

# Reply Form

**to the Consultation Paper on the securitisation disclosure templates under Article 7 of the Securitisation Regulation**

## Responding to this Consultation Paper

ESMA invites comments on all matters in this Consultation Paper and in particular on the specific questions summarised in 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](http://www.esma.europa.eu) under the heading 'Your input - Consultations'.

## Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

- Insert your responses to the questions in the Consultation Paper in this reply form.
- Please do not remove tags of the type < ESMA\_QUESTION\_SECR\_0>. Your response to each question has to be framed by the two tags corresponding to the question.
- If you do not wish to respond to a given question, please do not delete it but simply leave the text "TYPE YOUR TEXT HERE" between the tags.
- When you have drafted your responses, save the reply form according to the following convention: ESMA\_CP1\_SECR\_nameofrespondent.
- For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA\_CP1\_SECR\_ABCD.
- Upload the Word reply form containing your responses to ESMA's website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at [www.esma.europa.eu](http://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. A confidential response may be requested from us in accordance with 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](http://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).

## 1 General information about respondent

Name of the company / organisation	<p>True Sale International GmbH (TSI)</p> <p>and</p> <p>German Banking Industry Committee e.V. (GBIC)</p> <p>Contact Details:</p> <p>TSI:</p> <p>Jan-Peter Hülbert, Managing Director, <a href="mailto:jan-peter.huelber@tsi-gmbh.de">jan-peter.huelber@tsi-gmbh.de</a></p> <p>Peter Grijsen, Associate Director, <a href="mailto:peter.grijsen@tsi-gmbh.de">peter.grijsen@tsi-gmbh.de</a></p> <p>GBIC:</p> <p>Nicole Quade, Director, <a href="mailto:nicole.quade@bdb.de">nicole.quade@bdb.de</a></p>
Activity	Associations, professional bodies, industry representatives
Are you representing an association?	<input checked="" type="checkbox"/>
Country / Region	Germany

## 2 Questions

**Q1 Option A focuses on maintaining the current framework in its entirety. Do you agree with maintaining the current disclosure framework unchanged?**

<ESMA\_QUESTION\_SECR\_1>

*Introductory note: We refer to our joint response with AFME to this consultation paper as we see it content wise fully in line with our view and we discussed our opinions intensively during the consultation phase. We decided to submit our own response as we set some different focusses (in particular: more distinct differentiation between the market segments and following this the choice of Option A for Public ABS). However, the responses should be seen as supplemental. If you find inconsistencies during your review, please reach out to us as we are happy to clarify such issues.*

We are convinced that for answering the questions in this CP, it should be considered that European Securitisation markets comprise different market segments where answers sometimes differ from segment to segment. For simplification, we differentiate four main segments:

1. Public ABS
2. ABCP / Private non-ABCP
3. Synthetic on-balance-sheet transactions
4. CLOs **[not covered by our response]**

For further background please refer to **answer to Q33**.

**Public ABS:** First, one has to distinguish for which asset classes loan level data (“LLD”) is requested by investors:

Asset classes with need for LLD (sorted by descending relevance to access LLD): Commercial Real Estate, Large Corporate, SMEs, Equipment Leases, RMBS; Auto ABS and Consumer Loans

Asset classes without need for LLD: Trade Receivables and Credit Cards.

Starting with the latter, Trade Receivables are usually not securitised in public deals. Credit Cards are highly granular portfolios where LLD is not required for a risk assessment by investors or for supervisory needs. Hence, an introduction of a portfolio-level template is recommended since the current LLD template is not fit for purpose.

For asset classes with need for LLD, investors do use disclosure templates only for certain reasons. In our view, the use of disclosure templates by investors can be summarised as follows (intensity differs across asset classes depending especially on the granularity of the portfolio):

- Investment decision for a single deal: disclosure templates are not relevant since for this, investors look into the Transaction Documents.
- Monitoring of the transaction: disclosure templates might be relevant for the ongoing risk analysis
- Extraordinary events: disclosure templates might be occasionally relevant depending on the event.

Please see the results of the European Data Warehouse (“EDW”) report for more information about the current data usage of the disclosure templates (see Annex 3 and Q7).

Hence, the use of the templates is limited as especially the investment decision is done mainly without looking into the templates. Minor amendments would not change that. The production of the templates is in most cases fully automated on the Originator side. So, every adjustment on the existing templates would lead to expenses on the IT side and therefore to additional costs for the Originator but would not change anything in the investor’s behaviour.

Further, we recommend changes with regards to the requested formats of the disclosure templates. Additional options to upload/download csv/excel instead of only XML would be appreciated as XML is not a commonly used data format which leads to avoidable workarounds

on both sides, data producer and data receiver (see also results of the European Data Warehouse (“EDW”) report under Q7).

We also want to emphasise, as another exception from Option A, that the data fields for energy performance certificates (AUTL 57 and AUTL 58) do have little value as energy performance certificates are not comparable across Europe and hence investors usually do not ask for such information but rather for Co2 emission data. We refer in this regard to our feedback to the field-by-field review (see Annex 2) where we introduced certain new fields which better cover market-standard data requirements. We want to point out that such data is not yet available for all underlying assets and hence it is crucial to introduce ND options when implementing such fields.

