



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Template for comments

ECB Guide on the notification of securitisation transactions

Institution/Company

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General comments



EUROPEAN CENTRAL BANK
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Members of AFME, IACPM, TSI welcome the opportunity to respond to the ECB consultation on the draft ECB Guide. In Chapter 2 section 2.2, the ECB notes that “the Guide does not intend to introduce any new requirements”. However, Annex to the Guide that sets out a high-level list of items that will need to be notified to the ECB, does indeed introduce new requirements in this context (as we further discuss in our comments below).

We note that earlier in 2021, the EBA published a study on the cost of compliance with EU CRR supervisory reporting requirements (EBA/Rep/2021/15). Securitisation was ranked in the top 10 most costly reporting requirements. This study also referred to the general feedback that there are too many reporting requirements at the national and EU level, with many inconsistencies and overlapping requirements. This feedback does not take into consideration additional reporting complexities that SIs need to comply with under the SECR regime. In this context, we would question the merit of creating further overlapping information requirements and incurring additional costs for SIs through such reporting whose intention is to solicit information already accessible to the ECB, albeit in a different format and at different points in time. The European Commission is in the process of reviewing the functioning of the EU Securitisation Regulation with an emphasis on areas that create impediments and disincentives for growth of the securitisation market in Europe. Whilst no single reporting obligation has the effect of causing a significant impediment, the cumulative burden upon parties to a transaction arguably does.

Our members active in Significant Risk Transfer (SRT) securitisations note in particular that, under the “Public Guidance on the recognition of significant risk transfer” issued by the ECB in March 2016, SIs that intend to originate a securitisation for SRT purposes need to comply with the ECB SRT notification regime, aspects of which duplicate what the ECB proposes to introduce for notification of compliance with SECR Article 6-8. In particular, under the SRT notification requirements, SIs need to inform the ECB three months in advance of the expected closing date of a transaction by sending information regarding the potential transaction as prescribed in Annex I of the ECB public guidance (hereinafter referred to as “SRT Annex”), along with the details on the internal approval policies and process. In addition, after the initial SRT notification, the final SRT Annex information about the transaction, accompanied by the final transaction documentation, must be notified in accordance with the SRT Annex no later than 15 business days after the closing date. On a quarterly basis, the SIs are also required to notify certain other information prescribed by the SRT Annex and, in addition, to notify the ECB without undue delay of any event effecting or likely to affect the effectiveness of an SRT. This ECB’s SRT notification regime is already quite similar to what the ECB needs for the purposes of the supervision of compliance with Article 6-8 of SECR and it already applies on top of SECR and CRR/COREP requirements. Therefore, the ECB is invited to consider (i) updating the SRT Annex so that it captures any additional information that the ECB may need to supervise the SRT securitisation compliance with SECR and (ii) exempting the SRT securitisations from the new notification regime under the draft Guide. This will avoid duplicative ECB notification regimes being applied to SRT securitisations, which should only facilitate the effectiveness of the ECB’s supervision of SRT securitisations.

We would therefore ask that the ECB approaches the introduction of this new regime giving careful consideration to its potential impact, including costs-benefit analysis. (with regard to the latter, please also refer to the AFME response of September 2021 to the European Commission consultation on the review of the SECR regime, available at www.afme.eu).

We understand that the introduction of this new ECB notification regime is prompted by the fact that the regulatory reporting under the SECR and the CRR regimes is complex and different systems are used to make information available, which makes supervision of compliance challenging – i.e. it is not a question of the lack of access to the relevant information (which the ECB has or can have) and it is not a question of whether or not the securitisation uses a securitisation repository. Therefore, our members feel strongly that the design of the regulatory reporting for securitisations required under the SECR and the CRR should be amended so that it is fit for purpose also from the perspective of regulatory supervision – this will ensure that regulators like the ECB do not need to introduce any other template-based reporting/notification regime. The industry would welcome further dialogue on this with the ECB and the European Supervisory Authorities in the context of the ongoing review of the SECR and the review of the prudential treatment of securitisation.

