



EUROPEAN CENTRAL BANK

EUROSYSTEM

\*

**Technical working document (1/3)**

produced in connection with ECB Opinion [CON/2025/35] on (a) a proposal for a regulation amending Regulation (EU) 2017/2402 laying down a general framework for securitisations and creating specific framework for simple, transparent and standardised securitisation, (b) a proposal for a regulation amending Regulation (EU) 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures, and (c) a draft proposal for a delegated regulation amending Delegated Regulation (EU) 2015/61 as regards the eligibility conditions for securitisations in the liquidity buffer of credit institutions<sup>1</sup>

Drafting proposals in relation to the proposed amendments to Regulation (EU) 2017/2402 (the Securitisation Regulation)

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <p style="text-align: center;">Amendment 1</p> <p style="text-align: center;">Recital 10 of the proposed regulation</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>'(10) Transactions where the first loss tranche is either held or guaranteed by the Union, national promotional banks or institutions within the meaning of point (3) of Article 2 of Regulation (EU) 2015/1017 of the European Parliament and of the Council<sup>22</sup> inherently possess characteristics that mitigate the need to carry out the full due diligence and fulfil the risk retention requirement. These transactions carry an assurance by the guarantor, who carries out due diligence processes before affording such a guarantee. This assessment removes the need for the institutional investors to perform a full due diligence assessment under Regulation (EU) 2017/2402. Furthermore, the essence of a</p> | <p>'(10) Transactions where the first loss tranche is either held or guaranteed by the Union, national promotional banks or institutions within the meaning of point (3) of Article 2 of Regulation (EU) 2015/1017 of the European Parliament and of the Council<sup>22</sup> inherently possess characteristics that mitigate the need to carry out the full due diligence and fulfil the risk retention requirement. These transactions carry an assurance by the guarantor, who carries out due diligence processes before affording such a guarantee. This assessment removes the need for the institutional investors to perform a full due diligence assessment under Regulation (EU) 2017/2402. Furthermore, the essence of a</p> |

<sup>1</sup> This technical working document is produced in English only and communicated to the consulting Union institution(s) after adoption of the opinion. It is also published on EUR-Lex alongside the opinion itself.

<sup>2</sup> Bold in the body of the text indicates where the ECB proposes inserting new text. Strikethrough in the body of the text indicates where the ECB proposes deleting text.

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p>guarantee is the assumption of risk by the guarantor. Therefore, it is appropriate to lift the risk retention requirement. These changes are expected to crowd in private investment in derisked structures with a public guarantee.'</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>guarantee is the assumption of risk by the guarantor. Therefore, it is appropriate to lift the risk retention requirement. These changes are expected to crowd in private investment in derisked structures with a public guarantee. <b>By extension, securitisations of non-performing exposures that benefit from public guarantee schemes should be considered to comply with the risk retention requirement where the originator, sponsor, or original lender retains a vertical slice of all the tranches and one or more tranches are fully guaranteed by eligible public entities.'</b></p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>The proposed amendments to the recitals of the proposed regulation explain the insertion of a new paragraph 5b in Article 6 of the Securitisation Regulation, which establishes an additional compliance route for NPE securitisations benefiting from public guarantee schemes. Based on prudential supervisory experience, public guarantee schemes have proven effective in facilitating the resolution and reduction of non-performing loans on banks' balance sheets in recent years. The new paragraph allows compliance with the risk retention requirement via a vertical slice on the remaining tranches, when one or more tranches are fully guaranteed by eligible public entities. This enhances flexibility, supports the resolution of NPEs, and aligns with the prudential framework.</i></p> <p><i>See paragraph 6 of the ECB Opinion and the explanation for Amendment 9.</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p style="text-align: center;">Amendment 2</p> <p style="text-align: center;">Recital 13 of the proposed regulation</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p>‘(13) The current reporting templates <sup>23</sup> both for public and private securitisations are too costly and burdensome. The burden on entities when complying with their reporting obligations should be therefore reduced, without undermining the goal of providing transparency to the market. The reporting templates should be streamlined to reduce the number of mandatory data fields. The revision of the template should aim to bring a reduction of at least 35% of mandatory data fields. The conversion of certain mandatory fields into voluntary fields could add further flexibility, but appropriate attention should be given to ensure that that does not compromise data quality or usability.’</p> | <p>‘(13) The current reporting templates <sup>23</sup> both for public and private securitisations are too costly and burdensome. The burden on entities when complying with their reporting obligations should be therefore reduced, without undermining the goal of providing transparency to the market. The reporting templates should be streamlined to reduce the number of mandatory data fields. The revision of the template should aim to bring a reduction of <b>approximately</b> <del>at least</del> 35% of mandatory data fields. The conversion of certain mandatory fields into voluntary fields could add further flexibility, but appropriate attention should be given to ensure that that does not compromise data quality or usability. <b>Furthermore, streamlining should not preclude the possibility of including additional fields where necessary to address emerging policy priorities, including data relevant to the monitoring of climate-related and environmental risks.