A more thorough review of the disclosure requirements is needed if an alignment of the disclosure templates with the investor needs is aimed for. Therefore, the following considerations have to be taken into account:

- The current framework is very complex and was costly to establish.
- Investor’s needs were not sufficiently taken into account when building up these templates. This can be concluded from the fact that, even though LLD are downloaded in high volumes from the EDW, most investors do not view the templates for making investment decisions but receive relevant information by other means.
- Regulatory reporting should be shaped on supervisory needs (macroeconomic market overview)
- LLD is not needed for highly granular portfolios like trade receivables and credit card pools and such requirement should be removed for these asset classes.

For this market segment, the templates should either remain unchanged, or such revision should be carefully considered in the context of a Level 1 review.

As mentioned, there are the following exceptions:

- The introduction of aggregated data-based templates for highly granular asset classes such as credit cards makes sense, please see above and Q2.
- Change of the data format, see above.
- Adapting the energy performance measures for the AUTL template, see also above.

**ABCP / Private non-ABCP:** No, we disagree, please see Q33 for the reasoning.

**Synthetic on-balance-sheet transactions:** No, we disagree, please see Q33 for the reasoning.

<ESMA\_QUESTION\_SECR\_1>

**Q2 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.**

<ESMA\_QUESTION\_SECR\_2>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** No, not in general. LLD is only needed for certain asset classes (see Q1). For some granular portfolios some investors prefer to have LLD to have the chance for checking on more detailed levels e.g. in specific economic changes. In any case, the general requirement of LLD should be removed from Level 1 text. Another way would be to reinterpret the requirements of Article 7 SECR such that LLD can mean aggregated data generated by LLD instead of loan-by-loan data. Therefore, the implementation of new templates for highly granular asset classes (e. g. credit cards) with requirements for aggregated data definitely makes sense. If implemented for Public ABS, EMSA has to thoroughly assess the costs of introducing such new templates. Hence, the sum and requirements of the data fields should be very targeted.

**ABCP / Private non-ABCP:** No, see Q18.

**Synthetic on-balance-sheet transactions:** No, see Q18.

<ESMA\_QUESTION\_SECR\_2>

**Q3 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.**

<ESMA\_QUESTION\_SECR\_3>

We provide our answers separately by market segment. For more information, please see Q33.



**Public ABS:** Please see Q1, different format options are highly appreciated to ensure that every involved party is able to easily open and check the data they need to review. Data fields itself should not be changed.

**ABCP / Private non-ABCP:** No, see questions regarding Option C.

**Synthetic on-balance-sheet transactions:** No, see questions regarding Option C.

<ESMA\_QUESTION\_SECR\_3>

**Q4 Do you agree that disclosure and reporting requirements should be maintained consistent between private and public securitisation?**

<ESMA\_QUESTION\_SECR\_4>

**No!** The reporting requirements have to be assessed separately not only for public and private transactions but for every market segment, please see Q33. This answer applies for all market segments.

<ESMA\_QUESTION\_SECR\_4>

**Q5 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.**

<ESMA\_QUESTION\_SECR\_5>

Please see Q33.

<ESMA\_QUESTION\_SECR\_5>

**Q6 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.**

<ESMA\_QUESTION\_SECR\_6>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** No. More restrictions on ND fields would complicate the set-up reporting landscape of Originators. In practice, Originators are working very thoroughly on data quality and try to enrich missing fields as good as possible, e.g. by buying in external data. As long as certain data are not publicly available, a full delivery is not possible. A restriction of the ND option would not change this. The same issue Originators have with data, that is not essential for underwriting criteria or are stored in different systems (e. g. just scans, etc.). We therefore strongly recommend retaining all the ND options for every data field since this is crucial for institutions being able to provide the reporting.

Regarding the additional climate-related indicators we believe it is of imperative importance to develop a uniform reporting framework throughout Europe and throughout the different financial products. Therefore, a well-structured reporting framework on the Originators-side regarding all (and not only the securitised assets) has to be developed first. Afterwards supervision can assess if additional data requirements within the framework of Article 7 SECR reporting are really needed or would lead to double-reporting. We advise against including additional climate-related indicators at this stage.

**ABCP / Private non-ABCP:** No, the reporting templates for this market segment should be revised more fundamentally, but ND options should be retained, see our reasoning above.

**Synthetic on-balance-sheet transactions:** No, the reporting templates for this market segment should be revised more fundamentally, but ND options should be retained, see our reasoning above.

<ESMA\_QUESTION\_SECR\_6>

**Q7 Do you believe that a reduction of ND thresholds would materially improve the representation of data of securitisation reports? Please explain your answer.**

<ESMA\_QUESTION\_SECR\_7>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** In our view in practice, Originators are constantly working on increasing data quality, but there is a need for a certain degree of flexibility to be able to deliver different data at another point of time or even to report ND if there is no need e. g. in such underwriting criteria. This is supported by the report of EDW (see below). Also during ECB LLD the EDW helped a lot increasing more data accuracy.

