

# GlobalCollateral: Margin Transit Utility Triparty Messaging Service

**Margin call volumes are rising as regulatory changes take effect in the derivatives markets—driving a need for a comprehensive collateral management solution to process and confirm collateral settlements quickly and securely.**

As regulatory changes in global derivatives markets drive up the volumes and velocity of margin calls, firms that utilize triparty providers for collateral settlement increasingly seek opportunities to simplify their collateral management processes.

The **Margin Transit Utility (MTU) Triparty Messaging Service** delivers a processing solution to dealers and buy-side firms by providing a central interface for triparty collateral allocation that eliminates the need for multiple, agent-specific connectivity builds to individual triparty agents.

The Triparty Messaging Service is a service of MTU, a straight-through margin and collateral processing and settlement utility for dealers, buy-side firms, administrators and custodians. MTU, offered by DTCC-Euroclear GlobalCollateral Ltd. (GlobalCollateral), streamlines collateral management for OTC derivatives transactions and other marginable products by acting as a conduit from the point of agreement of a margin call through to settlement and standardizing most inputs and outputs to the middle office and front office.

#### **Common infrastructure optimizes triparty agent messaging**

MTU's Triparty Messaging Service automates the processing of payment instructions for major triparty agents, removing many manual touch points. By replacing multiple communication points between clients and triparty agents with shared MTU infrastructure, the service reduces the operational costs, risks and complexity of margin-call processing.

The MTU Triparty Messaging Service delivers additional features and benefits, including:

- Consolidated reporting of collateral exposures and holdings across major triparty agents through a single interface.
- Scalability and capacity to handle rising collateral demands resulting from market and regulatory changes.
- Facilitation of interfaces with additional triparty agents.

#### **Who Can Use the Service**

The MTU Triparty Messaging Service is open to MTU clients that have triparty agent collateral management requirements. Triparty agents are integrated into the service to enable them to send and receive messages from MTU but are not direct clients.

#### **Industry Collaboration, Trusted Providers**

MTU Triparty Messaging Service is delivered through GlobalCollateral's multi-service platform, built in collaboration with the company's stakeholders across the dealer, buy-side, custodian and clearinghouse communities.

GlobalCollateral is a joint venture between two of the world's largest post-trade infrastructures. Industry-owned and -governed, DTCC and Euroclear put clients' interests first in developing the technology and services firms need to manage their collateral processes efficiently and effectively.

**To learn more about MTU**, please contact us [here](#), or email us at [globalcollateral@dtcc.com](mailto:globalcollateral@dtcc.com) or visit [GlobalCollateral.net](http://GlobalCollateral.net).

## How It Works

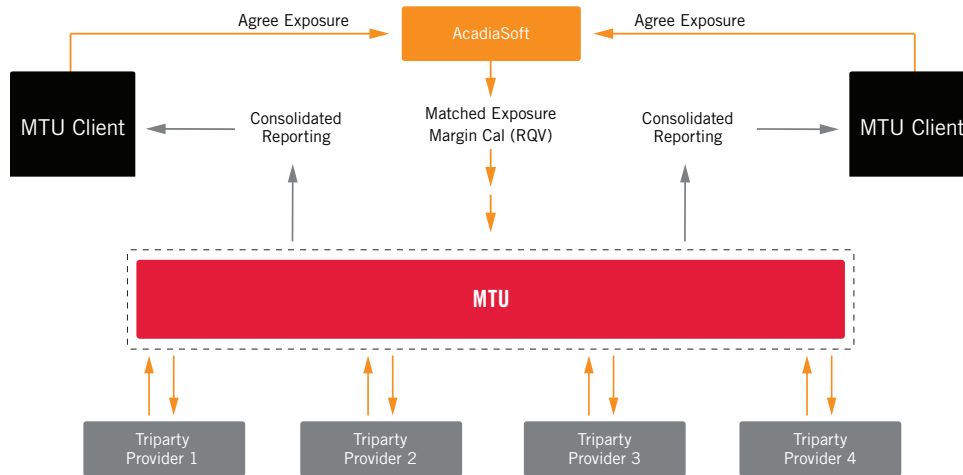
Where counterparties use a triparty collateral service provider to optimize their collateral management and one or both counterparties use MTU, MTU provides one or both firms with consolidated reporting. After the counterparties agree to the Triparty Required Value (RQV):

- MTU consumes the RQV and shares it with the respective triparty provider on behalf of one or both counterparties (pledgor and/or pledgee).