We also highlight concerns from members covering the following matters raised in the Guide; (1) The 2-week deadline for delivery of the ECB initial notification is out of cycle to all other reporting obligations prescribed in the various regimes and is practically unworkable. (2) The timing of the delayed publication of the draft template (being 17 December 2021, a few weeks after the launch of the consultation) is unfortunate and unnecessarily complicated the coordination of the industry responses. The comments on the draft template collated so far are noted in this response and are also set out in the draft template that we separately attach. If we receive further comments on the draft template, we will bring them to the attention of the ECB. (3) Finally, with regard to the application of the new ECB notification regime in the context of ABCP transactions and ABCP programmes, it is difficult to get a full and clear picture as to what the ECB expects to receive and when, given limited information included in the draft Guide itself in relation to ABCP-related matters. For example, at the ABCP programme-level, a more tailored and simplified one-off notification will be more appropriate, because many of the line items proposed in the Annex and the draft template should not be applicable for notification at the ABCP programme-level. We would therefore invite the ECB to hold a separate roundtable with the industry in order to develop a separate template and a clear set of notification requirements and instructions for ABCP transactions and ABCP programmes that SIs can meet in practice.

Template for comments

ECB Guide on the notification of securitisation transactions

Please enter all your feedback in this list.

When entering feedback, please make sure that:

- each comment deals with a single issue only;
- you indicate the relevant article/chapter/paragraph, where appropriate;
- you indicate whether your comment is a proposed amendment, clarification or deletion.

Deadline: 5/1/2022

ID	Chapter	Section	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data
1		na	2	Clarification	SIs in-scope of the Guide: We note that in-scope SIs, as explained in footnote 1, are those as defined in Art 2(16) of Regulation (EU) No 468/2014 and that the relevant definition states that “‘significant supervised entity’ means both (a) a significant supervised entity in a euro area Member State; and (b) a significant supervised entity in a participating non-euro area Member State”. We understand that this means that only SIs (on standalone basis) that appears on the ECB’s list of supervised entities, as updated from time to time (linked here), are in-scope of the Guide and not third country subsidiaries which are part of an SI group supervised by the ECB. We will be grateful if the ECB would confirm this.	Instead of a cross-reference to the relevant defined term in a footnote, it will be more helpful to include a clarification with a link to the ECB website where the list of the relevant SIs is published.	Baddeley, Shaun	Publish

2	na	2	Amendment	<p>The proposed date of application of the new Guide – [1 April 2022]: The proposed date for when the new Guide will come into effect being 1 April 2022 is potentially problematic if the new notification regime (which is out of cycle to other SECR and CRR/SRT/COREP reporting obligations) is not simplified and implemented with the introduction of an onerous template that will require new processes being put in place and the development of new IT systems by SIs in order to be ready to meet the new ECB notification requirements in a consistent manner with reporting requirements under SECR and CRR/SRT/COREP.</p> <p>It is therefore necessary that the ECB approaches the introduction of this new regime in a proportionate manner and does not rush with putting it in place without careful consideration of its impact, including costs-benefit analysis and considers giving the SIs up to a year (till 1 April 2023) so that the industry has the time to get ready for complying with the new ECB notification requirements. The delay of the date of application is needed for public and private securitisations or, at the very least, more time should be given to private securitisations before they become subject to the application of the new ECB notification requirements. With regard to the latter, we note the ongoing debate on possible recalibration of transparency requirements for certain private securitisations and ECB’s response to the European Commission consultation on SECR review in which the ECB acknowledged that “investors participating in single private transactions tend to be sophisticated... and require data disclosures that go beyond those prescribed by [SECR]” and noted that the ECB would welcome assessment of the data disclosure requirements for private securitisations.</p>	<p>Three months for the implementation of the new ECB reporting requirements is not sufficient and disproportionate, unless the notification regime is significantly simplified.</p>	Baddeley, Shaun	Publish
3	Chapter 1	na	2	Clarification	<p>Notification of pre-[1 April 2022] securitisations: Footnote 3 in the Scope section notes that on, a case-by-case basis, the ECB will request information with respect to securitisations originated before [1 April 2022], but stops short of clarifying whether in such cases the use of ECB notification template will also be required or whether ECB, on a case-by-case basis, will be confirming to the relevant SIs in what format and what level of detail will need to be provided to the ECB on pre-[1 April 2022] securitisations. We would caution the ECB against applying template-based notification requirements to legacy securitisations that could not have contemplated at the time of closing the need to comply with the ECB notification regime and request that the ECB provides further clarification on this issue.</p>	Baddeley, Shaun	Publish

