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# Impact Report

## 2025

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# Table of contents

1. Introduction	03
2. In short	04
3. Message of the Chair – the next decade	05
4. Message of the CEO – Frontclear 2.0	06
5. Impact strategy	08
6. Performance 2025 transactions	13
7. Performance 2025 technical assistance	26
8. Outlook 2026	32

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# 1. Introduction

The global development landscape is entering a decisive new phase. Emerging markets and developing countries (EMDCs) face an estimated annual Sustainable Development Goals (SDG) financing gap of USD 4.1 trillion by 2030, rising toward USD 6 trillion by 2035. At the same time, financial systems in many low-income countries remain underdeveloped, leaving substantial domestic savings inefficiently allocated. Sub-Saharan Africa alone is estimated to hold approximately USD 4 trillion in underutilised savings — capital that could be mobilised to support resilient and inclusive growth.

Meanwhile, official development assistance is under pressure. UNCTAD has described aid as being “at a crossroads,” with real-term declines and persistent shortfalls against global commitments. The Organisation for Economic Cooperation and Development (OECD) projects further reductions in Official Development Assistance (ODA) in the near term, reflecting fiscal constraints and shifting policy priorities. In this environment, reliance on traditional north-south aid flows is no longer sufficient.

The imperative is clear: development finance must increasingly mobilise private capital — particularly domestic and regional capital — and must do so in local currency. Deep and resilient money markets are not ancillary to development; they are foundational. They provide the financial plumbing that channels savings into productive investment, mitigates currency risk, and enhances macroeconomic stability in the face of external shocks.

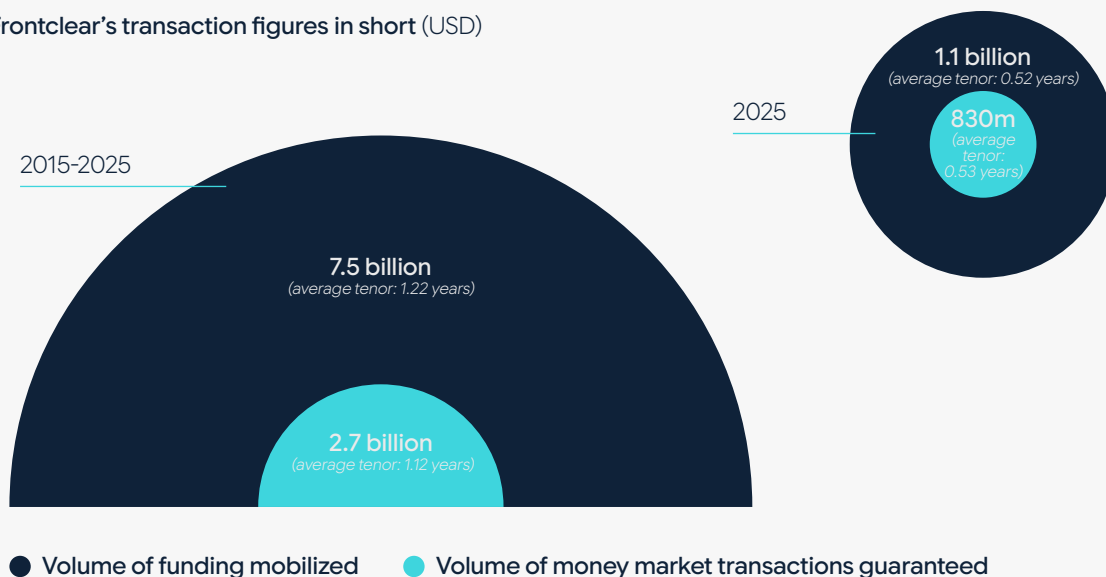
Frontclear was established in 2014 to address precisely these systemic constraints. As a for-profit development finance institution and financial infrastructure provider, Frontclear connects local institutions with global markets, de-risks frontier transactions and strengthens the market architecture necessary for sustainable mobilisation of liquidity. Through guarantees, structured instruments, technical assistance and the Tradeclear platform, we catalyse systemic change — unlocking domestic liquidity, fostering south-to-south capital flows and enabling resilient financial ecosystems.

This report not only describes our impact growth, but also looks forward. Building on a decade of experience, we now focus on scaling connectivity and deepening development impact under our renewed strategy:

**Connect and Develop.**

## 2. In short

### Frontclear's transaction figures in short (USD)



### Frontclear's technical assistance (TA) figures in short

	2025	2015-25
Financial knowledge trainings & regulator engagements	9	153
Legal and regulatory reviews and reforms	1	43
Market structures and system studies	1	44
	<b>11</b>	<b>240</b>

### Frontclear's overall geographical and network reach

	2025	2015-25
Countries <sup>1</sup>	7	38
Network partners <sup>2</sup>	19	277

<sup>1</sup>This includes all countries where technical assistance interventions, business development interventions and transactions took place. For that reason the figures are higher than in previous years when only TA and business development interventions were counted.

<sup>2</sup>Onboarded beneficiary banks, obligor banks, regulators and private sector contributors.

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# 3. Message of the Chair – the next decade

Axel van Nederveen, Chair of the Supervisory Board



**Last year's impact report was focused on celebrating Frontclear's first decade — reflecting on ten years of building markets, introducing new instruments and demonstrating that systemic financial development can be achieved through disciplined risk-sharing and partnership.**

This year, we look forward.

Frontclear's new strategy has been adopted and is being implemented in full force. It has evolved from first developing and then connecting to the other way around: first connect and then develop. It not only reflects the evolution of our institution, but it also reflects the changing global context in which we operate and the challenges we face. In an era of tightening official development assistance and heightened geopolitical fragmentation, the significance of south-south connectivity becomes more relevant each day. Mobilisation of private capital — particularly domestic and regional capital — is not optional; it is essential.

So, connectivity lies at the heart of this mobilisation challenge. Markets remain fragmented. Domestic liquidity is often trapped in short-term instruments and in the wrong currency. International counterparties face operational and risk barriers to engaging in frontier markets. South-to-south capital flows remain underdeveloped relative to their potential.

Frontclear's role is to bridge these divides.

Through guarantees, principal counterparty activities and the Tradeclear platform, we connect local financial institutions with regional and international liquidity

providers. We connect domestic money markets with global standards of collateral, settlement, legal documentation and risk management. We connect savings to productive investment opportunities in local currency. In doing so, we perform a financial infrastructure function tailored specifically to the needs of emerging markets and developing countries.

Importantly, connectivity also enables greater south-to-south mobilisation. As developing economies accumulate savings and deepen their financial sectors, the opportunity to channel liquidity across regions — efficiently and prudently — becomes increasingly powerful. Frontclear's infrastructure ambitions are designed to facilitate precisely these channels.

The Supervisory Board fully supports Management's ambition to scale the institution responsibly. The Connect and Develop strategy envisages increased risk-bearing capacity, expanded technical assistance resources and further investment in digital financial infrastructure. These steps will strengthen Frontclear's ability to mobilise private capital at scale while preserving the prudence and stability that underpin our credibility.

As Chair, I remain confident that Frontclear is uniquely positioned to play a catalytic role in this new era of development finance.

On behalf of the Supervisory Board, I would like to express my sincere appreciation to the Management Team for their leadership, discipline and strategic clarity in guiding Frontclear into this next phase of growth and impact.

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## 4. Message of the CEO – Frontclear 2.0

Philip Buyskes, CEO



If last year's 10-year anniversary report marked a milestone, this year marks momentum and strategic reorientation. I am proud to announce that our new strategy — **Frontclear 2.0: Connect & Develop** — has been approved and is now being implemented to deliver even greater impact than in our first decade. The most important strategic pivot is clear: rather than building infrastructure locally, we will increasingly become the global infrastructure ourselves. This has been the natural evolution of Frontclear from guarantor to principal counterparty and now to financial infrastructure provider. This year's impact report reflects that ambition.

From inception up to 31 December 2025, Frontclear has directly mobilised USD 7.5 billion in funding by guaranteeing USD 2.7 billion in repo, swap and trade finance transactions in 38 countries. 2025 was again a record trading year. New guarantees and transactions totalled USD 830 million (m), a 90% increase from USD 436m in 2024, confirming that Frontclear's portfolio growth trend of circa 45% per annum (since 2023) remains robust. See page 13 for more info about our portfolio performance.

The number of strategic transactions and technical assistance projects increased, including Frontclear's first transaction in the WAEMU zone with Vista Bank Burkina Faso, whereby Frontclear repo'd Vista's Ivorian securities under the local 2013 Repo Regulations whilst funding itself under GMRA with global banks. Since that transaction, Frontclear has closed a total of EUR 105m in the region and has thus rapidly established a new conduit for the region to access external funding, whilst working with local regulators to implement the needed reforms to unlock wider market development. Please see the case study on page 16 for further details.

Frontclear gained meaningful traction with the launch of the Tradeclear platform in 2025, having closed 43 transactions with a notional of USD 229m in 2025 in Uganda, Azerbaijan, Uzbekistan and the Dominican Republic. Of the 43 transactions, 32 were unsecured money market transactions and 11 were repo transactions. The number of counterparties active on the platform continues to grow as we roll out the system in new markets. See case study on page 22 for more information. In other key markets, such as the Dominican Republic, we continue to see immense growth in the repo markets following Frontclear technical assistance in previous years (see earlier impact reports).

