

Consultation Paper

On the securitisation disclosure templates under Article 7 of the
Securitisation Regulation

Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in the Annexes. Comments are most helpful if they:

- respond to the question asked;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider or comment to specific questions irrespective of the preferred option.

ESMA will consider all comments received by **15 March 2024**.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Consultations'.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. Even where a response is marked confidential, it might still be made available to persons who submit a request under ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading '[Data protection](#)'.

Who should read this paper?

This Consultation Paper may be of particular interest to securitisation investors/potential investors, securitisation issuers/originators, market infrastructures, securitisation repositories, credit rating agencies as well as public bodies involved in securitisations (market regulators, resolution authorities, supervisory authorities, central banks and standard setters).

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1 Executive Summary

Reasons for publication

In October 2022 the European Commission published a report on the functioning of the Securitisation Regulation, identifying a number of targeted improvements in its functionality.

Among the areas marked for improvement, the European Commission recognised the necessity for a series of measures to improve the functioning of the transparency requirements and invited ESMA to review the technical standards pertaining the disclosure framework.

Given the diverse array of topics within the disclosure framework and their intersection with a wide range of interests across the market, ESMA is launching this consultation to gather evidence regarding the costs and benefits associated with pursuing different approaches to address the review.

Content

The Consultation Paper aims to provide an in-depth overview of the background leading to the European Commission's invitation for a review of the disclosure framework and presents several options for the way forward.

Section 3 describes the background behind the review. This section outlines the key milestones in the history of the disclosure framework (section 3.1) and the evolution of this regulatory landscape. It proceeds to delve into an analysis of the European Commission's report on the functioning of the Securitisation Regulation, in relation to two critical areas, namely transparency requirements and private securitisation requirements (section 3.2). Section 3.3 provides insight into ESMA's engagement with a diverse set of stakeholders following the recommendation to review the disclosure framework and includes relevant considerations on why ESMA believes that further evidence should be collected before undertaking a comprehensive review of the technical standards.

The following chapters of the Consultation Paper provide a description of the four policy options proposed by ESMA:

- Option A (Section 4) proposes to put on hold the review of the templates until further changes to the Level 1 text
- Option B (Section 5) suggests maintaining the current framework with the introduction of few amendments;
- Option C (Section 6) focuses on a targeted review aimed at streamlining the disclosure templates and developing a dedicated template for private securitisation;
- Option D (Section 7) proposes a thorough review of the disclosure templates, aiming at a fundamental simplification of the framework.

Next Steps

ESMA will consider and assess the feedback received to this consultation to choose the best way forward for the revision of the disclosure framework in line with the requirements of the SECR. ESMA will also consider the feedback from stakeholders on possible other combinations of the various proposals as a way forward.

2 References and Abbreviations

Legal References

Securitisation Regulation	Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EC and Regulations (EC) no 1060/2009 and (EC) no 648/2012
Disclosure RTS	Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE
Disclosure ITS	Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE
Draft JC RTS on sustainability-linked disclosures for STS securitisation¹	Draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures pursuant to Article 22(4) and 26d(4) of Regulation (EU) 2017/2402
SR Operational standards RTS	Commission Delegated Regulation (EU) 2020/1229 of 29 November 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on securitisation repository operational standards for

¹ For the purposes of this Consultation Paper, ESMA presumes the published RTS will be as set out in Annex III to the Joint Consultation Paper on STS securitisations-related sustainability disclosures.

data collection, aggregation, comparison, access and verification of completeness and consistency

Market Abuse Regulation (MAR)

Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)

NPL Directive

Directive (EU) 2021/2167 of the European Parliament and of the Council of 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU

RTS on disclosure requirements for structured finance instruments

Commission Delegated Regulation (EU) 2015/3 of 30 September 2014 supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards on disclosure requirements for structured finance instruments

SFDR (Sustainable Finance Disclosure Regulation)

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

Abbreviations

ABCP	Asset-Backed Commercial Paper
ABS	Asset-Backed Securities
CP	Consultation Paper
CRA	Credit Rating Agency
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
EEA	European Economic Area
ESAs	European Supervisory Authorities
ESMA	European Securities and Markets Authority
ESMA Regulation	Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC, as amended.
ESRB	European Systemic Risk Board
EU	European Union
ITS	Implementing Technical Standards
JCSC	European Supervisory Authorities' Joint Committee Securitisation Committee
NCA	National Competent Authority
ND	No-Data Options as defined under Article 9 of the Disclosure RTS.
Private Securitisation	A securitisation referred to in the third subparagraph of Article 7(2) of the Securitisation Regulation, namely a securitisation "where no prospectus has to be drawn up in compliance with Directive 2003/71/EC".
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be

	published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
RMBS	Residential Mortgage-Backed Securities
RTS	Regulatory Technical Standards
SSPE	'Securitisation Special Purpose Entity' as per the definition within Article 2(2) of Regulation (EU) 2017/2402 – the Securitisation Regulation
SECR	Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (the 'Regulation')
SR	Securitisation Repository
SSM	Single-Supervisory Mechanism function within the European Central Bank

3 Background

3.1 The securitisation disclosure framework

1. The Securitisation Regulation (SECR) was published in the Official Journal of the EU in December 2017 and became applicable as of 1 January 2019 to securitisation products. The SECR provides the provisions applicable to the main parties involved in a securitisation transaction and notably includes due diligence, risk retention and transparency requirements. Additionally, it lays out the criteria for identifying transactions that qualify as simple, transparent, and standardised (STS) securitisations.
2. Article 7 of SECR sets out the transparency requirements for all types of securitisations. These requirements include the disclosure of information related to the structure of the securitisation transaction, the underlying exposures, and the performance of the transaction.
3. According to Article 7 of the SECR, reporting entities (Originator, Sponsor and/or Securitisation Special Purpose Entity (SSPE)) are required to submit various transaction documents and data on the underlying exposures, investor reports, as well as inside information or significant events. Additionally, data related to securitisation transactions that have drawn up a prospectus in compliance with Regulation (EU) 2017/1129 (the 'Prospectus Regulation'), and are consequently classified as public securitisations under the SECR, must be made accessible through a registered SR.
4. The details and the format of the information to be provided in accordance with Article 7 of SECR (disclosure requirements) are defined in the Disclosure RTS² and in the Disclosure ITS³, which were adopted in September 2020. The technical standards include 14 reporting templates that have been developed to capture all non-ABCP and ABCP securitisation features and regularly disclose all relevant data on the credit quality and performance of underlying exposures.
5. The templates developed by ESMA are founded on the principles established by the ECB Loan Level Data initiative of 2013, which aimed to improve transparency in the securitisation market by introducing loan-level data in an initial effort to standardise data requirements. Similarly, ESMA adopted an approach involving the development of a

² [Commission Delegated Regulation \(EU\) 2020/1224](#)

³ [Commission Implementing Regulation \(EU\) 2020/1225](#)

detailed set of templates, whereby originators, sponsors and SSPEs of a securitisation transaction shall disclose information on various aspects of the transaction, as outlined under Article 7 of the SECR. This collection of templates under the SECR also replaced the former disclosure requirements outlined in Article 8b of the Credit Rating Agency Regulation⁴.

6. The transparency regime started to work operationally in June 2021, following the registration of two SRs⁵. The primary objectives of these SRs are:
 - a. to provide investors and potential investors with a single source of information required for performing thorough due diligence on the risks associated with securitisation transactions. This includes verifying that the transaction information meets the transparency requirements stipulated in the SECR; and
 - b. to function as an information repository that assists competent authorities in carrying out their duties effectively by providing them with the necessary data to support their oversight activities in the securitisation market.
7. In October 2022, after three years from the entry into force of the SECR, the EC submitted a report on the functioning of the Securitisation Regulation (hereafter the 'EC Report')⁶ to the European Parliament and to the Council, in accordance with Article 46 of the SECR. The EC report covers several aspects of the securitisation framework, and it is based on a targeted public consultation⁷ carried out by the EC. This consultation involved a diverse range of stakeholders, including market participants, public authorities, and academics.
8. The EC Report takes into consideration the recommendations of the EC high-level forum of the Capital Market Union⁸, and also makes reference to certain shortcomings in the current framework that had been previously highlighted in two documents issued by the

⁴ [Regulation \(EU\) No 462/2013](#) of 21 May 2013 amending Regulation (EC) No 1060/2009 on credit rating agencies

⁵ The obligation to use ESMA Templates started in September 2020, while only the disclosure through the SRs started in 2021, when the relevant SRs have been registered https://www.esma.europa.eu/sites/default/files/library/esma_register_secr.xlsx. Transitional measures applied for nine-month period where originators/sponsors and SSPEs were still required to make available the available data using Art 8b format.

⁶ eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0517

⁷ https://finance.ec.europa.eu/regulation-and-supervision/consultations/2021-eu-securitisation-framework_en

⁸ Final report of the high-level forum on the Capital Markets Union 'A new vision for Europe's capital markets' [High-Level Forum on capital markets union \(europa.eu\)](https://www.esma.europa.eu/sites/default/files/library/esma_high_level_forum_on_capital_markets_union_europa.eu)

Joint Committee of the ESAs' Securitisation Committee (hereafter referred to as "JC SC"): the ESA's opinion on the Jurisdictional scope of SECR⁹ (March 2021) and the ESA's report on the functioning of SECR¹⁰ (May 2021). These documents were intended to draw the attention of the EC to the need for additional legal interpretations or guidance concerning specific provisions related to the disclosure of securitisation transactions which affect the efficiency and consistency of the regime.

Box 1 – Shortcomings of SECR flagged by ESAs

The ESAs highlighted a significant challenge related to the fragmentation of supervisory responsibilities within the SECR. This division of supervisory responsibilities could result in inefficiencies and potentially create an uneven regulatory landscape concerning the supervisory convergence of transparency requirements. Additionally, the ESAs highlighted the limitations surrounding the regulatory provisions regarding private securitisation, which has raised questions about its scope and regulatory treatment. The current definition of private securitisations is seen as overly broad, particularly in terms of compliance with the disclosure requirements. To better align with the SECR's objectives of ensuring access to information and safeguarding investors, the ESAs recommended the inclusion of a more specific legal definition for private securitisations in the Level 1 text.

Furthermore, the ESAs noted that voluntary reporting for private securitisation remains an area that lacks clarity and standardisation, thereby requiring improvements to enhance transparency and regulatory oversight.

The ESAs raised some concerns also on the 'jurisdictional scope' in its Opinion, noting the difficulties for entities to comply with their obligations under Article 7 when a transaction involves sell-side parties (originator, original lender, sponsor and SSPE) located both inside and outside the EU.

9. After considering the findings of the ESAs Reports and the feedback stemming from the public consultation, the EC concluded in its report that there is no immediate need for a revision of the Level 1 text. Thus, the EC invited ESMA to address certain issues highlighted in the report through a review of the RTS and ITS concerning disclosure requirements.