	4 Chapter 1		2	Clarification	<p>Future updates to the Guide: The Scope section notes that the Guide will be updated from time to time to reflect developments in the regulation and supervision of securitisations. SECR is already highly complex and demanding regulatory regime and the introduction of the ECB notification regime adds additional layer of complexity. We request that the ECB provides some comfort on how changes to the Guide will be approached and clarifies that the ECB will consult with the industry before changes to the Guide are introduced and come into effect, in particular, if material changes are being made or new requirements are being added to the Guide. This is needed because the industry should be given an opportunity to provide a meaningful input on the proposed changes that will ensure that they can be met in practice and that the industry has sufficient time to prepare for the changes. Therefore, transitional provisions may be required and/or additional time may be needed in order for SIs to implement any required changes.</p>	<p>This clarification will help SIs to have more certainty on how changes to the Guide will be implemented by the ECB. Sudden changes (in particular material changes) to the Guide can cause market disruption, give rise to unnecessary burdens and increased costs and, without proper consultation with the industry, may be difficult to meet in practice.</p>	Baddeley, Shaun	Publish
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	5 Chapter 3	The notification	5	Amendment	<p>Proportionate approach is needed to the initial notification requirements; consideration should be given to the exemption of SRT securitisations from the new notification regime: We note that the ECB acknowledges that data collected by SRs on public securitisations facilitates the supervision of compliance with Art 6-8 and goes on to note that nevertheless supervision would benefit from SIs providing more focused information, in particular a transaction overview. As noted in our General Comments above, we understand that the introduction of this new ECB notification regime is not prompted by the lack of access to the relevant information, but by complexity of regulatory reporting, which is not fit for the purpose of regulatory supervision.</p> <p>Nevertheless, we do consider that the ECB's approach to the new notification regime under SECR is disproportionate and should be simplified, bringing information required by the ECB more closely in line with how and when similar/same information is made available under SECR (while taking into consideration information already reported under CRR/SRT/COREP). We also invite the ECB to consider providing an exemption for SRT securitisations.</p> <p>By way of background, public securitisations are already subject to enhanced disclosure and reporting requirements under SECR and other regimes (including the EU Prospectus Regulation requirements that prescribe disclosures on SECR compliance with risk retention, STS) and all deal information and reporting on public securitisations is easily accessible by the ECB and other competent authorities via SRs. Private securitisations, whilst not required to report via SRs, often use a secure website for making Article 7 information available to investors as well as to relevant regulators. In the case of private SRT transactions, information is sent via email to both investors and supervisors, including the ECB. As discussed in more detail in the General Comments above, we propose that SRT securitisations are exempt altogether from the new notification regime and that instead the ECB's SRT Annex is amended so</p>	<p>ECB approach should be more proportionate and more in line with SECR in terms of what information is made available and when (while taking into account what is already being reported under CRR/SRT/COREP). SRT securitisations should be exempt from the new notification regime, the ECB should consider instead amending, as appropriate, its existing SRT notification regime to facilitate supervision under a single regime of both SRT and SECR compliance to avoid duplication and unnecessary burdens.</p>	Baddeley, Shaun	Publish
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	6 Chapter 3	The notification	5	Clarification	<p>The draft template and absence of the technical detail on the submission process: As noted in the General Comments, the timing of the delayed publication of the draft template (being 17 December 2021, a few weeks after the launch of the consultation) is unfortunate and unnecessarily complicated the coordination of the industry responses. The comments on the draft template collated so far are noted, where relevant, in this response and are also set out more fully in the draft template that we separately attach. If we receive further comments on the draft template, we will bring them to the attention of the ECB.</p> <p>In general, we would note that the draft template lacks guidance on how various fields are expected to be completed (for example, whether in some fields simple "yes" or "no" answer would suffice or whether additional detail is needed). Therefore, if the ECB is working on further technical details on the submission process, it will be helpful if such further details were published as soon as possible.</p> <p>Also, as further discussed in our comments (ID:11) below, clarification is needed with regard to who can submit the completed template to the ECB, bearing in mind the ability to appoint a reporting entity and third party agents to facilitate compliance under the SECR regime, which is especially the case in transactions where multiple originators designate a common agent.</p>
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Please refer to separately attached draft template for further comments.

