

# THE ROLE

The purpose of a clearing agent is to improve the efficiency of the markets and add stability to the financial system.

# WHO QUALIFIES

The following are eligible to become BCSDI participants:

- ISM trading participants\*;
- Banks regulated by the Central Bank of Barbados (**CBB**) who already act as clearing agents for International Securities Market (**ISM**) trading participants (subject to authorization from CBB)\*;
- Foreign central depositories regulated by an overseas regulator acceptable to the BCSDI.

# REGULATORY REQUIREMENTS

Clearing and settlement procedures are outlined in the **ISM Clearing and Settlement Rules** ([Series 3000](#)).

For qualifying participants of the BCSDI, the following rules are notable:

- Applicants must demonstrate to the BCSDI that they are able to enter instructions into and receive output from the BCSDI system in an efficient manner.
- Applicants must demonstrate to the BCSDI that they are able to make payments to and receive payments from CBB foreign currency accounts.
- Applicants must provide BCSDI with details of the bank to which funds, due to the ISM trading participant, should be remitted.

# REGISTRATION DOCUMENTS

## Clearing Agent Approval

An applicant for approval as a Clearing Agent on the ISM must file a completed “**Application for Participation in the BCSDI as a Clearing Agent**” with the Barbados Stock Exchange.

This form can be found under [Appendix 3A](#) of the [Definitive Guide to Being a Clearing Agent on the International Securities Market](#).

## Approval for Clearing and Settlement of ISM Securities

An applicant for participant status in the BCSDI to clear and settle ISM listed securities through BCSDI must file a completed “**Application to clear and settle ISM securities through BCSDI**” with the Barbados Stock Exchange.

This form can be found under [Appendix 3B](#) of the [Definitive Guide to Being a Clearing Agent on the International Securities Market](#).

## International Securities Lending Association

Parties acting through one or more Designated Offices may enter into transactions in which one party (**Lender**) will transfer to the other (**Borrower**) securities and financial instruments (**Securities**) against the transfer of Collateral with a simultaneous agreement by Borrower to transfer to Lender Securities equivalent to such Securities on a fixed date or on demand against the transfer to Borrower by Lender of assets equivalent to such Collateral.

In all such cases, a completed “**Global Master Securities Lending Agreement**” must be filed with the Barbados Stock Exchange.

This agreement can be found under [Appendix 3C](#) of the [Definitive Guide to Being a Clearing Agent on the International Securities Market](#).