

# InstaSettle

**Instant Collateral Movement**

# Why Collateral Moves between Banks

- Management of key regulatory ratios (e.g., Liquidity coverage ratio)
- Repurchase agreements (Repos)

# Collateral Movement Today

## Fragmented

- Collateral is held with several custodians, local and foreign

## Inefficient

- Moving a single basket of securities involves updates across several custodians
- Reconciliation heavy process

## Slow

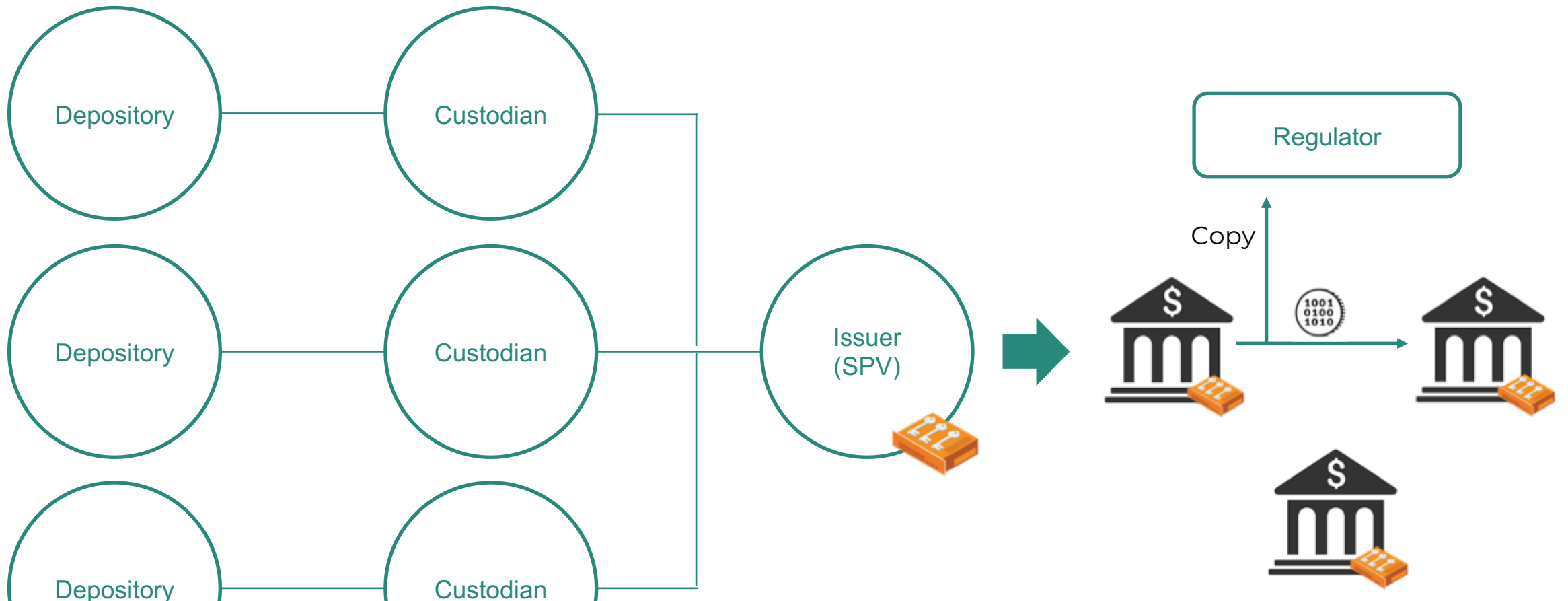
- T+2 and sometimes T+3 settlements
- In comparison, cash movements are much faster

# Current Attempts

HQLA-x: A Centralized trading platform for collateral receipts



# InstaSettle



Bank in the OTC Network holds beneficiary interest in underlying securities represented by token.

# Servicing Tokens

What a token represents can change over time

| Token ID | Issuance Date | Issuer | Securities                                 | Securities Custodian | Accrued Cash |
|----------|---------------|--------|--|----------------------|--------------|
| DBS-101  | 1/1/2022      | DBS    | 1000 shares of APPL                        | JP Morgan            | USD 220      |
| DBS-102  | 30/3/2022     | DBS    | 1000 shares of MRK +<br>1000 shares of OGN | JP Morgan            | 0            |

*A token may represent a new set of securities, perhaps after a corporate spinoff.*

*A token may accrue cash, perhaps after dividends are distributed.*

Issuer manages corporate actions

# Collateral Movement with InstaSettle

- Real time
- No reconciliation
- OTC
- Reported to the regulator

Only trade participants and the regulator are aware of a transaction