.8447036743164062

00:41:46.393 --> 00:41:51.248
give optionality and sign legal documentation that preserves optionality,

NOTE Confidence: 0.8447036743164062

00:41:51.310 --> 00:41:53.799
whether this is the adherence agreement.

NOTE Confidence: 0.8599429130554199

00:41:54.280 --> 00:41:57.184
But something that's even more important than this, I think,

NOTE Confidence: 0.8599429130554199

00:41:57.232 --> 00:42:00.234
is a change management function within each firm to coordinate

NOTE Confidence: 0.8599429130554199

00:42:00.282 --> 00:42:01.880
all these different dependencies.

NOTE Confidence: 0.7941798567771912

00:42:01.880 --> 00:42:06.123
The technology that Kevin mentioned, legal, there are so many

NOTE Confidence: 0.7941798567771912

00:42:06.193 --> 00:42:08.279
dependencies within each firm.

NOTE Confidence: 0.8731533885002136

00:42:08.560 --> 00:42:12.190
There needs to be a really strong project management function

NOTE Confidence: 0.8731533885002136

00:42:12.250 --> 00:42:15.226
on top of that to ensure that all dependencies are

NOTE Confidence: 0.8731533885002136

00:42:15.285 --> 00:42:18.619
flagged and marked, because it's a change that each firm

NOTE Confidence: 0.8731533885002136

00:42:18.678 --> 00:42:20.999
has to undergo and coordination is key.

NOTE Confidence: 0.894128680229187

00:42:21.440 --> 00:42:23.813
Massive change management effort, so stand up your program now

NOTE Confidence: 0.894128680229187

00:42:23.851 --> 00:42:24.999
if you don't have one already.

NOTE Confidence: 0.5134131908416748

00:42:25.480 --> 00:42:25.680
Ted.

NOTE Confidence: 0.6868933439254761

00:42:25.840 --> 00:42:26.760
What's the one thing, people?

NOTE Confidence: 0.6883541941642761

00:42:26.760 --> 00:42:28.200
You're building on what Sofia said.

NOTE Confidence: 0.9207962155342102

00:42:29.560 --> 00:42:33.913
Acknowledge that your plan should not be single siloed, that

NOTE Confidence: 0.9207962155342102

00:42:33.986 --> 00:42:35.800
it's going to be complex.

NOTE Confidence: 0.9578970074653625

00:42:36.440 --> 00:42:39.570
You're going to be competing with resources, your own internal

NOTE Confidence: 0.9578970074653625

00:42:39.620 --> 00:42:41.640
resources as well as external resources.

NOTE Confidence: 0.9327973127365112

00:42:41.920 --> 00:42:44.534
So a one size fits all for all of your counterparties,

NOTE Confidence: 0.9327973127365112

00:42:44.585 --> 00:42:46.892
for all of your trades likely is not going to

NOTE Confidence: 0.9327973127365112

00:42:46.943 --> 00:42:47.199
work.

NOTE Confidence: 0.893401563167572

00:42:47.640 --> 00:42:50.829
You need to have a holistic approach and understand

NOTE Confidence: 0.893401563167572

00:42:50.887 --> 00:42:54.135
that what might how you might clear for one counterparty

NOTE Confidence: 0.893401563167572

00:42:54.193 --> 00:42:56.629

might not be the way you want to clear for

NOTE Confidence: 0.893401563167572

00:42:56.687 --> 00:42:58.079
the second counterparty.

NOTE Confidence: 0.8798059225082397

00:42:58.080 --> 00:43:01.434
So a holistic plan as part of your overall program

NOTE Confidence: 0.8798059225082397

00:43:01.501 --> 00:43:02.239
management.

NOTE Confidence: 0.322259783744812

00:43:02.360 --> 00:43:02.600
Thank you.

NOTE Confidence: 0.7859054207801819

00:43:03.600 --> 00:43:05.528
And maybe I'll add that, I mean

NOTE Confidence: 0.7859054207801819

00:43:05.571 --> 00:43:07.199
this is the U.S. Treasury market, right?

NOTE Confidence: 0.9469354152679443

00:43:07.200 --> 00:43:09.851
And so it's a market that firms rely on for

NOTE Confidence: 0.9469354152679443

00:43:09.913 --> 00:43:11.639
all sorts of reasons, right?

NOTE Confidence: 0.8685258626937866

00:43:11.640 --> 00:43:14.600
Whether that's a safe haven in times of stress or

NOTE Confidence: 0.8685258626937866

00:43:14.661 --> 00:43:17.682
as a source of liquidity, a source of high quality

NOTE Confidence: 0.8685258626937866

00:43:17.742 --> 00:43:20.160
liquid assets or for everyday financing.

