

Global Principles for Sustainable Securities Lending Progress Report #9-2021

Workstream progress

Interconnected collateral



This progress report was issued by Global PSSSL in consultation with all contributors.

Workstream contributors as part of the joint meetings and/or follow ups/separate discussions (f.u.s.d.):

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The current practice part of the draft standard was discussed with five end users as part of Short – Long Investments and ESG workstream. These participants highlighted broader greenwashing risks re: collateral (currently assessed by Global PSSSL). Global PSSSL received considerable submissions from a triparty agent based in Asia as part of follow ups/separate discussions. These were peer reviewed as extremely useful as part of the workstream and follow up meetings. The London branch of the Asian triparty agent did not have the capacity to review these comments and, consequently, decided not to give Global PSSSL permission to name the Asian triparty agent publicly.

Progress report

The Moderator (Radek Stech) introduced the subject of the key meeting (23 March 2021), reminded the group about the background and how the principles were created – given the commitment in the summer 2020 to develop an ESG collateral basket. The initial objective of the Collateral workstream was to come up with a minimum voluntary standard for ESG collateral. The Moderator suggested proceeding by focusing on the minimum standard as much as possible with the thought of breaking down the group into subgroups working on certain points in the next couple of weeks.

Global PSSL used the feedback from the participants in the meeting and several separate follow-ups/discussions to draft the “Current Agenda” of the draft standard [“Strengthening sustainable finance with an interconnected collateral for securities lending. A forward-looking market standard.”](#) The remaining parts of the standard were drafted as a result of discussions with the Global PSSL College of Advisors and the broader sustainable finance experts.

Participation in the workstream and any contributions from separate follow-ups/discussions do not constitute an endorsement for the draft standard.