



EUROPEAN CENTRAL BANK
EUROSYSTEM

Technical working document (2/3)

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 institutions¹

Drafting proposals in relation to the proposed amendments to Regulation (EU) No 575/2013 (the CRR)

Text proposed by the Commission	Amendments proposed by the ECB ²
Amendment 1 Recital 4 of the proposed regulation	
‘(4) Risk weight floors are minimum risk weights that credit institutions must apply to their senior securitisation exposures, even where the capital calculations suggest a lower risk weight could be applied. Risk weight floors for senior positions of securitisations should be made more risk sensitive, making it possible to reflect the riskiness of the underlying pool of exposures of each specific securitisation. Senior securitisation positions of securitisation of low-risk portfolios should be allowed to benefit from lower risk weight floors than senior securitisation positions in securitisations of higher-risk portfolios. This new approach, which would mean that risk weight floors are calculated based on a specific formula, should replace the existing approach where risk weight floors are set at flat levels, irrespective of	‘(4) Risk weight floors are minimum risk weights that credit institutions must apply to their senior securitisation exposures, even where the capital calculations suggest a lower risk weight could be applied. Risk weight floors for senior positions of securitisations should be made more risk sensitive, making it possible to reflect the riskiness of the underlying pool of exposures of each specific securitisation. Senior securitisation positions of securitisation of low-risk portfolios should be allowed to benefit from lower risk weight floors than senior securitisation positions in securitisations of higher-risk portfolios. This new approach, which would mean that risk weight floors are calculated based on a specific formula, should replace the existing approach where risk weight floors are set at flat levels, irrespective of

¹ 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.

² 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.

the credit quality of the underlying pool of exposures. The new formula should make it possible to reflect the simple, transparent and standardised (STS) or non-STS status of a securitisation. To avoid excessive reductions of the capital requirements, a minimum threshold to the risk weight floors should be introduced.'	the credit quality of the underlying pool of exposures. The new formula should make it possible to reflect the simple, transparent and standardised (STS) or non-STS status of a securitisation. To avoid excessive reductions of the capital requirements, a minimum threshold to the risk weight floors should be introduced.'
<u>Explanation</u> <i>The ECB does not support the added complexity that risk-sensitive risk weight floors entail. Additionally, risk weight floors act as a backstop to the formulaic approaches that already include portfolio risk parameters as inputs. Having the same risk parameters as the inputs of the risk weight floor will harm their function as backstops. Additionally, the existing cap on the risk weight of the senior securitisation positions in Article 267 of the CRR overruns the risk weight floors, thus already mitigating undue effects for low-risk portfolios.</i> <i>See paragraph 12 of the ECB Opinion.</i>	
Amendment 2 Recital 5 of the proposed regulation	
'(5) To provide for more risk sensitivity in the securitisation framework, while maintaining a prudent regulatory treatment, it is necessary to adjust, under the SEC-IRBA approach, the formula for the (p) factor to reduce the floor and to reduce the scaling factor, and to introduce a cap to the (p) factor, mainly for the senior securitisation positions of originator/sponsor credit institutions. For the same reason, under the SEC-SA approach, it is necessary to reduce the (p) factor, for senior securitisation positions. Changes to the (p) factor for non-senior securitisation positions should be minimal, to prevent undercapitalisation of these positions. Changes to the (p) factor for positions of investors in non-STS securitisations and in non-senior securitisation positions of STS securitisations should be minimal, as those positions do not feature reduced agency and model risks.'	'(5) To provide for more risk sensitivity in the securitisation framework, while maintaining a prudent regulatory treatment, it is necessary to adjust, under the SEC-IRBA approach, the formula for the (p) factor to reduce the floor and to reduce the scaling factor, and to introduce a cap to the (p) factor, mainly for the senior securitisation positions of originator/sponsor credit institutions which are directly or indirectly involved in the original agreement which created the obligations or potential obligations of the debtors giving rise to the exposures being securitised. This adjustment ensures that only the abovementioned originators fall within the measure's scope of application, in respect of which reduced agency and model risks can be assumed, unlike in the case of investors. As a consequence, this would also exclude any originator that purchases and then securitises a third party's exposures on its own account. This exclusion is justified in order to avoid credit institutions expanding beyond their core businesses solely for the

	purpose of securitising the respective exposures with the intention of benefiting from the reduction under the measure. For the same reason, under the SEC-SA approach, it is necessary to reduce the (p) factor, for senior securitisation positions. Changes to the (p) factor for non-senior securitisation positions should be minimal not occur, to prevent undercapitalisation of these positions. Changes to the (p) factor for positions of investors in non-STS securitisations and in non-senior securitisation positions of STS securitisations should be minimal not occur, as those positions do not feature reduced agency and model risks.'
<u><i>Explanation</i></u> <i>The ECB does not support a cap on the p factor as this would reduce the risk sensitivity of the SEC-IRBA formula, and would not support a reduction of the p factor for investing institutions, sponsor institutions and originator institutions purchasing third parties' exposures on their own account and then securitising them. This would not be justified by a reduced agency and model risk, which is the main rationale embedded in the non-neutrality in capital requirements that the p factor governs.</i> <i>See paragraph 13 of the ECB Opinion.</i>	
Amendment 3 Recital 6 of the proposed regulation	
'(6) Senior securitisation positions are resilient if the securitisation satisfies a set of eligibility criteria at the origination date and on an ongoing basis thereafter. This set of eligibility criteria ensures the protection of the senior securitisation position and mitigates agency and model risks. Such resilient securitisation positions should benefit from additional reductions to the risk weight floors and to the (p) factor, compared with positions that do not satisfy the eligibility criteria. Positions of credit institution investors in senior securitisation positions of non-STS securitisations should not be allowed to benefit from those further reductions, as they are not characterised by reduced agency and model risk.'	'(6) Senior securitisation positions in STS securitisations are resilient where they have sufficient credit enhancement from subordinated tranches if securitisation satisfies a set of eligibility criteria at the origination date and on an ongoing basis thereafter. This requirement, along with the STS eligibility criteria, set of eligibility criteria ensures the protection of the senior securitisation position and further mitigates agency and model risks. Such resilient securitisation positions ensure more robust loss-absorbing capacity. should benefit from additional reductions to the risk weight floors and to the (p) factor, compared with positions that do not satisfy the eligibility criteria. Only

	positions of originator credit institutions investors which are a), directly or indirectly involved in the original agreement which created the obligations or potential obligations of the debtors giving rise to the exposures being securitised and, which are b), in senior securitisation positions of non-STS securitisations, should not be allowed to benefit from those further reductions, as they are not characterised by reduced agency and model risk.'
<u>Explanation</u> <i>The ECB supports the concept of resilient positions but only for senior positions in STS securitisations. Additionally, regarding the eligibility criteria for resilient securitisations, the ECB proposes that these should be assessed at origination only. Furthermore, the ECB only supports the reduction of risk weight floors for resilient positions held by originators under Article 2, point (3)(a), of the Securitisation Regulation.</i> <i>See paragraph 11 of the ECB Opinion.</i>	
Amendment 4 Recital 10 of the proposed regulation	
'(10) To increase the efficiency of the SRT supervisory assessments, the principles of SRT supervisory assessments should be harmonised at Union level. The EBA should specify such principles in the regulatory technical standards, which should also include high-level principles for a fast-track process for qualifying securitisations.'	'(10) To increase the efficiency of the SRT supervisory assessments, the principles of SRT supervisory assessments should be harmonised at Union level. The EBA should specify such principles in the regulatory technical standards, which should also include high-level principles for a fast-track process for qualifying securitisations.'
<u>Explanation</u> <i>The ECB does not support specifying the fast-track process in the EBA regulatory technical standards, as this would reduce flexibility in the implementation and eventual update of that which is already in place.</i> <i>See paragraphs 16.2 and 16.5 of the ECB Opinion and Amendment 9.</i>	
Amendment 5 Article 1, point (2)(a), of the proposed regulation (Article 242, point (6), of the CRR)	
'(2) Article 242 is amended as follows: (a) point (6) is replaced by the following: "(6) 'senior securitisation position' means a position with the attachment point above KIRB or KA and	'(2) Article 242 is amended as follows: (a) point (6) is replaced by the following: "(6) 'senior securitisation position' means a position with the attachment point above KIRB or KA and