⁹ [JC 2021 16 - esas opinion on jurisdictional scope of application of the securitisation regulation 003.pdf \(europa.eu\)](#)

¹⁰ [JC 2021 31 \(JC Report on the implementation and functioning of the Securitisation Regulation\) \(1\).pdf \(europa.eu\)](#)

10. Specifically, the EC identified two areas that could be addressed by reviewing the technical standards: i) developing a simplified template for private securitisations; ii) ensuring adequate proportionality of transparency requirements and usefulness of data for a proper due diligence. Further details on the outcomes and recommendations of EC's Report can be found in the **Section 3.2**.
11. Between Q4 2022 and Q1 2023, ESMA initiated informal discussions with specific securitisation stakeholders to gather their feedback and insights on revising the existing framework. The informal consultation revealed several challenges that must be overcome to ensure a successful revision process without jeopardising the desired outcome. **Section 3.3** contains details regarding ESMA's findings from the informal consultation.
12. As a consensus could not be reached among stakeholders to accommodate all their needs, this CP aims to address essential aspects under four different strategic options. These options assess whether or not to undertake a review of the technical standards in the short run; they have been compiled and balanced in order to optimise the impact of a review, considering various stakeholders' perspectives. The objective of this consultation is to efficiently contribute to the framework's review and functioning. **Section 3.4** outlines specific aspects and challenges requiring further consideration before initiating a review of the transparency framework. The CP proposes four potential policy options to guide the review, outlining the associated potential benefits and drawbacks of each approach. The CP seeks feedback from stakeholders also on possible other combinations of the various proposals as a way forward.

3.2 EC Report: stakeholders' feedback and EC Recommendations on Transparency and Private Securitisation Requirements

13. In its Report, the EC collected input from a diverse range of stakeholders regarding the current securitisation disclosure framework and proposed recommendations for its enhancement. The EC identified specific areas in need of improvement, including the necessity for proportionate transparency requirements, the optimisation of data usefulness for thorough due diligence, a revision of the disclosure requirements and the creation of a dedicated template for private securitisations tailored particularly to supervisors' needs.

3.2.1 Respondents' feedback on transparency requirements to the EC's consultation

14. The consultation carried out by the EC in the context of its Report sought input on several aspects, such as the proportionality of disclosure and due diligence requirements, investor due diligence procedures, and the effectiveness of the disclosure templates.
15. Several representatives who participated in the consultation, raised concerns about the proportionality of the current due diligence and transparency requirements, deeming them overly prescriptive and restrictive with respect to alternative reporting frameworks applicable to similar instruments. Another issue of contention was the perception that these requirements do not adequately consider the unique characteristics of individual transactions, particularly the differentiation between public and private securitisations.
16. Market representatives have also highlighted issues related to the potential lack of proportionality in the application of transparency rules to third country securitisations. This creates compliance challenges and legal uncertainties when investing in such transactions (see **Box 2** – Third Country Securitisations under section 3.2.1).

Box 2 – Third Country Securitisations

The SECR does not differentiate between EU securitisation transactions and those where one of the parties (originator, original lender, sponsor, SSPE or investor) is located in a third country. This ambiguity has raised practical questions regarding how EU entities should fulfil their obligations under the SECR.

In its report, the EC also examined the shortcomings on SECR jurisdictional scope pointed out by the ESAs' Opinion (see Box 1). In this regard, the EC clarifies that every sell-side entity located in the EU has a legal obligation to disclose all the information required by Article 7, even if the designated entity is located outside EU.

Instead, in cases where the investor is situated in the EU and all the sell-side entities are located outside EU, the investment in third-country securitisations is admissible only if the information listed in Article 7 is provided through ESMA templates and in accordance with reporting requirements (i.e., through a SR for public transactions). The EC's stance is that a strict interpretation of Article 5 applies, requiring the EU investor to carry out due diligence before entering into the transaction. This means that the EU investor may not invest in a third-country transaction if it has not received all information according to Article 7 from the non-EU sell-side entities.

The EC acknowledges that the current wording of Article 5 and Article 7 may place EU institutional investors at a competitive disadvantage in third-country markets, as third-country sell-side parties might not be inclined to provide disclosure details in line with the European SECR.

17. Consequently, the EC suggests that the proportionality of disclosure requirements should be better aligned with investors needs and could be improved by applying the same reasoning of a simplified disclosure regime - as for private transactions - to third-country securitisation. This would involve the use of a simplified template that rebalances the amount of information requested, making it more aligned with what is effectively used by all parties and supervisors.
18. A significant share of respondents agreed that the information outlined in Article 7 of the Regulation adequately serves the needs of investors' due diligence in the context of all securitisations. Nevertheless, a segment of stakeholders argued that this information could be deemed excessive, suggesting that investors might continue to rely on established due diligence practices predating the introduction of SECR.

19. Some respondents pointed out that reporting specific fields within the templates could pose challenges due to issues like redundancy or ambiguity regarding the relevance of particular information.
20. Regarding the disclosure of loan-by-loan information, some respondents emphasised that for those asset classes which are considered to be (a) revolving in nature, (b) highly granular or (c) of short-term maturity, such as auto loans, credit card loans and trade receivables, loan-level information may be of less relevance.
21. According to the EC Report, stakeholders generally agreed that the current disclosure regime could be streamlined without compromising the overarching goal of safeguarding investors and facilitating effective supervision.

3.2.2 Respondent's feedback on private securitisation requirements

22. Private securitisations are intended as securitisation transactions for which no prospectus is provided in accordance with Prospectus Regulation¹¹. Although private securitisations are subject to the same disclosure requirements as public ones¹², they are exempted from reporting to SRs.
23. The ESMA Q&As on the Securitisation Regulation (Q5.1.4¹³) provide further guidance as the SECR does not prescribe the operational process for reporting private transactions. In absence of specific instructions from NCAs, reporting entities are free to make use of any arrangements to comply with the transparency requirements detailed in points (a) and (e) of Article 7 of SECR. Consequently, private securitisations typically involve a bespoke reporting approach.
24. In its Report, the EC remarked that private transactions play an important role in financing businesses. The information related to these transactions is relevant for obtaining a comprehensive overview of the securitisation market.

¹¹ Recital 1 of the Disclosure RTS

¹² Recital 13 of SECR

¹³ Questions and Answers on the Securitisation Regulation: https://www.esma.europa.eu/sites/default/files/library/esma33-128-563_questions_and_answers_on_securitisation.pdf

25. After assessing the existing requirements for private securitisations and based on the feedback received, the EC report highlighted several concerns that necessitate careful consideration.
26. The first concern highlighted in the EC report refers to the inadequate availability of information about private securitisations to supervisors. Investors, in general, obtain detailed data on a bilateral and ad-hoc basis before making any investment decisions, leveraging on well-established information sharing arrangements entered into with their counterparties. Conversely, supervisors face challenges in tracking and monitoring private securitisations due to limited information accessible to them. The respondents (originators, investors and supervisors) have split and contradictory views on the practical usefulness of the current templates for private deals. Some of respondents believe that the current transparency regime allows proper due diligence and market monitoring, others instead questioned the usefulness of the templates and pointed to the difficulty for supervisors of being sufficiently aware of the issuance of private securitisations.
27. In addition, the EC is concerned that securitisation transactions issued as private deals might be used as an alternative to avoid the burdensome reporting. Therefore, based on the feedback received, the EC's Report assumes that applying an appropriate level of proportionality for private securitisations may increase the reporting compliance for entities.
28. This aspect also extends to all non-EU securitisations, particularly in the context of the third-country securitisation (see **Box 2**).
29. The EC perceives that an easing of the transparency obligations for the reporting of private deals, could help reducing the competitive disadvantage that EU investors face in the current market. The EC believes that addressing these issues can be achieved through a comprehensive review of existing rules and templates to assess their effectiveness.
30. The EC Report presents a second argument regarding private securitisation - it concerns the definition of private deals. The consultation revealed that a significant majority of respondents believe that a clearer definition of private securitisation is needed, while a notable portion advocated for an alternate definition that could exempt certain transactions labelled as 'private' from transparency requirements. As outlined in the ESAs' report on the functioning of SECR (May 2021) the JC SC similarly supported refining the definition and, for example, exempting specific private transactions, such as

intra-group transactions without third-party investors, from transparency obligations. That being said, the EC's assessment indicates a reluctance to alter the current definition within the SECR. While acknowledging the potential for a more precise definition, it emphasised that the existing definition is clear and effective for the scope of the disclosure requirements. The EC notes that most calls for a new definition stem from concerns that transparency requirements for private deals are excessively detailed and lack practical significance for investors.

3.2.3 EC's conclusions and recommendations

31. After reviewing the responses received during the consultation, the EC concluded that there is room for improvement of the current disclosure framework, without the need to change the Level 1 text. With this perspective, the EC has invited ESMA to conduct a review of the disclosure templates, with specific focus on the following elements:
- drawing up a new simplified and dedicated template for private securitisations that is tailored particularly to supervisory needs, including non-EU securitisations;
 - assessing the usefulness of loan-level disclosure for highly granular pools of underlying exposures;
 - addressing possible technical and practical difficulties in completing the information required in certain fields, by streamlining, or removing unnecessary fields and potentially aligning them more closely with supervisor/investors' needs; and
 - considering the feasibility and usefulness of introducing dedicated templates for new asset classes not covered in the current disclosure framework (e.g., trade receivables).

3.3 ESMA's considerations following engagement with stakeholders

32. Following the results included in the EC report and the indication to assess the possibility of a review of the securitisation disclosure framework, ESMA initiated its preparatory policy work by collecting informal feedback from selected stakeholders that operate in the securitisation market.
33. During this informal consultation, ESMA held discussions with more than 20 entities in the securitisation industry representing different segments of the market. These included market associations, originators and issuers, credit rating agencies (CRAs), securitisation repositories (SRs), banking and securities market supervisors, the European Central Bank (ECB), as well as private and institutional investors.
34. The informal consultation was split into two distinct exercises. First, ESMA conducted a series of one-on-one discussions with each of the identified stakeholders, addressing

various topics based on the findings of the EC Report. These discussions were focused on several topics related to private securitisation, loan-by-loan disclosure, synthetic securitisation, trade receivables, no-data options, the technical format of the templates, and potential overlaps with other reporting regimes.

35. Additionally, stakeholders were invited to provide written feedback voluntarily on the specific topics discussed and were also asked to conduct a field-by-field review of the current annexes. This review aimed to identify which fields should be retained, removed, modified, or newly introduced. ESMA also sought their input on potential new templates that might be required, especially for private, synthetic, and trade receivables securitisation transactions.
36. Based on the feedback received, ESMA identified the following aspects that need to be taken into consideration for an effective review of the disclosure standards.

3.3.1 Conflicting views of stakeholders

37. The responses received from the stakeholders were not consistent and at times mutually exclusive across them.
38. One of the most important concerns is the need of a separate template for private securitisation. While there is a general interest from issuers/originators for ad-hoc and simplified reporting, other stakeholders involved in risk evaluation (such as investors, CRAs and supervisors) are not in favour of dedicated and simplified templates. Contrarily, they emphasise the necessity for uniform and standardised information across both public and private deals.
39. With reference to loan-level data disclosure several industry representatives proposed simplifications on the granularity level for some asset classes, whereas on the side of data users (i.e. investors and supervisors), feedback was not unanimous. Contrary to some key users of securitisation data insisting on the importance of loan-level data for proper risk evaluation, others within this user group acknowledge the need for a reduction in the amount of data to analyse, especially when dealing with a highly granular pool of underlying assets.
40. Regarding potential amendments of existing templates, ESMA collected quite heterogenous comments across stakeholders, some of which proposing deletion or simplification of some annexes believed to have redundant information, while others endorsing the current structure and proposing new fields, either to cover new data points (e.g., ESG metrics – see **Box 3**) or to incorporate in the current templates data currently collected through other means. Further to the above, as regards No-Data Options, ESMA

collected diverse feedback to be considered in a potential review of the templates. Some representatives from the industry commented that these are beneficial but could be further simplified by replacing the current ND1-5 system with a 'mandatory/optional' approach. On the contrary, those stakeholders involved in risk assessment of the securitisation transactions flagged that data quality might be impaired by the overuse of the ND Options, and thus suggesting restricting their use by a revision of ND thresholds.