</b>’</p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>While the ECB supports the objective of simplifying disclosure requirements under the Securitisation Regulation, this objective should be balanced with the aim of ensuring data comparability and the availability of information critical for risk management and effective supervision. This simplification initiative should also be efficient, considering the data requirements from other Union legal acts.</i></p> <p><i>See paragraph 7 of the ECB Opinion and the explanation for Amendment 11.</i></p>                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p style="text-align: center;">Amendment 3</p> <p style="text-align: center;">Article 1, point (2), of the proposed regulation</p> <p style="text-align: center;">(Article 2, points (32), (33) and (34), of the Securitisation Regulation (new))</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>‘(2) in Article 2, the following points (32) and (33) are added:</p> <p>“(32) ‘public securitisation’ means a securitisation that meets any of the following criteria:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>‘(2) in Article 2, the following points (32), <del>and</del> (33) <b>and (34)</b> are added:</p> <p>“(32) ‘public securitisation’ means a securitisation <b>for which that meets any of the following</b> <del>criteria:</del></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <p>(a) a prospectus has to be drawn up for that securitisation pursuant to Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council;</p> <p>(b) the securitisation is marketed with notes constituting securitisation positions admitted to trading on a Union trading venue as defined in Article 4(1), point (24) of Directive 2014/65/EU of the European Parliament and of the Council<sup>30</sup>;</p> <p>(c) the securitisation is marketed to investors and the terms and conditions are not negotiable among the parties.</p> <p>(33) 'private securitisation' means a securitisation that does not meet any of the criteria laid down in point (32)."</p> | <p><del>(a) a prospectus has to be drawn up for that securitisation pursuant to Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council;</del></p> <p><del>(b) the securitisation is marketed with notes constituting securitisation positions admitted to trading on a Union trading venue as defined in Article 4(1), point (24) of Directive 2014/65/EU of the European Parliament and of the Council<sup>30</sup>;</del> (c) the securitisation is marketed to investors and the terms and conditions are not negotiable among the parties.</p> <p>(33) 'private securitisation' means a securitisation that does not meet <del>any of</del> the criteria laid down in point (32).</p> <p><b>(34) 'repeat transaction' means a transaction:</b></p> <p><b>(a) established by the same originator or original lender;</b></p> <p><b>(b) where the pool of underlying exposures is of the same asset type, taking into account the specific characteristics relating to the cash flows of the asset type, including their contractual and prepayment characteristics;</b></p> <p><b>(d) where the overall credit risk of the pool of underlying exposures is the same or lower; and</b></p> <p><b>(e) having the same overall structural features as in an earlier securitisation transaction."</b>;</p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>The purpose of the proposed amendment to Article 2, points (32) and (33), of the Securitisation Regulation is to maintain the current parameters of public and private securitisations for the purposes of transparency requirements under Article 7 of the Securitisation Regulation. It is preferable, for market functioning purposes, to avoid expanding the definition of public securitisations beyond those for which a prospectus is drawn up, in order to avoid disrupting market functioning and other unintended side effects.</i></p> <p><i>See paragraph 9 of the ECB Opinion.</i></p>                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p><i>The purpose of the proposed point (34) is to ensure legal certainty for institutional investors and supervisors in relation to what qualifies as a 'repeat transaction' for the purposes of permitting investors to perform due diligence of more limited scope and intensity in order to comply with Article 5 of the Securitisation Regulation.</i></p> <p><i>See paragraph 5.4 of the ECB Opinion and the explanations for Amendments 4 to 6.</i></p>                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p style="text-align: center;">Amendment 4</p> <p style="text-align: center;">Article 1, point (3)(a), of the proposed regulation</p> <p style="text-align: center;">(Amending Article 5(1) of the Securitisation Regulation)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>'(a) paragraph 1 is amended as follows:</p> <p>(i) point (c) is deleted;</p> <p>(ii) points (e) and (f) are replaced by the following:</p> <p>"(e) if established in a third country, the originator, sponsor or SSPE designated in accordance with Article 7(2) has made available the information required by Article 7(1) in accordance with the frequency and modalities provided for in that paragraph;</p> <p>(f) if established in a third country, in the case of non-performing exposures, the originator, sponsor or original lender has applied sound standards in the selection and pricing of the exposures."