backed or secured by a first claim on the whole of the underlying exposures, disregarding for these purposes amounts due under interest rate or currency derivative contracts, fees or other similar payments, and irrespective of any difference in maturity with one or more other senior tranches with which that position shares losses on a pro-rata basis;”;	backed or secured by a first claim on the whole of the underlying exposures, disregarding for these purposes amounts due under interest rate or currency derivative contracts, fees or other similar payments, and irrespective of any difference in maturity with one or more other senior tranches with which that position shares losses on a pro-rata basis;”;
<u>Explanation</u> <i>The ECB recommends not modifying the definition of ‘senior securitisation position’. The proposed amended definition requires the senior securitisation position to attach above Kirb or Ka without specifying whether the requirement must be fulfilled at inception or on an ongoing basis, which may lead to situations where the securitisation does not have a senior tranche as such. As an alternative, although not optimal, the requirement should be fulfilled at origination only.</i> <i>See paragraph 10 of the ECB Opinion.</i>	
Amendment 6 Article 1, point (3)(c), of the proposed regulation (Article 243(3) of the CRR (new))	
‘(3) Article 243 is amended as follows: [...] (c) the following paragraphs 3, 4 and 5 are added: “3. Senior position in a STS securitisation shall be eligible for the treatment set out in Article 260(2), Article 262(2), Article 264(2a) and Article 264(3a) where the following requirements are met: (a) for a position in an ABCP programme or ABCP transaction: (b) the requirements of the Article 243(1) (c) at the origination date and on an ongoing basis thereafter, the attachment point of the senior securitisation position is determined as follows: $A \geq 1.5 * KA$, when using SEC-SA or SEC-ERBA, or $A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA. (d) for a position a securitisation other than ABCP programme or ABCP transaction: (e) the requirements of the Article 243(2)	‘(3) Article 243 is amended as follows: [...] (c) the following paragraphs 3 and, 4 and 5 are added: “3. Senior position in a STS securitisation shall be eligible for the treatment set out in Article 260(2), Article 262(2), Article 264(2a) and Article 264(3a) where the following requirements are met: (a) for a position in an ABCP programme or ABCP transaction: (b) (i) the requirements of the Article 243(1) (c) (ii) at the origination date and on an ongoing basis thereafter, the attachment point (A) of the senior securitisation position is determined as follows: (1) if the securitisation features a sequential amortisation of the tranches; $A \geq 1.5 * KA$, when using SEC-SA or SEC-ERBA, or

(f) at the origination date and on an ongoing basis thereafter, the attachment point of the senior securitisation position is determined as follows: $A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or $A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA. [...];	$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA. (2) otherwise, $A \geq 1.4 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$; (d) (b) for a position a securitisation other than ABCP programme or ABCP transaction: (e) (i) the requirements of the Article 243(2); (f) (ii) at the origination date and on an ongoing basis thereafter, the attachment point of the senior securitisation position is determined as follows: (1) if the securitisation features a sequential amortisation of the tranches; $A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or $A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA. (2) otherwise, $A \geq 1.4 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$. [...];
<u>Explanation</u> <i>In order to avoid cliff effects in the calculation of the capital requirement for resilient senior tranches, when they are not in compliance at some point in time during the life of the securitisation, the requirement should be fulfilled at origination. This should be done in a manner that ensures that the senior tranche will remain resilient (above one year $EL * WAL + UL$) throughout the life of the transaction. During the life of the transaction, the attachment point of the senior tranche tends to rise when there is sequential amortisation of the tranches in place. If not, the opposite occurs. Therefore, a more stringent requirement should apply where there is no sequential amortisation of the tranches.</i> <i>See paragraph 11 of the ECB Opinion and Amendment 3.</i>	
Amendment 7 Article 1, point (3)(c), of the proposed regulation (Article 243(4) of the CRR (new))	
'(3) Article 243 is amended as follows: [...]	'(3) Article 243 is amended as follows: [...]

(c) the following paragraphs 3, 4 and 5 are added: “[...] 4. A senior securitisation position in a non-STIS securitisation shall be eligible for the treatment set out in Article 259(1b), Article 261(1b), Article 263(2a) and Article 263(3a) where the following requirements are met, at the origination date and on an ongoing basis thereafter: (a) for an on-balance-sheet securitisation: (1) the requirement of Article 26c(5) of Regulation (EU) 2017/2402 and the requirements of Commission Delegated Regulation (EU) 2024/920; (2) the requirements of Article 26(e)8, 9 and 10 of Regulation (EU) 2017/2402; (3) the attachment point of the senior securitisation position is determined as follows: $A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or $A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA; (4) the requirement of Article 243(2), point (a) of this Regulation; (5) the position is not a position of investor; (b) for an ABCP programme or ABCP transaction: (1) the requirements of Article 24(17), point (b), of Regulation (EU) 2017/2402; (2) the attachment point of the senior securitisation position is determined as follows: $A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or $A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA; (3) the requirements of Article 243(1), point (b) of this Regulation; (4) the position is not a position of investor;	(c) the following paragraphs 3 and, 4 and 5 are added: “[...] 4. A senior securitisation position in a non-STIS securitisation shall be eligible for the treatment set out in Article 259(1b), Article 261(1b), Article 263(2a) and Article 263(3a) where the following requirements are met, at the origination date and on an ongoing basis thereafter: (a) for an on-balance-sheet securitisation: (1) the requirement of Article 26c(5) of Regulation (EU) 2017/2402 and the requirements of Commission Delegated Regulation (EU) 2024/920; (2) the requirements of Article 26(e)8, 9 and 10 of Regulation (EU) 2017/2402; (3) the attachment point of the senior securitisation position is determined as follows: $A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or $A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA; (4) the requirement of Article 243(2), point (a) of this Regulation; (5) the position is not a position of investor; (b) for an ABCP programme or ABCP transaction: (1) the requirements of Article 24(17), point (b), of Regulation (EU) 2017/2402; (2) the attachment point of the senior securitisation position is determined as follows: $A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or $A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA; (3) the requirements of Article 243(1), point (b) of this Regulation; (4) the position is not a position of investor;
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(c) for non-ABCP traditional securitisation: (1) the requirements of Article 21(4), point (b), and Article 21(5) of Regulation (EU) 2017/2402; (2) the attachment point of the senior securitisation position is determined as follows: $A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or $A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA; (3) the requirement of Article 243(2), point (a), of this Regulation; the position is not a position of investor.”;	(c) for non-ABCP traditional securitisation: (1) the requirements of Article 21(4), point (b), and Article 21(5) of Regulation (EU) 2017/2402; (2) the attachment point of the senior securitisation position is determined as follows: $A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or $A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA; (3) the requirement of Article 243(2), point (a), of this Regulation; the position is not a position of investor.”;
<u>Explanation</u> <i>The ECB does not support improving the prudential treatment of non-STs securitisations.</i> <i>See paragraph 11 of the ECB Opinion and Amendment 3.</i>	
Amendment 8 Article 1, point (3)(c), of the proposed regulation (Article 243(5) of the CRR (new))	
‘(3) Article 243 is amended as follows: [...] (c) the following paragraphs 3, 4 and 5 are added: “[...] 5. For the purposes of paragraphs 3 and 4, the WAL (weighted average life) of the initial reference portfolio shall be calculated by time-weighting, until the expected maturity of the transaction, only the repayments of principal amounts from the securitised exposures, without taking into account any payments relating to fees or interest to be paid by the obligors of the securitised exposures, and, in case of synthetic securitisations, without taking into account any prepayment assumptions. For a transaction with a replenishment period, the WAL shall be the sum of the remaining replenishment period plus the remaining weighted average life of the reference portfolio measured from the end of	‘(3) Article 243 is amended as follows: [...] (c) the following paragraphs 3 and, 4 and 5 are added: “[...] 54. For the purposes of paragraphs 3: and 4, a) EL represents the ‘one-year expected loss’. For institutions not using the IRB Approach referred to in Article 143, the calculation of the ‘one-year expected loss’ should be performed in accordance with the risk provisioning under the applicable accounting framework; b) the WAL (weighted average life) of the initial reference portfolio shall be calculated by time-weighting, until the expected maturity of the transaction, only