41. Taking into consideration the above - while acknowledging that there will always be diverse views within the market – ESMA is proposing in this CP different implementation Options in order to address the needs of the various stakeholders involved.

3.3.2 Limited use of securitisation data

42. The existing disclosure framework has been fully operational to report to registered SRs for two and half years; such a timeframe is quite limited to gather sufficient feedback to assess properly the functioning of the disclosure framework.
43. From the interactions that occurred between ESMA and market representatives and based on ESMA's supervisory activities, it is apparent that investors and potential investors tend to make limited use of SR data, as they generally rely on customised information directly provided by issuers and originators. Similarly, with few exceptions, also the use of SR data by supervisors is still quite limited to date, as also acknowledged in the EC's report¹⁴.
44. The limited usage experience so far of the securitisation data, might not provide the necessary knowledge required for undertaking a meaningful review that takes into due account the needs of the primary users of SR data.
45. As a result, as part of this CP, ESMA is seeking additional feedback from investors and supervisors which is essential before initiating a review of the disclosure templates.

3.3.3 Cost implications

46. The recommendation to streamline the disclosure framework is driven – among other things - by the objective of contributing to the reduction of the cost and burden of reporting for the entities that supply the information and potentially stimulate the growth of the securitisation market.

¹⁴ See page 23 of EC Report "The Commission acknowledges that competent authorities might need more time to gain sufficient experience, due in part to the late adoption of some regulatory technical standards".

47. As also apparent from the responses submitted to the EC in the context of the EC Report, the major drivers of cost changes are compliance costs (including third party consultancy) to meet transparency/due diligence requirements, and IT implementation costs.
48. A simplification of the disclosure templates – via for example the elimination of certain fields or templates – might not necessarily result in a proportional reduction of costs for the entities subject to the reporting requirements. In fact, revising the templates would require the reconfiguration of internal systems for generating securitisation data and reports, leading to associated implementation costs.
49. This might raise the concern that undertaking an early review (prior to the review of Level 1 text) could potentially impose unnecessary costs on both existing and new potential market stakeholders. Hence, any attempt to simplify the templates should consider also the costs linked to the internal system adjustments required to meet the revised reporting requirements. In this context, ESMA invites respondents to this CP to highlight any concerns regarding implementation costs of a potential review of the current framework.

3.3.4 Timing of a potential review

50. In addition to the above considerations on costs implications, the required implementation period should be taken into account. Any amendment of the technical standards drafted by ESMA needs to account also for the time needed for amendments to the relevant Level 3 documentation (e.g., reporting guidelines), the adaptation of associated disclosure templates, essential IT work (including xml schema updates), and an industry implementation phase to accommodate for the revised framework. It is worth noting that, according to the current legal framework, no formal transition period after the adoption by the EC of the revised RTS would be allowed without changes to the Level 1 text.
51. In this CP, ESMA is proposing four different Options, each with a different scope, and in terms of changes to the disclosure templates to be taken into account. Accordingly, it must be noted that the broader the review, the longer the time the industry needs to adapt. In that respect the actual implementation date of a revised transparency regime might also come close to a potential revision of the SECR itself, although at this stage it is not possible to foresee a concrete timeline of a review of Level 1 text.
52. A revision of the SECR will then trigger a very likely review of the Disclosure RTS and ITS, with related implementation time and costs. Therefore, there is a risk that a

finalisation of a revised RTS at this point in time might eventually result in duplicating the implementation costs associated to a subsequent review.

3.4 Implementation options included in the Consultation Paper

53. The purpose of this CP is to gather input from a broad range of stakeholders on four implementation options. In this context, Option A recommends delaying any changes to the disclosure templates until the next review of the SECR.
54. The remaining three options propose amendments to the current framework, with particular focus on the following objectives:
 - Reducing the undue burden of compliance for reporting entities.
 - Increasing the usability, interoperability, and suitability of the templates.
 - Limiting the potential duplication with other reporting regimes.
55. More specifically, the three options propose the following:
 - Option B: introduce few refinements to the current framework, considering the needs and interests of current active users;
 - Option C: streamlining of some components of the framework – with a focus on private transactions to reduce the burden for reporting entities and improve the utilisation of securitisation data for additional users and supervisors; and
 - Option D: a comprehensive overhaul of the entire framework to enhance the effectiveness of the framework.
56. The consultation is intended to provide additional insight and perspectives on various topics related to securitisation reporting. ESMA would also welcome the possibility of combining elements from the three options. It is important to emphasise that this consultation process is complementary to the publication of the ESAs' JC Reports as prescribed by art. 44 of SECR.
57. This CP places a dedicated focus on various aspects of the securitisation disclosure framework. One of the most debated topics concerning a potential review of the transparency regime is private securitisations. The EC Report proposes to adopt a simplified template for private securitisation, specifically designed for supervisors, which aims at facilitating a more consistent approach across the market and supporting effective supervision. However, prior to considering the EC's recommendation as part of a concrete legal proposal, it is deemed important to further explore various aspects.
58. Firstly, it is important to acknowledge that the existing provisions within the SECR, pertaining to the definition and reporting of private transactions result in diverse

approaches for disclosure of such transactions across the EU. This may inherently limit the potential benefits of a separate template.

59. Additionally, defining a simplified template requires careful consideration to avoid excluding information that may be relevant to various use cases and users' needs.
60. Furthermore, based on the recent interactions with the relevant stakeholders, ESMA's assessment suggests that both investors and supervisory authorities require an equal level of information for both private and public transactions. Therefore, introducing a specific template for private deals may not adequately facilitate due diligence analysis and could potentially lead to additional reporting needs to bridge the information gap between the two types of securitisations. Hence this CP serves as an opportunity to gather comprehensive input from a broader audience to address this complex topic.
61. Two additional topics warranting a discussion pertain to the simplification of the templates and exploring the potential revision of the loan-level data (LLD) granularity. As outlined in the previous sections, the EC's recommendation to streamline the disclosure templates is justified by the objective of enhancing the securitisation market by alleviating the reporting burden on the industry and relevant stakeholders. However, this approach should be considered in conjunction with two other crucial factors: the usability of data for due diligence analysis and the implementation costs linked to changes of the reporting requirements. The potential policy alternatives presented in this document are designed to collect further insights that can help in striking the right balance between reducing compliance costs for reporting entities and ensuring an appropriate level of information for investors and supervisory authorities.
62. This CP provides an opportunity to not only consider simplifying the disclosure templates but also to identify and fill potential information gaps by enriching these templates with additional relevant data elements, such as climate risk indicators (detailed in **Box 3**). The evolving landscape of risks, particularly those related to climate change, highlight the need to adapt reporting frameworks. This consultation seeks to evaluate the potential inclusion of missing information, weighing the associated costs and benefits of such potential revision.

Box 3 – Climate change risk disclosure for securitisation

In March 2023, the ECB and the ESAs issued a joint statement¹⁵ on disclosure on climate change for structured finance products, in line with the authorities' commitment to contribute to the transition towards a more sustainable economy based on their respective mandates. The statement notes that structured finance products currently fall outside the scope of the most recent ESG disclosure standards, although some types of underlying assets contribute in a non-negligible extent to GHG-emissions. Consequently, there is a potential need to align the securitisation disclosure framework with the evolving standards in sustainability disclosure. This CP, therefore, presents an opportunity to engage with market stakeholders to explore the feasibility of integrating climate-related metrics, evaluating their associated advantages and costs.

Based on the results of this consultation, ESMA will explore the possibility of incorporating climate-related metrics into the disclosure framework. This holds true regardless of whether the overall outcome of the consultation leans toward streamlining or enriching the disclosure templates. This approach underscores ESMA's commitment to providing investors and other stakeholders with valuable insights into emerging risks associated with securitisation products, including climate-related risks.

63. Finally, this document aims to involve a broader spectrum of stakeholders in addressing a technical aspect that was not directly covered in the EC Report, specifically, the No-Data (ND) options. Although not considered as a primary focus of the EC Report, some stakeholders have raised the issues of ND options as a relevant element to consider in the context of a potential simplification of the disclosure framework. Recognising the challenges that issuers and originators may face in providing specific data fields, the existing disclosure framework offers reporting entities the flexibility to submit an incomplete set of information under circumstances where data unavailability justifies it. Through recent engagements with stakeholders, ESMA gathered diverse feedback regarding the potential revision of the No-Data options methodology within a broader review of the disclosure framework.
64. Market participants have proposed different approaches to address ND options. Some suggest a more stringent approach, arguing that excessive use of ND options could negatively impact the quality of securitisation reporting. Conversely, others have proposed a simplified approach, which involves replacing the existing ND options rules

¹⁵ [ESAs-ECB Joint Statement on disclosures for securitisations FINAL 6 March 2023 0.pdf \(europa.eu\)](#)

and adopting a different methodology, differentiating between Mandatory and Optional fields.

65. Similar to the previously discussed topics, this consultation aims at gathering relevant input useful to strike the balance between the interests of reporting entities – who would benefit from a relaxation of ND options provisions - and the interests of some data users – who would be favourable in enhancing the completeness of the datasets.
66. The aim of revising the standards is to improve the functioning of the SECR regime that has proven to not work as expected. However, so far there seems to be an absence of unanimous consensus on how to reshape the transparency regime in a way that could limit the impact of implementation changes to the overall industry and involved stakeholders. Therefore, it is important to find the best and realistic combination of information that need to be kept or deleted, that would efficiently contribute to maximise the SECR framework's usefulness without creating, to the extent possible, additional costs. ESMA plans to engage the whole market on these subjects by proposing four distinct implementation options. These options summarise the stakeholders' views collected so far on what should be the objective and direction of the disclosure framework review. The four possible approaches for the review are outlined as follows:

Option A – Preserving the current framework

67. Option A recommends delaying any changes to the disclosure templates until the next review of the SECR, maintaining the current framework in its entirety.

Option B – Introducing few refinements to the templates

68. Whilst maintaining the fundamental elements of the current framework, Option B explores the possibility for introducing specific refinements to enhance the current level of disclosure and address certain limitations. These amendments include limiting the use of ND options and incorporating additional risk-based indicators.

