



## Factsheet – Fusion PAYplus for Continuous Linked Settlement (CLS)

# Integrated CLS services for FX transactions

Transactions in the FX market average of \$5.5 trillion a day globally. One of the most significant risks in the FX market is settlement risk – even more so than credit risk for many large banks.<sup>1</sup>

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.

### Improve efficiency and automation with Fusion PAYplus for CLS

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.

Finastra's integrated CLS solution, Fusion PAYplus for CLS, provides banks with a complete set of automated settlement services for FX transactions, derivatives settlement, full third-party processing functionality, internal netting and non-CLS currencies. Fusion 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.

Fusion PAYplus for CLS provides banks with the capability to monitor all CLS-related activities daily, matching and reconciling "pay-in" and "pay-out" schedules, assessing credit in real-time and feeding data to internal bank systems and third parties automatically for the final settlement of FX trades.

**30%**

of CLS settlement members are Finastra customers

**1,000+**

Approximate number of Finastra's customers who use Fusion PAYplus for CLS, including third parties

**18 currencies**

Finastra covers all CLS currencies, plus CLSNet

As of September 2021

<sup>1</sup>CLS Group Settlement Overview, 2021

## With Fusion PAYplus for CLS, financial institutions can lower operating costs and speed up the settlement process

### Features

- Full-featured CLS solution – comprehensive settlement capability for members, third parties and custodians
- 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
- Matches and reconciles individual FX trades with CLS “pay-ins” and “pay-outs,” as well as internal trade settlements
- Supports all CLS-related products, including CLSNet and CLSNow
- Standards-based integration with back-office systems
- Back-office agnostic
- Supports single sign-on functionality



### Saves time, reduces cost and improves operational efficiency

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



### Facilitates future business growth

As transaction volumes increase – and the number of products traded and currencies accepted through CLS continue to expand – firms can grow by offering services to other institutions on a third-party basis. Fusion PAYplus for CLS is consistently updated to meet the ever-changing needs of service providers in the CLS market, regardless of transaction volume.



### Improves risk management

Fusion PAYplus for CLS 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.



***Integrated CLS services provide settlement members and their clients with an automated, one-stop shop for all CLS-related products, allowing users to concentrate on mitigating exceptions and efficiently servicing their customers.”***

### Grant Russell

Senior Director, Financial Messaging Marketplaces, Finastra

## Benefits



Frees up resources and reduces costs with automated message capture and management



Monitors CLS activities in real-time



Grows transaction volumes and streamlines operations

**To learn more about Fusion PAYplus for CLS, contact us.**

### About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top 100 banks. Our open architecture approach brings together a number of partners and innovators.

Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at [finastra.com](https://finastra.com)

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