</p>                                                                               | <p>'(a) paragraph 1 is amended as follows:</p> <p>(i) point (c) is deleted;</p> <p>(ii) points (e) and (f) are replaced by the following:</p> <p>"(e) if established in a third country, the originator, sponsor or SSPE designated in accordance with Article 7(2) has made available the information required by Article 7(1) in accordance with the frequency and modalities provided for in that paragraph;</p> <p>(f) if established in a third country, in the case of non-performing exposures, the originator, sponsor or original lender has applied sound standards in the selection and pricing of the exposures.";</p> <p><b>(iii) the following subparagraph is added:</b></p> <p><b>"Points (a), (b) and (f) shall not apply in the case of repeat transactions. In such cases, the institutional investor may rely on the original verifications performed previously.";</b></p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB proposes to align the text of Article 5(1) of the Securitisation Regulation with the intention expressed in recital 8 of the proposed regulation by expressly outlining which elements of the verification part of the due diligence assessment do not need to be conducted for repeat transactions. This would provide legal certainty to competent authorities and institutional investors conducting due diligence checks, thereby achieving the objective of alleviating the burden on investors in repeat securitisation transactions.</i></p> <p><i>See paragraph 5.4 of the ECB Opinion and the explanation for Amendment 3.</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p style="text-align: center;">Amendment 5</p> <p style="text-align: center;">Article 1, point (3)(b), of the proposed regulation</p> <p style="text-align: center;">(Article 5(3) of the Securitisation Regulation)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>‘(b) paragraph 3 is amended as follows:</p> <p>(i) point (b) is replaced by the following:</p> <p>“(b) all the structural features of the securitisation that can materially impact the performance of the securitisation position;”;</p> <p>(ii) point (c) is deleted;’</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>‘(b) paragraph 3 is amended as follows:</p> <p>(i) <b>the introductory text to paragraph 3 is replaced by the following:</b></p> <p><b>“3. Prior to holding a securitisation position, an institutional investor, other than the originator, sponsor or original lender, shall carry out a proportionate due diligence assessment which enables it to assess the risks involved. That assessment shall consider at least all of the following:”;</b></p> <p>(ii) point (b) is replaced by the following:</p> <p>“(b) all the structural features of the securitisation that can materially impact the performance of the securitisation position;”;</p> <p>(iii) point (c) is deleted;</p> <p>(iv) <b>the following final subparagraph is added:</b></p> <p><b>“When considering the proportionality of the due diligence assessment under this paragraph 3, its appropriate scope and depth may be reduced by factors such as the credit risk and relative seniority of the securitisation position and related credit enhancement, and whether the securitisation position relates to a repeat transaction.”;’</b></p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB proposes to align the text of Article 5 of the Securitisation Regulation with the intentions expressed in recitals 4, 6 and 8 of the proposed regulation by introducing an explicit reference to the proportionality of the due diligence assessment and to provisions alleviating the burden for investments in repeat securitisations directly in Article 5(3). This is to provide legal certainty to competent authorities and institutional investors that conduct due diligence checks. Without such clarification, there is a risk of inconsistent interpretation and implementation by different institutional investors, and the intended reduction in due diligence efforts and costs may not be achieved. In addition, examples of</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Amendments proposed by the ECB <sup>2</sup> |
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| <p><i>factors that would influence the proportionality of due diligence are taken from recital 6 of the proposed regulation, also to increase legal certainty. A reference to 'credit risk' has been added since senior tranches in different transactions may have very different risk profiles depending on the type of underlying asset and despite high credit enhancement.</i></p> <p><i>See paragraph 5.4 of the ECB Opinion and the explanation for Amendment 3.</i></p> |                                             |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                           | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p style="text-align: center;">Amendment 6</p> <p style="text-align: center;">Article 1, point (3)(c), of the proposed regulation</p> <p style="text-align: center;">(Article 5(4) of the Securitisation Regulation)</p>                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>‘(c) paragraph 4 is amended as follows:</p> <p>(i) in point (a), the second subparagraph is deleted;</p> <p>(ii) the following point (g) is added:</p> <p>“(g) in the case of secondary market investments, document the due diligence assessment and verifications within a reasonable period of time which in any case shall not exceed 15 calendar days after the investment.”;</p> | <p>‘(c) paragraph 4 is amended as follows:</p> <p>(i) in point (a), the second subparagraph is deleted;</p> <p>(ii) <b>point (e) is replaced by the following:</b></p> <p><b>“(e) be able to demonstrate to its competent authorities, upon request, that it has a comprehensive and thorough understanding of the securitisation position and its underlying exposures and that it has implemented written policies and procedures for the risk management of the securitisation position proportionate to its risk profile and for maintaining records of the verifications and due diligence in accordance with paragraphs 1 and 2 and of any other relevant information;”;</b></p> <p>(iii) the following point (g) is added:</p> <p>“(g) in the case of secondary market investments, document the due diligence assessment and verifications within a reasonable period of time which in any case shall not exceed 15 calendar days after the investment.”;</p> <p>(iv) <b>the following final subparagraph is added:</b></p> <p><b>“When considering the proportionality of the obligations under points (a), (b), (d) and (e) under this paragraph, an institutional investor may take into account the risk of the securitisation position and factors such as the seniority of the securitisation position and related credit enhancement and whether the securitisation position relates to a repeat transaction.”;</b></p> |