The “Repository Insights“ report of the EDW from March 2024 (see Annex 3) gives important insights in this regard:

- The number of downloaded templates by (potential) investors increased from 17,668 to 26,785 between 2022 and 2023.
- Additionally, the usage of vendor platforms counts to 45,100 downloads which may be used by investors indirectly.
- 99% of the downloads was done in the CSV-format instead of the XML-format.
- The data quality increases constantly since the introduction of the disclosure templates

Therefore, we recommend a detailed exchange with securitisation repositories in terms of how many and what complaints in the sense of data quality and for which kind of data arised and how to solve such issues. A reduction of ND thresholds might lead to a very counterproductive outcome if not very thoroughly assessed. We recommend not to adjust these as there is evidence on improving data quality.

**ABCP / Private non-ABCP:** See answer for this market segment under Q6.

**Synthetic on-balance-sheet transactions:** See answer for this market segment under Q6.

<ESMA\_QUESTION\_SECR\_7>

**Q8 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?**

<ESMA\_QUESTION\_SECR\_8>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** Putting focus on more mandatory fields and or new fields would generate huge costs for reporting entities as well as IT developments. In general, investors, rating agencies and who ever needs data receive their required data. If some data is not available, explanations on why these data are not necessary for underwriting criteria is usually excepted or different information are combined to come to a needed result. Again, this could be a topic for a more fundamental review of the disclosure requirements, see Q1.

**ABCP / Private non-ABCP:** See answer for this market segment under Q6.

**Synthetic on-balance-sheet transactions:** See answer for this market segment under Q6.

<ESMA\_QUESTION\_SECR\_8>

**Q9 Do you believe that the proposal of enriching the Annexes with additional risk-sensitive indicators (presented in Section 5.3) is necessary?**

<ESMA\_QUESTION\_SECR\_9>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** The disclosure templates are mainly reviewed by investors, rating agencies, etc for certain purposes (see Q1). For the significant purpose of making an investment decision, most counterparties still focus on the Transaction Documents including portfolio information, usually in form of stratification tables for granular asset classes (RMBS, Auto ABS, Consumer, Leasing, SME and Credit Cards). Therefore, enriching the Annexes with additional indicators would lead to more costs but not to a better use of the template, see Q1.

**ABCP / Private non-ABCP:** No, the reporting templates for this market segment should be revised more fundamentally but should be simplified and tailored to address the supervisory needs, see Option C.

**Synthetic on-balance-sheet transactions:** No, the reporting templates for this market segment should be revised more fundamentally but should be simplified and tailored to address the supervisory needs, see Option C.

<ESMA\_QUESTION\_SECR\_9>

**Q10 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.**

<ESMA\_QUESTION\_SECR\_10>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** Yes, the current reports were put into place with high development costs. Any changes and especially additional fields would run into even more costs without benefit. Most originators use a reporting system different to their portfolio systems. Interfaces would have to be enriched, if the data is already available somewhere, if not, even the indicators have to be developed. The Annexes already include lots of indicators but are barely used. We do not see any necessity for additional ones.

**ABCP / Private non-ABCP:** Yes, the reporting templates for this market segment should be revised more fundamentally but should be simplified and addressing the supervisory needs, see Option C.

**Synthetic on-balance-sheet transactions:** Yes, the reporting templates for this market segment should be revised more fundamentally but should be simplified and addressing the supervisory needs, see Option C.

<ESMA\_QUESTION\_SECR\_10>

**Q11 Do you believe that the proposal of enriching the Annexes with climate risk indicators (presented in Section 5.4) is warranted?**

<ESMA\_QUESTION\_SECR\_11>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** See answers above. These figures are not available in public. Most originators need to buy them in and set up enormous matching constructions to be able to deliver proper data. This aspect is even more relevant and burdensome for non-captive financing companies. These indicators could be re-discussed as soon as there is a public standard defined and the data information available, see Q6.

**ABCP / Private non-ABCP:** See above and Q6 for Public ABS.

**Synthetic on-balance-sheet transactions:** See above and Q6 for Public ABS.

<ESMA\_QUESTION\_SECR\_11>

**Q12** 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?

<ESMA\_QUESTION\_SECR\_12>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** No, see answers to the questions above.

**ABCP / Private non-ABCP:** No, see answers to the questions above.

**Synthetic on-balance-sheet transactions:** No, see answers to the questions above.

<ESMA\_QUESTION\_SECR\_12>

**Q13** 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.

<ESMA\_QUESTION\_SECR\_13>

Please see Q33.

<ESMA\_QUESTION\_SECR\_13>

**Q14** 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?**

<ESMA\_QUESTION\_SECR\_14>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** No, see Q1 and Q33.