NOTE Confidence: 0.9539899230003357

00:43:20.440 --> 00:43:23.034
I mean, that's not something that you want to have

NOTE Confidence: 0.9539899230003357

00:43:23.085 --> 00:43:25.680
go away because you weren't prepared first of all.

NOTE Confidence: 0.7692226767539978

00:43:25.680 --> 00:43:27.600
So being prepared is vitally important.

NOTE Confidence: 0.8968400955200195

00:43:27.600 --> 00:43:29.866
But I think the second thing I'd say is like,

NOTE Confidence: 0.8968400955200195

00:43:29.917 --> 00:43:31.982
I think if firms can treat this less as a

NOTE Confidence: 0.8968400955200195

00:43:32.032 --> 00:43:35.155
compliance exercise and more about how can I modernize

NOTE Confidence: 0.8968400955200195

00:43:35.205 --> 00:43:35.759
my systems?

NOTE Confidence: 0.9726337194442749

00:43:35.760 --> 00:43:38.818
How can I think about taking advantage of this change

NOTE Confidence: 0.9726337194442749

00:43:38.876 --> 00:43:39.799
which is coming?

NOTE Confidence: 0.8847373723983765

00:43:40.520 --> 00:43:42.421
How can I take advantage of this to better position

NOTE Confidence: 0.8847373723983765

00:43:42.458 --> 00:43:42.720
myself?

NOTE Confidence: 0.9131489396095276

00:43:42.719 --> 00:43:45.383
Because I think if you're late in the process, not

NOTE Confidence: 0.9131489396095276

00:43:45.436 --> 00:43:48.685
only you might have problems complying, but you're just going

NOTE Confidence: 0.9131489396095276

00:43:48.739 --> 00:43:51.295
to be in a less, in a less advantageous position

NOTE Confidence: 0.9131489396095276

00:43:51.349 --> 00:43:53.320
than if you take a hold of the reins.

NOTE Confidence: 0.955535888671875

00:43:53.320 --> 00:43:55.043
And you really try to figure out how can I

NOTE Confidence: 0.955535888671875

00:43:55.084 --> 00:43:56.972
do this in the best way that positions my firm

NOTE Confidence: 0.955535888671875

00:43:57.013 --> 00:43:58.080
for success in the future.

NOTE Confidence: 0.9063466787338257

00:43:58.080 --> 00:44:00.560
So I just leave people with that that thought.

NOTE Confidence: 0.8857268691062927

00:44:01.840 --> 00:44:05.440
Well, we've hit our mark here around 45 minutes.

NOTE Confidence: 0.9341009259223938

00:44:05.440 --> 00:44:07.040
So I think what we'll do is just close out.

NOTE Confidence: 0.8982293009757996

00:44:07.040 --> 00:44:09.963
I'll just say thanks

NOTE Confidence: 0.8982293009757996

00:44:10.028 --> 00:44:13.342

to you all for joining a great panel discussion and

NOTE Confidence: 0.8982293009757996

00:44:13.407 --> 00:44:16.916
please do reach out to your BNY representatives if you

NOTE Confidence: 0.8982293009757996

00:44:16.981 --> 00:44:20.359
have any questions about us, about central clearing.

NOTE Confidence: 0.8342287540435791

00:44:20.360 --> 00:44:23.840
You can reach us at central.clearing@bny.com.

NOTE Confidence: 0.8794836401939392

00:44:24.160 --> 00:44:27.620
We also have a pretty extensive online resource on our

NOTE Confidence: 0.8794836401939392

00:44:27.684 --> 00:44:30.440
webpage on bny.com/centralclearing, so you can check that out.

NOTE Confidence: 0.8711979389190674

00:44:30.440 --> 00:44:31.600
Scan the QR code.

NOTE Confidence: 0.9604316353797913

00:44:32.160 --> 00:44:32.960
Please do reach out.

NOTE Confidence: 0.9533293843269348

00:44:32.960 --> 00:44:35.207
We'd love to talk with you more about central clearing

NOTE Confidence: 0.9533293843269348

00:44:35.248 --> 00:44:37.080
and the solutions that we can help you with.

NOTE Confidence: 0.9382341504096985

00:44:38.040 --> 00:44:40.520
And with that, I wish everyone a good day.

NOTE Confidence: 0.9523959755897522

00:44:40.520 --> 00:44:41.800
Thank you so much for joining us.