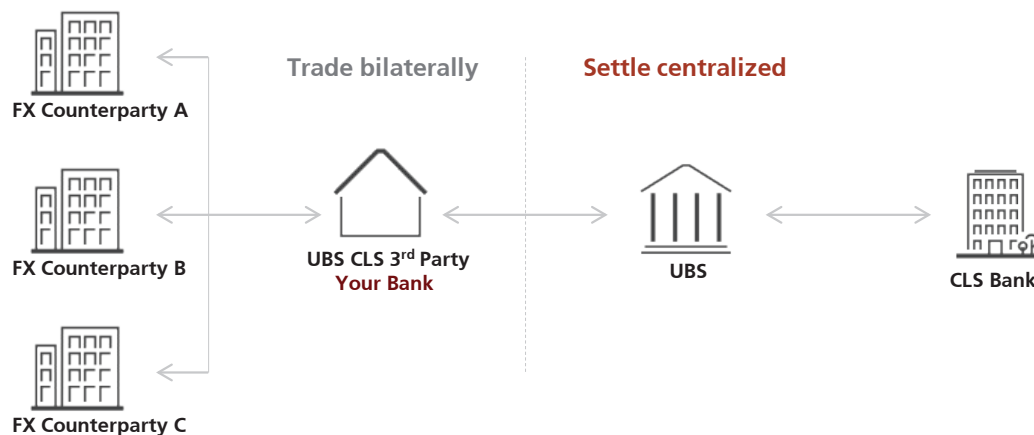


CLS Third Party Settlement Services

The **market standard** in FX settlement

With increasing pressure on cost and risk reduction as well as operational efficiency, Continuous Linked Settlement (CLS) has become the absolute market standard in FX settlement. UBS flexible solutions and award-winning tools allow you to get up and running quickly. UBS is the market leader in CLS Third Party mandates and has received many accolades.



How does CLS work?

CLS is a centralized “payment versus payment” system with simultaneous settlement. It is owned by the world’s largest financial institutions and operated by CLS Bank under the laws of the United States since September 2002. As a result of the financial crisis, CLS Bank has been designated a systemically important financial market utility by the U.S. Financial Stability Oversight Council.

Key features

- Trade submission via SWIFT or direct to UBS using connectivity services
- UBS KeyLink, the award-winning e-banking tool for trade monitoring and cash management, is included in our offer
- Dedicated multilingual CLS Client Services Team with availability from Sunday 22:00 CET until Friday 24:00 CET
- Volume- and value-based flexible pricing model
- Wide range of reporting solutions
- Third-party settlement of FX and DTCC payments associated with credit derivative transactions are also possible

Key benefits

Risk reduction

- Operational risk reduction
- Elimination of your settlement risk
- Possibility of full front-to-back integration of CLS processes into your back-office systems

Cost saving

- Automated and streamlined trade life cycle
- Reduction in error financing costs
- Significant reduction in number of payments – max one per currency and value date out of the netted position of all your trades
- Efficient cash management
- Substantial reduction in your liquidity needs due to multilateral netting effects

Expand your business

- Potential for higher trading limits at your counterparties
- Ability to do more business with larger number of counterparties

Why UBS?

Experience

- UBS has the best track record of successful implementations
- UBS has the most experience in implementing new clients and in helping clients change their CLS provider
- UBS offers CLS Fourth Party services as well as value-added features

Leadership

- Cost leadership due to scale in both clearing and FX
- Short time to market with dedicated implementation manager
- Competitive cut-off times for CLS payments
- UBS is a driver of major CLS concepts and stays integrally involved in CLS developments
- Cross product integration FX and Cash possible

Quality

- Multilingual dedicated CLS Client Services Team with availability from Sunday 22:00 CET until Friday 24:00 CET

Value-added services

UBS KeyLink

- Integrated FX instructions status and cash reporting via UBS KeyLink online e-tool at no extra charge, allowing trade and payment flow monitoring, planning and optimization
- Dedicated multilingual KeyLink Services Team
- As part of its enhanced cash management features, UBS KeyLink can provide cash projections of up to 10 days
- Information about CLS-submitted trades can be extracted out of UBS KeyLink in a multitude of file formats to help feed risk systems and support MIS requirements
- Provides online settlement status information, so that you can monitor the settlement process
- Because UBS KeyLink is an integrated modular system, with this one application you can get up-to-date reports and make payments to cover your positions
- UBS KeyLink also supports you in managing your risk through the CLS Third Party risk-monitoring features

Connectivity Center

When you link your business systems directly to UBS through UBS KeyLink Connectivity Service, you gain secure access to a powerful combination of data and infrastructure that vastly improves your efficiency of instruction transmission and reporting capabilities.

Related products

UBS can offer a comprehensive range of financial products and services to our CLS Third Party clients, for example:

Multi-Currency Clearing (MCC)

Based on your business needs, this advanced solution allows you to make foreign currency payments by either opening multiple currency accounts or by just opening a base currency account. In the second scenario, UBS will execute a one-step automated FX conversion for you. This solution is particularly useful for efficient processing of occasional or repetitive payment orders in foreign currency. In both scenarios your tangible benefits include considerable cost reduction via reducing of Nostro accounts, consolidation of flows, standardized and streamlined processes, and single point of contact for customer service.

Single-Currency Clearing

- UBS Swiss Franc Clearing
UBS is the global market leader in Swiss franc clearing with a complete suite of products to meet your entire Swiss franc clearing needs.
- UBS Euro Clearing
With our direct connection to the euro clearing systems through our Frankfurt branch, UBS can offer you a single point of entry for euro-denominated payments.

If you have any questions or would like to receive further information, please contact your cash client advisor in Cash Advisory Banks.

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