Interbank borrowing and lending are essential activities in the capital markets. Borrowed funds represent a critical source of funding for banks, and a healthy interbank money market enables participants to manage interest rate, currency, and credit risks.

Yet this fundamental banking activity typically involves significant manual processing by borrowers and lenders alike. Given the high asset values involved, it’s certainly important to have human oversight of these critical transactions. Yet that’s no reason to forego automation and operational efficiency. In fact, a high reliance on manual processes often impacts the core business with delays in deal finalization timelines.

To improve the situation for the entire marketplace, one of the largest private sector multinational banks in India is implementing Quartz: The Smart Ledgers.

With its unique combination of off-chain and on-chain services, Quartz will seamlessly integrate into the existing systems of the bank to enable DLT to manage and simplify the core operational aspects of securities borrowing and lending.

The solution will provide participants a real-time view of assets, deal status, and repayment schedules.

Using the decentralized architecture of Quartz banks will be able to securely negotiate deals with multiple counterparties simultaneously, ensuring faster deal closure than the legacy point-to-point messaging approach.

By automating and redefining the entire lifecycle of interbank borrowing and lending, Quartz will pave the way for onboarding of additional banks into the ecosystem, leading to business expansion, improved liquidity, and greater transparency.

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