Baddeley, Shaun	Publish
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	7 Chapter 3	Timeliness of the notification	5	Amendment	<p>Interpretation of the "date of origination": Footnote 7 clarifies how to interpret the "date of origination". In this regard we would note that "traditional securitisation" may not always involve the issue of securities (eg as may be the case in certain warehouse arrangements). In the case of certain synthetic securitisations, there may be no discrete credit protection agreement, but there is an issue of securities.</p> <p>Therefore, instead of prescribing a new set of interpretation provisions in the Guide and the draft template, it is best to apply the same concepts/interpretation as already exist under the SECR regime.</p> <p>While we note that footnote 7 says that ECB interpretation is in line with Article 43(9) of SECR, this is incorrect as SECR does not provide for separate interpretation/definition of what the date of origination should mean for different types of securitisations and instead generically refers (for the purposes of grandfathering provisions) to the fact that where securitisations do not involve the issue of securities, such references are deemed to mean the creation of initial securitisation positions.</p> <p>We would separately note that SIs currently have to consider the relevant time of origination for the purposes of application of the risk retention and, if applicable, STS requirements. The risk retention RTS that apply under the transitional provisions of SECR (ie pre-2019 CRR retention RTS, Regulation (EU) 625/2014) includes guidance that "origination shall be considered as the time at which the exposures were first securitised". The EBA consultation on the recast retention RTS of June 2021 proposed to include additional guidance in Article 10 of the draft RTS on this concept. Therefore, for the sake of consistency of the Guide with the SECR regime, the Guide should not introduce new interpretation provisions and should instead confirm that the "date of origination for these purposes shall be considered as the time at which the exposures were first securitised in accordance with the application of the SECR regime to that securitisation".</p>	<p>Proposed interpretation, even though it is noted to be in line with SECR, does not fully reflect different scenarios and may lead to confusion. There must be consistent interpretation of the Guide with the SECR regime.</p> <p>More clarity on the application of the Guide in the ABCP context (ideally further dialogue between the industry and the ECB) is needed. Ideally, the industry needs a separate template with proportionate approach to ABCP transaction/programme notifications.</p>	Baddeley, Shaun	Publish
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	8 Chapter 3	Timeliness of the notificatio	5	Amendment	<p>2-week deadline for the initial notification: Firstly, the Guide refers to the initial notification to be provided (emphasis added) “within two weeks of the date of origination”. This should be amended to refer to “after” instead of “within” to make it clear that no obligation to notify arises before the relevant date of origination. Secondly, the 2-week deadline for the initial notification will be difficult (if not impossible) to meet on most securitisations if highly prescriptive and detailed template is applied by the ECB.</p> <p>For example, members raised concerns that meeting this deadline will be impossible in the case of multi-seller ABCP conduits, but other type of securitisations will also find it practically difficult to meet this deadline. In this regard, it should be remembered that there is a significant overlap between what the ECB wants to receive in the initial notification and what is required to be reported under Article 7 transparency regime (eg template-based loan-level and investor reporting) and the CRR/SRT/COREP reporting regime. However, such reporting would not have been prepared within 2-week deadline.</p> <p>For example, under the SECR:</p> <ol style="list-style-type: none"> 1. on STS transactions only, it is mandatory, at the latest 15 days after closing, to make available to investors the final documentation (ie transaction documents, transaction summary, STS notification that was previously disclosed pre-pricing in draft form but NOT loan-level or investor reporting); and 2. on all securitisations it is mandatory to make template-based loan-level and investor reporting at least quarterly for non-ABCP (and monthly for ABCP). <p>Therefore, 2-week deadline for ECB notification is out of cycle to other reporting obligations, which will make it difficult to use such other reporting to replicate relevant information in the ECB notification template (eg COREP reporting is done later and COREP identifiers may not always be available within 2-week deadline).</p> <p>We also note that the Guide states on page 4 in Chapter 2 section 2.2 that “the Guide does not intend to introduce</p>	Amendment is needed to refer to “after” instead of “within” for the purposes of legal certainty. In addition, amendment is needed because the 2-week deadline will be extremely difficult (if not impossible) to meet in practice on most securitisations.	Baddeley, Shaun Publish
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9	Chapter 3	Information to be provided during the life of the transaction	6	Clarification	<p>Notification of material changes/events: The Guide requires notification without undue delay throughout the life of the transaction of any material event or change. This appears to be aimed at addressing the same policy concerns as already covered under the SECR transparency regime. As such, this ECB ongoing notification requirement overlaps with Article 7(1)(f) (inside information reporting) and Article 7(1)(g) (significant event reporting), which will capture disclosure and reporting on an ongoing basis of all material changes and events that may relate to compliance with Articles 6-8 or other provisions of the SECR regime more generally. However, the ECB does not cross-refer to these Article 7 obligations and instead provides for widely drafted requirement which implies that it may go beyond what is required under SECR (which will also go against the ECB statement in the draft Guide that it does not intend to introduce new requirements).</p> <p>It should also be noted that ESMA's interpretation on the application of Article 7 reporting regime requires that, apart from ad hoc reporting without delay of inside information and/or significant events under Article 7(1)(f) and/or (g), such reporting must also be provided each reporting period simultaneously with the updated loan-level data and investor reporting. It means that each quarter (or each month if public or private securitisation has monthly IPDs and adopted monthly reporting), Article 7 reporting is provided on updated loan-level data, investor reporting and significant event reporting (or, though more rare in practice, inside information reporting).</p> <p>Therefore, the ECB should accept Article 7(1)(f) and/or Article 7(1)(g) reporting for the purposes of ongoing notification to the ECB about material changes or events and delete widely drafted reference to "any material event</p>	<p>The Guide should properly consider and clarify how it is taking into account the application of the existing transparency requirements on inside information and/or significant even reporting under Article 7(1)(f) and (g) of SECR to avoid creating new requirements that are out of step with the application of the SECR regime.</p>	Baddeley, Shaun	Publish
10	Chapter 3	na	5	Clarification	<p>Multiple notifications required if multiple SIs involved in the same securitisation? As further discussed in our comment ID:24 below, a clarification is needed as to whether multiple notifications are required in relation to the same securitisation where it involves multiple SIs (eg multiple SI originators) or whether it is possible to submit a single notification. As far as possible, unnecessary duplicative notifications in relation to the same transaction should be avoided.</p>	<p>This clarification is needed to avoid unnecessary duplicative reporting on the same securitisation involving multiple Sis</p>	Baddeley, Shaun	Publish