Frontclear technical assistance program (FTAP) has been a pivotal part of its success. In 2025 key projects included the first peer-2-peer netting workshops and the ongoing work to pass netting laws in Botswana, Uganda, Tanzania and Zambia. See the FTAP performance results on page 27 and the peer-2-peer case study on page 28.

Connectivity, in our mandate, means creating access to liquidity. Through structured repo and swap guarantees and now through our Tradeclear platform, we enable institutions to responsibly manage liquidity, currency and interest rate risks, while our trade finance guarantee business supports a vital component of interbank activity in emerging markets.

Development - through technical assistance, spanning diagnostics, regulatory reform, training and infrastructure development, removes structural constraints that inhibit market depth and private participation.



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Our ambition for the next decade is significant, and our fintech trading platform Tradeclear sits at the centre. As a peer-to-peer global money market platform tailored to EMDCs, it is designed to facilitate seamless domestic, international and south-to-south liquidity flows. By leveraging digital innovation and Frontclear's balance sheet we aim to help emerging markets leapfrog legacy constraints and build resilient financial systems fit for the 21st century.

Looking ahead, Frontclear 2.0 envisages significantly increasing our risk-bearing capital and expanding our technical assistance budget with the goal of scaling Frontclear as a global infrastructure provider. This will enhance our ability to mobilise substantially greater volumes of private funding while maintaining prudent risk standards and strengthening enabling conditions to ensure we can provide a global market stabilizing function. Profitability since 2023, combined with our diversified portfolio, provides a stable foundation for scaling responsibly.

As the SDG deadline approaches, the question is no longer whether local markets must play a central role in development finance — but how quickly and at

what scale. The decade behind us demonstrated that systemic market building is achievable. The years ahead will demonstrate that it is scalable.

2025 has thus been a decisive pivot for Frontclear and I express my deep gratitude to our staff for their professionalism, expertise and commitment to our vision, and to our shareholders, donors, regulators and market partners for their continued trust and collaboration. Together, we are building the infrastructure that will enable emerging and frontier markets not only to access capital — but to mobilise their own, at scale, in pursuit of sustainable development.

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# 5. Impact strategy

Frontclear aims to fulfil its mandate of promoting better connected and developed financial markets through an integrated approach that combines risk capital and technical assistance. Risk capital is deployed through guarantees and structured transactions that mitigate counterparty risk and enable market participants to transact, while technical assistance addresses key barriers to market development, including legal and regulatory frameworks, financial market infrastructure and institutional capacity.

Frontclear's Impact Strategy is grounded in a long-term perspective and guided by an updated, more concise Theory of Change. This framework reflects the organisation's "connect and develop" approach: connecting markets by absorbing and reallocating risk, and developing them by strengthening the enabling environment and market practices. Central to this approach is the Market Maturity Ladder, which provides a structured view of the stages of money market development and aligns Frontclear's interventions and tools to specific market needs.

Through demonstrative transactions and targeted technical assistance, Frontclear supports regulators and market participants in building awareness, adopting international best practices and overcoming structural constraints. These interventions contribute to strengthening monetary policy implementation, improving legal and regulatory frameworks, and enhancing financial market infrastructure.

By systematically aligning its instruments with the different stages of market development, Frontclear helps fulfil key enabling conditions for market functioning and supports the progressive development of domestic money markets. Over time, this leads to increased activity, improved liquidity and broader participation—resulting in financial markets that are more deeply connected and sustainably developed.

As a learning organisation Frontclear reviews its impact measurement system on an annual basis by means of implementing the impact measurement adequacy assessment protocol (IMAAP). The IMAAP recommended to update the Theory of Change in accordance with the Frontclear 2.0 strategy and to slim it down. That work is not yet finalised so the shown Theory of Change is a and therefore the reported quantitative results in this impact report are not yet 1-on-1 still has preliminary status.



# Market maturity ladder

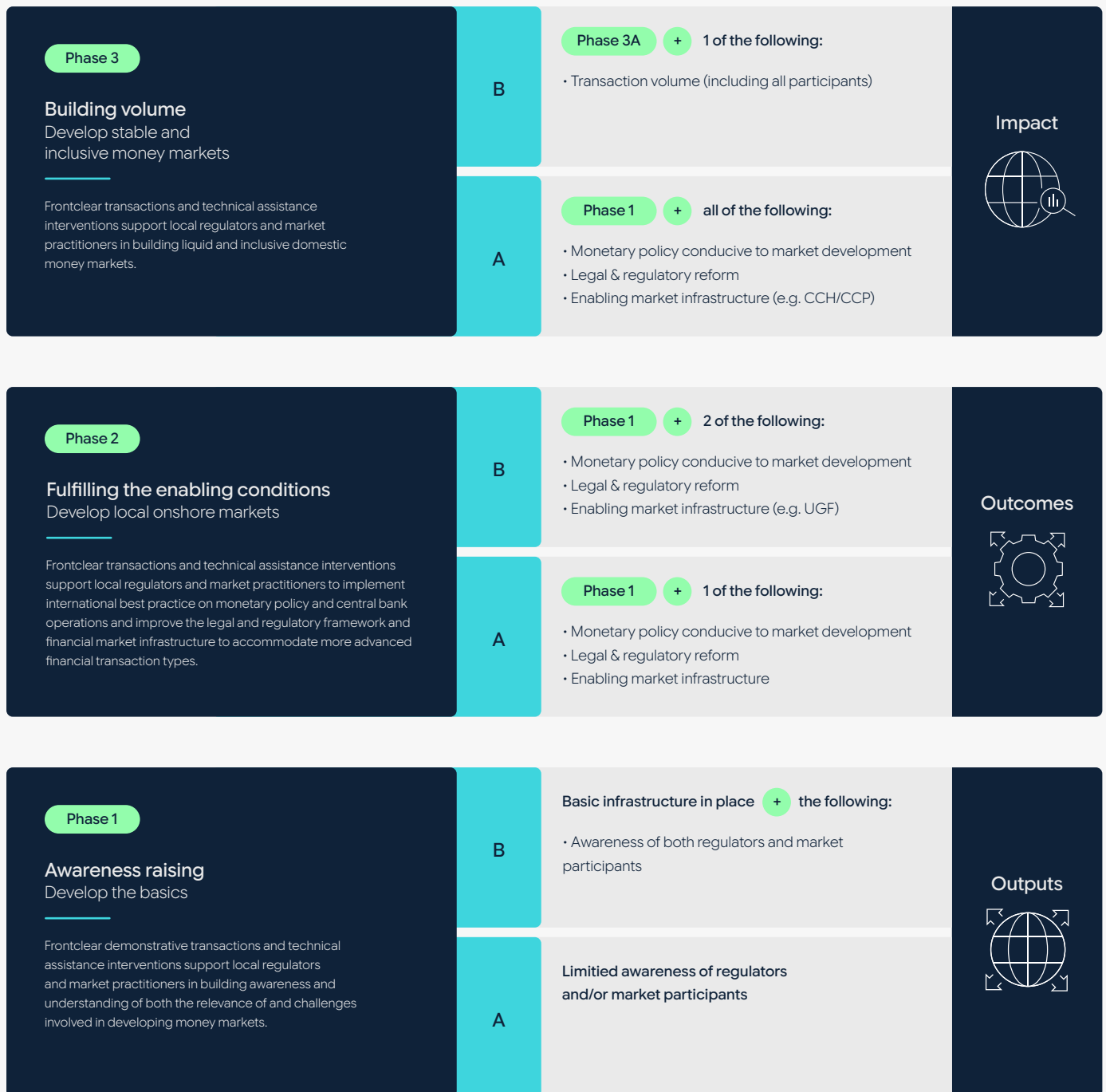
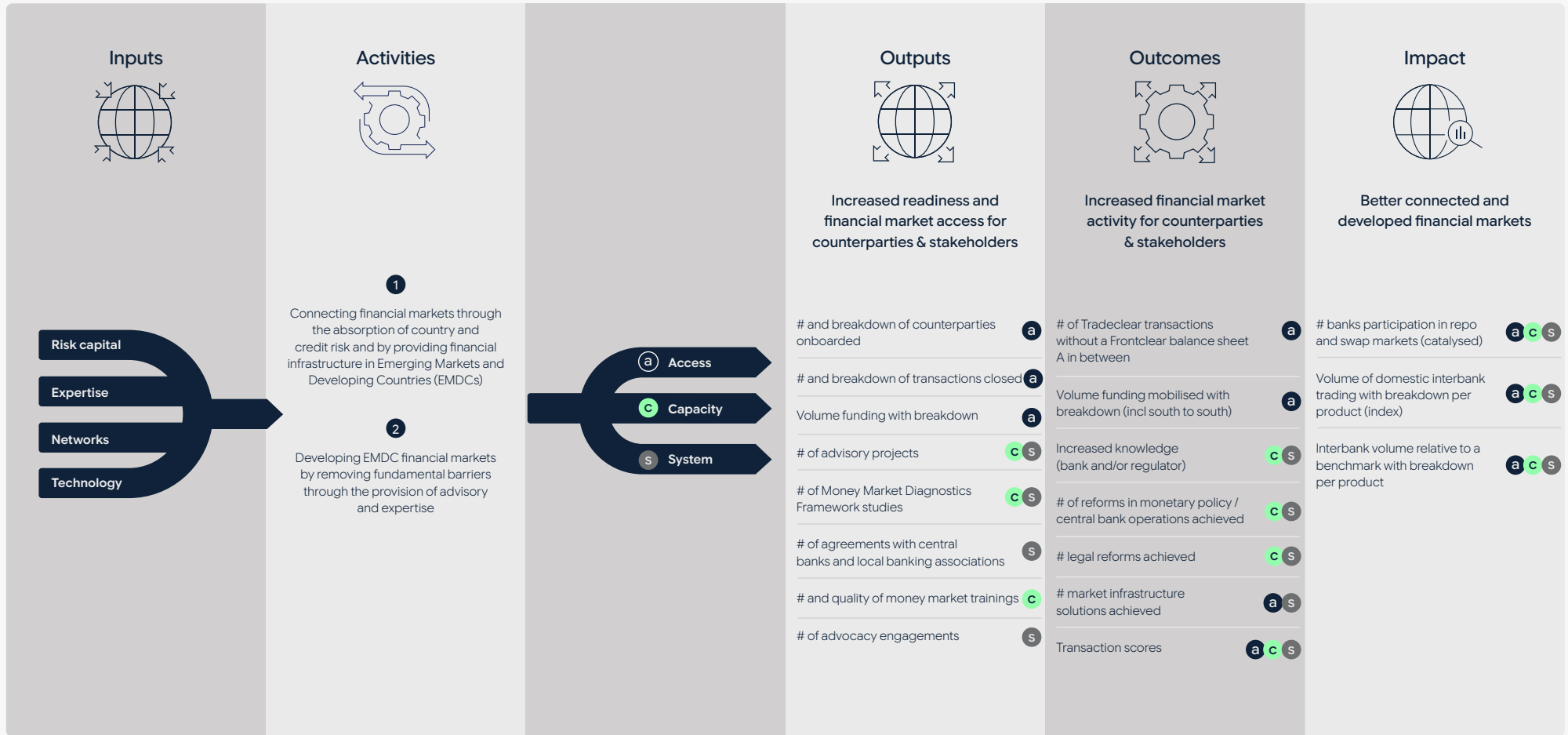


