

PAYPLUS FOR CLS

Integrated CLS Services for FX Transactions



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Some large banks have almost three times more exposure to settlement risk than to credit risk. In the foreign exchange market, transactions can involve daily settlement exposures of tens of billions of dollars to individual counterparties creating considerable risk.

Fueling the situation is the growing number of asset classes that have become part of the trading mix, and with them the complexity and risk of ever increasing settlement schemes.

The Solution

CLS focuses on easing the pitfalls of settlement risk, a category facing increased scrutiny given the current economic climate. During the credit crisis, CLS's proven ability to reduce the risks of global payments has made it the industry standard for handling foreign exchange, globally.

PAYplus for CLS provides banks with a complete set of integrated settlement services for FX transactions, derivatives settlement, internal netting and non-CLS currencies. PAYplus for CLS captures and processes FX transaction messages according to CLS rules and operating

procedures, then distributes them to all relevant CLS settlement counterparties. It provides banks with the capability to monitor their CLS activities daily, matching and reconciling 'pay-in' and 'pay-out' schedules, assess credit in real-time and feed data to internal bank systems and third-parties automatically, for the final settlement of FX trades.

Features

- Full featured CLS solution— comprehensive settlement member, third-party and custodian capability
- Supports multiple FX trade capture channels.
- Validates and processes messages according to CLS rules and settlement member operating procedures.
- Automatically captures, processes and distributes CLS bank notifications to all subscribed parties.

With CLS, financial institutions are able to lower operating costs and speed up the settlement process

- Matches and reconciles individual FX trades with CLS 'pay-ins' and 'pay-outs' as well as internal trade settlements.
 - Supports same day settlement cycles with the different global regions.
 - Standards-based integration with back-office systems.
 - Agile integration model with bank's back-office infrastructure.
 - Supports single sign-on functionality.
- Business Benefits

Saves Time, Reduces Cost & Improves Operational Efficiency

By automating the FX settlement process, financial institutions are able to lower operating costs and speed up the settlement process saving valuable time. Error rates and resulting interest claims will reduce to zero, allowing institutions to free up resources while reducing costs and risk.

Facilitates Future Business Growth

As transaction volumes, the number of products traded and the number of currencies accepted through CLS continue to grow, firms are well-positioned to achieve future growth by offering services to other institutions on a third-party basis.

Improves Risk Management

Provides operational oversight and controls throughout the transaction lifecycle, bringing consistency and efficiency to the risk management process. The flexible process flow from implementation of approval limits, liquidity reports, configuration of processing rules and overall liquidity management functionality, helps to ensure risk is monitored, measured and controlled.

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world's top 50 banks use Finastra technology. Please visit finastra.com

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