11	Chapter 3	na	5	Amendment	Who can submit the ECB notification: We request that the Guide is amended with a new section in Chapter 3 clarifying who can submit the ECB notification. In this regard we note that while under SECR Article 7 transparency regime the SI is directly responsible for compliance, it is possible on both public and private securitisations to appoint a reporting entity and third party agents to facilitate compliance, including submission of relevant information including reporting templates onto a securitisation repository or other relevant website/platform used for the purposes of Article 7, as applicable. Therefore, this should be taken into account when making amendments to the Guide and this should be reflected accordingly in the technical details, when these are published.	Amendment is needed to clarify who can make the ECB notification bearing in mind the ability to appoint a reporting entity and third party agents to facilitate compliance under the SECR regime, which is especially the case in transactions where multiple originators designate a common agent.	Baddeley, Shaun	Publish
12	Chapter 4	Informal Exchange of views	7	Clarification	Dialogue before the origination: We welcome the ECB's openness to have a dialogue and informal exchange of views with SIs. However, references to the exchange of views taking place before the origination of a securitisation are unclear, given that the securitisation would not have been yet notified to the ECB in accordance with the Guide. It would therefore be helpful to include a clarification whether this statement is only relevant to securitisations seeking to achieve SRT where SIs may be engaged in a dialogue with the ECB in the early stages of the transaction or whether the ECB has something else in mind here.	This clarification will help SIs to have more certainty on the application of the requirements of the ECB notification regime.	Baddeley, Shaun	Publish
13	Annex Section A		8	Amendment	COREP identifiers: We refer to our comment ID:8 above and note that COREP may not always be available.	Same as ID:8 comment above.	Baddeley, Shaun	Publish
14	Annex Section A		8	Deletion	Paragraph 3(c) – type of transaction – SRT status: We refer to our comment in ID:5 above that SRT securitisations should be exempt from this new notification regime. [We would also note that, under the SECR regime, SRT status is not required to be reported for the purposes of compliance with risk retention, transparency or ban on resecuritisation. SRT-related reporting is already separately provided to the ECB under CRR/SRT/COREP reporting regime. Therefore, the inclusion of notification on the SRT status goes beyond the SECR requirements and introduces unnecessary duplication and overlap with a separate reporting regime under the CRR.	Regulatory supervision of the same securitisation for SRT and SECR purposes will be better accommodated under a single notification regime, therefore, SRT securitisations should be exempt from the new regime. [Separately, notification of SRT status goes beyond supervision of compliance with risk retention, transparency and ban on re-securitisation and introduces a new reporting obligation that is out of step with what is required under the SECR regime while creating duplication of what is already reported by SIs under CRR/SRT/COREP.	Baddeley, Shaun	Publish