Fig. 1

# Theory of change



Please note that the theory of change has been improved in the sense that it has been updated according to the Frontclear 2.0 strategy and it has been simplified. However this is a draft version, pending tests and pending a still ongoing indicator study.

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## Mobilising what already exists: The case for local and south-to-south capital

**For decades, the architecture of development finance has been built on a simple premise: capital flows from where it is abundant to where it is scarce. In practice, this has translated into a dominant reliance on north-to-south funding — concessional finance, development aid and even banking relations are intermediated through global financial centres.**

That model is increasingly under strain.

The scale of today's development challenge is unprecedented. Emerging and frontier market economies face an estimated annual financing gap of approximately USD 4.1 trillion to meet the SDGs by 2030 — a figure projected to rise towards USD 6 trillion by 2035.<sup>3</sup> At the same time, official development assistance is under pressure, with real-term declines and growing fiscal constraints limiting the ability of traditional donors to scale support in line with needs.

Yet alongside this widening gap sits a less visible, but equally important reality: capital is not as scarce as often assumed. In many developing economies, domestic savings are substantial but underutilised. Sub-Saharan Africa alone is estimated to hold around USD 4 trillion in domestic savings, a significant portion of which remains inefficiently intermediated or confined to low-productivity uses. These savings sit in pension funds in buy-to-hold government bonds, or as excess deposits on bank's balance sheets, often in the wrong currency.

In this context — and particularly in the wake of shifting global power dynamics and increasing geopolitical fragmentation — the mobilisation of local private capital has

become both more urgent and more strategic. Reliance on external funding alone is not only insufficient at scale; it can also expose economies to volatility beyond their control. Strengthening the capacity to mobilise and deploy domestic and regional capital is therefore central to building more resilient and self-sustaining financial systems.

The challenge, however, is not simply one of availability. It is one of connection.

At its core, finance performs a straightforward function: it channels savings into productive investment. But in many emerging and frontier markets, this intermediation process remains weak. Liquidity is often concentrated in short-term instruments. Interbank markets are shallow and unreliable. Institutional investors face limited investment opportunities in local currency. And cross-border financial flows between developing economies so-called south-to-south flows — remain largely non-existent and yet have vast potential.

As a result, capital frequently sits idle in one part of the system while financing needs persist in another.

Addressing this mismatch requires more than additional funding. It requires the gradual development of financial markets as systems — with the infrastructure, rules and relationships that enable capital to move efficiently, safely and at scale.

Some of these elements are tangible: trading platforms, settlement systems, collateral frameworks. Others are less visible but equally critical: legal certainty, regulatory

<sup>3</sup>African Finance Corporation, June 2025 - <https://www.africafc.org/news-and-insights/news/afc-champions-shift-of-4-trillion-in-domestic-savings-into-africas-infrastructure-transformation>



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coherence, and shared market practices. Together, they form the foundation upon which trust is built.

Trust, in this context, is not abstract. It is operational. Financial institutions are often willing to transact, but constrained by uncertainty about counterparties, enforceability of legal documentation and/or market functioning. Where such constraints persist, liquidity remains trapped within narrow networks, and price discovery is limited. Where they are addressed, participation broadens, costs decline and markets begin to deepen.

Legal frameworks illustrate this dynamic clearly. The enforceability of key financial concepts — such as close-out netting or collateral arrangements — is a prerequisite for many forms of modern interbank and capital market activity. Without it, even well-structured transactions carry residual risks that discourage participation. Strengthening these frameworks is therefore not a technical detail, but a central component of market development.

At the same time, advances in technology are opening new possibilities for connectivity. Digital trading platforms and modern settlement mechanisms can reduce transaction costs, improve transparency and enable a broader set of participants to engage in financial markets. Importantly, they can also facilitate new patterns of cross-border interaction.

Our vision of Tradeclear as a global money market platform focused on EMDCs seeks to connect local counterparties globally. With Frontclear acting as a kind of central party to all parties, we can immediately unlock south-south flows whilst encouraging direct links to be established over time – direct mobilization that can be scaled.

Realising this potential requires a systemic perspective. Financial markets do not develop through isolated interventions, but through the alignment of multiple

elements over time. Risk management frameworks must evolve alongside legal reforms. Market practices must converge with international standards while remaining grounded in local realities. Infrastructure must be both robust and accessible. This is why Frontclear's ability to execute structured repo and swap transactions remains the cornerstone of its ability to move markets forward.

Crucially, development must go hand in hand with connectivity. Enabling transactions without strengthening the underlying system risks creating fragility. Strengthening frameworks without enabling market activity risks leaving reforms unused. The two must reinforce each other.

The implications extend beyond the financial sector. Deeper and more connected markets improve the transmission of monetary policy, support financial stability and expand access to credit for businesses and households. They enable governments to finance themselves more sustainably in local currency and reduce exposure to external shocks. Ultimately, they strengthen the link between domestic savings and domestic investment — a cornerstone of long-term economic development.

The path forward is therefore not defined solely by the mobilisation of more capital from abroad. It is increasingly shaped by how effectively countries can mobilise their own resources — and how well those resources can be connected across borders within the developing world.

In that context, financial markets are not peripheral. They are essential infrastructure.

And the opportunity ahead lies not only in bringing in new capital, but in unlocking the potential of what is already there — connecting fragmented pools of liquidity, developing the systems that sustain them, and enabling capital to move where it can have the greatest impact.



# 6. Performance

## 2025 transactions

2025 was a breakthrough year for portfolio growth and production. Gross EMDC portfolio outstanding reached USD 690m at year-end, up from USD 491m at the end of 2024, representing 41% growth.

Production reached USD 830m in 2025 across 91 transactions in 19 countries, a 90% increase from USD 436m in 2024. This sharp rise was driven by an expansion of existing activities in markets such as Azerbaijan and the Dominican Republic, as well as due the closing of new transactions in new markets such as the WAEMU zone. Trade finance guarantees also strongly supported portfolio growth and facilitated further diversification of the portfolio.