- The triparty provider processes the collateral settlements and sends a SWIFT-formatted status update to MTU.
- The status update can be viewed by either or both counterparties in the MTU GUI or sent to the MTU user's collateral management system via an XML-format SWIFT ISO message.
- MTU provides consolidated reporting and record-keeping for collateral activity on a global basis across all supported triparty agents.

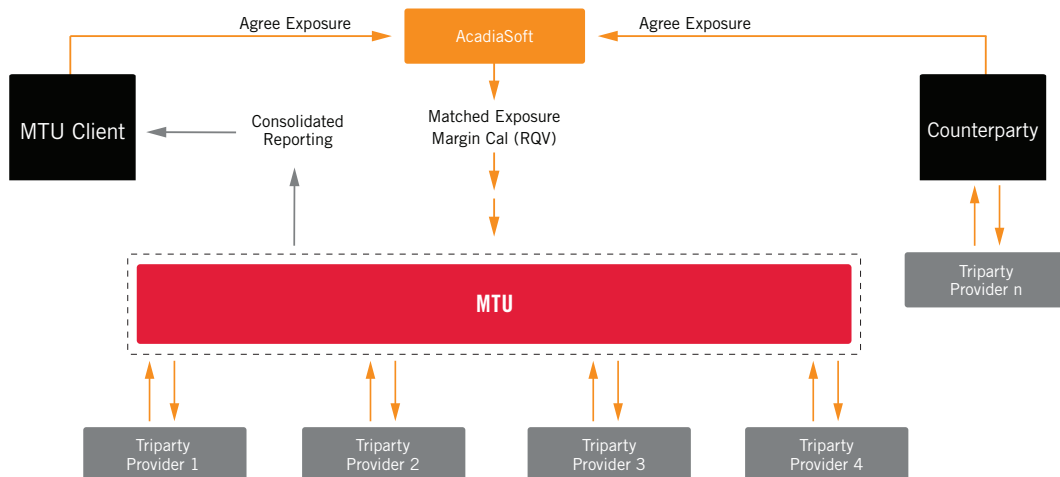
### MTU Messaging & Reporting Service Triparty Workflow Overview

Both Counterparties are MTU Clients



### MTU Messaging & Reporting Service Triparty Workflow Overview

One Counterparty is an MTU Client



© 2017 DTCC-Euroclear GlobalCollateral Ltd. All rights reserved. DTCC-Euroclear Global Collateral Limited is incorporated in England and Wales under registered number 9237676 with registered address at Watling House, 33 Cannon Street, London, EC4M 5SB. The content, information and any materials provided by DTCC-Euroclear Global Collateral Limited and/or its affiliated companies or subsidiaries in this document is provided on an "as is" basis and for informational purposes only and does not constitute a recommendation, offer or invitation to engage in any investment or other financial activity. DTCC-Euroclear Global Collateral Limited expressly disclaims all warranties, expressed or implied, as to the accuracy of any data provided, including, without limitation, liability for quality, performance and fitness for a particular purpose arising out of the use of the data. DTCC-Euroclear Global Collateral Limited shall not have any liability, duty or obligation for or relating to the data contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon.

Any unauthorized use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing herein without written consent is not permitted and may violate the proprietary and intellectual property rights of DTCC-Euroclear Global Collateral Limited under applicable intellectual property laws and associated regulations and statutes. DTCC Euroclear Global Collateral Limited is authorised and regulated by the Financial Conduct Authority (Financial Services Register number: 686269).