| <u>Explanation</u>                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p><i>The ECB proposes to align the text of Article 5 of the Securitisation Regulation with the intentions expressed in recitals 4, 6 and 8 of the proposed regulation by explicitly referring to the proportionality of the due diligence assessment as well as to provisions alleviating the burden for investments in repeat securitisations directly in the relevant points of Article 5(4). The aim is to provide legal certainty to competent authorities and institutional investors carrying out due diligence assessments. Without such clarification, there is a risk of inconsistent interpretation and implementation by different institutional investors, and the intended reduction in due diligence efforts and costs may not be achieved. In addition, examples of factors that would influence the proportionality of a due diligence assessment drawn from recital 6 are included to further enhance legal certainty.</i></p> <p><i>See paragraphs 5.4 and 5.6 of the ECB Opinion and the explanation for Amendment 3.</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p style="text-align: center;">Amendment 7</p> <p style="text-align: center;">Article 1, point (3)(d), of the proposed regulation<br/>(Article 5(4a) and (4b) of the Securitisation Regulation (new))</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>'(d) the following paragraphs 4a and 4b are inserted:</p> <p>"(4a) Paragraphs 1 to 4 shall not apply to institutional investors that hold a securitisation position where such securitisation position is guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) No 575/2013.</p> <p>For the purposes of the first subparagraph, the guarantee shall meet the conditions of Article 213 and 215 of Regulation (EU) No 575/2013.</p> <p>(4b) Paragraphs 1 and 4 shall not apply to institutional investors that hold a securitisation position where the first loss tranche representing at least 15% of the nominal value of the securitised exposures is either held or guaranteed by the Union or by national promotional banks or institutions within the meaning of point (3) of Article 2 of Regulation (EU) 2015/1017 of the European Parliament and of the Council.”;</p>                                                                                                                            | <p><del>'(d) the following paragraphs 4a and 4b are inserted:</del></p> <p><del>"(4a) Paragraphs 1 to 4 shall not apply to institutional investors that hold a securitisation position where such securitisation position is guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) No 575/2013.</del></p> <p><del>For the purposes of the first subparagraph, the guarantee shall meet the conditions of Article 213 and 215 of Regulation (EU) No 575/2013.</del></p> <p><del>(4b) Paragraphs 1 and 4 shall not apply to institutional investors that hold a securitisation position where the first loss tranche representing at least 15% of the nominal value of the securitised exposures is either held or guaranteed by the Union or by national promotional banks or institutions within the meaning of point (3) of Article 2 of Regulation (EU) 2015/1017 of the European Parliament and of the Council.”;</del></p> |
| <p><u>Explanation</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p><i>More proportionate due diligence requirements will already be applied when institutional investors invest in securitisation positions that are guaranteed by multilateral development banks, as clarified in relation to Amendments 4 to 6. There is therefore no need to introduce a new paragraph 4a.</i></p> <p><i>Similarly, there is no rationale for waiving due diligence requirements in the cases covered in paragraph 4b, as the credit protection provided by public guarantees would benefit only the originator and not institutional investors. Paragraph 4b should therefore not be added.</i></p> <p><i>See paragraphs 5.4 and 5.7 of the ECB Opinion and the explanations for Amendments 4 to 6.</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p style="text-align: center;">Amendment 8</p> <p style="text-align: center;">Article 1, point (3)(e), of the proposed regulation</p> <p style="text-align: center;">(Article 5(5) of the Securitisation Regulation)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>‘(e) paragraph 5 is replaced by the following:</p> <p>“(5) Without prejudice to paragraphs 1 to 4 of this Article, where an institutional investor has given another institutional investor authority to make investment management decisions that might expose it to a securitisation, the delegating institutional investor may instruct the delegated institutional investor to fulfil its obligations under this Article in respect of any exposure to a securitisation arising from those decisions. The delegating institutional investor’s liability under this Article shall not be affected by the fact that the institutional investor has delegated functions.”</p>                                               | <p>‘(e) paragraph 5 is replaced by the following:</p> <p>“(5) Without prejudice to paragraphs 1 to 4 of this Article, where an institutional investor has given another institutional investor authority to make investment management decisions that might expose it to a securitisation, <b>the institutional investor may instruct that managing party to fulfil its obligations under this Article in respect of any exposure to a securitisation arising from those decisions. Member States shall ensure that, where an institutional investor is instructed under this paragraph to fulfil the obligations of another institutional investor and fails to do so, any sanction under Articles 32 and 33 may be imposed on the managing party and not on the institutional investor who is exposed to the securitisation. Before instructing the managing party to fulfil its obligations under this Article, the institutional investor shall ensure that the managing party has prior experience in conducting due diligence obligations for its own account or on account of other parties.