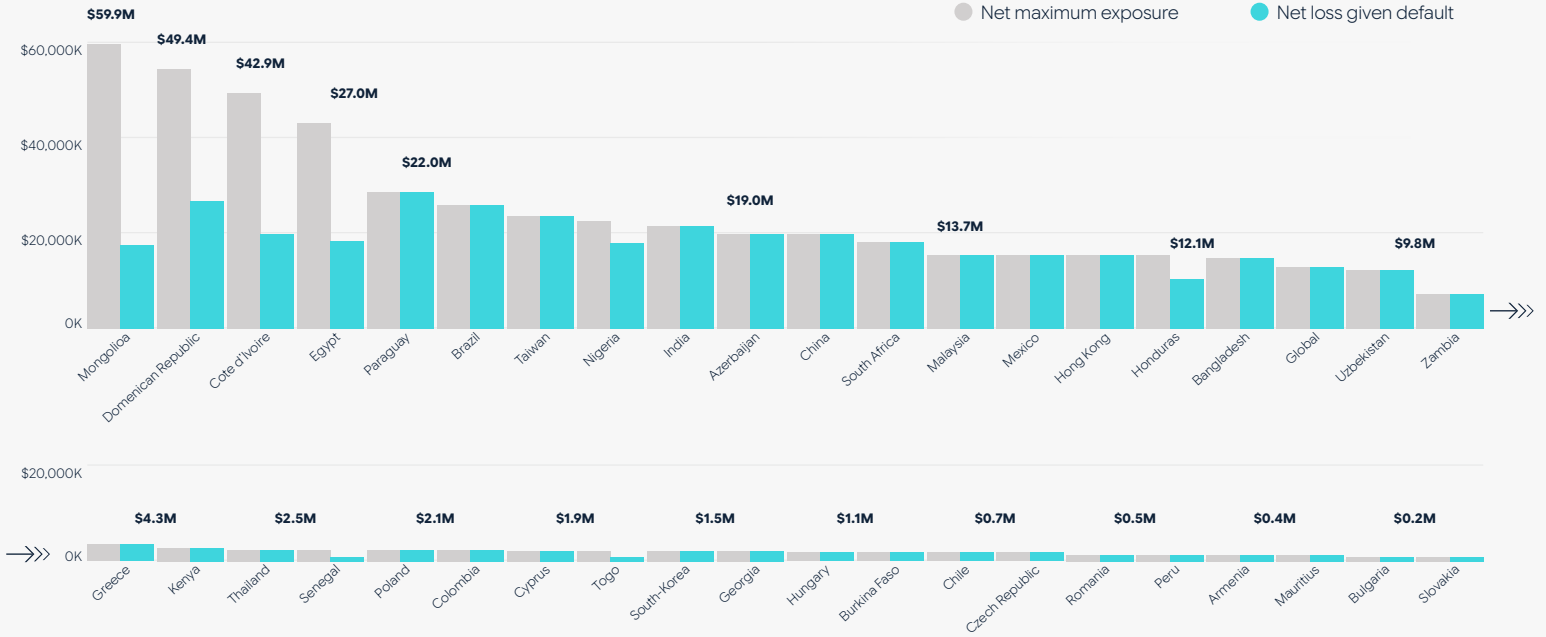
On Tradeclear, USD 229m of production was executed across 43 transactions, with an average tenor of 46 days. This greater focus on shorter-dated activity reduced the average tenor of all transactions closed in 2025 to 0.53 years, down from 1.51 years in 2024. Whereas the production figures do not include the hedging and funding

transactions executed with global banks, the Tradeclear production figures include both lending and borrowing, reflecting Frontclear's role in intermediating domestic interbank and south-to-south funding flows.

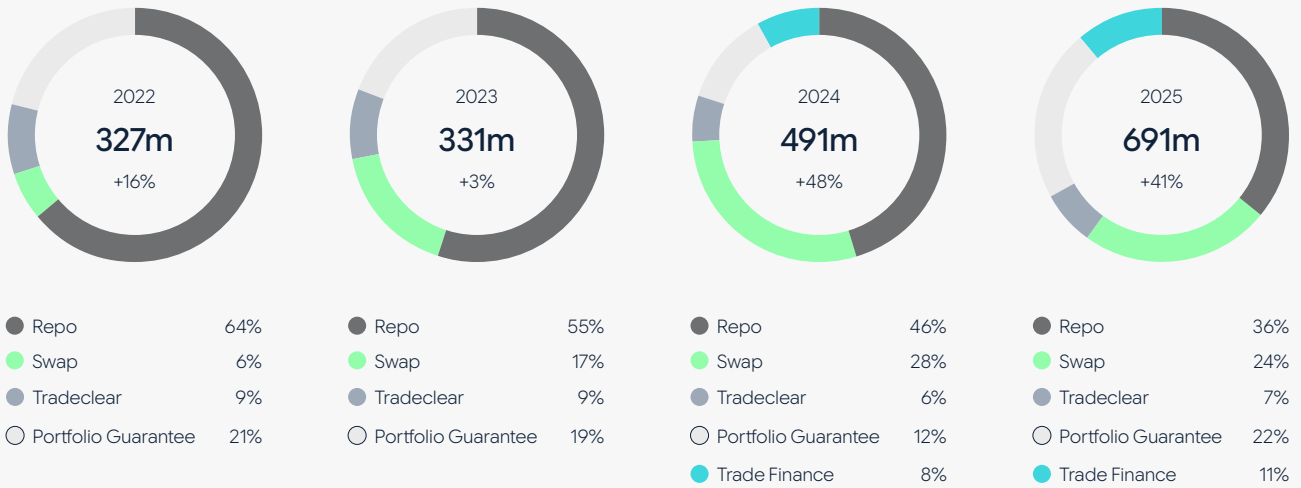
The USD 830m of production in 2025 mobilised USD 1.1 billion in funding. This compares with USD 1.7 billion mobilised in 2024, when large, syndicated repo transactions backed by partial risk mitigation contributed more heavily to total mobilisation. With 2025 production included, total funds mobilised since inception rose to USD 7.5 billion, underscoring Frontclear's ability to catalyse funding at scale. These figures exclude indirect mobilization, being trades that have occurred between third parties once Frontclear executed the first transactions in the market. The Dominican Republic is a excellent example, where a repo market with total value of USD 3-4 billion is estimated following our work to build the market in earlier years.



Net maximum exposure and net loss given default amounts at year end 2025



Gross outstanding portfolio at year end (USD)



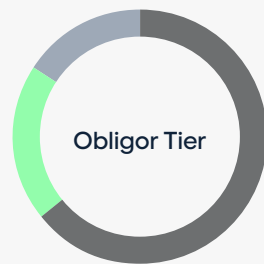
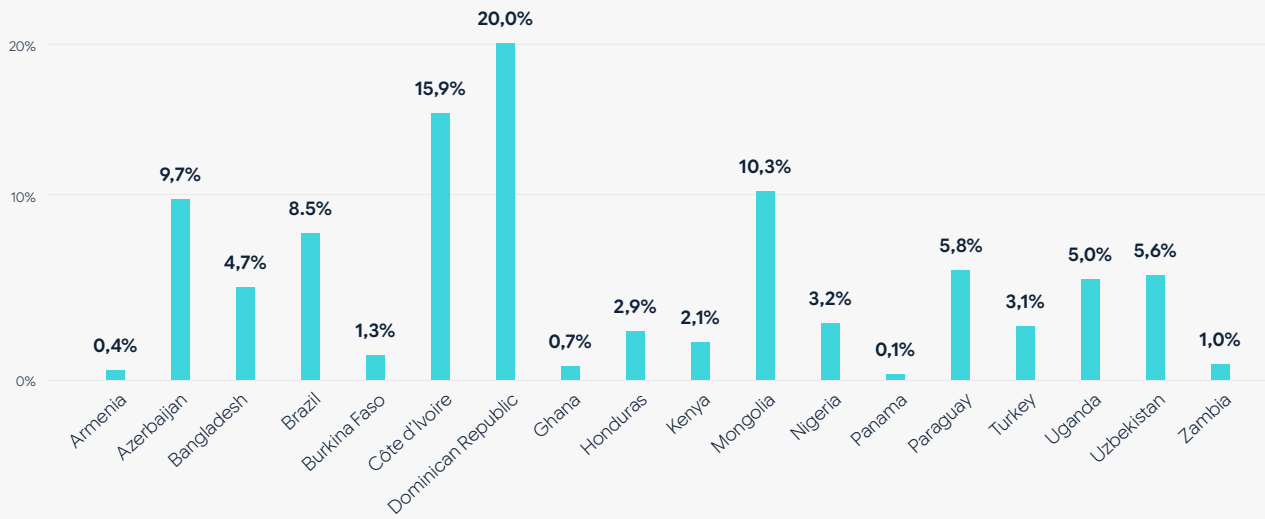
## Banks onboarded

	2025	2015-25
Local banks onboarded	15	113
Regional and global banks onboarded	4	29

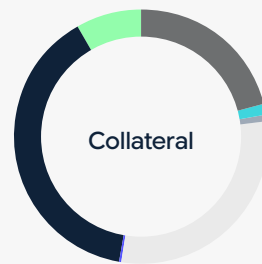
## Volume of funding mobilised

	2025	2015-25
Volume funding mobilized (USD)	1.1 billion	7.5 billion

## Breakdown of total production in 2025



Tier 1	64,4%
Tier 2	20,0%
Tier 3	15,6%



Domestic LCY Bonds	21,0%
Domestic USD Bonds	1,4%
EUR Cash	0,7%
International USD Bonds	29,5%
LCY Cash	0,4%
Unsecured	39,0%
USD Cash	8,1%

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## Unlocking the WAEMU repo market: A pioneering cross-border transaction

The West African Economic and Monetary Union (WAEMU) has had a legal framework for repo transactions since 2013. Yet for more than a decade, the WAEMU interbank market remained largely dormant. A pioneering 2025 transaction, facilitated by Frontclear and executed by Vista Group, is changing that. We spoke with Woumarou Mourindi (Vista Group), Papa Sall (Citibank West and Central Africa), Francis Sossah (Frontclear) and Babacar Touré (Banking Association of Senegal) about what it took to make it happen and what it means for the region.



**Woumarou Mourindi,**  
Vista Group



**Papa Sall,** Citibank West  
and Central Africa



**Francis Sossah,**  
Frontclear



**Babacar Touré,** Banking  
Association of Senegal

*The WAEMU already had a solid legal framework in place since 2013. Yet the interbank market remained largely inactive. In your experience, what is actually holding banks back?*

**Francis Sossah:** Three structural factors explain the inactivity. First, international banks with parent companies outside the WAEMU region found it difficult to sign the Local Master Repurchase Agreement (LMRA) for compliance reasons. Signing the Global Master Repurchase Agreement (GMRA) from London simply made more sense from a legal and operational standpoint. Second, credit risk was a real deterrent: no lender wants to find itself holding collateral from a defaulted counterparty in a market where recovering losses is far from guaranteed. Third, the secondary market for government bonds was and remains limited in liquidity. If a lender is stuck with collateral it cannot readily sell, estimating recovery time and value becomes extremely difficult.