**ABCP / Private non-ABCP:** Yes, we agree with Option C as the way forward.

ABCP transactions/programmes are usually private in nature and often benefit from fully supported liquidity support by the sponsor bank and ABCP investors are already provided with investor reports which fit the investor's needs. Such investor reports have been provided even before the introduction of the SECR transparency requirements. A simplified template should be targeted more towards supervisory needs. Please refer to Q14 in the Joint Associations Response for more detail. As for private non-ABCP transactions, these are bilateral transaction in which the sponsoring/investing institution has a direct "credit" relationship to the originating entity comparable to a typical corporate credit. In this specific situation there is no need for data templates as all information is obtained directly from the originator as part of the risk analysis process. Furthermore, no additional trade receivables template is needed but an equal treatment of ABCP and private non-ABCP transactions with a single simplified template with aggregated data, e.g. as applied in the European Benchmark Exercise (see Q33 for further details on the European Benchmark Exercise and for a better understanding of this market segment).

**Synthetic on-balance-sheet transactions:** Yes, see reasoning for ABCP / Private non ABCP and Q33.

<ESMA\_QUESTION\_SECR\_14>

**Q15 Do you agree with the analysis and the inclusion of a new simplified template for private transactions that focuses mostly on supervisory needs?**

<ESMA\_QUESTION\_SECR\_15>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** N/A.

**ABCP / Private non-ABCP:** Yes, we agree that a simplified private securitisation reporting template should be primarily aimed at the supervisory needs based on the existing templates (ABCP / SSM).

A newly designed reporting template would be inefficient and further increase the scattered reporting regime for securitisations. Please refer for more details to the article “Reviving securitisation in the EU: A critical analysis of the reporting requirements” by Olivia Hauet, Principal Economist, European Central Bank.

However, we do agree with the focus of such templates being supervisory needs. The purpose of investor information is met by bilateral exchange of information between the Originator and the investor/sponsor (see above) and the production of the disclosure template is just an additional cost driver. As the templates for private transactions do not have to be reported through a SR but only made available for holders of the securitisation position, the second purpose of the templates, supervisory needs, was so far not fulfilled as (i) the monitoring was too complex for supervisors due to the too high data volume of the templates and technical issues with the xml-files, and (ii) there is no assurance mechanism that supervisory authorities do so.

Therefore, the streamlining of reporting requirements for private transactions should be based on efforts to use the data already collected and implemented e.g. with the ABCP reporting templates / SSM notification template and make use of them for all private transactions irrespective of its booking location (e.g. on-balance, purchasing SPV or within an ABCP programme) and align them with the requirements of the supervisors in order to gain an overview of the market and to be able to assess the inherent risk in the markets.

Furthermore, similar to Public ABS (see Q1) the data format requirements should be relaxed and allow for .xls and/or .csv files in order to reduce IT burdens and increase usability of the templates as shown in the European Benchmark Exercise, see Q33. With a simplified template in a simpler format, it should be assured that supervisors are able to analyse the market in regular intervals and that the results of such analysis are published.

**Synthetic on-balance-sheet transactions:** See our reasoning for ABCP / Private non ABCP. However, synthetic on-balance-sheet transactions differ substantially from ABCP / Private non ABCP in terms of structure, asset classes and investors (see Annex 1 and Q33). Therefore, the template for such transactions should differ from a template for ABCP / Private non-ABCP in terms of data requirements as the risk indicators differ e. g. between trade receivables and large corporate loans. For investors in synthetic transactions, LLD is desirable for the initial



investment decision but again disclosure templates are not used for it as the decision is made during the structuring process and before the disclosure templates are produced. The investor needs for synthetic transactions are very individualised depending on the transaction and assets and the development of the disclosure templates should therefore be left to the market.

<ESMA\_QUESTION\_SECR\_15>

**Q16 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.**

<ESMA\_QUESTION\_SECR\_16>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** N/A, see Q1 and Q33.

**ABCP / Private non-ABCP:** Yes, but keeping in mind that changes in existing templates and reporting procedures produce costs for all market participants especially for SMEs and make the securitisation product less attractive. The current SSM notification template or ABCP template should be used without introducing new data requirements. Please refer to answers for Q14 and Q15 for more details. As emphasised under Q15, when amending the RTS and introducing the new reporting templates for private transactions, a regular analysis of the market by an appropriate party and the publication of the results should be assured as transparency is a key element for the securitisation markets in Europe. This topic is crucial also to market participants as the private initiative of the European Benchmark Exercise shows (see Q33).

**Synthetic on-balance-sheet transactions:** See above but also answer to Q15. The data requirements for synthetic transactions differ from those for ABCP / Private non-ABCP.

<ESMA\_QUESTION\_SECR\_16>

**Q17 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?**

<ESMA\_QUESTION\_SECR\_17>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** N/A.

**ABCP / Private non-ABCP:** Yes, simplified template in the meaning that already existing ABCP templates or SSM notification template are used and application of those is extended to all private securitisation structures independent of how they are booked (on-balance, SPV, or ABCP). The European Benchmark Exercise demonstrates successfully that analysis, aggregation and publication of market data can be achieved, and a similar mechanism should be achieved for all private market segments.