</b>”;</p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB acknowledges that the general principle for outsourcing arrangements in financial regulation is that the legal liability and duty of compliance remain with the outsourcing entity, rather than with the entity to which the fulfilment of obligations is delegated. However, the ECB considers that compliance with due</i></p>                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p><i>diligence obligations is primarily the responsibility of the entity actually conducting the due diligence checks. Furthermore, the proposed change may also disincentivise new investors from entering the securitisation market, which would run counter to the objective of the proposal. The ECB would therefore recommend that Article 5(5) should not be amended as proposed by the Commission. However, this Article could still be clarified in order to require the delegating institutional investor to ensure that the institutional investor to which the fulfilment of obligations is delegated has sufficient experience.</i></p> <p><i>See paragraph 5.9 of the ECB Opinion.</i></p>                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p style="text-align: center;">Amendment 9</p> <p style="text-align: center;">Article 1, point (4)(c), of the proposed regulation<br/>(Article 6(5b) of the Securitisation Regulation (new))</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| No text                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p><b>‘(c) paragraph 5b is inserted:</b></p> <p><b>“(5b) By way of derogation from the fifth sentence of paragraph 1, for non-performing exposure securitisations where one or more tranches are either held by, or fully, unconditionally and irrevocably guaranteed by, one of the entities listed under points (a) to (f) of paragraph 5, the requirement to retain a material net economic interest of not less than 5 %, as set out in paragraph 1, shall also be deemed to be fulfilled where the retention of not less than 5 % of the nominal value of each of the remaining tranches sold or transferred to investors is achieved in accordance with paragraph 3, point (a).”;</b></p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>The purpose of the proposed paragraph 5b is to introduce a new compliance route for NPE securitisations benefiting from public guarantee schemes. While these securitisations already comply with risk retention requirements through existing methods (e.g. retention of a first loss tranche), the amendment would allow compliance with the risk retention requirement via a vertical slice on the remaining non-guaranteed tranches where one or more tranches are fully guaranteed by eligible public entities. This enhances flexibility, supports the resolution of NPEs, and aligns with the prudential framework.</i></p> <p><i>See paragraphs 6.2 and 6.3 of the ECB Opinion and the explanation for Amendment 1.</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <p style="text-align: center;">Amendment 10</p> <p style="text-align: center;">Article 1, point (5)(b), of the proposed regulation<br/>(Article 7(2), third subparagraph, of the Securitisation Regulation)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>‘(b) in paragraph 2, the third subparagraph is replaced by the following:</p> <p>“Private securitisations shall be subject to a distinct reporting framework that acknowledges their unique characteristics, differing from public securitisation, in a dedicated and simplified reporting template. That dedicated and simplified reporting template shall ensure that essential information relevant to national competent authorities is adequately reported, without imposing the full extent of reporting obligations applicable to public securitisations. Private securitisations shall fulfil their obligations under this subparagraph as of [date set in the fourth subparagraphs of paragraphs 3 and 4 of this Article].”</p> | <p>‘(b) in paragraph 2, the third subparagraph is replaced by the following:</p> <p>“Private securitisations shall be subject to a distinct reporting framework that acknowledges their unique characteristics, differing from public securitisation, in a dedicated and simplified reporting template. That dedicated and simplified reporting template shall ensure that essential information relevant to <del>national</del> competent authorities is adequately reported, without imposing the full extent of reporting obligations applicable to public securitisations. Private securitisations shall fulfil their obligations under this subparagraph as of [date set in the fourth subparagraphs of paragraphs 3 and 4 of this Article.].”;</p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>The choice of the term ‘competent authorities’ instead of ‘national competent authorities’ would indicate that the ECB is also included in its capacity as a competent authority, as designated in Article 29 of the Securitisation Regulation.</i></p> <p><i>See paragraph 7.5 of the ECB Opinion.</i></p>                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p style="text-align: center;">Amendment 11</p> <p style="text-align: center;">Article 1, point (5)(c), of the proposed regulation<br/>(Article 7(3) of the Securitisation Regulation)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>‘3. The ESAs shall develop, through the Joint Committee of the European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, draft regulatory technical standards in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 to specify the information that the originator, sponsor and SSPE</p>                                                                                                                                                                                                                                                                                                                                  | <p>‘3. The ESAs shall develop, through the Joint Committee of the European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, draft