**Babacar Touré:** The legal foundations are genuinely solid. We have packet transfer, close-out netting, and enforceability in insolvency — all in the LMRA. What is still missing in the union is a combination of confidence, market practice, and supporting infrastructure. Many banks have not yet fully integrated repo as a standard treasury tool. Liquidity management remains heavily central-bank driven, and government bonds tend to be held passively rather than actively traded. For cross-border repo to become routine, several things need to move together. First, banks must get comfortable with secured interbank funding; Second, the secondary market must develop so that bonds are genuinely perceived as liquid and tradable instruments. Third, documentation must be fully aligned with GMRA standards; settlement infrastructure must allow securities to be transferred efficiently across different depositories in the region; and the tax framework must be clear and predictable. Finally, any uncertainty on taxation immediately discourages participation, regardless of how solid the legal framework is.



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**Papa Sall:** The monetary union functions very well. Where WAEMU lags is on fiscal and legal harmonisation. Without alignment there is uncertainty, and it is precisely the piece that needs to be resolved for the market to operate fluently. Infrastructure for margining is also a gap: for longer-tenor repos, you need daily or periodic margin calls, and the operational platforms to support that are not yet in place across the region.

***Bridging the LMRA framework with international GMRA standards sounds straightforward on paper. Where did you encounter the biggest friction – and what finally bridged the gap between legal certainty and market confidence?***

**Francis Sossah:** The most critical friction point was documentation mismatch. On one side of the transaction we signed a GMRA with the international bank; on the other, an LMRA with the local bank. We needed to reduce that mismatch as much as possible, so we customised the confirmation to reflect key GMRA provisions – including daily margining, which is not standard in the LMRA. For a short-term market where repos typically run one week to one month, daily margining is a genuinely unfamiliar concept. The second major friction point was price discovery. Daily margining requires daily mark-to-market valuations, but some of the securities used as collateral were not listed on Bloomberg. We had to establish a common reference – eventually relying on Reuters pricing – for securities that simply had no readily available market price.

**Woumarou Mourindi:** Looking at the mechanisms in the region, the bonds we pledged as collateral are genuinely liquid in one sense – the central bank accepts them – but they are not necessarily visible on international platforms. We need to find better ways to bridge regional instruments to international market data. There is still significant work to be done in connecting local fixed-income markets to international pricing infrastructure.

**Papa Sall:** This was an interesting experience. From our perspective, the LMRA covers many of the same points as the GMRA, but it does so in a way that requires interpretation. The biggest problem was: the LMRA does not permit additional bilateral provisions to be added – so whenever a specific situation arose that was not explicitly covered, we had to interpret what the GMRA provision would mean in the local context. Legal teams will typically say that everything is covered. But the people responsible for executing the transactions worry about interpretation. You can have two documents that are technically compatible, and still not be fully comfortable that they are binding in every scenario that matters. That gap between legal opinion and operational confidence is the real friction to solve.

**Francis Sossah:** I fully agree with what Papa Sall just said. From a bank's perspective, it is very difficult to operate in a gray area. That is exactly why we brought this to the central bank after the transaction closed. The message was, as a development finance organisation, we are willing to absorb legal risk that a commercial bank cannot. But for the market to develop sustainably, reforms need to happen with full GMRA alignment, clear legal opinions, and a framework that gives international players such as Citibank and JP Morgan the certainty they need to transact directly.

***This transaction used government bonds from multiple WAEMU countries as collateral – bonds sitting idle on bank balance sheets. What does it mean, concretely, for a bank when that collateral suddenly becomes mobilisable?***

**Babacar Touré:** The key word here is liquidity. A significant portion of WAEMU banks' balance sheets consists of public securities. The central bank already accepts these as collateral and provides regular liquidity injections – but that is not enough. You also need interbank channels and a secondary market. What this transaction demonstrated is that the securities on your



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balance sheet can be more liquid than you think. That changes the calculus, especially as governments push for longer maturities: if you are going to hold five- or seven-year bonds, you need credible mechanisms for turning them into short-term cash when needed.

**Woumarou Mourindi:** Vista Bank has set limits by country, and we are under constant pressure as sovereign tenors lengthen. The combination of central bank facilities, the interbank market, and the secondary market gives us a toolkit – but it was not complete. Partners like Frontclear and Afreximbank, who provide liquidity against government bonds, add an important additional lever. And increasingly, we are also seeing secondary market activity where specific banks are seeking bonds from a particular sovereign for specific regulatory or portfolio reasons. That creates swap and trading opportunities that simply did not exist before.

**Papa Sall:** Liquidity is the first effect, but it is not the only one. Once you have a functioning secondary market, you attract offshore investors who previously would not enter because there was no exit. That generates additional flows into the region. And operationally, being able to mobilise your securities and lend the resulting cash to clients creates a lending capacity multiplier. It definitely creates more options.

**Frontclear did something similar in Togo in 2022. But this 2025 transaction was described as more complex and innovative. What made it a step further?**

**Francis Sossah:** Step one: in 2022, we relied substantially on an offshore SPV and guarantee structure, which meant the legal heavy lifting in the WAEMU region itself was limited and the trade not easily replicable. Step two: the team operating the SPV was already familiar with margining requirements, and the 2022 margin was settled in hard currency whilst we now settle in local currency.

The 2025 transaction required us to engage directly with the local legal framework and take direct risk on the local bank. We conducted detailed legal due diligence on the WAEMU environment, customised the transaction confirmation to mirror GMRA provisions as closely as possible, and worked intensively with Vista Bank to introduce the concept of daily margining – something entirely new for a market where repos typically run for a week or a month at most. That hands-on work with a local bank to build knowledge and operational capability from the ground up is what made this transaction genuinely more complex and more developmentally significant.

**Trust is a recurring theme in frontier market development. How central was Frontclear's role as principal counterparty – and would this deal have happened without that backing?**

Francis Sossah: The transaction would not have happened without Frontclear's intermediation. Since our inception in 2015, our role has been to bridge the gap between international capital markets and frontier markets by absorbing counterparty credit risk and to provide trust that allows parties who would not otherwise transact to do so. But our broader purpose is to make ourselves unnecessary. The goal is to do the first transaction, work with regulators to put the legal and operational framework in place, and ultimately step back so that international banks can transact directly without our involvement. That is how we fulfil our development mandate and what we will scale via Tradeclear. In other countries such as the Dominican Republic where we played a crucial role, the likes of JP Morgan can now execute repo transactions without any Frontclear involvement. We are not even price-competitive there anymore. That is a success, not a loss.



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**Every pioneering deal teaches us something. What did this one teach each of you individually?**

**Francis Sossah:** Involve legal from the very start. Front-office structurers tend to assume it is all about pricing and counterparty approval. Coming from the WAEMU region myself, I shared that instinct. This transaction convinced me that on emerging and frontier markets, the legal dimension is just as foundational as the economics – and it has to be part of the discussion from day one.

**Woumarou Mourindi:** The pricing negotiation was more iterative than I had anticipated. Getting to a rate that works for both sides and that remains manageable for the SMEs we ultimately finance, where borrowing costs above 8–9% become genuinely punishing – required significant back and forth.

**Babacar Touré:** Let me answer this from an outsider’s perspective. A few years ago, the question was whether this was possible at all. Now that the transaction has been done, the question has shifted from ‘Is it possible?’ to ‘How do we scale this? For me, it demonstrated that the market is moving in the right direction.

**Papa Sall, you have observed West and Central African interbank markets from both a regional and global bank perspective. Is this WAEMU repo deal an isolated milestone, or the beginning of something structural?**

**Papa Sall:** WAEMU already has an edge over CEMAC – Central Africa – in terms of market development. The secondary market is more advanced in the WAEMU region, and the common currency provides a real advantage. But for an international bank, the challenge remains documentation ambiguity: to what extent is the LMRA truly binding? International banks like Citi want to operate within a standard framework, and any deviation creates friction. We also lack netting jurisdiction across WAEMU member states, despite the monetary union

– which is a real operational gap for cross-border transactions. The fiscal framework also remains fragmented. So I see this transaction as structurally important – it is a proof of concept that has regulator buy-in so this transaction will help move the needle.

**Does a functioning local repo market change the calculus for a bank like Citi? Does it open doors or shift competitive dynamics?**

**Papa Sall:** Yes, it is definitely opening doors to international markets. We see it as foundational to bridge international capital to local markets where we operate. The more innovation there is locally – more liquid securities, more functioning infrastructure – the more it allows us to channel offshore flows into the region. A repo market also enables new business lines: where you used to buy and hold government bonds, a secondary market allows you to build a trading platform. That’s why we think this is very foundational.

**Frontclear operates at the intersection of development finance and market infrastructure. How do you decide when a market is ready – and what does ‘ready’ actually mean in practice?**

Francis Sossah: The first step is to understand the risk environment. Are there banks in the market that Frontclear’s board is comfortable extending credit to? Then we look at market infrastructure: is the central securities depository functioning? Is title transfer possible? Can an international player like ourselves hold a custody account? Is cash margining operationally viable? These are key boxes to tick. Third, we assess legal risk – from the perspective of a development finance institution. We are willing to absorb legal uncertainties that others cannot. And finally, we look at reputational and compliance risk. We can afford to lose money. We cannot afford to lose our reputation. If all of those factors clear our executive committee, we consider the market ready.