15	Annex Section B		9	Amendment	Paragraph 1 – underlying exposures (non-ABCP transaction): It is unclear why it is required to include information on underlying exposure “based on the dominant asset class”. In the case of certain mixed portfolios, there may not be a single dominant asset class and, in any case, loan-by-loan reporting is required under SECR for each relevant asset type. Therefore, in line with how reporting is provided on the underlying exposures under SECR, it is appropriate to amend this section so that all applicable asset classes identified for the purposes of loan-by-loan reporting under SECR are confirmed in the ECB notification.	This amendment is needed so that the ECB notification on the underlying asset classes is in line with SECR loan-by-loan reporting.	Baddeley, Shaun	Publish
16	Annex Section B		9	Amendment	Paragraph 3 – underlying exposures (ABCP transaction) As noted in the General Comments above, with regard to the application of the ECB notification regime in the context of ABCP transactions and ABCP programmes, it is difficult to get a full and clear picture as to what the ECB expects to receive and when, given limited information included in the draft Guide itself in relation to ABCP-related matters. We would therefore invite the ECB to hold a separate roundtable with the industry in order to develop a separate template and a clear set of notification requirements and instructions for ABCP transactions and ABCP programmes that SIs can meet in practice.	More clarity on the application of the Guide in the ABCP context (ideally further dialogue between the industry and the ECB) is needed. Ideally, the industry needs a separate template with proportionate approach to ABCP transaction/programme notifications.	Baddeley, Shaun	Publish
17	Annex Section B		10	Clarification	Paragraph 4 – portfolio in ramp-up phase: It is not clear why this information needs to be notified and what the ECB means by it. If it is intended that this corresponds to a particular piece of information reported under Article 7, please clarify.	Unclear line item, clarification on its meaning is needed.	Baddeley, Shaun	Publish
18	Annex Section B		10	Clarification	Paragraph 5 – jurisdiction of loans: It is not clear what information is expected to be reported. Please note that some underlying assets may not be loans (eg trade receivables). In addition, Article 7 reporting templates contain different fields aimed at identifying jurisdiction of collateral, obligors and governing law of the underlying exposure agreement. If it is intended that this corresponds to a particular piece of information reported under Article 7, please clarify.	Unclear line item, clarification on its meaning is needed.	Baddeley, Shaun	Publish
19	Annex Section C		10	Deletion	Paragraph 1 – final legal and expected maturity of securitisation positions: Certain information on securitisation positions, including final legal maturity, will be reported under Article 7 templates. However, expected maturity is not required to be reported. Given that the ECB noted on page 4 in Chapter 2 section 2.2 that “the Guide does not intend to introduce any new requirements”, the requirement to notify expected maturity should be deleted.	Notification of expected maturity date goes beyond what is required to be reported under the SECR regime.	Baddeley, Shaun	Publish

20	Annex Section C		10	Deletion	Paragraph 2 – number of tranches kept/sold etc: The Guide notes on page 4 in Chapter 2 section 2.2 that “the Guide does not intend to introduce any new requirements”. However, the requirement to notify the number of securitisation tranches that are kept/sold that have or do not have eligible credit protection goes beyond what is already required to be reported under SECR.	Notification of these details goes beyond what is required to be reported under the SECR regime.	Baddeley, Shaun	Publish
21	Annex Section C		10	Deletion	Paragraph 4 – level of risk retention: To avoid the introduction of unnecessary burdens and the addition of new style of reporting on risk retention, it would be helpful if the ECB notification on retention mirrored as much as possible what is already being reported under prescribed investor reporting templates under SECR Article 7 regime. Therefore, this line item should be deleted. This is because confirmation of the modalities of risk retention prescribed in item 6 of this Section C and a confirmation of compliance with risk retention as required in Section D of the Annex would in themselves provide a confirmation that at least 5% of a material net economic interest has been retained and a separate confirmation.	Notification of the level of risk retention goes beyond what is required to be reported under SECR. Retention of at least 5% as required under SECR is self-evident from other items in the proposed Annex.	Baddeley, Shaun	Publish
22	Annex Section C		10	Clarification	Paragraph 10 – ban on resecuritisation/Art 8(4) – ABCP programme: This is the only item in the Annex that expressly confirms that for ABCP programme information on the credit enhancement needs to be notified. The rest of the Annex does not differentiate in sufficient detail what needs to be notified on an ABCP transaction vs ABCP programme. As noted in the General Comments section, it is difficult to get a full and clear picture as to what the ECB expects to receive on ABCP transactions and ABCP programmes and when, given limited information included in the draft Guide in relation to ABCP-related matters. We would therefore invite the ECB to hold a separate roundtable with the industry in order to develop a separate template and a clear set of notification requirements for ABCP transactions and ABCP programmes that can be met in practice by the SIs.	More clarity on the application of the Guide in the ABCP context (ideally further dialogue between the industry and the ECB) is needed. Ideally, the industry needs a separate template with proportionate approach to ABCP transaction/programme notifications.	Baddeley, Shaun	Publish