regulatory technical standards in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 to specify the information that the originator, sponsor and SSPE shall provide to</p>                                                                                                                                                                                                                                                                                                                              |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p>shall provide to comply with paragraph 1, first subparagraph, points (a) and (e), and paragraph 2 taking into account:</p> <p>(a) the usefulness of information for the holder of the securitisation position and for supervisors;</p> <p>(b) whether the securitisation is public or private;</p> <p>(c) whether the securitisation position is of a short-term nature;</p> <p>(d) in the case of an ABCP transaction, whether that transaction is fully supported by a sponsor.</p> <p>[...].’</p>                                                                                                             | <p>comply with paragraph 1, first subparagraph, points (a) and (e), and paragraph 2 taking into account:</p> <p>(a) the usefulness <b>and comparability</b> of information for the holder of the securitisation position and for supervisors;</p> <p>(b) whether the securitisation is public or private;</p> <p>(c) whether the securitisation position is of a short-term nature;</p> <p>(d) in the case of an ABCP transaction, whether that transaction is fully supported by a sponsor;</p> <p><b>(e) the data requirements under other Union legal acts that are relevant for monitoring climate change and environmental risks.</b></p> <p>[...].’</p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>While the ECB supports the objective of simplifying disclosure requirements under the Securitisation Regulation, this objective should be balanced against the need to ensure data comparability and the availability of information essential for risk management and effective supervision. This simplification initiative should also be efficient considering the data requirements under other Union legal acts that are relevant for monitoring climate change and environmental risks.</i></p> <p><i>See paragraph 7 of the ECB Opinion.</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p style="text-align: center;">Amendment 12</p> <p style="text-align: center;">Article 1, point (8)(a), of the proposed regulation</p> <p style="text-align: center;">(Article 20(8) of the Securitisation Regulation)</p>                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>‘(a) in paragraph 8, the following subparagraph is added:</p> <p>“A pool of underlying exposures shall be deemed to comply with the first subparagraph where at least 70% of the exposures in the pool at origination consists of exposures to SMEs.”;’</p>                                                                                                                                                                                                                                                                                                                                                      | <p>‘(a) in paragraph 8, the following subparagraph is added:</p> <p>“A pool of underlying exposures shall be deemed to comply with the first subparagraph where at least 70% of the exposures in the pool at origination consists of exposures to SMEs, <b>and the remaining exposures in the pool are to other types of enterprises or corporations.</b>”;</p>                                                                                                                                                                                                                                                                                               |
| <p style="text-align: center;"><u>Explanation</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Amendments proposed by the ECB <sup>2</sup> |
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| <p><i>The wording used in the proposed regulation may result in STS SME ABS containing pools with a mix of asset types. In the ECB's view, this would breach the STS label's simplicity requirement, which requires homogenous pools in terms of asset type, considering their specific characteristics relating to the cash flows including contractual, credit-risk and prepayment characteristics. In order to ensure STS transactions remain simple and homogenous, the ECB would therefore propose to refine the proposal by restricting the remaining pool exposures consist of exposures to other types of enterprises or corporations. This approach would preserve the flexibility to include loans to different types of corporate obligors, while preventing the inclusion of exposures belonging to unrelated asset types. See paragraph 8.1 of the ECB Opinion.</i></p> |                                             |

| Text proposed by the Commission                                                                                                                                                               | Amendments proposed by the ECB <sup>2</sup> |
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| <p style="text-align: center;">Amendment 13</p> <p style="text-align: center;">Article 1, point (13)(c), of the proposed regulation<br/>(Article 26e(8) of the Securitisation Regulation)</p> |                                             |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p>‘paragraph 8 is amended as follows:</p> <p>(i) the following point (aa) is inserted:</p> <p>‘(aa) a guarantee meeting the requirements set out in Part Three, Title II, Chapter 4 of Regulation (EU) No 575/2013, by which the credit risk is transferred to an insurance or reinsurance undertaking that meets all of the following criteria:</p> <p>(i) the undertaking uses an internal model approved in accordance with Articles 112 and 113 of Directive 2009/138/EC for the calculation of capital requirements for such guarantees;</p> <p>(ii) the undertaking complies with its Solvency Capital Requirement and its