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***After the deal closes, what is Frontclear's role in making sure the market keeps moving – that this does not remain a one-off?***

**Francis Sossah:** We develop a technical assistance project for the country or region — working with the regulator on legal reforms, operational improvements, and information availability. In WAEMU, that means pushing for full GMRA alignment, addressing access to bank financial data, and making sure international counterparties can conduct proper credit analysis. We are currently working with the Banking Association to collect financial data from the banking sector and make it available on a platform such as Fitch Connect, so that an international bank wanting to transact with a bank in Togo or Guinea-Bissau can access the relevant financial ratios directly. We also work with ICMA and ISDA to obtain independent legal opinions confirming that GMRA or ISDA documentation is fully enforceable — because international banks will only act on confirmation from those authorities, not from Frontclear alone.

***Entering into this kind of transaction for the first time carries real reputational and balance sheet risk.***

***What was Vista Group's internal process for getting comfortable – and who needed convincing?***

**Woumarou Mourindi:** There was a lot of back and forth. The onboarding process was demanding. Fitch Connect, which Frontclear used to assess our credit-worthiness, required detailed financial information and analysed our figures under IFRS standards — which differ meaningfully from the accounting framework applied under the supervision of our regional central bank. Explaining those differences, particularly around non-performing loan classifications, required considerable work from our finance team. There was also a board dimension: we needed parent company guarantee support, and the board initially questioned why a 1.25x collateral cover from Vista was not sufficient on its own. Finding the right language to explain the

rationale took time. But we managed to cross the line, and the renewal process was significantly smoother.

***Now that Vista Group has been part of this transaction, how does it change how you think about liquidity management going forward? Would you do it again without the Frontclear guarantee?***

**Woumarou Mourindi:** We have managed to establish a centralised treasury pool — Vista France — specifically to manage cross-border liquidity in hard currency across the group's banks. The experience with Frontclear was instrumental in making that pool structure operational. We know what Frontclear requires, we understand the process, and we are keen to renew existing lines and extend the relationship to newer affiliates in Sierra Leone and potentially Mozambique. The first transaction was challenging. The second is considerably easier.

***A local bank CEO making a first move in a new market takes on a certain symbolic weight — you become a reference point for others. Was that part of the decision to participate, and how do you see Vista's role in what comes next?***

**Woumarou Mourindi:** The first transaction, Vista Burkina, was genuinely challenging for us. But working through that process gave us something valuable: we understood what Frontclear requires, and we became confident in what we could achieve together. That mutual understanding is what makes the next steps possible. We are now looking to extend the relationship to Sierra Leone and potentially Mozambique, and we are keen to renew the existing lines in Burkina and with Vista. We have also recently acquired a new bank, with more affiliates in the pipeline, and we see Frontclear as a long-term partner across all of them. The symbolic dimension you mention is real — being a first mover does set a standard. But for us, the motivation has always been practical: if the financing structure works and the relationship is sound, you build on it.



**Francis Sossah:** Vista's role has evolved significantly. The first transaction in Burkina Faso was genuinely difficult – for both sides. When we renewed and increased the ticket a year later, you could see the change clearly: greater operational fluency, a stronger balance sheet, a more capable team. It is a privilege to be part of that growth story. Going forward, Vista has become an anchor bank for Frontclear in the markets where they operate. As we work to link emerging markets together on a common platform, banks like Vista act as ambassadors — their credibility opens doors in Sierra Leone, Guinea-Conakry, Mozambique and wherever they next expand.

**The WAEMU region has a common currency and regulatory framework, but in practice the repo market remains shallow and segmented. What needs to change — culturally, institutionally – for cross-border repo to become routine rather than remarkable?**

**Babacar Touré:** This conversation has covered most of the agenda. Let me give you the key words: legal framework alignment between LMRA and GMRA; confidence and market practice; supporting infrastructure for settlement and margining; a clear and predictable tax regime; a liquid secondary market with reliable price discovery; and financial information availability. All of these need to move together. You cannot develop any market product on the basis of ambiguity – as Papa said, grey areas must be resolved before you start, not managed around once you are in.

**How would you link the development of the money market to the broader development of the bond market and capital markets in WAEMU?**

**Babacar Touré:** The repo market is the backbone of the financial system. It sits at the beginning of the yield curve construction process. Without a properly functioning repo market, you cannot build a reliable yield curve. Without a yield curve, fixed income markets cannot price

efficiently or extend maturities. And without deeper fixed income markets, you cannot mobilise long-term capital for the investment and infrastructure that WAEMU's economies need. Everything connects. That is why this transaction matters beyond its own economics – it is one of the foundational steps towards a genuinely functional capital market in the region.

- Woumarou Mourindi is CFO of Vista Group
- Papa Sall is Head of Citibank West and Central Africa and former Chair of the Senegalese Banking Association.
- Francis Sossah is Vice President focused on structuring and originating financing and capital markets and covers Sub-Saharan Africa for Frontclear.
- Babacar Touré is CEO of Afrika Banque Senegal and Head of the Treasury Commission of the Banking Association of Senegal (APBEFS).

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## Building the infrastructure of trust: how Tradeclear is opening frontier money markets

Tradeclear – the money market trading platform co-created by Frontclear and Swiss market infrastructure provider Instimatch Global – is quietly rewriting the rules of interbank liquidity in frontier economies. Jahongir Nazarov, Chief Specialist in the Treasury Department at Kapital Bank in Uzbekistan, Adrian Edelmann, CEO of Instimatch Global, and Bernard Claassens, who heads execution and liquidity management at Frontclear and serves as system owner of Tradeclear, reflect on what it takes to build a functioning money market where trust is the scarcest resource of all.



**Jahongir Nazarov,**  
Chief Specialist, Treasury  
Department at Kapital Bank



**Adrian Edelmann,**  
CEO, Instimatch Global



**Bernard Claassens,**  
Execution and Liquidity  
Management, Frontclear

When Frontclear first began working in Uzbekistan, the interbank market looked much like it does in many frontier economies: bilateral, opaque, and difficult to access for any bank outside the upper tier. Tradeclear was conceived, in part, as a response to exactly this problem.

### Improving price discovery and access

“From Kapital Bank’s perspective, Tradeclear adds value by increasing transparency and efficiency,” says Jahongir Nazarov. “Conventional interbank transactions in Uzbekistan are often negotiated bilaterally and pricing visibility across the market can be limited. Tradeclear provides a structured environment where participants can see market interest more clearly and interact with a broader set of counterparties. For us, that improves price discovery and facilitates access to international and regional participants who may not traditionally be active in the domestic interbank market.”

“Instimatch provides the digital marketplace infrastructure that connects banks to a global liquidity pool,” explains Adrian Edelmann, “while Frontclear’s guarantee structure mitigates counterparty risk.” Bernard Claassens, who oversees Tradeclear both as a price-maker and as system owner, agrees entirely. But transparency alone, he is quick to point out, does not solve everything.

### From guarantee to marketplace

Frontclear’s Umbrella Guarantee Facility was the organisation’s original instrument for addressing credit risk in domestic interbank markets: an investment-grade guarantee enabling institutions to trade with one another even where credit lines were thin or absent. It was deployed in Uganda. But as Claassens explains, the guarantee alone was not always sufficient.

“What we found is that it’s all very new in many jurisdictions,” Claassens says. “Talking about things like full title



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transfer repo, new pieces of technology, understanding how credit works, how margin works – these concepts need time to take hold. The umbrella guarantee is still there and we still aim to deploy it across Tradeclear as a whole. But we also introduced ourselves as a principal counterparty, which achieves the same outcome in a different way.”

### **Friendly counterparty**

This evolution – from pure guarantor to active principal counterparty – is what makes Tradeclear distinctive. Rather than simply backstopping bilateral trades, Frontclear’s subsidiary FCC Securities steps in as a friendly counterparty to all participants, absorbing the complexity of cross-jurisdictional Know Your Customer (KYC) and credit assessment that would otherwise prevent smaller frontier market banks from trading internationally at all.

Instimatch was originally built for sophisticated markets like Switzerland, where counterparty networks are dense and trust is largely assumed, to deliver the most efficient trading tools with best execution and full governance compliance. Adapting it to frontier environments might have seemed a long leap – in practice, says Edelmann, the core value translated more directly than expected. “What differs is not the need, but the surrounding infrastructure,” he notes. “In frontier markets there are fewer counterparties, more fragmentation, and stronger trust constraints. That is precisely why the partnership with Frontclear is so powerful: it complements Instimatch’s technology with a development-finance mechanism that enables trust and participation.”

### **The collateral challenge**

One of the more tangible near-term opportunities in Uzbekistan lies in repo – specifically, the use of local government bonds as collateral. Activity on the platform is currently limited to unsecured transactions while local custody infrastructure is established.

“As the local market infrastructure develops, local

government bonds could be used as collateral in secured transactions,” says Nazarov. “In such a structure, Kapital Bank could provide bonds as collateral while Frontclear provides foreign-currency liquidity against that collateral. For that reason, it is important for participants on the platform to have domestic custody and settlement capabilities – this ensures that securities can be properly held and transferred, which is essential for executing collateralised transactions efficiently.”