that replenishment period. The WAL shall be no greater than five years.”;	the repayments of principal amounts from the securitised exposures, without taking into account any payments relating to fees or interest to be paid by the obligors of the securitised exposures, and, in case of synthetic securitisations, without taking into account any prepayment assumptions. For a transaction with a replenishment period, the WAL shall be the sum of the remaining replenishment period plus the remaining weighted average life of the reference portfolio measured from the end of that replenishment period. The WAL shall be no greater than five years.”;
<u>Explanation</u> <i>The concept of expected loss (EL) used in the formula under the new Article 243(3) CRR should be defined.</i> <i>See paragraph 11 of the ECB Opinion and Amendments 3 and 6.</i>	
Amendment 9 Article 1, point (4), of the proposed regulation (Article 244(3) of the CRR)	
‘By way of derogation from paragraph 2, competent authorities may require the originator institution on a case-by-case basis to transfer to third parties a weighted amount of unexpected losses larger than the 50% referred to in that paragraph, or object to the significant credit risk transfer. The measures referred to in this paragraph may be imposed to address failings in the management of systems and controls or other internal governance failures of the originator institution, including remedial action plans not yet completed following supervisory examinations, or where the competent authority deems the credit risk transferred under paragraph 2 as insufficient to address certain special or complex features of the securitisation, or leading to disproportionate capital relief.’	‘By way of derogation from paragraph 2, competent authorities may require the originator institution on a case-by-case basis to transfer to third parties a weighted amount of unexpected losses larger than the 50% referred to in that paragraph, or object to the significant credit risk transfer. The measures referred to in this paragraph may be imposed to address failings in the management of systems and controls or other internal governance failures of the originator institution, including remedial action plans not yet completed following supervisory examinations, or where the competent authority deems the credit risk transferred under paragraph 2 as insufficient to address certain special or complex features of the securitisation, or leading to disproportionate capital relief not justified by a commensurate transfer of credit risk to third parties.’

<i>Explanation</i> <i>It is important that the competent authorities maintain the possibility, on a case-by-case basis, to require the originator to transfer a share of the weighted amounts of unexpected losses of the underlying exposures that is higher than the 50 % required under the principle-based test, or to object to the SRT, when the competent authority deems that the transaction leads to a non-commensurate reduction in RWEAs.</i> <i>See paragraph 16.4 of the ECB Opinion.</i>	
Amendment 10 Article 1, point (4), of the proposed regulation (Article 244(7) of the CRR (new))	
‘(4) Articles 244 and 245 are replaced by the following: “[...]” 7. The EBA shall develop regulatory technical standards to specify: (a) the conditions for the fulfilment of the significant credit risk transfer requirement referred to in paragraph 2 of this Article and Article 245(2), in particular: (1) the calculation of the lifetime expected losses of the underlying exposures and their allocation for the purposes of paragraph of this Article and Article 245(2); (2) the allocation of the unexpected losses of the securitised exposures to the securitisation tranches for the purposes of paragraph of this Article and Article 245(2); (3) the calculation of the weighted amounts of unexpected losses in relation to the allocation of the unexpected losses of the securitised exposures to the securitisation tranches of paragraph of this Article and Article 245(2); (b) the structural features and safeguards referred to in Article 244(4), point (g) and Article 245(4), point (f), respectively, in particular the coverage of the legal clauses for the early termination of securitisations;	‘(4) Articles 244 and 245 are replaced by the following: “[...]” 7. The EBA shall develop regulatory technical standards to specify: (a) the conditions for the fulfilment of the significant credit risk transfer requirement referred to in paragraph 2 of this Article and Article 245(2), in particular: (1) the calculation of the lifetime expected losses of the underlying exposures and their allocation for the purposes of paragraph of this Article and Article 245(2); (2) the allocation of the unexpected losses of the securitised exposures to the securitisation tranches for the purposes of paragraph of this Article and Article 245(2); (3) the calculation of the weighted amounts of unexpected losses in relation to the allocation of the unexpected losses of the securitised exposures to the securitisation tranches of paragraph of this Article and Article 245(2); (b) the structural features and safeguards referred to in Article 244(4), point (g) and Article 245(4), point (f), respectively, in particular the coverage of the legal clauses for the early termination of securitisations;

(c) the minimum requirements for the self-assessment by the originator institution referred to in Article 244(5) and Article 245(5), including the specification of the scenarios to be applied; (d) the conditions for the competent authorities to apply Article 244(2) and (3) and Article 245(2) and (3) in relation to securitisation transactions and originator institutions; (e) the high level principles for the process for the review and assessment of the conditions for the fulfilment of the credit risk transfer requirement in accordance with Article 244(1) to (4) and Article 245(1) to (4), and the high level principles for certain securitisations to qualify for a fast-track simplified assessment process referred to in Article 244(6) and Article 245(6); (f) the necessary adjustments for the application of Article 244 and 245 to NPE securitisations. The EBA shall submit those draft regulatory technical standards to the Commission by [18 months after the date of entry into force]. Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.”;	(c) the minimum requirements for the self-assessment by the originator institution referred to in Article 244(5) and Article 245(5), including the specification of the scenarios to be applied; (d) the conditions for the competent authorities to apply Article 244(2) and (3) and Article 245(2) and (3) in relation to securitisation transactions and originator institutions; (e) the high level principles for the process for the review and assessment of the conditions for the fulfilment of the credit risk transfer requirement in accordance with Article 244(1) to (4) and Article 245(1) to (4), and the high level principles for certain securitisations to qualify for a fast-track simplified assessment process referred to in Article 244(6) and Article 245(6); (f) the necessary adjustments for the application of Article 244 and 245 to NPE securitisations. The EBA shall submit those draft regulatory technical standards to the Commission by [18 months after the date of entry into force]. Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.”;
<u>Explanation</u> <i>The ECB considers that it may introduce a fast-track process that is already based on the current text of the CRR, following the risk-based approach. However, the ECB does not support specifying the fast-track process in the EBA regulatory technical standard, as this would reduce flexibility in the implementation and eventual update of the process already in place and used by the ECB.</i> <i>See paragraph 16 of the ECB Opinion and Amendment 4.</i>	
Amendment 11 Article 1, point (4), of the proposed regulation (Article 244(8) of the CRR (new))	
‘(4) Articles 244 and 245 are replaced by the following: “[...]	‘(4) Articles 244 and 245 are replaced by the following: “[...]