Minimum Capital Requirement referred to in Articles 100 and 128 of Directive 2009/138/EC, respectively, and has been assigned to credit quality step 3 or better;</p> <p>(iii) the undertaking effectively operates business activities in at least two classes of non-life insurance within the meaning of Annex I to Directive 2009/138/EC;</p> <p>(iv) the assets under management by the insurance or reinsurance undertaking exceed 20 billion euro;</p> <p>(ii) point (c) is replaced by the following:</p> <p>(c) another credit protection not referred to in points (a), (aa) and (b) of this paragraph in the form of a guarantee, a credit derivative or a credit linked note that meets the requirements set out in Article 249 of Regulation (EU) No 575/2013, provided that the obligations of the investor are secured by collateral meeting the requirements laid down in paragraphs 9 and 10 of this Article.’;</p> | <p>‘paragraph 8 is amended as follows:</p> <p>(i) <del>the following point (aa) is inserted:</del></p> <p><del>‘(aa) a guarantee meeting the requirements set out in Part Three, Title II, Chapter 4 of Regulation (EU) No 575/2013, by which the credit risk is transferred to an insurance or reinsurance undertaking that meets all of the following criteria:</del></p> <p><del>–(i) the undertaking uses an internal model approved in accordance with Articles 112 and 113 of Directive 2009/138/EC for the calculation of capital requirements for such guarantees;</del></p> <p><del>(ii) the undertaking complies with its Solvency Capital Requirement and its Minimum Capital Requirement referred to in Articles 100 and 128 of Directive 2009/138/EC, respectively, and has been assigned to credit quality step 3 or better;</del></p> <p><del>(iii) the undertaking effectively operates business activities in at least two classes of non-life insurance within the meaning of Annex I to Directive 2009/138/EC;</del></p> <p><del>(iv) the assets under management by the insurance or reinsurance undertaking exceed 20 billion euro;</del></p> <p>(ii) <del>point (c) is replaced by the following:</del></p> <p><del>(c) another credit protection not referred to in points (a), (aa) and (b) of this paragraph in the form of a guarantee, a credit derivative or a credit linked note that meets the requirements set out in Article 249 of Regulation (EU) No 575/2013, provided that the obligations of the investor are secured by collateral meeting the requirements laid down in paragraphs 9 and 10 of this Article.’;</del></p> |
| <u>Explanation</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p><i>The ECB proposes to retain the current wording of Article 26e(8) of the Securitisation Regulation. The Commission's proposed amendments would broaden the eligibility criteria for credit protection agreements under the STS framework to include unfunded guarantees offered by (re)insurance companies. The ECB considers that this poses financial stability risks, as it could increase both (a) concentration risk and (b) counterparty risk.</i></p> <p><i>See paragraphs 8.2 and 8.3 of the ECB Opinion.</i></p>                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p style="text-align: center;">Amendment 14</p> <p style="text-align: center;">Article 1, point (15), of the proposed regulation</p> <p style="text-align: center;">(Article 29 of the Securitisation Regulation)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>'Article 29 is amended as follows:</p> <p>(a) the following paragraph 4a is inserted:</p> <p>"4a. Competent authorities responsible for the supervision of originators, sponsors and SSPEs in accordance with Directive 2013/36/EU, including the ECB with regard to specific tasks conferred on it by Regulation (EU) No 1024/2013, shall supervise compliance by originators, sponsors and SSPEs with the obligations set out in Articles 18 to 27 of this Regulation.";</p> <p>(b) in paragraph 5, the first sentence is replaced by the following:</p> <p>"For entities supervised by competent authorities other than the ones referred to in paragraph 4a, Member States shall designate one or more competent authorities to supervise the compliance of originators, sponsors and SSPEs with Articles 18 to 27, and the compliance of third parties with Article 28.";</p> | <p><del>'Article 29 is amended as follows:</del></p> <p><del>(a) the following paragraph 4a is inserted: '4a.</del></p> <p><del>Competent authorities responsible for the supervision of originators, sponsors and SSPEs in accordance with Directive 2013/36/EU, including the ECB with regard to specific tasks conferred on it by Regulation (EU) No 1024/2013, shall supervise compliance by originators, sponsors and SSPEs with the obligations set out in Articles 18 to 27 of this Regulation.';</del></p> <p><del>(b) in paragraph 5, the first sentence is replaced by the following: 'For entities supervised by competent authorities other than the ones referred to in paragraph 4a, Member States shall designate one or more competent authorities to supervise the compliance of originators, sponsors and SSPEs with Articles 18 to 27, and the compliance of third parties with Article 28.';</del></p> |
| <p style="text-align: center;"><u>Explanation</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p><i>The ECB considers that the supervision of the compliance by originator and sponsor credit institutions with the STS criteria is not a traditional prudential task and that conferring on the ECB the supervision of the STS criteria as a prudential task would thus require an expansive reading of Article 127(6) of the Treaty and Article 4 of Regulation (EU) No 1024/2013. Furthermore, the proposal could also lead to supervisory divergence in some Member States and within the Union between supervision of bank and non-bank originators and third-party verifiers. The ECB therefore proposes to delete this change of competence.</i></p> <p><i>See paragraph 4 of the ECB Opinion.