

Best distributed-ledger technology



Broadridge Financial Solutions

Overview

- Distributed Ledger Repo (DLR) is an agnostic platform that integrates distributed-ledger technology (DLT) with firms' existing front- and back-office systems to streamline and simplify every operation. Instead of physically transferring collateral, the underlying security is immobilized with ownership maintained through smart contracts utilizing a digital representation of collateral. Now firms can mitigate operational and counterparty risk via a central repository of repo agreements and the simultaneous settlement of cash and securities.

Secret sauce

- Broadridge's DLR platform allows for the automation of complex, multi-party processes via mutualized workflows between trading counterparties, resulting in risk reduction and increased operational efficiencies.
- The platform operates through a shared data model between participants, eliminating the need for reconciliation and reducing the likelihood of failed trades.
- Digitization of collateral allows for increased mobility of collateral, resulting in increased liquidity.

Recent enhancements

- Continued expansion across the US primary dealer network, where 19 out of 25 primary dealers are Broadridge clients
- Broadridge enhanced its intercompany consolidation, which helps clients settle their activity in a more efficient manner.
- Increased liquidity and collateral mobility through digitization of collateral and workflows, resulting in lower overall cost and operational risk



“Intraday repo is a valuable tool to manage our liquidity usage and provides flexibility in our funding capabilities with reduced operational risk. This accomplishment builds on the foundation we have established as an early adopter of the Distributed Ledger platform.”

Beatriz Martin, group treasurer, UBS



“Momentum and interest in the platform continue to grow. One of the reasons is the flexibility of the platform and the ability to use it for various use-cases relating to repo transactions. This award win will help contribute to that momentum and solidifies us as a leader in this space.”

Horacio Barakat, head of digital innovation for capital markets, Broadridge Financial Solutions

The solution

- DLR provides a single platform where market participants can agree, execute and settle repo transactions.
- The platform's functionality significantly reduces the operating cost and risk of all repo activity, including intraday, overnight and term repos, both on a bilateral and an intracompany basis.
- Broadridge's core enterprise blockchain platform enables a shared source of truth and provides critical privacy, integrity and authentication, delivering the performance, monitoring and enterprise-grade support essential to the functioning of the repo markets.

Future objectives

- Continued adoption of intercompany transactions, including global workflows from US and European legal entities
- Expansion of bilateral use-cases, including intraday repo, with proofs-of-concept scheduled to go into production
- Interoperability across other DLT platforms, including Stablecoin and cash token, and partnerships with Repo RFQ venues as execution points into the DLR platform

Why they won

Broadridge continues its recent successes in these and the Buy-Side Technology Awards, picking up another two awards in this year's SST Awards: best distributed-ledger technology and best outsourcing provider. Broadridge's Distributed Ledger Repo platform delivered the win for the Lake Success, NY-based data and technology specialist, thanks to its ability to dramatically increase the efficiency and transparency around repo transactions by allowing counterparties to agree, execute and settle agreements on a single, integrated platform. Its significant penetration of the US repo primary dealer network is no coincidence. Expect to hear a lot more about the DLR platform in the months and years to come.