8. By 31 March of each year, competent authorities shall notify to the EBA all the securitisations assessed in accordance with paragraphs 1 to 7 in the previous year. The notification shall convey all the information needed to calculate the ratio under paragraph 2 and on relevant structural features. The information shall at least provide a breakdown on the size, thickness and amounts of tranches, portfolio LGD, EL, LTEL and UL, WAL of the underlying exposures and risk weights of the tranches, and information on whether the measures referred to in paragraph 3 were applied.”;	‘8. By 31 March of each year, competent authorities shall notify to the EBA all the securitisations assessed in accordance with paragraphs 1 to 7 in the previous year. The notification shall convey all the information needed to calculate the ratio under paragraph 2 and on relevant structural features. The information shall at least provide a breakdown on the size, thickness and amounts of tranches, portfolio LGD, EL, LTEL and UL, WAL of the underlying exposures and risk weights of the tranches, and information on whether the measures referred to in paragraph 3 were applied.”;
<u>Explanation</u> <i>To simplify the regulatory framework, streamline the reporting and notification requirements, and avoid overlapping obligations, this notification requirement from the competent authorities to the EBA should be deleted. The relevant information should already be available to EBA via supervisory reporting, therefore making a separate notification from the competent authority unnecessary.</i> <i>See paragraph 16.6 of the ECB Opinion.</i>	
Amendment 12 Article 1, point (4), of the proposed regulation (Article 245(1) of the CRR)	
‘(4) Articles 244 and 245 are replaced by the following: “[...] <i>Article 245</i> <i>Synthetic securitisation</i> 1. The originator institution of a synthetic securitisation may calculate risk-weighted exposure amounts, and, where relevant, expected loss amounts with respect to the underlying exposures in accordance with Articles 251 and 252, where either of the following conditions is met: (a) significant credit risk associated with the securitised exposures has been transferred to third parties, or the originator institution applies a 1250 % risk weight to all securitisation positions that institution holds in the securitisation or deducts those securitisation positions from Common Equity	‘(4) Articles 244 and 245 are replaced by the following: “[...] <i>Article 245</i> <i>Synthetic securitisation</i> 1. The originator institution of a synthetic securitisation may calculate risk-weighted exposure amounts, and, where relevant, expected loss amounts with respect to the underlying exposures that do not give rise to risk-weighted exposure amounts for counterparty credit risk as specified in Part Three, Title II, Chapter 6 of this Regulation, in accordance with Articles 251 and 252, where either of the following conditions is met: (a) significant credit risk associated with the securitised exposures has been transferred to third

Tier 1 items in accordance with Article 36(1), point (k); (b) the conditions for the effective risk transfer on the securitised exposures referred to in paragraph 4 of this Article are met. [...];'	parties, or the originator institution applies a 1250 % risk weight to all securitisation positions that institution holds in the securitisation or deducts those securitisation positions from Common Equity Tier 1 items in accordance with Article 36(1), point (k); (b) the conditions for the effective risk transfer on the securitised exposures referred to in paragraph 4 of this Article are met. [...];'
<u>Explanation</u> <i>This amendment aims to ensure the simplicity of securitisation transactions eligible for capital relief by excluding certain types of complex exposures for which the exposure amounts and the exact coverage of credit protection cannot be modelled with sufficient certainty, or which produce excessive volatility over time – namely, when counterparty credit risk for derivatives exposures is securitised. This amendment is only relevant for synthetic securitisation, since it would be operationally too complex to securitise counterparty credit risk through a traditional securitisation.</i> <i>See paragraph 15.4 of the ECB Opinion.</i>	
Amendment 13 Article 1, point (4), of the proposed regulation (Article 245(3) of the CRR)	
'By way of derogation from paragraph 2, competent authorities may require the originator institution on a case-by-case basis to transfer to third parties a weighted amount of unexpected losses larger than the 50 % referred to in that paragraph, or object to the significant risk transfer. Competent authorities may impose the measures referred to in this paragraph where necessary to address failings in the management of systems and controls or other internal governance failures of the originator institution, including remedial action plans not yet completed following supervisory examinations, or where the competent authority deems the credit risk transferred under paragraph 2 as insufficient to address certain special or complex features of the securitisation, or leading to a disproportionate capital relief.'	'By way of derogation from paragraph 2, competent authorities may require the originator institution on a case-by-case basis to transfer to third parties a weighted amount of unexpected losses larger than the 50 % referred to in that paragraph, or object to the significant risk transfer. Competent authorities may impose the measures referred to in this paragraph where necessary to address failings in the management of systems and controls or other internal governance failures of the originator institution, including remedial action plans not yet completed following supervisory examinations, or where the competent authority deems the credit risk transferred under paragraph 2 as insufficient to address certain special or complex features of the securitisation, or leading to a disproportionate capital relief not justified by a commensurate transfer of credit risk to third parties.'

<u>Explanation</u> <i>It is important that the competent authorities maintain the possibility, on a case-by-case basis, to require the originator to transfer a share of the weighted amounts of unexpected losses of the underlying exposures that is higher than the 50 % required under the principle-based test, or to object to the SRT, when the competent authority deems that the transaction leads to a non-commensurate reduction in RWEAs.</i> <i>See paragraph 16.4 of the ECB Opinion.</i>	
Amendment 14 Article 1, point (4), of the proposed regulation (Article 245(7) of the CRR (new))	
'(4) Articles 244 and 245 are replaced by the following: "[...] 7. By 31 March of each year, competent authorities shall notify to the EBA all the securitisations for which a self-assessment has been received in accordance with the paragraphs 1 to 6 in the previous year. The notification shall convey all the information needed to calculate the ratio under paragraph 2 and on relevant structural features. The information shall at least provide a breakdown on the size, thickness and amounts of tranches, portfolio LGD, EL, LTEL and UL, WAL of the underlying exposures and risk weights of the tranches, and information on whether the measures referred to in paragraph 3 were applied.";	'(4) Articles 244 and 245 are replaced by the following: "[...] 7. By 31 March of each year, competent authorities shall notify to the EBA all the securitisations for which a self-assessment has been received in accordance with the paragraphs 1 to 6 in the previous year. The notification shall convey all the information needed to calculate the ratio under paragraph 2 and on relevant structural features. The information shall at least provide a breakdown on the size, thickness and amounts of tranches, portfolio LGD, EL, LTEL and UL, WAL of the underlying exposures and risk weights of the tranches, and information on whether the measures referred to in paragraph 3 were applied."
<u>Explanation</u> <i>To simplify the regulatory framework, streamline the reporting and notification requirements, and avoid overlapping obligations, this notification requirement from the competent authorities to EBA should be deleted. The relevant information should already be available to EBA via supervisory reporting, therefore making a separate notification from the competent authority unnecessary.</i> <i>See paragraph 16.6 of the ECB Opinion.</i>	
Amendment 15 Article 1, point (5a), of the proposed regulation (new) (Article 249(3) of the CRR)	