Supervisory bodies can access the data based on current reporting procedures and no SR involvement is necessary. Supervisory bodies should assure to publish aggregated data on a regular basis, at least annually, see Q16 above.

**Synthetic on-balance-sheet transactions:** See above keeping in mind that such template should be tailored differently for ABCP/ Private non-ABCP and Synthetic on-balance-sheet transactions.

<ESMA\_QUESTION\_SECR\_17>

**Q18 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?**

<ESMA\_QUESTION\_SECR\_18>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** Yes, see our answers for Q1, Q2 and Q33.

**ABCP / Private non-ABCP:** Yes. For private transactions as defined in the response to Q14 there is no need for loan-by-loan data as the required information is accessed directly between the transaction parties independent from the granularity, term or revolving structures.

Especially for highly granular portfolios and/or short maturities loan-level-data is not useful. For private transactions (ABCP and non-ABCP) it is inefficient, as the involved parties have direct access to all relevant receivables data and reduced costs (due to simplified templates) to produce the data population of templates not in use can make the product more attractive especially for SMEs.

The removal of the requirement will especially benefit SMEs immediately with lower reporting costs and reduced barriers to implement securitisation structures. Ultimately it will help the EU securitisation market to develop more broadly as a viable funding diversification tool for SMEs. It will also reduce discrimination in the market as SMEs often do not have the IT resources to implement complex data reporting procedures.

**Synthetic on-balance-sheet transactions:** See above keeping in mind that such template should be tailored differently for ABCP/ Private non-ABCP and Synthetic on-balance-sheet transactions.

<ESMA\_QUESTION\_SECR\_18>

**Q19** 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.

<ESMA\_QUESTION\_SECR\_19>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** Yes, see our answers for Q1, Q2 and Q33.

**ABCP / Private non-ABCP:** Yes. For ABCP and for private non-ABCP (bilateral) transactions there is no need for loan-by-loan data.

**Synthetic on-balance-sheet transactions:** Yes. For all granular transactions in the private synthetic (bilateral) transaction category there is no need for loan-by-by loan data for the initial investment process. Market participants shall be allowed to decide individually which data to report on an ongoing basis.

<ESMA\_QUESTION\_SECR\_19>

**Q20** 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.

<ESMA\_QUESTION\_SECR\_20>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** No, see our answers for Q1, Q2 and Q33.

**ABCP / Private non-ABCP:** Yes. For all private transactions (ABCP and non-ABCP) there should be no loan-by-loan data reporting and replacement with already established ABCP templates/ current SSM notification template should be realized.

**Synthetic on-balance-sheet transactions:** Yes. For all private synthetic transactions there should be no loan-by-loan data reporting and replacement with already established ABCP templates/ current SSM notification template should be realized.

<ESMA\_QUESTION\_SECR\_20>

**Q21** 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.

<ESMA\_QUESTION\_SECR\_21>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** No, see our answers for Q1, Q2 and Q33.

**ABCP / Private non-ABCP:** No, under the assumption that ABCP templates/ current SSM notification template are used and reasonably adjusted for all private (ABCP and non-ABCP) transactions there should be no further change to the content to prevent unnecessary costs. The rules regarding the format of the should be relaxed files (extending to csv/xls), see Q15.

**Synthetic on-balance-sheet transactions:** No, under the assumption that ABCP templates/ current SSM notification template are used and reasonably adjusted for all private synthetic (bilateral) transactions there should be no further change to the content to prevent unnecessary costs. The rules regarding the format of the files should be relaxed (extending to csv/xls), see Q15.

<ESMA\_QUESTION\_SECR\_21>

**Q22 Do you consider that a new template for non-ABCP trade receivables should be included and why? Please provide reasons for your answer.**

<ESMA\_QUESTION\_SECR\_22>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** N/A as there are no public deals for trade receivables.

**ABCP / Private non-ABCP:** No, under the assumption that ABCP templates/ current SSM notification template are used and reasonably adjusted for all private transactions (ABCP and non-ABCP) there should be no need for a new non-ABCP trade receivables template.

Only if Option C is not followed, the development of a new template for non-ABCP trade receivables on aggregate basis would definitely be needed as the reporting of LLD makes no sense for Trade Receivables. Again, the rationale is the same: Investors do not look into it, and supervisors do not need such granular data to assess the market risk for this asset class and the short-term maturity and revolving nature of this asset class renders LLD useless.

**Synthetic on-balance-sheet transactions:** N/A as the questions regards non-ABCP transactions.

<ESMA\_QUESTION\_SECR\_22>

**Q23 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.**

<ESMA\_QUESTION\_SECR\_23>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** No further templates should be introduced, see our answers for Q1, Q2 and Q33.

**ABCP / Private non-ABCP:** No further templates should be introduced, under the assumption that ABCP templates/ current SSM notification template are used for all private transactions in this market segment.

**Synthetic on-balance-sheet transactions:** No further templates should be introduced, under the assumption that ABCP templates/ current SSM notification template are used for all private transactions in this market segment.

