

# Cboe Clear Europe Plans to Introduce Clearing Service for Securities Financing Transactions

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AMSTERDAM and LONDON, June 14, 2023 /PRNewswire/ -- Cboe Global Markets Inc. (Cboe: CBOE), the world's leading derivatives and securities exchange network, today announced that Cboe Clear Europe, its Amsterdam-based clearing house, is planning to introduce a Central Counterparty (CCP) clearing service for securities financing transactions (SFT) in Q3 2024, subject to regulatory approvals.

This new service is expected to introduce matching, CCP clearing, settlement and post-trade lifecycle management for SFT transactions in European cash equities and ETFs, for (agent) lenders and borrowers, with settlement taking place in 19 European Central Securities Depositories (CSDs). As the only pan-European CCP offering these consolidated services for SFTs in European cash equities and ETFs, Cboe Clear Europe is expected to help to bring improved capital efficiencies, enhanced risk management and streamlined operational procedures to this market.

Vikesh Patel, President, Cboe Clear Europe, said: "We are delighted to bring a CCP clearing service to Europe's SFT market, helping market participants improve their capital and operational efficiencies in relation to these products. It is a natural progression for our business, another important step in our mission to become Europe's leading multi-asset class clearing house and further demonstrates our commitment to developing innovative client-driven solutions. We are excited to be working with leading firms in the SFT market on this important initiative."

European SFTs primarily occur on a bilateral basis and are not cleared. However, new regulations including the Central Securities Depositories Regulation (CSDR), Securities Financing Transactions Regulation (SFTR) and planned Basel IV implementation, are resulting in market participants having to manage increased capital demands and additional operational inefficiencies that increase the costs of bilateral SFTs and may lead to a reduced capacity and appetite to borrow or lend. By offering access to a CCP clearing and settlement service for SFTs, Cboe Clear Europe is expected to help clients navigate these new rules, reduce their capital burdens associated with bilateral SFTs and achieve operational advantages. These include greater settlement efficiency, the elimination of agent lender disclosures, and improved practices around fees management, corporate actions, and post-trade lifecycle processing.

Cboe Clear Europe has secured the support of a broad range of key market participants, including banks, clearing firms, asset managers and custodians, who are expected to support the launch of this service.

- Participant Agent Lenders include BNY Mellon and Citi.
- Participant Borrowers include ABN AMRO Clearing Bank, Barclays, Citigroup Global Markets Limited, J.P. Morgan and Goldman Sachs.

As a leading pan-European equities clearing house, Cboe Clear Europe currently offers clearing services to 47 trading venues. The company enables Clearing Participants to manage their counterparty credit risk and also to maximise operational efficiencies through automated processing and the provision of netting opportunities. It diversified into equity derivatives clearing in 2021 to support the launch of Cboe Europe Derivatives (CEDX), Cboe's pan-European equity derivatives exchange.

Cboe Clear Europe operates as an independent subsidiary of the Cboe group, retaining a separate governance structure and management team. It is headquartered in Amsterdam and regulated by De Nederlandsche Bank and by Autoriteit Financiële Markten. Further information on the company and its services can be found here: [clear.cboe.com/europe](https://clear.cboe.com/europe).

## About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE), the world's leading derivatives and securities exchange network, delivers cutting-edge trading, clearing and investment solutions to people around the world. Cboe provides trading solutions and products in multiple asset classes, including equities, derivatives, FX, and digital assets, across North America, Europe and Asia Pacific. Above all, we are committed to building a trusted, inclusive global marketplace that enables people to pursue a sustainable financial future. To learn more about the Exchange for the World Stage, visit [www.cboe.com](https://www.cboe.com).

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### **Cautionary Statements Regarding Forward-Looking Information**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. You can identify these statements by forward-looking words such as "may," "might," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," and the negative of these terms and other comparable terminology. All statements that reflect our expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Some factors that could cause actual results to differ include: the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; price competition and consolidation in our industry; decreases in trading or clearing volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes or changes in tax regimes; our ability to protect our systems and communication networks from security vulnerabilities and breaches; our ability to attract and retain skilled management and other personnel, including compensation inflation; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; global expansion of operations; factors that impact the quality and integrity of our indices; our ability to manage our growth and strategic acquisitions or alliances effectively; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to minimize the risks, including our credit and default risks, associated with operating a European clearinghouse; our ability to accommodate trading and clearing volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; misconduct by those who use our markets or our products or for whom we clear transactions; challenges to our use of open source software code; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; our ability to maintain BIDS Trading as an independently managed and operated trading venue, separate from and not integrated with our registered national securities exchanges; damage to our reputation; the ability of our compliance and risk management methods to effectively monitor and manage our risks; restrictions imposed by our debt obligations and our ability to make payments on or refinance our debt obligations; our ability to maintain an investment grade credit rating; impairment of our goodwill, long-lived assets, investments or intangible assets; the impacts of pandemics; the accuracy of our estimates and expectations; litigation risks and other liabilities; and operating a digital asset business and clearinghouse, including the expected benefits of our Cboe Digital acquisition, cybercrime, changes in digital asset regulation, losses due to digital asset custody, and fluctuations in digital asset prices. More detailed information about factors that may affect our actual results to differ may be found in our filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2022 and other filings made from time to time with the SEC.

We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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