No text	‘(5a) in Article 249, paragraph 3 is replaced by the following: “3. By way of derogation from paragraph 2, the eligible providers of unfunded credit protection listed in Article 201(1), point (fa), shall have been assigned a credit assessment by a recognised ECAI which was credit quality step 2 or above at the time the credit protection was first recognised and is currently credit quality step 3 or above.”;
<u>Explanation</u> <i>Article 249(3) of the CRR sets out eligibility requirements applicable to eligible providers of protection on securitisation positions, namely that eligible providers of unfunded credit protection listed in Article 201(1), point (g), of the CRR, must have been assigned a credit assessment by a recognised ECAI which was credit quality step 2 or above at the time the credit protection was first recognised and is currently credit quality step 3 or above. However, it appears that the current reference to Article 201(1), point (g), of the CRR is no longer correct following the amendment by Regulation (EU) 2024/1623, since point (g) now refers to cases where the credit protection is not provided to a securitisation position. Therefore, the cross-reference in Article 249(3) should be amended to refer to Article 201(1), point (fa), instead of point (g), to correct the cross-reference, as point (fa) is similar in scope to the previous point (g). In addition to addressing this inconsistency, this change would also ensure that counterparty credit risk remains limited for all synthetic securitisations.</i> <i>See paragraph 8.6 of the ECB Opinion.</i>	
Amendment 16 Article 1, point (9)(b), of the proposed regulation (Article 259(1) of the CRR)	
‘(9) Article 259 is amended as follows: [...] (b) The text “where: $p = \max [0,3; (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)]$” is replaced by the following: ‘Where: $p = \min (1, \max [0,3; 0,7 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for an originator or sponsor exposure to a senior securitisation position, or $p = \min (1, \max [0,3; 1 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for other exposures.”;	‘(9) Article 259 is amended as follows: [...] (b) The text ‘where: $p = \max [0,3; (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)]$’ is replaced by the following: ‘Where: $p = \min (1, \max [0,3; 0,78 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for an originator as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402 or or sponsor exposure to a senior securitisation position, or

		$p = \min \{1, \max [0.3; 1 * (A + B * (1/N) + C * K_{IRB} + D * LGD + E * M_T)]\}$ for other exposures.”;
<u>Explanation</u> <i>The ECB does not support any reduction of the p factor for subordinated tranches and for securitisation positions of investors.</i> <i>See paragraph 13 of the ECB Opinion and Amendment 2.</i>		
Amendment 17 Article 1, point (9)(c), of the proposed regulation (Articles 259(1a) and (1b) of the CRR (new))		
‘(9) Article 259 is amended as follows: [...] (c) the following paragraphs 1a and 1b are inserted: “1a. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows: Floor = max (12%; 15% * K_{IRB} * 12.5) 1b. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 that complies with the criteria referred to in Article 243(4) shall be subject to a floor calculated as follows: Floor = max (10%; 15% * K_{IRB} * 12.5).”;	‘(9) Article 259 is amended as follows: [...] (c) the following paragraphs 1a and 1b are inserted: “1a. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows: Floor = max (12%; 15% * K_{IRB} * 12.5) 1b. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 that complies with the criteria referred to in Article 243(4) shall be subject to a floor calculated as follows: Floor = max (10%; 15% * K_{IRB} * 12.5).”;	
<u>Explanation</u> <i>The ECB does not support any reduction of the floor for non-STs securitisations.</i> <i>See paragraph 12 of the ECB Opinion and Amendment 1.</i>		
Amendment 18 Article 1, point (10), of the proposed regulation (Article 260(1) of the CRR)		
‘(10) Article 260 is replaced by the following: <i>“Article 260</i> <i>Treatment of STS securitisations under the SEC-IRBA</i> 1. Under the SEC-IRBA, the risk weight for a position in an STS securitisation shall be calculated	‘(10) Article 260 is replaced by the following: <i>“Article 260</i> <i>Treatment of STS securitisations under the SEC-IRBA</i> 1. Under the SEC-IRBA, the risk weight for a position in an STS securitisation shall be calculated	

in accordance with Article 259, subject to the following modifications: $p = \min(0.5, \max[0.2; 0.3 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for a senior securitisation position of originator or sponsor $p = \min(0.5, \max[0.2; 0.5 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for a non-senior originator or sponsor position $p = \min(0.5, \max[0.3; 0.5 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for other positions The risk-weight floor for a senior securitisation position = $\max(7\%; 10\% \cdot K_{IRB} \cdot 12.5)$.”	in accordance with Article 259, subject to the following modifications: $p = \min(0.5, \max[0.2; 0.34 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for a senior securitisation position of originator as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402 or sponsor $p = \min(0.5, \max[0.2; 0.5 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for a non-senior originator or sponsor position $p = \min(0.5, \max[0.3; 0.5 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for other positions The risk-weight floor for a senior securitisation position = $\max(7\%; 10\% \cdot K_{IRB} \cdot 12.5)$. The risk weight floor for a senior securitisation position = 10%”;
<u>Explanation</u> <i>The ECB does not support a risk weight floor formula, and only supports reduction of the risk weight floor and p factor for originators.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	
Amendment 19 Article 1, point (10), of the proposed regulation (Article 260(2) of the CRR (new))	
‘(10) Article 260 is replaced by the following: “[...] 2. Under the SEC-IRBA, the risk weight for a position in an STS securitisation compliant with the criteria laid down in the Article 243(3) shall be calculated in accordance with Article 259, subject to the following modifications: $p = \min(0.5, \max[0.2; 0.3 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for a senior securitisation position of originator, sponsor or investor $p = \min(0.5, \max[0.2; 0.5 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for a non-senior originator or sponsor position $p = \min(0.5, \max[0.3; 0.5 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for other positions	‘(10) Article 260 is replaced by the following: “[...] ‘2. Under the SEC-IRBA, the risk weight floor for a position in an STS securitisation compliant with the criteria laid down in the Article 243(3) shall be 7% calculated in accordance with Article 259, subject to the following modifications: $p = \min(0.5, \max[0.2; 0.3 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for a senior securitisation position of originator as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402 or, sponsor or investor $p = \min(0.5, \max[0.2; 0.5 \cdot (A + B \cdot (1/N) + C \cdot K_{IRB} + D \cdot LGD + E \cdot M_T)])$ for a non-senior originator or sponsor position