Option C – Targeted review of the templates

69. Option C further elaborates on the EC's recommendation to assess the possibility to introduce targeted changes into the current framework. It focuses on a proposal for a simplified template for private securitisation. This option also seeks to collect the market's view for: streamlining some annexes in the current disclosure framework, exploring areas where LLD granularity can be relaxed and considering tailoring the templates to new asset classes if necessary;

Option D – Complete and substantial review of the templates

70. Option D proposes a complete review aiming at a fundamental simplification of the disclosure framework. It suggests the adoption of one single template per asset class (irrespective of its private/public or synthetic/true-sale nature) standardising and limiting the number of fields across the templates. Additionally, Option D considers the possibility to relax LLD granularity for certain asset classes and proposes to substitute the existing ND-options system with an alternative approach defining Mandatory and Optional fields.
71. The table here below provides a summary overview on the different perspectives provided by the four Options on some key topics.

	Option A	Option B	Option C	Option D
Loan-Level Data (LLD) granularity	Preserving LLD	Preserving LLD	Removing LLD for certain highly-granular asset classes	Removing LLD for certain highly-granular asset classes
Simplifying or Enriching templates	Maintaining current set of templates and fields	Inclusion of new risk indicators	Slight simplification of the current templates	Simplified individual templates based on underlying asset characteristics
ND options	Unchanged	Restricting use of ND options	Unchanged	Substitute ND options with Mandatory/Optional fields
Private Securitisation	Unchanged	Unchanged	Dedicated template for private securitisation shaped on supervisory needs	Same level of (simplified) information for private and public securitisation

72. In the upcoming chapters of this document, the four Options will be further elaborated outlining their respective advantages and disadvantages with the objective of providing a comprehensive set of information for the purpose of collecting substantive responses to this CP. While the CP is structured into different implementation options, the aspects outlined and addressed in each option are not mutually exclusive. Consequently, additional views on alternative combinations of proposals will be considered in defining the way forward. It is possible that the ultimate solution may involve a combination of elements from different implementation options.

4 Option A – Preserving the current framework

4.1 Overview of the proposal

73. Option A aims to retain the current disclosure framework in its entirety, without introducing any of the proposed changes outlined in the subsequent options within the CP. Option A recommends delaying an early review of the disclosure framework until the next review of the SECR, to avoid undue costs and to consolidate the users' experience before amending the templates.
74. The following sections will expand on the reasons for maintaining the current standards for loan-level data granularity and maintaining the set of fields outlined in the current templates, as well as why Option A does not propose the creation of a dedicated template for private securitisations.

4.2 Loan-level data (LLD) granularity

75. The Loan-level disclosure (LLD) in the reporting of securitisation transactions plays a key role for the performance of a thorough due-diligence and risk assessment analysis. The current disclosure framework requires to report details of securitisation transactions for all non-ABCP asset classes¹⁶ by covering details on the obligor, loan characteristics and collateral at a loan-level granularity. The reasons behind the requirement of introducing and maintaining LLD reporting are many.
76. Considering that the underlying exposures are the main drivers for the evaluation and monitoring of the securitisation transactions' performances, LLD introduces a deep level of detail for investors to evaluate accurately the risks embedded in the securitisation exposure.
77. Moreover, when defining the current securitisation disclosure framework, ESMA considered the prevailing market standards in the EU regarding the adoption of loan-level granularity disclosure for securitisation reporting. In particular, LLD was already a requirement for central banks to assess collateral eligibility and for CRAs in the rating of securitisation transactions.

¹⁶ Annexes 2-10 for ABCP asset classes: <https://www.esma.europa.eu/esmas-activities/markets-and-infrastructure/securitisation>

78. From the users' perspective, while such a level of granularity may create complexity and require advanced skills/resources to get relevant insights, the securitisation marketplace has been shown to have established systems and tools to assist investors and potential investors in the analysis of the data.
79. Therefore, in considering potential simplifications for certain asset classes– as proposed in the other options– it is essential to assess carefully whether any changes align effectively with the transparency requirements of the SECR and the needs of investors and supervisory authorities.
80. Some stakeholders suggested that for certain asset classes, it may be possible to move from loan-level data to aggregate-level reporting. Nevertheless, it is important to recognise that this solution may introduce several challenges. Firstly, working with aggregated data requires additional data manipulation, which, in turn, requires extra data validation efforts to ensure an adequate level of data quality. Secondly, given the market practices mentioned above, which rely on LLD data, removing the loan-level data requirement for certain asset classes might compel some users to seek that information from originators through alternative channels, potentially resulting in an increased reporting burden.
81. For these reasons, Option A recommends maintaining the current level of granularity for loan-level data.

4.3 Current set of templates and fields

82. The current transparency regime consists of 1350 fields, of which over 600 are unique, distributed across 14 distinct templates¹⁷. Each of these templates contains information concerning the underlying exposure, specific to the relevant asset class, as well as details relevant for investor reports and other significant events related to the securitisation transactions.
83. With regard to non-ABCP transactions, the set of templates covers the eligible asset classes for which the Eurosystem requires loan-level data submission and the asset classes mandated for disclosure requirements of structured finance instruments by the CRA3 RTS. Each template for a specific asset class includes a dedicated section for underlying exposure information, encompassing obligor details, loan characteristics, collateral statistics, and credit risk measures. In certain asset classes, such as

¹⁷ [Securitisation \(europa.eu\)](https://ec.europa.eu/easf/easf-portal/Securitisation/europa.eu) - Disclosure requirements and templates - Technical standards on disclosure requirements

Residential Real Estate, Commercial Real Estate, Corporate, Esoteric, and NPE (Non-Performing Exposures), there is an additional section for 'Collateral information' for loans backed by multiple collateral items. Moreover, the 'Corporate' template includes a 'Tenant's profile' section, and the NPE template contains a section dedicated to 'Historical collections'. These templates are deemed to be comprehensive, as they have been designed to incorporate essential information in assessing the risks and performances of securitisation transactions, aiding investors in their decision-making processes.

84. In relation to ABCP transactions, the existing templates provide information at transaction-level rather than at loan-level, because aggregate information is considered sufficient to meet investors' needs. At the same time, transaction-level granularity captures the distinct characteristics of the underlying exposure by originators in each ABCP transaction during the due diligence process. The ABCP underlying exposure template includes fields deemed necessary for investors to comprehend the riskiness of the transaction, covering aspects such as exposure type, outstanding balances, residual maturities, interest rates, arrears, geographic concentrations, and exposure breakdown by currency.
85. The Disclosure RTS also includes an Investor Report template, with distinct versions designed for both ABCP and non-ABCP transactions. These templates, drawn on existing market practices, aim to provide investors with additional information useful for due diligence analysis, which is not covered by the underlying exposure templates. The Investor Report templates contain several sections, each offering details about the entire securitisation, such as the type of transaction, the waterfall type and compliance information, as well as on the counterparty, on the account, on the tranche/bond, tests/events/triggers, and cash-flow.
86. Lastly, the disclosure requirements include a template in which originators and issuers are obligated to report inside information pertaining to the securitisation. This information is intended for public disclosure by the originator, sponsor and SSPE in accordance with the Market Abuse Regulation. The template also provides for the disclosure of any other significant events that may impact the securitisation transaction.
87. In view of the above, Option A does not propose any simplification of the current reporting structure, as it operates under the assumption that all the information required by the current framework is essential for conducting due diligence and supervisory activities. This approach was influenced by the following considerations:

- i. while some information may not be relevant for certain stakeholders, there is no conclusive evidence that a specific set of information is irrelevant for the entire range of securitisation data users.
- ii. As discussed in the previous sections, securitisation data remains underutilised, and it might be premature to remove information before having a comprehensive understanding of the information needed by the market.

4.4 Private securitisation

88. As previously mentioned, public and private securitisation are both subject to the disclosure requirements outlined in by Article 7 of the SECR. However, the disclosure of relevant information varies between public and private. Specifically, details regarding private securitisations are not mandated to be submitted to SRs as required for public securitisations (although voluntary disclosure of private securitisations to SRs is not excluded).
89. Based on the feedback received by ESMA, investors, the ECB, SRs and CRAs highlighted that there should be no differentiation between private and public securitisation regarding risk assessment. It has been argued that due diligence procedures and processes should be applied uniformly, regardless of the nature of the deal. A notable example is the Eurosystem that does not distinguish between private and public securitisations for collateral eligibility considerations within the context of monetary policy operations. The Eurosystem's approach is based on solely granting eligibility to those transactions that have been reported to SRs irrespective of their private/public nature, further underscoring the significance of a consistent disclosure framework. Therefore, the introduction of a separate and simplified template for private transactions could lead to duplicative reporting requirements for private transactions to be deemed as eligible for collateral purposes, in the case that the Eurosystem maintains the current LLD templates as an eligibility criterion for all transactions, regardless of their nature (i.e not accepting a simplified template for private ABS).
90. Supervisors have provided their feedback highlighting the absence of central and standardised reporting mechanism for private securitisations, which makes it difficult to comprehensively analyse the size, trends, and dynamics of the market. In their view, this challenge could be potentially resolved by introducing a provision within the SECR that mandates private securitisations to be reportable through an SR.

91. In light of these considerations, Option A refrains from suggesting a separate template for private securitisation and aims at ensuring consistent information disclosure regardless of the nature of the deal (private or public) or the end user of the information (investor or supervisor).

4.5 Advantages and Disadvantages of Option A

92. In summary, Option A proposes to preserve the existing framework, without introducing any adjustments.
93. Opting for this solution would give rise to several advantages. By retaining LLD granularity and the current set of templates and fields, Option A ensures the completeness and continuity of information available to investors and supervisors for their respective analyses and supervisory responsibilities. Moreover, maintaining the current disclosure framework unchanged avoids any operational costs for the industry associated with a review of the requirements. Additionally, the approach suggested by Option A of not introducing any changes, will avoid any risk of timing related to the review and potential overlap with subsequent Level 1 changes.
94. On the downside, it should be noted that this option does not include any simplification to the current framework, it does not solve any of the issues and limitations identified so far and therefore does not envisage the possibility to reduce compliance burden for reporting entities in the short-term.

4.6 Questions Option A

General

- Question 1** **Option A focuses on maintaining the current framework in its entirety. Do you agree with maintaining the current disclosure framework unchanged?**

Section 4.2

- Question 2** **Do you agree that LLD granularity is essential for performing proper risk evaluation, including due-diligence analysis or supervisory monitoring? Please explain your answer considering the costs and benefits of keeping the current level of granularity in terms of operational costs, compliance burden and any other possible implications.**

Section 4.3

Question 3 Do you agree that the current design of disclosure templates is adequately structured to facilitate comprehensive risk evaluation, including due diligence analysis and supervisory monitoring of securitisation transactions? If not, please explain your answer.

Section 4.4

Question 4 Do you agree that disclosure and reporting requirements should be maintained consistent between private and public securitisation?

Other Observations

Question 5 Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based on the above approach (Option A) may be to your own activities and potential impacts.

5 Option B – Introducing few refinements to the current framework

5.1 Overview of the proposal

95. Option B suggests maintaining the fundamental elements of the current disclosure framework, based on the rationale presented in Option A, and introduce a few amendments to enhance the information available to data users.
96. Specifically, these measures include reducing the completeness and consistency thresholds to limit the use of ND options and adding extra fields to facilitate risk-assessment analysis, with a specific focus on incorporating new climate-risk metrics into the templates.

