

# Question & Answer Report: Professional Repo Market & Collateral Management Workshop 2022



Day 3 - Monday, 7 November 2022

CET

- 10:00 Tri-party repo - role and mechanics  
Jan Grauls, Product Manager - Collateral Management, Euroclear
- 10:45 Sponsored repo and client-clearing  
Richard Comotto, ICMA
- 11:05 D2C electronic trading  
Oliver Clark, Head of Product, MTS  
James Kelly, Head of European Repo, Tradeweb  
Christopher Page, Vice President Product and Business Development, Eurex  
Andy Wiblin, Chief Product Officer & MD, Europe, GLMX
- 12:05 Settlement fails and settlement efficiency  
James Upton, ERCC Ops Committee and LCH
- 12:30 New developments in repo: digital repo  
Horacio Barakat, Head of Digital Innovation for Capital Markets / Head of DLT Repo Platform, Broadridge  
Talia Klein, Head of Digital Asset Custody Commercial Product, BNY Mellon  
Brian Nolan, Co-Founder, Fintium  
Daniel Phillips, Executive Director, JP Morgan
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Q: What is a concentration limit

A: A limit on how much of a particular issue can be taken as collateral for a particular transaction or held in total, either as a share or an amount.

Q: Are valuation differences (between collateral taker and giver) common? How is that mediated? Does the tri-party agent have final say?

A: Valuation is typically by the agent but parties could agree other sources and could allocate the decision to one of the parties.

Q: Are the risks of triparty addressed (i.e. longer closeout period)?

A: Please explain what you mean by risks of triparty.

Q: How is the 'worst' judged?

A: Usually cheapest-to-deliver, which means lowest credit rating, cross-currency, smaller amount, etc.

Q: What are the main differences with a CCP?

A: There is no comparison. A CCP guarantees trades. A tri-party agent manages the collateral.

Q: Risks of triparty being because you don't hold the collateral (it's at the triparty agent) you need to secure (hold) the collateral in order to sell off the collateral following default of your counterparty (cannot immediately sell off the collateral as you don't hold it), you need to follow additional steps in order to be able to sell

A: It's in your account, just like the other securities you own. indeed, from a custody point of view, no real change. typically, it would be in a separate account to your other trading activity, but selling collateral from that account is like selling any other piece in your inventory