</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p style="text-align: center;">Amendment 15</p> <p style="text-align: center;">Article 1, point (17), of the proposed regulation<br/>(Article 32(1) of the Securitisation Regulation)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>'in Article 32(1), first subparagraph, the following point (i) is added:</p> <p>"(i) an institutional investor, other than the originator, sponsor or original lender, has failed to meet the requirements provided for in Article 5.";</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><del>in Article 32(1)</del>, <b>is amended as follows:</b></p> <p><b>(a) in the first subparagraph, the following point (i) is added:</b></p> <p>"(i) an institutional investor, other than the originator, sponsor or original lender, has failed to meet the requirements provided for in Article 5.";</p> <p><b>(b) the following subparagraph is added:</b></p> <p><b>"When laying down rules establishing administrative sanctions, Member States shall take into account the sanctions and additional capital requirements implemented in accordance with sectoral regulation in order to avoid duplications in the sanctioning regime for the same infringement.";</b></p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>The duplication of sanctions, when they are already in the sectoral regulation, should be reconsidered, taking into account proportionality considerations.</i></p> <p><i>See paragraph 5.8 of the ECB Opinion.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p style="text-align: center;">Amendment 16</p> <p style="text-align: center;">Article 1, point (20), of the proposed regulation<br/>(Article 46 of the Securitisation Regulation)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>'(20) Article 46 is replaced by the following:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>'(20) Article 46 is replaced by the following:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p>“Article 46</p> <p>Review</p> <p>By ...[PO please insert the date: 5 years after date of entry into force], the Commission shall present a report to the European Parliament and the Council on the functioning of this Regulation, accompanied, where appropriate, by a legislative proposal.</p> <p>That report shall consider in particular the findings of the reports referred to in Article 44, and shall assess:</p> <p>(a) the effects of this Regulation on the functioning and the development of the market for securitisations in the Union;</p> <p>(b) the contribution of securitisation to:</p> <p>(i) to funding EU companies and economy, in particular on access to credit for SMEs and investments;</p> <p>(ii) the interconnectedness between financial institutions and the stability of the financial sector;</p> <p>(c) whether in the area of STS securitisations, an equivalence regime could be introduced for third country originators, sponsors and SSPEs, including in relation to due-diligence requirements, taking into consideration international developments in the area of securitisation, in particular initiatives on simple, transparent and comparable securitisations;</p> <p>(d) the implementation of the requirements set out in Article 22(4) and Article 26d(4) and whether those requirements may be extended to securitisation where the underlying exposures are not residential loans or auto loans or leases, with a view to mainstreaming environmental, social and governance disclosures.”</p> | <p>“Article 46</p> <p>Review</p> <p>By ...[PO please insert the date: <del>5</del>4 years after date of entry into force], the Commission shall present a report to the European Parliament and the Council on the functioning of this Regulation, accompanied, where appropriate, by a legislative proposal.</p> <p>That report shall consider in particular the findings of the reports referred to in Article 44 <b>and Article 31</b>, and shall assess:</p> <p>(a) the effects of this Regulation on the functioning and the development of the market for securitisations in the Union;</p> <p>(b) the contribution of securitisation to:</p> <p>(i) to funding EU companies and economy, in particular on access to credit for SMEs and investments;</p> <p><del>(ii) the interconnectedness between financial institutions and the stability of the financial sector;</del></p> <p><b>(ii) the build-up of risks to the financial stability of the banking sector and the financial sector as a whole, which could arise from the growth of issuances of synthetic securitisations, taking into account interconnectedness between financial institutions;</b></p> <p>(c) whether in the area of STS securitisations, an equivalence regime could be introduced for third country originators, sponsors and SSPEs, including in relation to due-diligence requirements, taking into consideration international developments in the area of securitisation, in particular initiatives on simple, transparent and comparable securitisations;</p> <p>(d) the implementation of the requirements set out in Article 22(4) and Article 26d(4) and</p> |

| Text proposed by the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Amendments proposed by the ECB <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                      |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>whether those requirements may be extended to securitisation where the underlying exposures are not residential loans or auto loans or leases, with a view to mainstreaming environmental, social and governance disclosures-;</p> <p><b>(e) the introduction of new macroprudential and supervisory tools that may be required to ensure that the risks under point (b)(ii) are adequately managed and mitigated.”.’</b></p> |
| <p style="text-align: center;"><u>Explanation</u></p> <p><i>The ECB proposes to broaden and clarify the required scope of the Commission’s report to capture all relevant potential risks to financial stability – also including recommendations as to possible additional tools to mitigate those risks – stemming from the development of Union securitisation markets, from the use of significant risk transfer securitisations, and, in particular, from growth of the synthetic securitisation market segment.</i></p> <p><i>The ECB also proposes to align the timing of this report closely with that of the report due under Article 506d, point (1), of Regulation (EU) 575/2013.</i></p> <p><i>See paragraphs 1.5 of the ECB Opinion.</i></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                  |