5.2 Restricting use of ND options

97. Article 9 of the Disclosure RTS stipulates that information made available in the context of securitisation reporting shall be complete and consistent. Nevertheless, acknowledging the possible challenges that issuers and originators could face when providing certain data fields, the disclosure framework allows for situations in which reporting entities are granted the option to submit an incomplete set of information when data unavailability can be justified by valid reasons, through the use of the No Data Option.
98. The current disclosure framework includes five distinct types of No Data Options, each linked to an ND code that provides a reason for the unavailability of a specific field. The five ND options with the respective code are the following:
 - **ND1:** Data not collected as not required by the lending/underwriting criteria at time of origination;
 - **ND2:** Data collected at time of origination but not loaded into the reporting entity's system at the cut-off date;
 - **ND3:** Data collected at time of origination but loaded into a system different from the reporting entity's system at the cut-off date;
 - **ND4-YYYY-MM-DD:** Data collected but will only be available from YYYY-MM-DD;
 - **ND5:** Data not available as information not applicable to the item.

99. SRs are responsible for verifying the completeness of data submissions and to assist data users in evaluating the comprehensiveness of the information reported. To fulfil this role, the RTS on Securitisation Repository Operational Standards¹⁸ requires SRs to compute and disclose a 'data completeness score'. The purpose of this score is to provide potential investors and supervisory authorities with a means to evaluate data quality while conducting due diligence checks and supervisory duties. This score is determined by considering the extent of use of ND options¹⁹ as an indicator of data completeness²⁰.
100. In addition to calculating the completeness score, the operational standards require SRs to verify that the use of ND Options does not hinder the data from being adequately representative of the underlying exposures. In this context, ESMA issued the Guidelines on securitisation repository data completeness and consistency thresholds²¹ in 2020.
101. Feedback collected from both investors and supervisors' representatives indicates that an excessive reliance on ND options can pose significant obstacles to the comprehensiveness and, as a result, the usefulness of securitisation data. Of particular concern is the overuse of ND5 options, which hinders proper data validation and data modelling necessary for conducting robust analyses.
102. Consequently, Option B considers the possible restriction on the use of ND options across various fields and annexes to allow for better representation of data. This objective can be accomplished by:

¹⁸ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2020.289.01.0335.01.ENG&toc=OJ%3AL%3A2020%3A289%3ATOC

¹⁹ ND5 options are excluded from the computation.

²⁰ Precisely, according to Art. 3 of the Operational Standards, the score is derived from the combination of two values: the percentage of fields reported as ND1 (rated from A to D), and the total percentage of fields reported as ND2, ND3, and ND4 (rated from 1 to 4). Consequently, reports with A1 score would denote the highest standard of data completeness.

²¹ [Guidelines on securitisation repository data completeness and consistency thresholds - esma33-128-1217 final report guidelines on securitisation repository data completeness and consistency thresholds.pdf \(europa.eu\)](#)

²² As per these Guidelines, SRs are tasked with verifying the completeness of data submissions by determining the percentage of utilisation of ND options (excluding ND5) per each field within each exposure type. Afterwards, SRs shall determine the count of individual fields with an ND1-4 options utilisation below 10%, as well as the count of individual fields with utilisation equal to or above 10%. If the count exceeds pre-determined thresholds in either case, the SR (ND1-ND4) should reject the report in accordance with the Guidelines.

- implementing more stringent criteria for accepting reports, achieved by reducing the thresholds of ND1-4 options utilisation (provided by the ESMA Guidelines);
- Decrease the number of fields that could be populated with the ND for specific fields crucial for the analyses conducted by investors and supervisors, particularly addressing the overuse of ND5.

103. Nevertheless, it is important to highlight any adjustment to the acceptance thresholds would necessitate corresponding amendments to the ESMA SR Guidelines. Likewise, the removal of ND options for specific fields might require adjustments to the RTS on SR Operational Standards, and applicable Guidelines. This is because the completeness score calculation system relies on the percentage of ND1-4 options utilisation. Consequently, reducing the usage of ND1-4 options could require a recalibration of the scoring system to ensure balanced completeness ratings.

104. These adjustments would be applicable to only a limited number of fields: hence restricting the use of ND options would represent a marginal change to the existing regime with the consequent compliance costs of adaptation.

5.3 Inclusion of additional fields useful for risk analysis in the templates

105. During the informal consultation, market representatives highlighted that certain data fields, relevant for risk analysis of securitisation transactions, are not included in the current templates.

106. In this context, it was noted that some stakeholders are already integrating additional information in the current templates, submitted through other channels. For example, in relation to banking supervision, the SSM (the entity responsible for supervising significant banks in the EU) that requires firms serving as originators or sponsors for both private and public securitisations to notify the SSM of the adherence of these transactions to Articles 6 to 8 of the SECR²³. They do this by using a dedicated template²⁴ that supplements the information already reported to Securitisation Repositories.

²³ Articles 6 to 8 of SECR outline risk-retention, transparency and ban on re-securitisation provisions

²⁴ [Guide on the notification of securitisation transactions \(europa.eu\)](#)

107. Therefore, Option B proposes the inclusion of additional risk indicators in the templates with the aim of reducing reporting overlaps and thus, the burden on reporting entities. These additional risk factors are outlined below:

- **Annex 4 (Corporates):** Stakeholders have pointed out the absence of key information such as Probability of Default (PD) and Loss Given Default (LGD) values. These metrics, typically assigned by the originator, are valuable for evaluating the creditworthiness and potential losses associated with the underlying exposures.
- **Annex 10 (NPE):** Concerns have been raised regarding the lack of information regarding collateral and the collection process. These elements have a substantial impact on the risk associated with the exposure, and their omission restricts comprehensive risk analysis that can be performed using the current template.
- **Annexes 11 (ABCP), 12 and 13 (Investor Reports):** Market participants suggested enriching these annexes with information about risk retention, re-securitisation, and the STS status of the transactions. It has been noted that these inclusions would improve the ability of supervisory authorities to fulfil their duties in these specific domains.
- **Across all annexes pertaining to underlying exposures:** Stakeholders have also highlighted the absence of payment schedules for individual loans. As per the feedback received, the absence of payment schedules plays a crucial role in assessing the risk associated with a transaction. Thus, including this information would significantly enhance the risk assessment process and facilitate more informed decision-making.

5.4 Inclusion of climate-risk metrics and other sustainability indicators in the templates

108. In addition to the existing LLD requirements, there is a growing recognition of the importance of incorporating climate change metrics in securitisation reporting. Considering the emerging risks and opportunities that climate change presents to the financial sector, numerous regulatory frameworks have been developed to enhance transparency and enable more effective risk assessment in this context.

109. EBA published in 2022 a Report which analyses the developments and challenges of introducing sustainability in the EU securitisation market²⁵. In assessing the sustainability-related disclosure framework, the EBA expressed the view that improving

²⁵ [EBA report on sustainable securitisation.pdf \(europa.eu\)](#)

the availability of “principal adverse impact” (PAI) information on ESG factors of securitisation investments would be beneficial to promote further sustainability in the EU securitisation market²⁶.

110. One recent regulatory development in terms of PAI disclosure for securitisation products is the JC RTS on sustainability-linked disclosures for STS securitisation, which seeks to align STS sustainability disclosure requirements with SFDR ones²⁷. Recognising the need to extend sustainability-disclosure requirements also to non-STs securitisation, Option B proposes the addition of climate change risk metrics to the current disclosure templates. By integrating these metrics, securitisation transactions can provide valuable insights into the climate resilience of underlying assets and contribute to sustainable investment decision-making processes.
111. Of particular relevance is the decision of the ECB to incorporate climate change considerations into the Eurosystem’s monetary policy operations²⁸ and the announcement that, starting from 2026, the Eurosystem will exclusively accept as collateral only those assets issued by companies whose social and environmental disclosure are compliant with the Corporate Sustainability Reporting Directive (CSRD). Considering that Asset-Backed Securities fall outside the CSRD scope, the proposal of including climate-related indicators into the securitisation templates would represent a relevant step toward harmonisation with other securities pledged as collateral in the Eurosystem’s credit operations.
112. As mentioned in Box 3, the ECB and ESAs are committed to promoting sustainability²⁹, and there is a potential need to align securitisation disclosure with evolving sustainability standards. Therefore, ESMA will take the opportunity offered by this consultation to assess the feasibility to incorporate climate-related metrics into the disclosure framework. Recognising the importance of this emerging category of risks.
113. The inclusion of climate change metrics in securitisation reporting will support the identification and disclosure of climate-related physical risks associated with the

²⁶ EBA highlighted that securitisation falls outside the scope of SFDR. Consequently, since securitisation products are not subject to mandatory “principal adverse impact” (PAI) disclosure requirements, investors are not always able to incorporate sustainable securitisation exposures into their ESG investment strategy.

²⁷ As provided by art. 22 and 26d of SECR, the originator of STS securitisation backed by residential mortgages and auto loans/leases should comply with STS transparency requirements by disclosing either the environmental performance of the asset through the ESMA templates (i.e. Energy Performance Certification details, which are mandatory only for STS) or the PAIs of the underlying exposure on ESG factors according to the methodology outlined by the draft JC RTS.

²⁸ [ECB takes further steps to incorporate climate change into its monetary policy operations \(europa.eu\)](#)

²⁹ [ESAs ECB Joint Statement on disclosures for securitisations FINAL 6 March 2023 0.pdf \(europa.eu\)](#)

underlying assets. This will enable investors and supervisory authorities to evaluate the potential impact of climate change on the performance and value of securitised portfolios.

114. In addition, the incorporation of climate change metrics will support the assessment of the transition risks faced by securitised assets. By providing relevant information on carbon footprints, energy efficiency, and other environmental factors, market participants can make more informed decisions, promote sustainable investments, and incentivize the transition to low-carbon and climate-resilient portfolios.
115. Among the various types of underlying exposures outlined in the securitisation templates, those most exposed to climate change risks include real estate, corporates and automobiles. Valuable metrics that should be provided to investors to assess transition risks encompass details regarding the energy efficiency and environmental impact of the collateral, such as Energy Performance Certificates (EPC labels) and Greenhouse Gas (GHG) emissions data. Additional pertinent indicators for transition risks specific to corporate assets would be the proportion of key financial performance indicators (such as operational expenditures, capital expenditures, and turnover) aligned with the EU Taxonomy. Moreover, recognising the potential vulnerability of real estate assets to physical risks, supplying information about the property's location and physical characteristics would enhance the assessment of climate-related risks.
116. Option B proposes the previously mentioned categories of indicators as a means to enhance climate change disclosure within securitisation reporting. Nevertheless, it is crucial to acknowledge that the adoption of these metrics raises important challenges for both issuers/originators and data users.
117. First, **data availability** poses a significant hurdle as issuers and originators might struggle to obtain accurate and reliable information about the environmental and climate attributes of underlying assets, particularly in cases involving "vintage" loans or assets with limited historical data. The challenge is compounded by the potential reliance on estimated or proxy data, which can introduce uncertainties and inaccuracies.
118. Secondly, **data comparability** becomes an issue due to varying regulatory frameworks, reporting requirements, and methodologies across different jurisdictions, making it difficult to make meaningful comparisons of securitised assets' climate resilience. The need arises to decide between prioritising comparable metrics or operating with a broader spectrum of metrics while addressing this diversity.