### **Strategic pivot**

Claassens confirms that Frontclear is actively pursuing exactly this. The recognition that most frontier market banks hold vast quantities of local currency bonds – rather than Eurobonds – has led to a strategic pivot.

“What we have found to be super useful, and what we are doing more and more, is taking local currency collateral,” Bernard explains. “It’s a niche capability, but it requires local currency cash and custody infrastructure. We currently have this in around twenty to twenty-five frontier markets and we are looking to grow that. In Uzbekistan, we are in active discussions with a local custodian to make this work – because when it does, it becomes a game changer for our ability to manage risk and supply capital into the local market.”

### **Resistance and readiness**

Asked where they encountered the most resistance – credit concerns, legal uncertainty, operational readiness or simple force of habit – all three give the same answer: all of the above, depending on the institution and the market.

“Interbank transactions naturally involve a number of considerations, including credit risk, legal documentation and operational readiness,” says Nazarov. “Many emerging market institutions tend to work with a relatively limited set of counterparties, so expanding beyond those established relationships takes time. Frontclear’s role as a principal counterpart is quite important: it helps mitigate credit concerns and provides



additional comfort to participants when they are entering transactions with new institutions.”

### **Structural inequalities**

Claassens points to structural inequalities within frontier market banking systems as a further complication. Large regional banks typically have appetite only for top-tier credit counterparties or for commercially attractive client relationships – servicing another bank is rarely a priority in itself. Meanwhile, the tier-two and tier-three institutions that most need access to money market liquidity are precisely the ones who find it hardest to get.

“The ambition of cross-border trading is still very much the end game for us,” Claassens says. “A Latin American bank trading with an Asian bank trading with an African bank – that’s the vision. But to get there, you need a counterparty that all sides trust and that has done the KYC and credit work, understands the operating environment, the legal framework, the liquidity dynamics. That’s what FCC Securities does. The relationship doesn’t sit bilaterally between the counterparties – it sits with us. And so far, that model has been working.”

### **Trusted risk mitigator**

Edelmann identifies the same constraint at the centre of everything. “Frontclear’s guarantee mechanism is therefore pivotal,” he says. “By stepping in as a trusted risk mitigator, Frontclear effectively bridges the trust gap between counterparties. Within the Tradeclear model, this enables transactions that would otherwise not take place, unlocking cross-border liquidity flows.” The constraint, he insists, is rarely liquidity itself – it is trust and infrastructure, and those require partnerships, not just technology.

One of the most structurally significant aspects of Tradeclear is its south-to-south dimension. Traditionally, emerging market banks have depended on correspondent banking routes running through New York, London or Frankfurt – routes that are expensive, slow and

increasingly subject to de-risking pressures. Tradeclear opens an alternative. “Liquidity can move directly between emerging markets,” Edelmann explains. “A bank in Azerbaijan with surplus dollars can fund a bank in the Dominican Republic without routing through a traditional correspondent. Funding and investment cycles are highly dynamic, and this model allows counterparties with different needs to transact directly with one another, also in local currencies.”

### **Learning as you go**

Asked what they would do differently if starting again, all three offer an honest appraisal. Adoption has been slower than initially hoped, but slower, they argue, is not the same as wrong. “Market education and engagement are key factors in accelerating adoption,” says Nazarov. “Some of our initial assumptions about the need for greater connectivity and transparency have proved correct. At the same time, the pace of adoption can be slower than expected, as institutions gradually adapt to new ways of transacting. From Kapital Bank’s perspective, continued expansion of the participant base and further development of local market infrastructure would help strengthen the platform’s impact.”

### **‘You need to be invested’**

Claassens is reflective about Tradeclear’s own development arc. But the destination, he insists, has never really changed. “This isn’t really about Tradeclear,” he says. “This is about frontier markets – improving money market accessibility, extending credit, helping banks grow to the point where they can start onboarding other counterparties and eventually participate in a tier-one interbanking market. We always start with education. But education for its own sake – where you go into a room, talk to everyone for a day and then disappear for six months – doesn’t solve anything. You need to be invested. And I think we are.”

The numbers are beginning to tell a different story too. For a period, Tradeclear was operational but barely active – two years of running the platform yielded



just two transactions. By early 2026, the platform was registering four or five trades in a single week. “I’m not saying it’s where we want it to be yet,” Claassens acknowledges. “We still have a long way to go. But what I can say with some certainty is that we won’t be in exactly the same place next year either.”

### What comes next

Looking ahead, Frontclear is exploring AI integration – allowing non-platform users to transact via something as simple as an email interface – alongside distributed

ledger technology as a potential solution to custody and collateral mobility challenges.

“For SMEs, this means more stable access to credit; for governments, stronger domestic financial markets; and for citizens, more resilient financial systems,” Claassens says. “If this vision is fully implemented and achieved, the joint ambition of Instimatch and Frontclear – to unlock both global and local liquidity – can truly become a reality. Achieving that would represent a remarkable milestone.”

### About Instimatch Global

Instimatch Global AG is a Swiss market infrastructure provider based in Zürich. Instimatch – the first web-based trading platform for all money market instruments - has seen its client base growing to over 300 institutions across 31 countries and overseen the raising of multiple funding rounds. The company has expanded into new markets and forged strategic partnerships including a collaboration with Frontclear, aimed at delivering an end-to-end trading solution for unsecured deposits, repo agreements and FX to support developing countries in building inclusive and effective money markets.



[www.instimatch.com](http://www.instimatch.com)

### About Kapital Bank

Established on 7 April 2001, Kapital Bank has become one of the largest private commercial banks in Uzbekistan. Having started strongly in retail banking, the bank has gradually broadened its scope to corporate services and the small and medium-sized enterprise segment. Kapital Bank’s ambitions are firmly set on scale: the bank is working to become one of the country’s leading institutions by assets and equity, positioning itself as an active player in investment. At a core of this strategy is a wider branched network, which increases access and reliability for customers throughout Uzbekistan, in addition to stronger relations with international financial institutions and correspondent banks; as well as attracting long-term funding for investment projects.

The bank’s evolution has not gone unnoticed. Kapital Bank has won awards for its successful trading activity in the securities market, the best Western Union agent in the CIS and Eastern Europe, as well as for the quality of corporate governance.



[www.kapitalbank.uz/en](http://www.kapitalbank.uz/en)

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# 7. Performance

## 2025 technical assistance

Spending on technical assistance (TA) declined to USD 194k in 2025, from USD 419k in 2024. This reduction reflects a transition year for Frontclear's TA activities, as the changing ODA landscape calls for interventions that deliver greater impact at lower cost. Lower spending however does not mean lesser impact. Frontclear is increasingly leveraging its expertise directly through dialogue with EMDC regulators and facilitating peer-to-peer exchanges in which professionals from regulators share knowledge and practical experience on topics of interest. This has allowed Frontclear to better leverage donor funds in 2025.

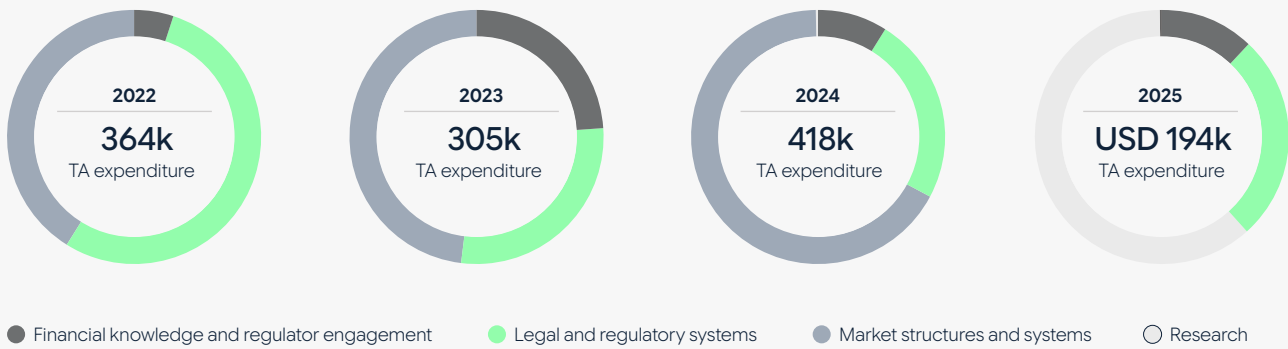
In 2025, the Donor Committee approved six new interventions across three countries, including an MMDF study in Cambodia, a new country for the program. This brought the total number of interventions since inception to 95 across 32 countries. Frontclear also continued TA work in Costa Rica, Ethiopia, Uganda, Zambia, Tanzania, Rwanda and Botswana on projects launched before 2025, including MMDF reports and recommendations, as well as legal and regulatory interventions following TradeClear feasibility studies.

Technical assistance remains central to Frontclear's mandate. By working with local authorities to establish the conditions for liquid and inclusive money markets, Frontclear helps build stronger domestic markets that can allocate liquidity and risk more effectively, support monetary policy transmission, deepen government securities markets, and generate benchmark rates that underpin floating-rate products and derivatives markets.

These improvements benefit market participants directly and also support the wider real economy by enabling the financial sector to provide more advanced and effective financial services. As ODA declines, Frontclear will need to develop new funding models, new partnerships and new interventions types to sustain the work on harvesting these broader benefits. This will be a key focus of the technical assistance programme in 2026.

