**Frontclear and Clearstream partner to furnish insights into clearing and settlement developments in frontier markets**

***Joint study to support learning and best practice in clearing and settlement***

**AMSTERDAM, LUXEMBOURG, 3 June 2020 – Frontclear and Clearstream have signed a grant agreement, thereby formalizing their shared commitment to address clearing and settlement challenges in emerging and frontier markets (EMDCs) in Africa, Asia and Latin America.**

EMDCs are largely cut-off from global settlement platforms. Their lack of access is attributable to multiple factors including macro-economic volatility, insufficient regulatory frameworks, illiquid local currency securities and platform challenges, among others.

Nonetheless, EMDC interbank markets are changing and authorities are prioritizing development of clearing and settlement market infrastructure as well as operational policies and rules at national level. Money market frameworks are evolving as regulators improve legal frameworks and seek to expand interbank activity. As a result, there are visible efforts to improve national settlement infrastructure and to investigate central clearing options as transaction interest and volumes expand.

Against this backdrop, Frontclear has initiated a project to analyze a wide variety of developed and developing country experiences with clearing and settlement. The purpose of which will be to derive learning and best practice for nascent market regulators.

“This Agreement with Clearstream is additional evidence of Frontclear’s commitment to stable and inclusive interbank markets in emerging and developing countries. We welcome working with a global leader in settlement services and look forward to developing useful input for our regulatory counterparties across EMDC markets,” noted Ingrid Hagen, Vice President Strategic Projects at Frontclear.

“Clearstream has a long and globally recognized experience in connecting emerging and frontier markets to its post-trade settlement and custody platform. We are excited about our collaboration with Frontclear and are looking forward to join teams to share our knowledge to further assist incumbent capital markets in their internationalisation curve. Clearstream will offer its experience in best practises for post-trade, relying on concrete cases of successful market integration,”said Jan Willems, Head of Global Markets, Clearstream.

The Frontclear and Clearstream partnership will be joined in this effort by EBRD and ABN AMRO Clearing Bank.

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**About Clearstream**

As an international central securities depository (ICSD), headquartered in Luxembourg, Clearstream, which is part of Deutsche Börse Group, provides the post-trade infrastructure for the Eurobond market and services for securities from 58 domestic markets worldwide. With 14 trillion Euros in assets under custody, Clearstream is one of the world’s largest settlement and custody firms for domestic and international securities.

www.clearstream.com

**About Frontclear**

Frontclear is a development finance organisation dedicated to stable and inclusive money markets. Its investors are largely European development financial institutions and governments. Frontclear has unlocked access to global and local interbank markets for EMDC banks by providing credit guarantees to cover counterparty credit risk, on the condition that local currency assets can be used for collateral management purposes. Complementarily, Frontclear offers technical assistance and implements regulator roundtables, advisory projects on legal enforceability, industry training and market infrastructure development – all targeting the development of a healthy money markets. To-date, Frontclear has facilitated USD 1 billion in interbank money market transactions in 13 countries. It has trained over 1400 obligors and regulators in over 25 countries and signed near dozen partnerships with central banks and local beneficiaries. For further information, please visit [www.frontclear.com](http://www.frontclear.com).

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