119. Additionally, obligations to **data accuracy**, where ensuring the precision of data is critical to reliable assessments of environmental characteristics, underscoring the importance of data quality throughout this process.
120. Finally, a fourth challenge pertains **the potential overlap with other reporting requirements**, including broader sustainability disclosures, could lead to duplicated efforts, confusion, and discrepancies if not properly aligned with existing obligations.

5.5 Advantages and disadvantages of Option B

121. In summary, Option B presents an approach that primarily aims to uphold the foundations of the existing disclosure framework while introducing a few measures to enhance the completeness of data available to investors and supervisors.
122. The advantages of Option B largely mirror those of Option A, specifically ensuring continuity with historical data due to the absence of significant changes in the content and reporting modalities for securitisation data to SR.
123. Furthermore, the modifications proposed by Option B offer the advantage of expanding the current set of information available to data users by increasing the completeness of the dataset and introducing new risk metrics.
124. On the downside, the adjustments proposed by Option B do not envisage any simplification for reporting entities. Instead, limiting the use of ND options and introducing new mandatory fields will result in an increase in the compliance burden, potentially leading to additional operating costs for the industry. Finally, the change will imply costs for adapting to the new templates.

5.6 Questions Option B

General

- Question 6** Do you believe that the additional adjustments to the current framework proposed by Option B, such as restricting the use of ND options and including additional risk indicators (including climate-related indicators) are necessary? Do you support a revision of the technical standards accordingly? Please explain your answer, indicating whether you support these proposed adjustments and any reasons for your agreement and disagreement.

Section 5.2

Question 7 Do you believe that a reduction of ND thresholds would materially improve the representation of data of securitisation reports? Please explain your answer.

Question 8 Do you think that the advantages stemming from restricting the consistency thresholds and/or removal of ND options for specific fields, resulting in more accurate representation of data, would justify the heightened compliance costs for reporting entities?

Section 5.3

Question 9 Do you believe that the proposal of enriching the Annexes with additional risk-sensitive indicators (presented in Section 5.3) is necessary?

Question 10 Do you believe that reporting entities would face challenges and/or significant costs if requested to report those additional indicators? If yes, please elaborate your answer.

Section 5.4

Question 11 Do you believe that the proposal of enriching the Annexes with climate risk indicators (presented in Section 5.4) is warranted?

Question 12 In addition to the list of advantages and challenges identified by ESMA in introducing the proposed sustainability indicators, do you believe additional advantages and challenges should be factored in?

Other Observations

Question 13 Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based on the above approach (Option B) may be to your own activities and potential impacts.

6 Option C – Undertake a targeted revision of the templates

6.1 Overview of the proposal

125. Option C proposes to review the disclosure templates with the aim of addressing the perceived deficiencies in the current transparency framework that are outlined in the EC report. This is intended to be achieved by following the EC's conclusions and recommendations in the context of a potential review of the disclosure templates.
126. A simplified and dedicated template for private securitisations specifically designed to meet supervisory needs is proposed under Option C. Moreover, Option C takes into consideration a set of proposals to streamline the disclosure of some information, including measures such as relaxing loan-level data granularity for specific asset types and streamlining the existing templates by removing or simplifying certain templates/fields.
127. Finally, in order to align the current disclosure templates with the various characteristics of securitisation transactions, Option C considers the potential to develop additional templates. These would cover other underlying asset classes currently absent from the disclosure framework, such as trade receivables.

6.2 Simplified and dedicated template for private securitisations

128. The proposed solution aims to introduce a dedicated and simplified template for private securitisation transactions. The objective behind this proposal is to streamline reporting practices and provide consistent information across the market. Private securitisations, while exempted from mandatory reporting to SRs, are subject to the same disclosure requirements as public securitisations, although the operational procedures for reporting are not explicitly outlined by the SECR framework.
129. According to the current regulatory framework, reporting entities are free to make use of any arrangements to comply with the transparency requirements for private transactions. This flexibility has given rise to diverse practices within the market, typically leading to ad-hoc arrangements among originators, investors, and supervisors to fulfil their obligations.
130. In view of the points mentioned above, Option C proposes the adoption of a simplified template for private securitisations, aimed to address supervisory oversight of such transactions. This decision is based on two primary reasons:

- i. the proposed **simplified template tailored for private securitisations** could potentially encourage voluntary reporting to SRs by reducing the effort involved compared to the current situation. This streamlining of the disclosure framework for private transactions may facilitate compliance with the disclosure requirements set out in SECR, regardless of whether the reporting is performed through a registered SR or via bilateral arrangements among the involved parties;
- ii. the proposed template would **primarily cater to supervisory needs**, aiming to assist supervisors in effectively monitoring the private securitisation market, as investors have shown that they utilise consolidated due diligence practices primarily relying on customised and bilateral information.

6.2.1 Proposal for a simplified template for private securitisations

131. To meet the EC's expectation of simplifying the transparency requirements and ensure that supervisors receive the necessary information, a single template may be drafted for the reporting of all ABCP and non-ABCP private securitisations.
132. A set of information on private transactions is currently shared with supervisors through different notification processes and templates³⁰. One of the existing reporting templates, which captures the main characteristics of these transactions, can serve as starting point for integrating the proposed simplified template for private securitisations.
133. The proposal aims to introduce a consolidated template appropriate for the reporting of any type of private transaction for supervisory purposes and replacing - for private securitisation only - the existing ESMA templates. This unique template would contain a common minimum list of fields that might capture, for example, certain information describing transactions that are also found in the **current SSM notification template**³¹ (Please refer to the '*Transaction*' tab of the template).
134. The SSM notification template is currently used by the SSM to supervise the compliance with Articles 6 to 8 of the SECR of significant institutions acting as Originators or

³⁰ Casper, Astra, Corep and SRT pre/post notifications.

³¹ https://www.bankingsupervision.europa.eu/legalframework/publiccons/pdf/securitisation/ssm.notification_template.en.xlsx

Sponsors in securitisation transactions. The SSM notification template is applicable to both public and private transactions and includes significantly less information compared to the ESMA templates.

135. ESMA is seeking feedback from stakeholders on whether the SSM template represents an adequate reference for the implementation of a dedicated and simplified template for private securitisations. In case of positive feedback, ESMA is in a position to propose amendments to the technical standards to accommodate such a dedicated template. The complete set of potential fields for designing a single template for private transactions will be subsequently assessed and agreed upon between market participants, supervisors, and ESMA in order to allow systematic supervisory monitoring and ensure compliance with the Article 7 of the SECR. The proposal would require further evidence and analysis to ensure that the information in the new template is both proportionate and sufficient to enable compliance with all the SECR requirements for disclosure.
136. The proposal in Option C is aimed to bring advantages by reducing the amount of data required. A more streamlined template could establish a standardised approach supporting supervisory activities and reducing the reporting burden of investors (e.g., minimize the redundancy of the underlying exposure information and avoid issues in completing some fields due to confidentiality concerns at loan level data). Taking into account the omission of crucial information due to the template's simplified nature and the limited scope of the existing reporting requirements for private securitisations, this solution could contribute to the long-term process of consolidating securitisation information.
137. The implementation of a dedicated template for private securitisation requires careful consideration due to various concerns. As previously clarified under Option A, stakeholders such as investors, CRAs and SRs have indicated a preference for maintaining the same level of disclosure for both private and public transactions. Moreover, introducing a new template might necessitate adjustments to internal systems, incurring costs that may not be adequately offset by practical benefits.
138. Lastly, some competent authorities have stressed the importance of extending to private transactions the obligation to report to SR. Private securitisations are voluntarily reported to SRs, which might limit the usefulness of a dedicated template as the information's reliability is not assured until it is centralised and validated by a SR.

6.3 Removal of loan-level disclosure for certain asset classes

139. In its Report, the EC emphasises the importance of introducing an appropriate level of proportionality into the disclosure and due diligence requirements. One approach to achieving this balance involves considering the potential alleviation of loan-level disclosure requirements for certain asset classes. The main concern raised by the EC is that the current disclosure framework could be overly stringent and detailed, particularly when applied to transactions with a substantial number of exposures and complex structures.
140. Building on the EC's call for proportionality, feedback gathered during ESMA's engagement with market stakeholders suggests that loan-level disclosure might not be highly beneficial or useful for all asset classes. Notably, in scenarios involving highly granular portfolios, such as auto loans, credit card loans, and trade receivables with a considerable number of loans, or portfolios featuring short maturities (30/90 days), the practicality of using detailed loan-level disclosure to assess the overall securitisation pool's performance may be limited. Stakeholders suggested that in such instances, the use of aggregated data relating to loan type could potentially replace loan-level disclosure, thereby alleviating reporting burdens while preserving data availability.
141. At the same time, the feedback collected during these interactions strongly emphasised that the value of providing loan-level disclosure depends on the specific asset class. For instance, in the context of RMBS and CMBS, where underlying pools are made up of highly granular assets with longer maturities, maintaining the loan-level information is crucial. It allows for the monitoring of collateral and recovery parameters, facilitating a comprehensive risk assessment at portfolio level.
142. Option C seeks to explore the potential transition from loan-level disclosure towards a more aggregated-level of information for certain asset classes which are (a) revolving in nature, (b) highly granular, or (c) of short-term maturity. This transition is driven by the consideration that the benefits of a detailed disclosure, which undoubtedly enhance market transparency, might not be justified by the associated compliance costs, considering that the information is not used by investors and supervisors.
143. The rationale behind requiring loan-level information for all non-ABCP asset classes within the existing transparency regime is to ensure an adequate level of transparency for both investors and supervisors in relation to certain information required by the templates. The specific details outlining this rationale can be found in **section** Error! Reference source not found. of Option A.

144. It is important to highlight that Article 7 of the SECR already provides a clear distinction between aggregated-level information and loan-level data for ABCP and non-ABCP transactions respectively, recognising that aggregate information may be enough for ABCP transactions. Introducing an additional subcategory within non-ABCP transactions would require careful consideration, as it might diverge from the legislative intent and potentially lead to complex implementation and compliance issues. For instance, under this proposal, a definition for what is considered as ‘highly granular’ or ‘of short maturity’ should be developed using measurable terms to avoid ambiguity and ensure consistent application across the industry. Furthermore, it is essential to consider the associated costs and operational implications on reporting entities, as well as the potential regulatory burden. Therefore, any proposed changes in this regard should be carefully evaluated to ensure they align with the overarching objectives of the SECR and do not inadvertently introduce unintended challenges or inconsistencies.
145. The feedback received on loan-level disclosure primarily originates from both sell-side and buy-side market participants. These perspectives might not comprehensively represent the views of all users, including those of supervisory authorities. As per paragraph 26 of the JCSC Report, due-diligence at loan-level is essential to ensure that investors have an accurate understanding of the value and risks associated with the securitisation exposure. Paragraph 28 of the same report highlights that supervision of the due-diligence requirements has been limited due to various factors, including the recent implementation of the SECR and absence of specific supervisory frameworks. Thus, the limited supervisory experience makes it challenging to evaluate the full impact of loan-level disclosure requirements on the current framework.
146. Finally, it is essential to note that loan-level data remains indispensable for specific purposes, with one of the most prominent use cases being the submission of detailed loan-by-loan level information as one of the requirements for Eurosystem collateral eligibility.
147. As part of this consultation process, ESMA aims to gather additional feedback to assess whether for certain asset classes that the current loan-level data reporting requirements could be waived. These insights will support the refining of the disclosure framework to better align it with the diverse requirements of reporting entities and data users alike.

