

**Headline:** NSE launches Tri-Party Repo on Corporate Debt Securities

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Economic Times

## **NSE Launches Tri-Party Repo Market Platform**

**Our Bureau**

**Mumbai:** The National Stock Exchange (NSE) has introduced a 'tri-party repo market' platform, a mechanism to deepen the corporate bond market liquidity. The move should help attract more companies to the bond market, which New Delhi wants to establish as the primary platform for raising long-term project financing. "The corporate bond market in India needs improved liquidity as a holder of a corporate bond typically ends up holding the security to maturity," said Vikram Limaye, MD & CEO, NSE. "Repo on corporate debt provides opportunity to borrow against the securities and provides short-term liquidity to participants. Availability of tri-party repo can increase demand for corporate bonds and may provide a boost to much needed liquidity in the corporate bond market."

Tri-party repo is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

NSE will act as a tri-party agent.

To begin with, NSE will offer basket repo for tenures of 1 day to 7 days. The basket repos would facilitate borrowing and lending of funds against various baskets of corporate debt securities. The baskets will include corporate bonds, certificates of deposits and commercial papers.

## Repo-based platform for corporate bonds

**BS REPORTER**  
Mumbai, 12 June

The National Stock Exchange (NSE) has launched a 'Tri-Party Repo Market' platform that will give a fillip to the demand for corporate bonds and provide liquidity boost to the debt segment of the bourse.

A tri-party repo contract is where a third entity or a tri-party agent, other than the borrower and lender, acts as an intermediary for two parties dealing in repo transactions. NSE will act as the tri-party agent and through an

online web-based platform, facilitate trading anonymously and order matching along with services like collateral selection, payment and settlement, custody and management during the life cycle of the transaction.

The repo rate is the rate at which the central bank lends to commercial banks in the event of any shortfall of funds. It is the main tool the apex bank uses to change interest rates and influence inflation.

In the corporate bond market so far, transactions take place on a bi-lateral basis but a

trust factor is still lacking. Under the tri-party repo market platform, a company can pledge bonds and borrow against the security, with a tri-party agent acting as a guarantor.

Managing director and chief executive officer of NSE Vikram Limaye said, "The corporate bond market in India needs improved liquidity as a holder typically ends up keeping the security till maturity. Repo on corporate debt provides an opportunity to borrow against securities and offers short-term liquidity to its participants."

## NSE platform for corporate debt securities

LEADING STOCK exchange NSE on Tuesday launched 'Tri-Party Repo Market' platform in its debt segment to facilitate repurchase (repo) of corporate debt securities. The platform is a kind of repo contract where a third entity, apart from the borrower and lender, acts as an intermediary to facilitate services like collateral selection, payment and settlement, custody and management. At the launch of the platform, NSE MD & CEO Vikram Limaye said: "The corporate bond market in India needs improved liquidity because a holder of a corporate bond typically ends up holding the security to maturity."

**NSE launches  
repo platform**

NSE launched 'Tri-Party Repo Market' platform in its debt segment to facilitate repo of corporate debt securities. The platform is a kind of repo contract where a third entity, acts as an intermediary to facilitate services.