The risk weight floor for a senior securitisation position = max (5%; 10% * K_{IRB} * 12.5).”;’	$p = \min (0.5, \max [0.3; 0.5 * (A + B * (1/N) + C * K_{IRB} + D * LGD + E * M_T)])$ for other positions The risk weight floor for a senior securitisation position = max (5%; 10% * K_{IRB} * 12.5).”;’
<u>Explanation</u> <i>The ECB does not support a risk weight floor formula and only supports reduction of the risk weight floor and p factor for originators.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	
Amendment 20 Article 1, point (11)(a), of the proposed regulation (Article 261(1) of the CRR, introductory sentence and part of the formula determining (p))	
‘(11) Article 261 is amended as follows: (a) paragraph 1 is amended as follows: (1) the introductory wording is replaced by the following: “Under the SEC-SA, the risk-weighted exposure amount for a securitisation position shall be calculated by multiplying the exposure value of the position calculated in accordance with Article 248 by the applicable risk weight determined as follows:” (2) “p = 1 for a securitisation exposure that is not a re-securitisation exposure” is replaced by the following: “For a securitisation position that is not a re-securitisation exposure, p = 0.6 for a senior securitisation position of originator or sponsor; 1 for other securitisation position”.;’	‘(11) Article 261 is amended as follows: (a) paragraph 1 is amended as follows: (1) the introductory wording is replaced by the following: “Under the SEC-SA, the risk-weighted exposure amount for a securitisation position shall be calculated by multiplying the exposure value of the position calculated in accordance with Article 248 by the applicable risk weight determined as follows, in all cases subject to a floor of 15 %:” (2) ‘p = 1 for a securitisation exposure that is not a re-securitisation exposure’ is replaced by the following: “For a securitisation position that is not a re-securitisation exposure, p = 0.67 for a senior securitisation position of originator as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402 or sponsor; 1 for other securitisation position”.;’
<u>Explanation</u> <i>The ECB does not support any reduction of the floor for non-STs securitisations. Furthermore, the ECB does not support any reduction of the p factor for subordinated tranches or for securitisation positions of investors.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	
Amendment 21	

Article 1, point (11)(b), of the proposed regulation (Article 261(1a) and (1b) of the CRR (new))	
‘(11) Article 261 is amended as follows: [...] (b) the following paragraphs 1a and 1b are inserted: “1a. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows: Floor = max (12%; 15% * K_A * 12.5). 1b. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 that complies with the criteria set out in Article 243(4) shall be subject to a floor calculated as follows: Floor = max (10%; 15% * K_A * 12.5).”;	‘(11) Article 261 is amended as follows: [...] (b) the following paragraphs 1a and 1b are inserted: “1a. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows: Floor = max (12%; 15% * K_A * 12.5). 1b. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 that complies with the criteria set out in Article 243(4) shall be subject to a floor calculated as follows: Floor = max (10%; 15% * K_A * 12.5).”;
<u>Explanation</u> <i>The ECB does not support an introduction of risk weight floor formula.</i> <i>See paragraph 12 of the ECB Opinion and Amendment 1.</i>	
Amendment 22 Article 1, point (12), of the proposed regulation (Article 262 of the CRR)	
‘(12) Article 262 is replaced by the following: <i>“Article 262</i> Treatment of STS securitisations under the SEC-SA 1. Under the SEC-SA the risk weight for a position in an STS securitisation shall be calculated in accordance with Article 261, subject to the following modifications: p = 0.3 for a senior securitisation position of originator or sponsor p = 0.5 for other securitisation exposures risk weight floor for a senior securitisation position = max (7%; 10% * K_A * 12.5).	‘(12) Article 262 is replaced by the following: <i>“Article 262</i> Treatment of STS securitisations under the SEC-SA 1. Under the SEC-SA the risk weight for a position in an STS securitisation shall be calculated in accordance with Article 261, subject to the following modifications: p = 0.3 for a senior securitisation position of originator as referred to in Article 2, point (3)(a), of the Regulation (EU) 2017/2402 or sponsor p = 0.5 for other senior securitisation positions exposures

2. Under the SEC-SA the risk weight for a position in an STS securitisation that complies with the criteria set out in Article 243(3) shall be calculated in accordance with Article 261, subject to the following modifications: $p = 0.3$ for a senior securitisation position of originator, sponsor or investor $p = 0.5$ for other securitisation exposures risk weight floor for a senior securitisation position = $\max(5\%; 10\% * K_A * 12.5)$.”;	risk weight floor for a senior securitisation position = $10\% \max(7\%; 10\% * K_A * 12.5)$. 2. Under the SEC-SA the risk weight floor for a position in an STS securitisation that complies with the criteria set out in Article 243(3) shall be 7% calculated in accordance with Article 261, subject to the following modifications: $p = 0.3$ for a senior securitisation position of originator as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402 or, sponsor or investor $p = 0.5$ for other securitisation exposures risk weight floor for a senior securitisation position = $\max(5\%; 10\% * K_A * 12.5)$.”;
<u>Explanation</u> <i>The ECB does not support an introduction of risk weight floor formula and only supports a reduction of the risk weight floor and the p factor for specific originators.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	
Amendment 23 Article 1, point (13)(a), of the proposed regulation (Article 263(2) of the CRR)	
‘(13) Article 263 is amended as follows: (a) paragraph 2 is replaced by the following: “2. For exposures with short-term credit assessments or where a rating based on a short-term credit assessment may be inferred in accordance with paragraph 7, the following risk weights shall apply: Table 1 [please see below]”;	‘(13) Article 263 is amended as follows: (a) paragraph 2 is replaced by the following: “2. For exposures with short term credit assessments or where a rating based on a short-term credit assessment may be inferred in accordance with paragraph 7, the following risk weights shall apply: Table 1” [please see below];’
<u>Explanation</u> <i>The ECB does not support any change, in line with the position on SEC-SA set out above. The ECB does not support any reduction of the floor for non-STS securitisations. Furthermore, the ECB does not support any reduction of the p factor for subordinated tranches and for securitisation positions of investors. For this reason, the ECB does not support any change in the SEC-ERBA look-up table for non-STS securitisations. Thus, Article 1, point (13)(a), of the proposed regulation, including Table 1, should be deleted from the proposed amendments to the CRR.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	

Table 1 proposed by the Commission

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Max (12%; 15% *K _A * 12.5) Non-senior tranche: 15%	50%	100%	1250%

Table 1 amendments proposed by the ECB

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Max (12%; 15% *K _A * 12.5) Non-senior tranche: 15%	50%	100%	1250%

Text proposed by the Commission	Amendments proposed by the ECB
Amendment 22 Article 1, point (13)(b), of the proposed regulation (Article 263(2a) and (2b) of the CRR (new))	
'(13) Article 263 is amended as follows: [...] (b) the following paragraphs 2a and 2b are inserted: "2a. For a position in senior tranche with CQS1 in a securitisation that complies with the criteria set	'(13) Article 263 is amended as follows: [...] (b) the following paragraphs 2a and 2b are inserted: "2a. For a position in senior tranche with CQS1 in a securitisation that complies with the criteria set