6.4 Streamlining or deleting disclosure templates

148. The EC invited ESMA to review the disclosure templates of underlying exposures, seeking to address some potential and specific technical issues faced by reporting entities in completing and providing the requested information for certain fields. This review should also assess the possibility of removing potentially unnecessary fields, in order to align the information reported with investors' needs.
149. ESMA consulted a selection of market participants through bilateral engagements, during which they were given the opportunity to voluntarily provide feedback on fields to be removed, modified, or introduced. As outlined in **Section 3.3**, the feedback received on this matter was quite heterogeneous and was largely influenced by the interests of each stakeholder.
150. Concerning the possibility of entirely deleting some existing annexes, ESMA received feedback from some issuers and originators who proposed the deletion of Annexes 10³² (NPE) and 14³³ (Inside information or significant event information non-ABCP).
151. Regarding the necessity to streamline the existing Annexes, feedback from market participants referred to a simplification of Annexes 2³⁴, 3³⁵, 4³⁶ and 14³⁷. Feedback varied across these annexes, and a consensus was not reached regarding the fields that should be standardised or removed.
152. ESMA has not yet received any substantial feedback from investors and national supervisory authorities indicating the utility of specific annexes or fields within the current reporting regimes. To undertake a comprehensive review to streamline the disclosure

³² Annex 10: Add-on for non-performing exposure

https://www.esma.europa.eu/sites/default/files/library/annex10_underlying_exposures_add_on-non_performing_exposures.xlsx

³³ Annex 12: Investor report for non-ABCP exposure

https://www.esma.europa.eu/sites/default/files/library/annex12_investor_report-non-abcp_securitisation.xlsx

³⁴ Annex 2: non ABCP underlying exposure – Residential real estate

https://www.esma.europa.eu/sites/default/files/library/annex2_underlying_exposures-residential_real_estate.xlsx

³⁵ Annex 3: non ABCP underlying exposure – Commercial real estate

https://www.esma.europa.eu/sites/default/files/library/annex3_underlying_exposures-commercial_real_estate.xlsx

³⁶ Annex 4: non ABCP underlying exposures – Corporate

https://www.esma.europa.eu/sites/default/files/library/annex4_underlying_exposures-corporate.xlsx

³⁷ Annex 14: Inside information or significant event information – non- ABCP securitisation

<https://www.esma.europa.eu/document/securitisation-annex14insideinformation-non-abcpsecuritisation>

templates, it would be necessary not only to gather insights about the technical challenges faced by the reporting entities but also to assess the practical utilisation of data by users.

153. Given the absence of clear consensus, this consultation presents an opportunity to determine from the market whether there is potential for optimising the templates through streamlining.

6.5 Creating new templates for specific asset classes

154. The EC recommended that ESMA undertakes a review of the disclosure framework, exploring the feasibility of creating additional annexes that would better suit the reporting of specific asset classes. This consideration is particularly relevant for cases where a dedicated template has not yet been designed or where an existing template does not adequately fulfil the intended purposes. Option C is intended to collect feedback on the proposal of introducing new templates covering additional asset classes. In particular, in the context of Option C, ESMA seeks additional feedback on the introduction of dedicated templates for trade receivables and synthetic securitisations.
155. ESMA acknowledges the feedback from some market participants regarding the opportunity of introducing a new template specifically designed for non-ABCP trade receivables transactions, which are currently reported using the existing Annex 9 (Underlying Exposure - Esoteric). From the engagement with market participants, it has become apparent that trade receivables encompass numerous fields that lack direct relevance, retrievability, or applicability to the existing templates for the disclosure of underlying exposure information. One of the proposals received from industry representatives was to consider a simplified and aggregated template at portfolio level based on the structure of the current annex (Annex 11) for ABCP transactions, to limit the redundancy of the loan-by-loan information.
156. ESMA has also received diverse feedback regarding the potential introduction of new templates for synthetic transactions. Some suggested incorporating a new template under the private transactions' framework, featuring a limited set of fields. Others proposed maintaining a separate new template, accompanied by a dedicated investor report annex. Additionally, concerns were raised about the practicality of creating a single master template for all synthetic deals, given their varying nature. On the contrary, feedback from investors and CRAs consistently opposed the creation of a separate Annex for synthetic deals, as the risk analysis conducted on synthetic transactions mirror the disclosure of traditional/true-sale transactions. Thus, their view was to align the disclosure of synthetic exposures with that of true sale deals.

6.6 Advantages and Disadvantages of Option C

157. Option C aligns with the recommendations made by EC in its Report, exploring the possibility of streamlining data reporting by removing specific fields and templates related to certain asset classes in both public and private transactions. Regarding private securitisations, the option proposes an alternative reporting approach with a different and lower level of disclosure: a simplified and dedicated template, designed primarily to improve the supervisory oversight for monitoring market developments and concerned private transactions.
158. Option C faces the challenge of reconciling various stakeholders' needs and preferences, potentially impeding the successful implementation of the proposed changes. While it introduces a simplified template for private securitisation for the reduction of the reporting burden with the aim of also improving the competitive advantage of investors, it only partially addresses the current framework's shortcomings. The implementation process poses several challenges, which might result in higher costs without an equally effective outcome. Additionally, there is also a risk of retaining multiple reporting processes as some users may opt for alternative channels, potentially failing to achieve an overall simplification of the disclosure framework and the reduction of the reporting burden.

6.7 Questions Option C

General

Question 14 Do you agree with Option C as the preferred way forward (simplified template for private transactions, removal/streamlining of loan-level data for some asset classes, new template for trade receivables) for the revision of the disclosure templates?

Section 6.2

Question 15 Do you agree with the analysis and the inclusion of a new simplified template for private transactions that focuses mostly on supervisory needs?

Question 16 Do you believe that ESMA should proceed with the review of the RTS based on this option and using the SSM notification template as a starting point? Please provide details in your answer.

Question 17 Do you consider that a simplified template can be useful even though the operational way to submit the data is exempted from the mandatory reporting via the SRs?

Section 6.3

Question 18 Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data reporting for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?

Question 19 Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes and explain why.

Section 6.4

Question 20 Do you agree, in the context of option C, that ESMA should further explore the deletion of the current disclosure templates? Please provide details in your answer.

Question 21 Do you agree, in the context of option C, that ESMA should further explore the streamlining of the current disclosure templates? Please provide details in your answer.

Section 6.5

Question 22 Do you consider that a new template for non-ABCP trade receivables should be included and why? Please provide reasons for your answer.

Question 23 Which additional template could be relevant for the reporting of other asset classes that are not currently covered in the framework? Please provide details in your answer.

Other Observations

Question 24 Please provide any general observations or comments that you would like to make on this CP, including how the revision based on the above approach (Option C) may be relevant to your own activities, and any potential impacts.

7 Option D – Undertake a complete and thorough review of the disclosure framework

7.1 Overview of the proposal

159. In its assessment, ESMA has considered the feedback received from different stakeholders with respect to the complexity of the transparency regime and the burden on reporting entities. Proposing Option D, ESMA would consider a comprehensive review of the disclosure framework, focusing mainly on the simplification of the regime for both private and public transactions. This proposal represents a significant departure from the current framework. Before proceeding with further developing down this route, it is essential to gather insights from stakeholders.
160. Option D proposes the adoption of *multiple* simplified and standardised disclosure templates, specific to each of the identified asset classes and applied to all types of securitisation transactions, irrespective of whether the deal is considered public or private, true-sale or synthetic. This proposal is aimed at addressing one of the issues identified within the EC’s Report, notably the need to find a reasonable balance between the provision of essential information to investors and supervisors and the imposition of an excessive burden on reporting entities.
161. In this context, this option also seeks to alleviate concerns associated with the extensive disclosure requirements for loan-level information and to investigate an alternative approach for asset classes characterised as (a) revolving in nature, (b) highly granular or (c) being of short-term maturity, where the current loan-level requirements might not be essential for risk-analysis.
162. This option welcomes feedback on the potential revision of the current “No-Data” options, labelled as ‘ND1’ to ‘ND5’, adopting an approach similar to other reporting regimes. This proposal considers moving away from ND1-5 and opting for a system whereby fields are

classified based on whether they are considered (a) 'mandatory', (b) 'conditionally mandatory' or (c) 'optional'.

7.2 Standardised and simplified templates for private or public deals, true-sale or synthetic transactions

163. During the informal engagement with market participants, it became evident that a subset of stakeholders, primarily those within the investors, supervisors, and credit rating agencies categories, base their analysis and risk assessment of the securitisation transactions on the characteristics and nature of underlying assets rather than the categorisation of the transaction itself.
164. In response to this feedback, ESMA received a set of highly simplified, tailored templates used by some market participants to collect relevant information outside the SRs which appear to cover various aspects of the transaction, particularly elements related to the deal structure, borrower data, loan information, amortisation profile, and data associated with rating and default information. Market participants explained that such templates are based on the characteristics of the particular asset class and may be applied to all types of securitisation transactions, irrespective of whether the deal is considered public or private, true-sale or synthetic.
165. Given the binding nature of Article 7 of the SECR, requiring originators, sponsors, and SSPEs to provide specific information to investors and supervisors, Option D proposes a comprehensive review of the disclosure framework. The primary objective is to simplify and streamline the disclosure templates as much as possible. This proposal considers the feedback provided by market participants, particularly concerning the relevance and usability of specific fields across the defined asset classes. Consequently, the proposal draws inspiration from the received bespoke templates and recommends the creation of distinct, simplified templates for all non-ABCP transactions (Annexes 2 to 9).
166. It is worth noting that whilst ABCP transactions, particularly Annex 11, will be incorporated into the comprehensive review, they are expected to be less affected due to the distinct characteristics of these transactions. Ultimately, this proposal leads to a set of streamlined templates whereby any transaction, regardless of being public or private, true-sale or synthetic, adheres to the same level of data disclosure.
167. Additionally, as described also in **Section 6.5** of Option C, market participants have also pointed out that certain existing annexes are inadequate for reporting the attributes of specific asset classes, such as trade receivables. Supporting the previously mentioned

points, Option D seeks to evaluate the suitability of the current asset classes and their corresponding templates as well as the potential for the creation of a new annexes (e.g., a simplified, and distinct annex specifically tailored for trade receivables).