23	Annex Section D		10-11	Deletion	<p>Paragraph 1 – Written confirmation of compliance – new certification regime is unduly burdensome: We note that the draft template does not provide any guidance on how the written confirmation should be framed and whether there are any signature requirements, it only clarifies that it needs to be provided “as attachment”. However, regardless of the lack of such guidance, the introduction of this new “certification regime” is unduly burdensome and arguably creates further duplication with what SIs are required to report and explain in this new ECB template with regard to how they achieve compliance with Articles 6-8 of SECR.</p> <p>As a general point, we note that SIs are required to comply with many applicable to them laws and regulations, not just the SECR regime. Disclosures, undertakings, representations and warranties included in the relevant transaction documents are there to address compliance with the SECR regime by all relevant transaction parties, not just SIs, and this information is made available to investors and EU regulators. SIs, as parties to such transaction documents, thereby already confirm their compliance with applicable SECR requirements. Therefore, it is unclear why a separate written notification regime needs to be introduced by the ECB. The duplicative nature of the written confirmation is very clear. For example, a requirement to confirm in the written certification how Article 7 information is made available creates another duplication within the ECB notification itself. That is, paragraphs 8 and 9 of Section A of Annex and corresponding fields in the draft template already require SIs to state the name of the SR used, if applicable, or, for private securitisation, other relevant details on how to access deal information. Similarly, written confirmation with regard to compliance with risk retention will simply confirm the same explanation that is already required to be provided in the draft template. Therefore, this section of the notification template should be deleted.</p> <p>If this section is not deleted, the industry should be consulted on the technical details of the template. If this</p>	<p>The introduction of the new certification regime is unduly burdensome and unnecessary.</p>	Baddeley, Shaun	Publish
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24	Annex Section D	11	Deletion	<p>Paragraph (a) – written confirmation of compliance with risk retention if multiple parties involved – whether single or multiple notifications are required on a securitisations involving multiple SIs:</p> <p>If Section D is deleted, as we request above, which would be our preferred outcome, it will nevertheless be needed, as we note in our comment ID:10 above, that the ECB clarifies elsewhere in the Guide as to how the notification must be made if multiple SIs are involved as sell-side parties in the same securitisation.</p> <p>If it is intended that the written confirmation of compliance with risk retention is only relevant for SIs (and non-SIs acting as originators or sponsors are exempt from the application of the Guide), then it needs to be clarified and confirmed whether each SI acting as originator or sponsor in relation to the same securitisation must submit a separate notification to the ECB or whether it is possible to submit a single notification in relation of a single securitisation. We note from the draft template that the written confirmation section includes guidance notes that such confirmation must be provided as attachment and that “in the case of multiple originators, the confirmation of compliance is expected by each originator”. However, this guidance is not sufficient to clarify the points that we raise in this comment.</p> <p>In this regard, the ECB should, as far as possible, avoid requiring unnecessary duplicative notifications in relation to the same securitisation by multiple SIs. This is also another reason why, Section D should be deleted. That is, if no written certification of compliance is needed in the initial notification template, it will be much easier in practice to complete a single initial notification for the same securitisation involving multiple SIs.</p>	<p>Multiple duplicative notifications in relation to the same securitisation where more than one SI may be acting as originator or sponsor should be avoided. More clarity is needed on how the notification regime should apply in such scenario. More clarity on the scope more generally (ie whether the notification is required to cover compliance of non-SIs involved) is also needed.</p>	Baddeley, Shaun	Publish
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25	Annex Section D	11	Deletion	<p>Paragraph 1(b)(i) – Article 7 written confirmation – reference to Table 3 of Annex I of Art 7 RTS: Given that ECB notification applies to both public and private securitisations, it is not appropriate to refer in this paragraph to confirmation of compliance by reference to Table 3 of Annex I of Delegated Regulation (EU) 2020/1224 (Art 7 RTS). This is because Table 3 of Annex I is only relevant for public securitisations and does not capture additional transparency requirements applicable to private securitisations, such as disclosure of a transaction summary under Article 7(1)(c). We would also note that the confirmation of compliance in this paragraph requires that the relevant SI confirms in its entirety (including all applicable reporting) within 2-week deadline even though at that stage on a new securitisation only pre-pricing disclosures of core transaction documentation and, if relevant, STS notification and transaction summary would have been provided. At the stage of the initial notification, there would not be normally any template-based loan-level data and investor-reporting or inside information and/or significant event reporting provided. Therefore, this is another reason why this Section D should be deleted as we request above. If it is not deleted, any certification in the initial notification should only require to simply confirm compliance with Article 7 requirements, as applicable, as at the date of the initial notification to the ECB.</p>	<p>Incorrect reference to Table 3 of Annex I of Art 7 RTS is included, it is not in line with the SECR regime given that the Guide is intended to apply to both public and private securitisations.</p> <p>At the date of the initial notification, it is not possible to certify that information required under Article 7 (including template-based reporting) is made available, because such reporting is provided at the later stage of the transaction during its monthly or quarterly reporting periods.</p>	Baddeley, Shaun	Publish
26	Annex Section D	11	Deletion	<p>Paragraph 1(b)(ii) and 1(b)(iii) – Article 7 written confirmation – reference to how information made available: A requirement to confirm how Article 7 information is made available creates another duplication within the ECB notification itself. That is, paragraphs 8 and 9 of Section A of Annex already require SIs to state the name of the SR used, if applicable, or, for private securitisation, other relevant details on how to access deal information. It is unclear why a repetition of this information is also necessary in this section. Therefore, this is another reason why this section should be deleted.</p>	<p>This requirements is an unnecessary duplication of information already provided elsewhere in the ECB template.</p>	Baddeley, Shaun	Publish

