

# IRS Clearing Services

Attractive alternative for IRS clearing in the EU

SIX offers you highly diversified CCP services with access to multiple trading platforms across Europe. We provide multi-asset clearing services in a highly regulated environment while managing risk in real-time.

## What is an IRS?

An interest rate swap (IRS) is a legal contract entered into by two parties to exchange cash flows at an agreed-upon set of future dates. IRS are one of the most widely traded derivatives in the financial markets, providing flexibility for hedging purposes depending on interest rate forecasts. IRS help companies manage their interest rate exposure by allowing them to pay fixed rates and receive variable rate payments, and vice versa.

## Changes in the regulatory clearing landscape for IRS

European policy makers have repeatedly expressed concern on the reliance of the European financial industry on systemically relevant third country CCPs, in particular for IRS clearing.

The European Commission released in the late days of 2022 the new framework for overhauling clearing landscape in the European Union (EU), namely EMIR 3.0. Among other measures, the obligation to have an active account in an EU CCP, for Euro denominated IRS, heads the cast of the initiative.

Furthermore the clearing obligation exemption for European pension scheme arrangements expired in June 2023, prompting a significant increase in the IRS clearing space. As part of the EMIR 3.0 legislative package EU legislators are focused on building domestic capacity and developing liquidity at European CCPs.

## What are the key benefits?

- EU licensed CCP for IRS, providing a solution compliant with active account regulatory requirements.
- Exponential clearing fee savings over other CCPs, for all parties in the clearing ecosystem.
- IRS Partnership Programme offering revenue sharing opportunities for participants and execution revenue opportunities for liquidity providers.
- ISV partnerships for clearing solutions (end-to-end connectivity and facilitation of post-trade services).
- Transparent, efficient and standard risk model and margin simulation features.
- Efficient capital requirements in relation to default fund contributions and balance sheet, facilitating direct CCP membership for the buy-side.
- Includes both CTM and STM models.
- Access to the full range of SIX infra structure services (multi-asset clearing, settlement and custody services).
- Less procyclical and more efficient and adjusted IM.

## Product offerings and benefits at a glance

SIX Clearing offers clearing services for a full range of asset classes.

- **Derivatives on Interest Rates.**
- **Financial derivatives with Equity Index, Single Stocks and Rolling Spot Futures (FX and Single Stocks).**
- **Energy derivatives: Gas Derivatives traded OTC and on OTFs and Power Derivatives via Spanish Derivatives Exchange.**
- **Repo & Buy-Sell Backs with main European underlying debts and EUR central bank money settlement.**
- **Cash Equity: offering two complementary services with a CH licence operating in 20 trading venues and a EU licence operating in the Spanish stock exchange.**
- **CH Fixed income.**
- **Derivatives on Digital Assets Indexes (license recently approved under EMIR).**
- **Increase of eligible collateral for all SIX Clearing asset types: 11 major currencies as cash collateral and SNB GC Basket securities and other European debt instruments as non cash collateral.**

This multi-asset clearing service offers participants synergies related to EMIR regulatory changes and a full service offering across the value chain.

SIX Clearing offers all parties involved in the clearing ecosystem exponential savings on clearing fees and provides execution revenue opportunities for the dealer community acting as liquidity providers, resulting in a simplified and cost-effective pricing model.


## Buy-side community benefits at a glance

SIX Clearing offers the buy-side community the opportunity to meet their risk management challenges while complying with regulatory requirements.

The variety of membership options and account structures at SIX Clearing, including direct membership and ISA agency model structures, provides the buy-side community with an alternative to traditional indirect clearing services.

### Join us

 Contact SIX Clearing Sales Team  
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 Find out more online at  
[www.bmeclearing.es](http://www.bmeclearing.es)

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