Text proposed by the Commission	Amendments proposed by the ECB
out in Article 243(4), the risk weight shall be calculated as follow: $\text{Max}(10\%; 15\% * K_A * 12.5)$ 2b. Where an institution is not able to use the formula set out in the Table 1 or under paragraph 2a, because it is not able to calculate K_A, a risk weight of 15 % shall apply to the relevant exposure.”;	out in Article 243(4), the risk weight shall be calculated as follow: $\text{Max}(10\%; 15\% * K_A * 12.5)$ 2b. Where an institution is not able to use the formula set out in the Table 1 or under paragraph 2a, because it is not able to calculate K_A, a risk weight of 15 % shall apply to the relevant exposure.”;
<u>Explanation</u> <i>The ECB does not support any change, in line with the position on SEC-SA set out above. The ECB does not support any reduction of the floor for non-STs securitisations. Furthermore, the ECB does not support any reduction of the p factor for subordinated tranches and for securitisation positions of investors.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	
Amendment 25 Article 1, point (13)(c), of the proposed regulation (Article 263(3) of the CRR)	
‘(13) Article 263 is amended as follows: [...] (c) paragraph 3 is replaced by the following: “3. For exposures with long-term credit assessments or when a rating based on a long-term credit assessment may be inferred in accordance with paragraph 7, the risk weights set out in Table 2 shall apply, adjusted as applicable for tranche maturity (M_T) in accordance with Article 257 and paragraph 4 of this Article and for tranche thickness for non-senior tranches in accordance with paragraph 5 of this Article: Table 2 [please see below]”;	‘(13) Article 263 is amended as follows: [...] (c) paragraph 3 is replaced by the following: “3. For exposures with long-term credit assessments or when a rating based on a long-term credit assessment may be inferred in accordance with paragraph 7, the risk weights set out in Table 2 shall apply, adjusted as applicable for tranche maturity (M_T) in accordance with Article 257 and paragraph 4 of this Article and for tranche thickness for non-senior tranches in accordance with paragraph 5 of this Article: Table 2 [please see below]”;
<u>Explanation</u> <i>SEC-ERBA look-up tables should be amended in order to be consistent with the amended floors for originators as referred to in Article 2, point (3)(a), of the Securitisation Regulation.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	

Table 2 proposed by the Commission

Credit quality step	Senior tranche, position of originator or sponsor		Senior tranche, position of investor		Non-senior (thin) tranche	
	Tranche maturity (M _T)		Tranche maturity (M _T)		Tranche maturity (M _T)	
	1 year	5 year	1 year	5 year	5 year	1 year
1	Max (12%; 15% *K _A * 12.5)		Max (12%; 15% *K _A * 12.5)	20%	15%	70%
2	Max (12%; 15% *K _A * 12.5)	18%		30%	15%	90%
3	17%	24%	25%	40%	30%	120%
4	18%	29%	30%	45%	40%	140%
5	24%	34%	40%	50%	60%	160%
6	34%	45%	50%	65%	80%	180%
7	40%	46%	60%	70%	120%	210%
8	51%	52%	75%	90%	170%	260%
9	62%	73%	90%	105%	220%	310%
10	80%	96%	120%	140%	330%	420%
11	124%	140%	140%	160%	470%	580%
12	140%	160%	160%	180%	620%	760%
13	176%	201%	200%	225%	750%	860%
14	230%	256%	250%	280%	900%	950%
15	286%	312%	310%	340%	1050%	1050%
16	348%	388%	380%	420%	1130%	1130%
17	424%	465%	460%	505%	1250%	1250%
All other	1250%	1250%	1250%	1250%	1250%	1250%

Table 2 amendments proposed by the ECB

Credit quality step	Senior tranche, position of originator as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402 or sponsor		Senior tranche, rest of positions of investor		Non-senior (thin) tranche	
	Tranche maturity (M _T)		Tranche maturity (M _T)		Tranche maturity (M _T)	
	1 year	5 year	1 year	5 year	5 year	1 year
1	Max (12%; 15% *K_A* 12.5) 15%		Max (12%; 15% *K_A* 12.5) 15%	20%	15%	70%
2	Max (12%; 15% *K_A* 12.5) 15%	18%		30%	15%	90%
3	17%	24%	25%	40%	30%	120%
4	18%	29%	30%	45%	40%	140%
5	24%	34%	40%	50%	60%	160%
6	34%	45%	50%	65%	80%	180%
7	40%	46%	60%	70%	120%	210%

8	51%	52%	75%	90%	170%	260%
9	62%	73%	90%	105%	220%	310%
10	80%	96%	120%	140%	330%	420%
11	124%	140%	140%	160%	470%	580%
12	140%	160%	160%	180%	620%	760%
13	176%	201%	200%	225%	750%	860%
14	230%	256%	250%	280%	900%	950%
15	286%	312%	310%	340%	1050%	1050%
16	348%	388%	380%	420%	1130%	1130%
17	424%	465%	460%	505%	1250%	1250%
All other	1250%	1250%	1250%	1250%	1250%	1250%

Text proposed by the Commission	Amendments proposed by the ECB
Amendment 26	
Article 1, point (13)(d), of the proposed regulation (Article 263(3a) and (3b) of the CRR (new))	
‘(13) Article 263 is amended as follows: [...] (d) the following paragraphs 3a and 3b are inserted: “3a. For in position by originator or sponsor in senior tranche with CQS1, or CQS2 with tranche maturity of 1 year, in a securitisation that complies with the criteria set out in Article 243(4), the risk weight shall be calculated as follows: Max (10 %; 15% *K_A*12.5) 3b. Where an institution is not able to use the formula set out in the Table 2 or under the paragraph 3a, because it is not able to calculate K_A, a risk weight of 15 % shall apply to the relevant exposure.”;	‘(13) Article 263 is amended as follows: [...] (d) the following paragraphs 3a and 3b are inserted: “3a. For in position by originator or sponsor in senior tranche with CQS1, or CQS2 with tranche maturity of 1 year, in a securitisation that complies with the criteria set out in Article 243(4), the risk weight shall be calculated as follows: Max (10 %; 15% *K_A*12.5) 3b. Where an institution is not able to use the formula set out in the Table 2 or under the paragraph 3a, because it is not able to calculate K_A, a risk weight of 15 % shall apply to the relevant exposure.”;
<u>Explanation</u> <i>In line with the position on SEC-SA set out above, the ECB does not support any reduction of the floor for non-STs securitisations. Furthermore, the ECB does not support any reduction of the p factor for subordinated tranches and for securitisation positions of investors.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	
Amendment 27	

Text proposed by the Commission	Amendments proposed by the ECB
Article 1, point (14)(a), of the proposed regulation (Article 264(2) of the CRR)	
‘(14) Article 264 is amended as follows: (a) paragraph 2 is replaced by the following: “2. For exposures with short-term credit assessments or where a rating based on a short-term credit assessment may be inferred in accordance with Article 263(7), the following risk weights shall apply: Table 3 [please see below]”;	‘(14) Article 264 is amended as follows: (a) paragraph 2 is replaced by the following: “2. For exposures with short-term credit assessments or where a rating based on a short-term credit assessment may be inferred in accordance with Article 263(7), the following risk weights shall apply: Table 3”;
<u>Explanation</u> <i>SEC-ERBA look-up tables should be amended to ensure consistency with the amended floors for originators as referred to in Article, point 2(3)(a), of the Securitisation Regulation and the rest of the amendments affecting SEC-SA.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	

Table 3 proposed by the Commission

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Max (7%; 10%*K _A *12.5)	30%	60%	1250%
	Non-senior tranche: 10%			

Table 3 amendments proposed by the ECB

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche originator as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402 that complies	30%	60%	1250%

	with the criteria set out in Article 243(3): 7% Max (7%; 10%*K_A*12.5)			
	Non-senior tranche Other: 10%			