27	Annex Section D		11	Deletion	<p>Paragraph 1(b)(iv) – Article 7 written confirmation - confirmation that information provided reflects actual arrangements: It is unclear why it is necessary to separately confirm that information provided “reflects actual arrangements and features of the securitisation”. There is nothing in the Article 7 regime itself to support any need for the inclusion of this sort of confirmation and if any confirmation on Article 7 compliance is to be provided at all, a simple confirmation to that effect, without additional requirements like this one should be sufficient. As this goes beyond what is required under Article 7 and given that the ECB noted on page 4 in Chapter 2 section 2.2 that “the Guide does not intend to introduce any new requirements”, this requirement should be deleted.</p>	<p>This requirement goes beyond what is required under Article 7 and should be deleted.</p>	Baddeley, Shaun	Publish
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	28 Annex Section D	11	Deletion	<p>Paragraph 3 – Assessment of internal policies and procedures –general comments: We note that the draft template does not provide any guidance on how the assessment of internal policies, processes and procedures should be framed and whether there are any signature requirements, it only clarifies that it needs to be provided “as attachment”. Therefore, additional guidance and clarification is needed on this.</p> <p>However, as a general point, we think it is appropriate to delete this requirement from this section and instead to incorporate the SI reporting to the ECB on the assessment of internal policies and procedures of compliance with Articles 6-8 of SECR as part of the wider monitoring regime exercised by the ECB in relation to SIs. For example, internal policies and procedures can be just sent to the ECB - as currently envisaged in the SRT notification regime - but without a specific assessment. The rationale for this is this – internal policies should have already passed an internal assessment process within the SI, so it is not clear why an additional endorsement should be needed for the purposes of the ECB notification.</p> <p>If this requirement were to be introduced, SIs would need more time to prepare for this new notification regime. In this regard, the effective date of 1 April 2022 proposed in the draft Guide will not provide SIs with sufficient time to prepare. We would therefore request that the ECB provides for a longer timeframe for provisions of assessment of internal policies and procedures. For example, by providing that SIs will have to comply with this requirement by [April 2023]. Concerns were also raised that the required involvement of senior management, including the board, is disproportionate and should be removed from this notification requirement. Alternatively, as noted above, we can propose that internal policies and procedures are sent to the ECB - as currently envisaged in SRT notification regime - but without a specific assessment.</p>	<p>The form in which the assessment of internal policies and procedures is required to be provided needs clarification. The ECB should also allow more time for SIs to prepare for this new notification regime.</p>	Baddeley, Shaun	Publish
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29	Annex Section D	11	Deletion	<p>Paragraph 3 – Assessment of internal policies and procedures – confirmation every two years: As noted in our comments immediately above, it is unclear how re-confirmation of assessment of internal policies and procedures every two years aligns with existing monitoring of ECB-regulated SIs and whether this creates a new additional obligation or intended to be part of the wider monitoring regime. This needs to be clarified and, as far as possible, coordinated with the wider monitoring regime avoiding the creation of unnecessary administrative burdens. Also, as per our comments immediately above, alternative approach would be, as currently required under the ECB SRT notification regime, to simply require that internal policies and procedures (without assessment) are sent to the ECB.</p>	<p>Clarification needed because of potential overlap with the wider supervisory monitoring of SIs.</p>	Baddeley, Shaun	Publish
30	Annex Section D	11	Amendment	<p>During life of the transaction – notification of material changes/events requires consideration of Art 7(1)(f) and (g): We propose that instructions/template on ongoing reporting are set out in a separate section. We also refer to our comments on consideration of application of Article 7(1)(inside information reporting) and Article 7(1)(g) (significant event reporting) in ID: 9 above.</p>	<p>Same as ID:9 comment above.</p>	Baddeley, Shaun	Publish