<ESMA\_QUESTION\_SECR\_23>

**Q24** 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.

<ESMA\_QUESTION\_SECR\_24>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** For Public ABS we propose Option A, see Q1 and Q33.

**ABCP / Private non-ABCP:** The removal of the requirement for loan-by-loan data for private securitisations (ABCP and non-ABCP) would be beneficial for all market participants and especially SMEs by reducing reporting costs and reduced barriers to implement securitisation structures.

Ultimately it will support the securitisation market to be a viable funding diversification tool for SMEs which often do not have the IT resources to implement complex data reporting structures. Some of the main unnecessary challenges the ESMA securitisation templates pose for private securitisations (ABCP and non-ABCP) would be substantially reduced if all private securitisation (ABCP and non-ABCP) will be covered by the ABCP template/ current SSM notification template.

Currently the challenges arise mainly due to the following (for private ABCP and non-ABCP securitisations):

1. The templates are overly complex and difficult to understand, especially for smaller market participants with limited resources and no dedicated securitisation experts internally employed.
2. Compliance with ESMA securitisation templates is perceived as burdensome, particularly for smaller firms that lack the necessary resources or expertise to effectively implement and maintain reporting processes. Implementing the necessary systems and processes to comply with ESMA securitization templates can be costly, particularly for SMEs or those with limited technological infrastructure and budgets.
3. While the aim of the templates is to promote harmonisation and standardisation across the EU securitisation market, which makes a lot of sense for public transactions with external parties involved (rating agencies, investors with no bilateral credit relationship to the originator). That is in contrast to private transactions (ABCP and non-ABCP) where direct access to all relevant data exists between the involved parties.
4. The regulatory landscape surrounding securitisation is complex and subject to frequent changes, leading to challenges for market participants in staying up-to-date and compliant with evolving requirements. It is a welcomed step to reduce resources for unnecessary reporting requirements. Addressing the loan-by-loan template burden is quickly possible for private transactions (ABCP and non-ABCP) without reducing the transparency between the involved parties.

**Synthetic on-balance-sheet transactions:** See above. Even though challenges 1. and 2. do not apply for synthetic on-balance-sheet transactions (these transactions usually are done by large banks), challenges 3. and 4. are equally valid. Both aims of the disclosure templates, investor information and market overview for supervisory needs, are not met by the templates. This is also true for synthetics as the involvement of the investor in the transaction leads to a broad data access already during the structuring phase. Even though, the cost aspect is for banks may not be as important as for SMEs in the ABCP / Private Non-ABCP sector, the removal of unnecessary cost and processual burdens will help this market segment grow even further after the introduction of STS for synthetic on-balance-sheet deals in 2021. Again, we want to emphasise that a reporting template for synthetics, although having the same base as the ABCP / Private non-ABCP template (based on the ABCP or SSM template), should look different in terms of data requirements. The development of the disclosure templates should be left to the market, see Q15.

<ESMA\_QUESTION\_SECR\_24>

**Q25 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?**

<ESMA\_QUESTION\_SECR\_25>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** See Q1 and Q33. In our view, for Public ABS Option D makes only sense in the context of a Level 1 review. Only then there is the possibility to improve the Article 7 disclosure requirements in a way that it would be worth to change the current framework.

**ABCP / Private non-ABCP:** See Q14-Q24 and Q33. The disclosure templates do not meet their purpose at the current stage and represent an unnecessary burden especially for Originators of the SME sector. Hence, timely adjustments are needed which in our view are not possible in the context of Option D. Therefore, we do not recommend Option D for now. Again, in the context of a Level 1 review, Option D should be considered for this market segment as well.

**Synthetic on-balance-sheet transactions:** See Q14-Q24 and Q33. The disclosure templates do not meet their purpose at the current stage and only represent a cost burden for Originators. Hence, timely adjustments are needed which in our view are not possible in the context of Option D. Therefore, we do not recommend Option D for now. Again, in the context of a Level 1 review, Option D should be considered for this market segment as well.

<ESMA\_QUESTION\_SECR\_25>

**Q26 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.**

<ESMA\_QUESTION\_SECR\_26>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** No, see Q1 and Q33.



**ABCP / Private non-ABCP:** Yes, see Q14-Q24 and Q33.

**Synthetic on-balance-sheet transactions:** Yes, see Q14-Q24 and Q33.

<ESMA\_QUESTION\_SECR\_26>

**Q27 Do you think that the overall usability would improve with simplified and standardised templates? Please explain the rationale behind your answer.**

<ESMA\_QUESTION\_SECR\_27>

Yes. The initial purpose of Article 7, investor information, is only partially achieved by the current disclosure templates. Data platforms as Intex or Bloomberg publish analysis based on the disclosure templates (for public deals only) which in turn are used by investors. Again, the investment decision is not driven by the disclosure templates but by common market practice. Therefore, the main purpose of the Article 7 SECR should be adjusted to market transparency for the supervisor. This can be reached by a much-simplified reporting procedure. Please see Q33 for further explanation. This answer applies for all market segments.