Text proposed by the Commission	Amendments proposed by the ECB
Amendment 28 Article 1, point (14)(b), of the proposed regulation (Article 264(2a) and (2b) of the CRR (new))	
‘(14) Article 264 is amended as follows: [...] (b) the following paragraphs 2a and 2b are inserted: “2a. For a position in senior tranche with CQS1 in a securitisation that complies with the criteria set out in Article 243(3), the risk weight shall be calculated as follows: Max (5%; 10%* K_A*12.5) 2b. Where an institution is not able to use the formula set out in Table 3 or under the paragraph 2a, because it is not able to calculate K_A, a risk weight of 10 % shall apply to the relevant exposures.”;	‘(14) Article 264 is amended as follows: [...] (b) the following paragraphs 2a and 2b are inserted: “2a. For a position in senior tranche with CQS1 in a securitisation that complies with the criteria set out in Article 243(3), the risk weight shall be calculated as follows: Max (5%; 10%* K_A*12.5) 2b. Where an institution is not able to use the formula set out in Table 3 or under the paragraph 2a, because it is not able to calculate K_A, a risk weight of 10 % shall apply to the relevant exposures.”;
<u>Explanation</u> <i>The ECB does not support a risk weight floor formula and only supports a reduction of the risk weight floor and the p factor for originators as referred to in Article 2, point (3)(a), of the Securitisation Regulation.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	
Amendment 29 Article 1, point (14)(c), of the proposed regulation (Article 264(3) of the CRR)	
‘(14) Article 264 is amended as follows:	‘(14) Article 264 is amended as follows:

Text proposed by the Commission	Amendments proposed by the ECB
[...] (c) paragraph 3 is replaced by the following: “3. For exposures with long-term credit assessments or where a rating based on a long-term credit assessment may be inferred in accordance with Article 263(7), risk weights shall be determined in accordance with Table 4, adjusted for tranche maturity (M_T) in accordance with Article 257 and Article 263(4) and for tranche thickness for non-senior tranches in accordance with Article 263(5): Table 4 [please see below]”;	[...] (c) paragraph 3 is replaced by the following: “3. For exposures with long-term credit assessments or where a rating based on a long-term credit assessment may be inferred in accordance with Article 263(7), risk weights shall be determined in accordance with Table 4, adjusted for tranche maturity (M_T) in accordance with Article 257 and Article 263(4) and for tranche thickness for non-senior tranches in accordance with Article 263(5): Table 4 [please see below]”;
<u>Explanation</u> <i>SEC-ERBA look-up tables should be amended in order to be consistent with the amended floors and the rest of amendments affecting SEC-SA floors for originators as referred to in Article 2, point (3)(a), of the Securitisation Regulation.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	

Table 4 proposed by the Commission

Credit quality step	Senior tranche (position of originator or sponsor, or of investor in a securitisation compliant with Article 243(3))		Senior tranche (other positions of investor)		Non-senior (thin) tranche	
	Tranche maturity (M_T)		Tranche maturity (M_T)		Tranche maturity (M_T)	
	1 year	5 year	1 year	5 year	1 year	5 year
1	Max (7%; $10\% \cdot K_A \cdot 12.5$)		Max (7%; $10\% \cdot K_A \cdot 12.5$)		15%	40%
2	Max (7%; $10\% \cdot K_A \cdot 12.5$)	10%	Max (7%; $10\% \cdot K_A \cdot 12.5$)	15%	15%	55%
3	10%	12%	15%	20%	15%	70%
4	10%	16%	15%	25%	25%	80%
5	12%	20%	20%	30%	25%	95%

6	20%	28%	30%	40%	60%	135%
7	23%	28%	35%	40%	95%	170%
8	31%	38%	45%	55%	150%	225%
9	38%	45%	55%	65%	180%	255%
10	47%	58%	70%	85%	270%	345%
11	106%	118%	120%	135%	405%	500%
12	118%	138%	135%	155%	535%	655%
13	150%	174%	170%	195%	645%	740%
14	207%	229%	225%	250%	810%	855%
15	258%	280%	280%	305%	945%	945%
16	311%	351%	340%	380%	1015%	1015%
17	383%	419%	415%	455%	1250%	1250%
All other	1250%	1250%	1250%	1250%	1250%	1250%

Table 4 amendments proposed by the ECB

Credit quality step	Senior tranche (position of originator as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402 or sponsor, or of investor in a securitisation compliant with Article 243(3))		Senior tranche (other positions of investor) (other positions)		Non-senior (thin) tranche	
	Tranche maturity (M _T)		Tranche maturity (M _T)		Tranche maturity (M _T)	
	1 year	5 year	1 year	5 year	1 year	5 year
1	Max (7%; 10%*K_A*12.5) 7% if compliant with Article 243(3) , otherwise 10%		Max (7%; 10%*K_A*12.5) 10%		15%	40%
2	Max (7%; 10%*K_A*12.5) 7% if compliant with Article 243(3) ,	10%	Max (7%; 10%*K_A*12.5) 10%	15%	15%	55%

	otherwise 10%					
3	10%	12%	15%	20%	15%	70%
4	10%	16%	15%	25%	25%	80%
5	12%	20%	20%	30%	25%	95%
6	20%	28%	30%	40%	60%	135%
7	23%	28%	35%	40%	95%	170%
8	31%	38%	45%	55%	150%	225%
9	38%	45%	55%	65%	180%	255%
10	47%	58%	70%	85%	270%	345%
11	106%	118%	120%	135%	405%	500%
12	118%	138%	135%	155%	535%	655%
13	150%	174%	170%	195%	645%	740%
14	207%	229%	225%	250%	810%	855%
15	258%	280%	280%	305%	945%	945%
16	311%	351%	340%	380%	1015%	1015%
17	383%	419%	415%	455%	1250%	1250%
All other	1250%	1250%	1250%	1250%	1250%	1250%

Text proposed by the Commission	Amendments proposed by the ECB
Amendment 30 Article 1, point (14)(d), of the proposed regulation (Article 264(3a) and (3b) of the CRR (new))	
‘(14) Article 264 is amended as follows: [...] (d) the following paragraphs 3a and 3b are inserted: “3a. For a position in senior tranche with CQS1, or CQS 2 with tranche maturity of 1 year, in a securitisation that complies with the criteria set out	‘(14) Article 264 is amended as follows: [...] (d) the following paragraphs 3a and 3b are inserted: “3a. For a position in senior tranche with CQS1, or CQS 2 with tranche maturity of 1 year, in a securitisation that complies with the criteria set out

Text proposed by the Commission	Amendments proposed by the ECB
in Article 243(3), the risk weight shall be calculated as follows: Max (5 %; 10% *K_A *12.5) 3b. When an institution is not able to use the formula set out in Table 4, because it is not able to calculate K_A, a risk weight of 10 % shall apply to the relevant exposure.”;	in Article 243(3), the risk weight shall be calculated as follows: Max (5 %; 10% *K_A *12.5) 3b. When an institution is not able to use the formula set out in Table 4, because it is not able to calculate K_A, a risk weight of 10 % shall apply to the relevant exposure.”;
<u>Explanation</u> <i>This amendment aligns with the ECB’s stance on SEC-SA set out above. The ECB does not support a risk weight floor formula and only supports a reduction of the risk weight floor and the p factor for originators as referred to in Article 2, point (3)(a), of the Securitisation Regulation.</i> <i>See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.</i>	
Amendment 31 Article 1, point (16a), of the proposed regulation (new) (Article 465(13) of the CRR)	
No text	<u>‘(16a) in Article 465, paragraph 13 is deleted;’</u>
<u>Explanation</u> <i>This amendment aims to remove the transitional arrangement for the calculation of floored risk-weighted exposure amounts on certain securitisation positions under the output floor. Due to the recalibration of the p factor for SEC-SA, this transitional arrangement is no longer needed.</i> <i>See paragraphs 13 and 14 of the ECB Opinion.</i>	