

Cleared Reverse Repo

Do you have large cash balances that you're looking to invest in a highly liquid and fully collateralized market? If so, becoming a cash provider through BNY Mellon's Sponsored Cleared Repo program may be the short-term solution you've been seeking.

What is Reverse Repo?

Repo markets are a much-needed sector for investors seeking short-term cash. However, repo markets are also an invaluable investment venue for cash holders looking to put cash to work.

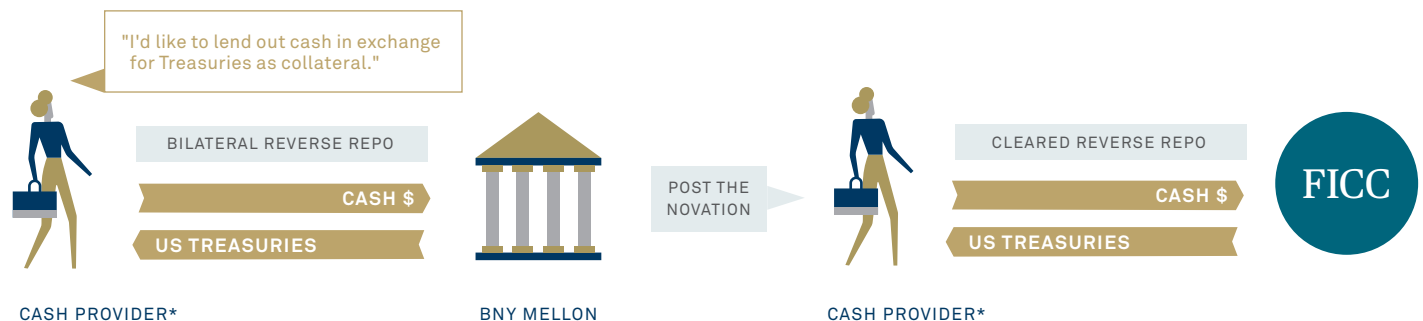
Reverse repo allows you to provide the cash leg in a repo transaction, lending money out overnight in exchange for US Treasuries.

BNY Mellon's Sponsored Cleared Repo service enables you to provide cash in cleared reverse repo via a sponsored membership into the the Fixed Income Clearing Corporation (FICC), a central counterparty subsidiary of DTCC.

How does Cleared Reserve Repo Work?

A cleared reverse repo starts out like a bilateral reverse repo. However, since the sponsored cash provider will ultimately face FICC directly, and BNY Mellon will guarantee the performance of that party, there are a few additional steps:

1. Additional documentation needs to be agreed up front with both BNY Mellon and FICC.
2. After a trade has been agreed and settled between BNY Mellon and the sponsored party, the trade is novated to FICC.
3. The sponsored member now faces FICC as the counterparty to the reverse repo for the remainder of the trade.



The Benefits of Cleared Reverse Repo

Enhanced Liquidity: Improved balance sheet efficiency leads to increased capacity.

Safety and Stability: Enjoy the security of facing a CCP without the obligations of full membership.

Access to a CCP: Sponsored membership is a highly effective way for the buy side to access FICC.

Transact Within BNY Mellon's Repo Ecosystem: Execute trades on our familiar and convenient custody and repo platforms.

For more details about Cleared Reverse Repo, please contact Kieran Lynch at Kieran.Lynch@bnymellon.com.

*Also applicable to cash borrowers seeking cash in a repo transaction.