168. Further to the above, within the broader scope of restructuring the disclosure framework, Option D might also explore the potential revision of templates, such as the Investor Reports (Annexes 12 and 13), as well as the Inside Information and Significant Events Information (Annexes 14 and 15), depending on the feedback received. However, ESMA acknowledges the significance of information contained in these templates and intends to collaborate closely with market participants to determine the optimal approach, which may involve retaining the already relevant information within these templates.
169. While considering the proposal to implement simplified templates for securitisation, it is essential to carefully weigh the potential drawbacks. The current regime, with its comprehensive requirements, has been designed to address the diverse needs of market participants, including investors and supervisors when conducting due diligence, risk assessment, or monitoring of securitisation transactions. Whilst the introduction of simplified templates across all asset classes might seemingly reduce the information collected, any amendments made under Option D will prioritise the usefulness of information for the holder of the securitisation position, as outlined under Article 7(3) of the SECR.
170. Accordingly, this proposal requires thoughtful analysis to ensure that the information present in the revised templates is optimised, proportionate, and aligns with Article 7(3) of the SECR. This Article emphasises the ‘usefulness of information for the holder of the securitisation position’ as a primary consideration for disclosure requirements. Therefore, it is crucial to ensure that the information contained in the new templates remains sufficient to enable compliance with all SECR requirements for disclosure and due diligence.

7.3 Loan-level data or portfolio-level information

171. To gain a comprehensive understanding of the proposed approach, it is essential to examine Option D alongside **Section 0** under Option C. Both options suggest a shift towards aggregated-level information for certain asset classes which are considered to be (a) revolving in nature, (b) highly granular or (c) of short-term maturity, including auto loans, credit card loans, and trade receivables. On the other hand, they propose retaining loan-level disclosure for asset classes where granularity is considered essential for risk analysis, monitoring and investor confidence, such as RMBS and CMBS. Both options

suggest that disclosure requirements, whether at loan-level or aggregated-level, should be tailored to the unique characteristics of each asset class.

172. Accordingly, adopting Option D would imply the need to develop a well-defined methodology that is consistently applied throughout the market. Failing to do so may significantly undermine due diligence efforts and the effectiveness of risk-monitoring efforts carried out by market participants.
173. In this regard, this consultation seeks input from stakeholders regarding the feasibility and potential benefits of this approach. Additionally, it welcomes insights into any concerns, challenges and potential implementation costs that may arise.

7.4 'Mandatory' or 'Optional' fields

174. ESMA has considered the feedback received regarding the 'No-Data' options and the call from some industry representatives to simplify the current 'ND1' to 'ND5' tags. In response to this feedback, Option D proposes a shift away from the current 'ND' options and instead adopts an approach based on 'mandatory', 'conditionally mandatory' and 'optional' fields. This new approach aims to align the securitisation disclosure templates with other EU reporting regimes, such as EMIR, MiFIR, and SFTR reporting.
175. By introducing a clear distinction between mandatory and optional fields, Option D seeks to improve clarity and consistency in data reporting, ultimately improving the transparency and usefulness of the securitisation information.
176. Option D seeks to adopt reporting and validations based on the following categories:
- **Mandatory (M)**: these fields are strictly required, and validations of both format and content are applied.
 - **Conditionally mandatory (C)**: these fields are required if the specific conditions set out in the applicable validation rules are met. If these conditions are not met, the field can be populated on an optional basis unless otherwise specified. Format and content validations are applied.
 - **Optional (O)**: these fields should be populated if they are relevant to the given scenario or transaction features. It is important to note that fields specified as optional in the validation rules must always be populated when applicable. Format and content validations are only applied when the field is populated.

177. In the eventuality of adopting mandatory and optional fields, a comprehensive review of both Level 2 (Operational Standards for SRs) and Level 3 legal texts will be necessary. This review will involve developing a new set of XSD schemas (or any other applicable format), validation rules, and guidelines to support the implementation of the new disclosure framework.
178. It is also key to mention that this approach is opposite to the one proposed in Option A. Option A focuses on implementing more stringent use of the current ND options (ND1-5) by reducing the usage thresholds for ND1-4 and considers the potential removal of the ability to populate certain critical fields with ND options, including addressing any excessive reliance on ND5.

7.5 Advantages and disadvantages of Option D

179. The main advantage of this option will be to introduce an overall simplification of the current framework, reducing materially the number of reportable fields and changing some technical elements of the current framework.
180. Option D represents a material shift from the current regime. The introduction of simplified templates across all asset classes will lead to a significant reduction in the information at the relevant parties' disposal, potentially limiting the ability for the investors to assess the risks associated with these transactions and for the supervisors to carry out their supervisory duties. Consequently, it is imperative to assess the overall compliance of this Option with the scope of the SECR.
181. The simplified approach introduced by this option, designed to cater to the needs of certain stakeholders, may not fully consider established practices implemented by some market participants accustomed to the current level of reporting granularity. The reduction of fields or simplification of the existing disclosure framework could potentially result in a loss of crucial data required by some market participants. In response, these participants might resort to alternative methods of obtaining the required data. Consequently, more than in the case of Option C, there is a risk of either retaining or introducing additional reporting processes.
182. Finally, before adopting this approach, it is crucial to consider the associated implementation costs of the changes introduced by Option D. Additionally, compared to other options, Option D may entail a longer implementation timeline, as it would require deeper consultations and additional time for the industry to adapt to the proposed changes.

7.6 Questions Option D

General

Question 25 Do you agree with Option D (a comprehensive review of the disclosure framework) as the preferred way forward for the revision of the disclosure templates?

Section 7.2

Question 26 Do you think that it would be possible to achieve a level of simplification and standardisation within fields, across multiple templates, without having an impact on the overall risk analysis of the transaction? Please explain the rationale behind your answer.

Question 27 Do you think that the overall usability would improve with simplified and standardised templates? Please explain the rationale behind your answer.

Question 28 Do you agree with the approach proposed by Option D, to create a set of templates based on the characteristics and nature of underlying assets rather than the categorisation of the securitisation transaction (i.e., public or private, true sale or synthetic)?

Section 7.3

Question 29 Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data disclosure for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?

Question 30 Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes explain why.

Section 7.4

Question 31 What are your views on the proposal to transition from the current 'no-data' options to a framework based on 'mandatory', 'conditional mandatory' and 'optional' fields for securitisation transactions?

Question 32 Do you think that this transition be of added value to the securitisation framework? What challenges or concerns, if any, do you anticipate with the introduction of 'mandatory,' 'optional,' and 'conditionally mandatory' fields? Are there specific considerations related to data availability, feasibility, or implementation that should be considered?

Other Observations

Question 33 Please provide any general observations or comments that you would like to make on this CP, including how the revision, based on the above approach (Option D) may be relevant to your own activities and any potential impacts.

8 Annexes

8.1 Annex 1: list of Questions:

8.1.1 Option A

General

Question 1 Option A focuses on maintaining the current framework in its entirety. Do you agree with maintaining the current disclosure framework unchanged?

Section 4.2

Question 2 Do you agree that LLD granularity is essential for performing proper risk evaluation, including due-diligence analysis or supervisory monitoring? Please explain your answer considering the costs and benefits of keeping the current level of granularity in terms of operational costs, compliance burden and any other possible implications.

Section 4.3

Question 3 Do you agree that the current design of disclosure templates is adequately structured to facilitate comprehensive risk evaluation, including due diligence analysis and supervisory monitoring of securitisation transactions? If not, please explain your answer.

Section 4.4

Question 4 Do you agree that disclosure and reporting requirements should be maintained consistent between private and public securitisation?

Other Observations

Question 5 Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based on the above approach (Option A) may be to your own activities and potential impacts.

8.1.2 Option B

General

Question 6 Do you believe that the additional adjustments to the current framework proposed by Option B, such as restricting the use of ND options and including additional risk indicators (including climate-related indicators) are necessary? Do you support a revision of the technical standards accordingly? Please explain your answer, indicating whether you support these proposed adjustments and any reasons for your agreement and disagreement.

Section 5.2

Question 7 Do you believe that a reduction of ND thresholds would materially improve the representation of data of securitisation reports? Please explain your answer.

Question 8 Do you think that the advantages stemming from restricting the consistency thresholds and/or removal of ND options for specific fields, resulting in more accurate representation of data, would justify the heightened compliance costs for reporting entities?

Section 5.3

Question 9 Do you believe that the proposal of enriching the Annexes with additional risk-sensitive indicators (presented in Section 5.3) is necessary?

Question 10 Do you believe that reporting entities would face challenges and/or significant costs if requested to report those additional indicators? If yes, please elaborate your answer.

Section 5.4

Question 11 Do you believe that the proposal of enriching the Annexes with climate risk indicators (presented in Section 5.4) is warranted?

Question 12 In addition to the list of advantages and challenges identified by ESMA in introducing the proposed sustainability indicators, do

you believe additional advantages and challenges should be factored in?

Other Observations

Question 13 Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based on the above approach (Option B) may be to your own activities and potential impacts.

8.1.3 Option C

General

Question 14 Do you agree with Option C as the preferred way forward (simplified template for private transactions, removal/streamlining of loan-level data for some asset classes, new template for trade receivables) for the revision of the disclosure templates?

Section 6.2

Question 15 Do you agree with the analysis and the inclusion of a new simplified template for private transactions that focuses mostly on supervisory needs?

Question 16 Do you believe that ESMA should proceed with the review of the RTS based on this option and using the SSM notification template as a starting point? Please provide details in your answer.

Question 17 Do you consider that a simplified template can be useful even though the operational way to submit the data is exempted from the mandatory reporting via the SRs?

Section 6.3

Question 18 Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data reporting for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential

benefits, challenges, or considerations that ESMA should consider if adopting this approach?

- Question 19** Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes and explain why.

Section 6.4

- Question 20** Do you agree, in the context of option C, that ESMA should further explore the deletion of the current disclosure templates? Please provide details in your answer.

- Question 21** Do you agree, in the context of option C, that ESMA should further explore the streamlining of the current disclosure templates? Please provide details in your answer.

Section 6.5

- Question 22** Do you consider that a new template for non-ABCP trade receivables should be included and why? Please provide reasons for your answer.

- Question 23** Which additional template could be relevant for the reporting of other asset classes that are not currently covered in the framework? Please provide details in your answer.

Other Observations

- Question 24** Please provide any general observations or comments that you would like to make on this CP, including how the revision based on the above approach (Option C) may be relevant to your own activities, and any potential impacts.

8.1.4 Option D

General

Question 25 Do you agree with Option D (a comprehensive review of the disclosure framework) as the preferred way forward for the revision of the disclosure templates?

Section 7.2

Question 26 Do you think that it would be possible to achieve a level of simplification and standardisation within fields, across multiple templates, without having an impact on the overall risk analysis of the transaction? Please explain the rationale behind your answer.

Question 27 Do you think that the overall usability would improve with simplified and standardised templates? Please explain the rationale behind your answer.

Question 28 Do you agree with the approach proposed by Option D, to create a set of templates based on the characteristics and nature of underlying assets rather than the categorisation of the securitisation transaction (i.e., public or private, true sale or synthetic)?

Section 7.3

Question 29 Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data disclosure for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?

Question 30 Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes explain why.

Section 7.4

- Question 31** What are your views on the proposal to transition from the current 'no-data' options to a framework based on 'mandatory', 'conditional mandatory' and 'optional' fields for securitisation transactions?
- Question 32** Do you think that this transition be of added value to the securitisation framework? What challenges or concerns, if any, do you anticipate with the introduction of 'mandatory,' 'optional,' and 'conditionally mandatory' fields? Are there specific considerations related to data availability, feasibility, or implementation that should be considered?

Other Observations

- Question 33** Please provide any general observations or comments that you would like to make on this CP, including how the revision, based on the above approach (Option D) may be relevant to your own activities and any potential impacts.