<ESMA\_QUESTION\_SECR\_27>

**Q28 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)?**

<ESMA\_QUESTION\_SECR\_28>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** No, this approach would again lead to a fragmented reporting approach. We therefore advise for templates based on the market segment the transaction belongs to. The current templates are already based on the characteristics and nature of underlying asset. Again, for Public ABS we do not recommend changing them, see Q1.

**ABCP / Private non-ABCP:** No, this approach would again lead to a too fragmented reporting approach. We therefore advise for templates based on the market segment the transaction

belongs to, see Q33. Templates for ABCP / Private non-ABCP should be based on the existing ABCP or SSM template, see Q14-24.

**Synthetic on-balance-sheet transactions:** No, this approach would again lead to a too fragmented reporting approach. We therefore advise for templates based on the market segment the transaction belongs to, see Q33. Templates for Synthetic on-balance-sheet transactions should be based on the existing ABCP or SSM template, see Q14-24.

<ESMA\_QUESTION\_SECR\_28>

**Q29** 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?

<ESMA\_QUESTION\_SECR\_29>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** Yes, see Q1, Q2, Q18 and Q22.

**ABCP / Private non-ABCP:** Yes, see Q1, Q2, Q18 and Q22.

**Synthetic on-balance-sheet transactions:** Yes, see Q1, Q2, Q18 and Q22.

<ESMA\_QUESTION\_SECR\_29>

**Q30** 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.

<ESMA\_QUESTION\_SECR\_30>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** Credit Cards on aggregated level, see Q1 and Q2.

**ABCP / Private non-ABCP:** Only if Option C **is not** applied: Trade receivables on aggregated level, see Q22.

**Synthetic on-balance-sheet transactions:** No.

<ESMA\_QUESTION\_SECR\_30>

**Q31** 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?

<ESMA\_QUESTION\_SECR\_31>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** The current ND options should be maintained, please see Q6-Q8.

**ABCP / Private non-ABCP:** As we propose templates for this market segment not to be on a loan-by-loan level, ND options should not be as crucial as for the existing template (see Public ABS). Nevertheless, ESMA should very precisely determine - in alignment with issuers, financing banks and investors - which data is needed and which data is available for Originators. If Option C with private templates for supervisory needs only are applied, a no-data framework based on ‘mandatory’, ‘conditional mandatory’ and ‘optional’ might be simplifying the reporting.

**Synthetic on-balance-sheet transactions:** As we propose templates for this market segment not to be on a loan-by-loan level, ND options should not be as crucial as for the existing template (see Public ABS). Nevertheless, ESMA should very precisely determine - in alignment with issuers, financing banks and investors - which data is needed and which data is available for Originators. If Option C with private templates for supervisory needs only are applied, a no-data framework based on ‘mandatory’, ‘conditional mandatory’ and ‘optional’ might be simplifying the reporting.

<ESMA\_QUESTION\_SECR\_31>

**Q32 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?**

<ESMA\_QUESTION\_SECR\_32>

We provide our answers separately by market segment. For more information, please see Q33.

**Public ABS:** See Q31.

**ABCP / Private non-ABCP:** See Q31.

**Synthetic on-balance-sheet transactions:** See Q31.

<ESMA\_QUESTION\_SECR\_32>

**Q33 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.**

<ESMA\_QUESTION\_SECR\_33>

TSI and its Stakeholders propose a revision of the securitisation disclosure templates (“templates”) which is tailored to the different market segments. As already mentioned in our reply to the field-by-field review in early 2023, we recommend distinguishing by market segments:

- 1. Public ABS**
- 2. ABCP / Private non-ABCP**
- 3. Synthetic on-balance-sheet transactions**
- 4. CLOs (not covered by our response here)**

Important note: We understand that the answers received by ESMA during the field-by-field review in 2023 might have been misunderstood and seem to be contradictory only at first glance. One main point is the responses (see section 3.3 of ESMA CP, especially paragraph 39) on the necessity of Loan Level Data (LLD): When supervisors, investors and rating agencies claim LLD important for private securitisation, this answer is most likely referring to

CLO transactions, as e.g. rating agencies are not involved in private non-ABCP, ABCP (transaction-level) and synthetic on-balance-sheet transactions, whereas our recommendation (no LLD) did refer especially to these two segments.

The rationale provided in ESMA's CP shows that this additional distinction is important. CLO transactions are similar to Public ABS in terms of the announcement and investor sounding process. Furthermore, also rating agencies are involved. Usually, 10-15 investors participate in a CLO transaction. Furthermore, typically loan-level data is requested by investors and rating agencies for such transaction. Hence, they differ substantially from other private transactions where usually only few investors are involved which have their own individual information requirements or which are already integrated in the structuring process of the transaction and no rating agencies are involved.

Due to the fact that these four market segments have very different characteristics in terms of disclosure requirements, we recommend not to apply one and the same Option for all market segments but to choose the way of the further template revision depending on the respective market segment. Please see Annex 1 for a more detailed description of the four market segments.