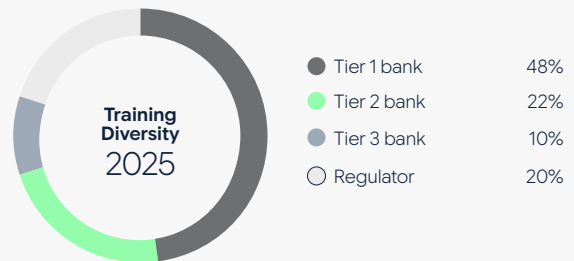


Annual TA expenditure and breakdown by area



FTAP related output indicators' with 'Selected TA results'.

	2025	2015-25
Financial knowledge trainings & regulatory engagements	9	153
Training satisfaction	97%	98%
Training participants	93	2687
Activities to address legal and regulatory review and reform	1	45
Activities to address market structures and systems	1	44



## Turning netting reform into legislation, one jurisdiction at a time

### Bio Grace Mukulwamutiyo

Grace Mukulwamutiyo is a Senior Legal Counsel in the Bank Secretariat at the Bank of Zambia, actively involved in legal and regulatory reforms to enable close-out netting, repo markets, and derivatives markets in African financial systems. Her work sits at the intersection of central-bank legal policy, financial-market development, and regional knowledge sharing, often linked to programmes supported by institutions such as Frontclear.



### Bio Roger Rudolph

Roger Rudolph is an Executive at ENS (Edward Nathan Sonnenbergs) in the Banking and Finance practice, based in South Africa. He specialises in structuring and leading complex transactions and projects designed to achieve deal-specific tax, regulatory, financial or accounting objectives, typically involving derivatives, hybrid-equity instruments, cross-border tax, investment funds, and securities or corporate law.



**Grace Mukulwamutiyo, Senior Legal Counsel at the Bank Secretariat of the Bank of Zambia, and Roger Rudolph, Executive at ENS in the Banking and Finance practice, have both participated in Frontclear’s Netting Support Program – a forum that brings together regulators and legal practitioners from across Sub-Saharan Africa to exchange knowledge and advance netting reform. They reflect on what makes the peer-to-peer model work and why the results speak for themselves.**

The Netting Support Program is integral to Frontclear’s overall impact thesis: without legal enforceability, guarantee structures can only partially mitigate the risks that prevent money market trading. It represents Frontclear’s systematic effort to accelerate legislative change across multiple jurisdictions simultaneously, using a peer-learning model that connects central bank legal teams with each other and with the international legal and market community.

Close-out netting allows counterparties with multiple contracts to offset their obligations and settle only the net amount if one party defaults – standard practice in repo, derivatives, and securities-financing markets. Netting reforms aim to guarantee enforceability, protect collateral arrangements, ensure contracts remain valid during insolvency, and align domestic law with international standards. Enforceable close-out netting is a method to reduce the amount of credit risk that parties take to one another, thereby limiting losses if a counterparty



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is unable to meet its obligations; the goal is to protect market participants and reduce the risk of contagion when a market participant fails.

### **Consistent standards are key**

“The starting point is always the same,” Roger explains. “You need consistent standards – ones that genuinely reflect what is required in each jurisdiction. From there, you can begin to work towards a clean legal opinion.” That diagnostic work – analysing each jurisdiction’s legal framework, identifying gaps, and proposing targeted provisions relative to these standards forms the backbone of the programme. Leading local law firms conduct the analysis, producing a clear map of what legislation says, what is missing, and what steps could improve the netting position in the short to medium term.

### **The power of peer-to-peer learning**

What makes the programme distinctive, Roger argues, is not the technical content alone – it is the structure through which it is delivered. Frontclear brings regulators and legal practitioners from multiple jurisdictions together in a single forum. “You can’t afford – in terms of time or capacity – to do this work jurisdiction by jurisdiction in isolation,” he says. “When you bring the right people into the same room, the conversation becomes far more productive.”

The value lies in shared language. Practitioners who have developed money markets in frontier economies understand the specific challenges in ways that outside advisers often do not. When a firm presents its analysis, peers can immediately test it against their own context, challenge assumptions, and identify parallels. “That shared frame of reference is essential. It’s also what makes the technical and legal support so effective – because it is delivered by people who have been in the room themselves.”

### **Internationally aligned, domestically grounded**

Grace has been a Netting Support Program participant who brings the regulator’s perspective to the table. “My addition would be that with regards to the model, the idea of leveraging collective experience within clear jurisdiction and complemented by global technical input affords regulators such as my employer, the Bank of Zambia, an opportunity of advancing reforms that are both internationally aligned and domestically grounded,” she says.

The sessions focused on strengthening repo markets across Africa, she explains, with particular emphasis on the legal and operational reforms needed to support their development in Rwanda, Uganda and Zambia. “I contributed insights on Zambia as a live case of money market development. Bringing together relevant jurisdictions in a single forum, with technical and legal support provided alongside real-time peer discussion, creates a momentum that would be difficult to replicate through

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You need consistent standards – ones that genuinely reflect what is required in each jurisdiction. From there, you can begin to work towards a clean legal opinion.

**Roger Rudolph,**  
**Executive at ENS (Edward Nathan Sonnenbergs)**

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bilateral engagement. Regulators realise that others are working on the same issues, facing the same challenges. That solidarity – and the practical example of what neighbouring jurisdictions have achieved – is a powerful motivator,” Grace says.

### **From understanding to legislation**

The programme has generated concrete results. In Zambia, the engagement – clarifying the conceptual distinction between close-out netting for qualified financial contracts and settlement system netting – helped crystallise what was missing in the existing

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That solidarity – and the practical example of what neighbouring jurisdictions have achieved – is a powerful motivator.

### **Grace Mukulwamutiyo**

Senior Legal Counsel in the Bank Secretariat,  
Bank of Zambia

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legal framework, and what a pragmatic solution might look like. Grace describes the session as a “live case” contribution: the peer exchange helped sharpen thinking on both sides. “Once you have that conceptual clarity, informed by the technical and peer input, you can begin to draft provisions that actually address the problem,” Roger adds.

The results have found their way into legislation. Grace highlights provisions in the Banking and Financial Services Bill, 2025, currently before Parliament, aimed at enhancing legal certainty around the enforceability of close-out netting in qualified financial contracts underpinned by master agreements. “These forthcoming reforms to the financial sector’s legal framework constitute a pivotal step towards establishing Zambia as a clean netting jurisdiction,” she says, “which is an essential foundation for derivatives, repurchase transactions, and seamless cross-border capital flows.” Roger echoes the significance: “We went from a standing start, where the issue was barely on the agenda, to having provisions in Parliament. That is a direct result of the programme and of the peer-to-peer process.”

### **A rewarding milestone**

When asked for a standout moment from the programme, Grace does not hesitate. “From my perspective it would absolutely be the proposed amendments in the bill. Just being able to put in place a practical solution so quickly, compared to how long it would have taken otherwise, stands out most from the Zambian perspective.” For Roger, it was the speed of progress. “Compared to how long reform of this kind typically takes – working through financial regulators, central banks, government ministries – the engagement produced results remarkably quickly. Without the structure and support of the programme, it would have taken years to reach the point we are at now.”

Both Roger and Grace are struck by the quality of the conversations. The peer sessions create space for frank exchange – something that large, formal workshops do not always allow. “We’ve had different groups in size, both small and big, and you’ll get different outcomes. The smaller group is better for open and frank communication, I won’t say one’s better than the other, whether



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you keep it small or not,” Roger observes. “You get to the substance faster. And because everyone is there to learn as well as to contribute, the dynamic is collaborative rather than performative.” Grace agrees: the format worked precisely because it combined technical rigor with real-world practice from people navigating the same challenges across different systems.

### **Looking ahead**

As the netting reform agenda in the region continues to mature – with some jurisdictions now moving from standard-setting into implementation – both see a clear and continuing role for Frontclear. The programme was essential in the formative stage. As markets evolve and reform needs become more sophisticated, the platform for peer exchange remains just as relevant. If anything, the conversations will become richer, because participants are bringing more experience and deeper questions. “Jurisdictions that are ahead can help those that are catching up. And the ones that are catching up often ask the most interesting questions. That two-way dynamic is what makes it work.”

### **Shared learning, practical collaboration**

For both Roger and Grace, the experience has been as personally rewarding as it has been professionally significant. Grace reflects on what it meant to contribute insights from Zambia at a pivotal moment in the country’s financial market development. This is exactly the kind of initiative that moves the needle – not through top-down prescription, but through shared learning and practical collaboration.

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## 8. Outlook 2026

Frontclear is founded on the belief that robust local financial markets are foundational to sustainable development. Financial markets enable optimal capital allocation, promote competition, enable the diversification of risk, lower transaction and funding costs and facilitate global trade and investment in the real economy. When financial markets perform these functions poorly, they suppress economic growth, curtail economic opportunities and destabilize economies. Frontclear believes financial market development needs to address the most fundamental hurdles to such development, with a particular focus on creating enabling conditions for more liquid and inclusive money markets as the most fundamental driver for any financial market development.

Frontclear is building towards a future where emerging market money & swap markets are integral to the global financial system – where local financial institutions have the infrastructure, knowledge and connectivity to compete on an equal footing and can access global markets, but equally, where international agents can access local markets to meet their local currency funding needs.

Through our Connect and Development strategy we aim to achieve scale in the coming years through the implementation of the Frontclear 2.0 agenda. We will continue to work tirelessly to achieve our mandate.



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