Further, when revising the templates, we see two purposes which have to be considered, see also ESMA's proposal for a simplified template for private securitisations in the Consultation Paper (page 43f):

- a) Investor information
- b) Market overview on a macroeconomic level for supervisory institutions ("supervisory needs")

First, for **Public ABS**, securitised portfolios can be very granular (e. g. Credit Cards). For such asset classes LLD is usually not required by investors as they typically look on aggregated data for such highly granular pools.

For Public ABS in general, investors usually use the Transaction Documents to make their investment decision and not the regulatory disclosure templates as they are not structured clear enough for such decision. Minor amendments would not change that. Furthermore, the information reported to the securitisation repositories are quite extensive so that the purpose of monitoring can be fulfilled. The production of the templates is predominantly automated on the Originator side. So, every adjustment on the existing templates would not change anything in the investor's behaviour but would produce additional costs on the Originator side.

A more thorough review of the disclosure requirements is needed if an alignment of the disclosure templates with the investor needs is aimed for. In our view, this should be done in line with a Level 1 review.

For the private market segments **ABCP/ Private non-ABCP** and synthetic **on-balance-sheet transactions**, investors are usually involved in the structuring process. Hence, they receive the information they request way before the disclosure templates are produced, see Annex 4 for a detailed illustration of the structuring processes for private and public transaction. Furthermore, the data investors receive during such process are much more detailed and tailored to the investor's needs as the disclosure templates are (or can be). Hence, **the purpose of the disclosure templates for such transactions cannot be investor education**. We want to point out that it **is not a solution to oblige Originators to provide the disclosure template earlier in the process** because in such stage the portfolio is not finally selected or revolving in nature and hence not reportable.

So, the purpose of investor information is again met by bilateral exchange of information between the Originator and the investor/sponsor and the production of the disclosure template is just an additional cost driver. As the templates for private transactions do not have to be reported through a SR, the second purpose of the template was not fulfilled so far due to not streamlined monitoring processes and issues with the xml-format. Hence, we would see for such market segments **an urgent need for an immediate adjustment for the disclosure templates** as they currently have no use and are just a cost driver.

Hence, we propose the following options (see also answers to the CP's questions above for more details):

**1. Public ABS:**

Investor information:	Purpose fulfilled by Transaction documents in terms of the investment decision, including investor presentation and stratification tables. disclosure templates are occasionally used for monitoring and extraordinary circumstances.
Supervisory needs:	Purpose can be fulfilled by current disclosure templates.

**→ Option A**

**2. ABCP / Private non-ABCP:**

Investor information:	Purpose fulfilled by Transaction documents and market practice.
Supervisory needs:	Purpose not fulfilled.

**→ Option C**

### 3. Synthetic on-balance-sheet transactions:

Investor information:	Purpose fulfilled by Transaction documents and market practice.
Supervisory needs:	Purpose not fulfilled.

#### → Option C

### 4. CLOs:

Not covered in TSI response.

*Note: The term “Transaction documents” is used with the meaning of inter alia legal documents and prospectus (if available) but also investor presentations, stratification tables, cash flow models, historical performance data, etc.*

We consider transparency as a valuable and very important asset because it strengthens the quality of investment decisions and monitoring and builds credibility and trust into the market. We are active in providing such market transparency in the ABCP/ Private non-ABCP segment since 2021 through the European Benchmark Exercise, which is a market-based initiative launched by AFME, the EDW and TSI (see [https://www.true-sale-international.de/fileadmin/tsi-gmbh/tsi\\_downloads/aktuelles/EBE\\_2023-H1\\_Report\\_20240311.pdf](https://www.true-sale-international.de/fileadmin/tsi-gmbh/tsi_downloads/aktuelles/EBE_2023-H1_Report_20240311.pdf) for the latest report). The objective is to significantly increase the market transparency of ABCP and other private securitisations in the EU and the UK. The results are made available to supervisory bodies, policymakers and interested members of the public. Synthetic balance sheet securitisations and public ABS are not considered. The fact that this is a market-based initiative including twelve major banks throughout Europe underlines the willingness of the market to provide above mentioned transparency.

We believe that supervisors should be able to perform such market analysis on a regular basis and it should be assured that they do so. Therefore, we shaped our answer to this consultation paper in a way which supports gaining more macroeconomic transparency, especially for the private market segments, while reducing the costs and reporting burdens for the individual market participants but not reducing the transparency for investors. This can be reached by the introduction of a simplified template for such market segments which is based on the already existing ABCP and SSM templates. Further, the goal of this consultation process must be the harmonisation of the reporting requirements. The result of the revision of the disclosure templates has to be one streamlined reporting framework. Again, this can be reached by building on the existing ABCP and SSM templates for private transactions.

**Please note that for any changes to the disclosure templates it is utmost important that these are discussed and aligned with market participants in addition to this consultation (we suggest a round table) and that they afterwards will remain unchanged for a longer period of time. This does increase the acceptance and usefulness of the templates.**

<ESMA\_QUESTION\_SECR\_33>