

Compromise amendments
on the proposal for a regulation of the European Parliament and of the Council
amending Regulation (EU) 2017/2402 (Securitisation Regulation)

COMP A on scope, definitions, due diligence, risk retention, transparency
securitisation repository
(Article 1 - Article 17)

If COMP A adopted, the following amendments fall: AMs 10-24 Seekatz, AM 112 Zijlstra, Pimpie, AM 113-114 Crosetto, Vivaldini, Nesci, Ventola, Squarta, AM 115 Toussaint, AM 116 Ferber, AM 117-118 Doherty, AM 119 Kubin, AM 120 Zijlstra, AM 121-122 Zijlstra, Pimpie, AM 123 Zijlstra, AM 124 Navarrete, Doherty, Benjumea Benjumea, AM 125-126 Crosetto, Vivaldini, Nesci, Ventola, Squarta, AM 127 Navarrete, Benjumea Benjumea, AM 128 Zijlstra, AM 129 Doherty, AM 130 Navarrete, Doherty, Benjumea Benjumea, AM 131 Crosetto, Vivaldini, Nesci, Ventola, Squarta, AM 132 Gomart, AM 133 Pereira, AM 134 Ferber, AM 135 Boyer, Yon-Courtin, Kelleher, Van Brug, AM 136 Navarrete, Doherty, Benjumea Benjumea, AM 137 Crosetto, Vivaldini, Nesci, Ventola, Squarta, AM 138 Navarrete, Doherty, Benjumea Benjumea, AM 139-142 Heinäluoma, Papandreou, Fernández, Repasi, AM 143-144 Toussaint, AM 145 Crosetto, Vivaldini, Nesci, Ventola, Squarta, AM 146 Falcone, Martusciello, AM 147 Zijlstra, Pimpie, AM 148 Boyer, Yon-Courtin, Kelleher, AM 149 Navarrete, Doherty, Benjumea Benjumea, AM 150-151 Doherty, AM 152 Boyer, Yon-Courtin, Kelleher, AM 153 Doherty, AM 154-155 Toussaint, AM 156 Heinäluoma, Papandreou, Fernández, Repasi, AM 157 Falcone, Martusciello, AM 158 Navarrete, Benjumea Benjumea, AM 159 Kubin, AM 160 Crosetto, Vivaldini, Nesci, Ventola, Squarta, AM 161 Zijlstra, AM 162 Zijlstra, Pimpie, AM 163 Heinäluoma, Papandreou, Fernández, Repasi, AM 164 Toussaint, AM 165 Navarrete, Benjumea Benjumea, AM 166 Boyer, Yon-Courtin, Kelleher, AM 167 Gomart, AM 168 Toussaint, AM 169 Crosetto, Vivaldini, Nesci, Ventola, Squarta, AM 170 Falcone, Martusciello, AM 171 Doherty, AM 172 Navarrete, Doherty, Benjumea Benjumea, AM 173 Boyer, Yon-Courtin, Kelleher, AM 174 Zijlstra, Pimpie, AM 175 Heinäluoma, Papandreou, Fernández, Repasi; AM 176 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 177 Navarrete, Benjumea Benjumea; AM 178-179 Heinäluoma, Papandreou, Fernández, Repasi; AM 180 Toussaint; AM 181 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AMs 182-183 Navarrete, Benjumea Benjumea; AM 184 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 185 Doherty; AM 186 Navarrete, Benjumea Benjumea; AM 187 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 188 - 189 Navarrete, Benjumea Benjumea; AM 190 Zijlstra; AM 191 Navarrete, Benjumea Benjumea; AM 192 Zijlstra, Pimpie

Changes: v.02 in blue highlight

Changes: v.03 in grey highlight

Changes v.04 in green highlight

Changes final compromise in dark grey

Article 1
Amendment to Regulation (EU) No 2017/2402

Regulation (EU) 2017/2402 is amended as follows:

- (1) in Article 1, paragraph 2 is replaced by the following:

‘This Regulation applies to institutional investors and to originators, sponsors, original lenders, servicers and securitisation special purpose entities.

~~This Regulation shall not apply to securitisations that are originated by a national promotional bank or institution as defined in Article 2, point (3), of Regulation (EU) 2015/1017 where the first loss tranche is guaranteed by any of the entities referred to in Article 6(5), points (a), (b), (d), (e) and (f), of this Regulation; the non-guaranteed tranches are fully retained by the originator until maturity and those entities have established and approved the eligibility criteria for the underlying exposures prior to their creation, whereby no other party has discretion to alter or override such criteria.~~ (AM 10-Seekatz);

Commented [AM1]: As a compromise proposal, the general exemption of the NPBs is deleted from the scope and targeted exemptions from Articles 6, 7 and 9 are kept.

DEFINITIONS

- (2) ~~in Article 2 is amended as follows:~~

(a) ~~in point (1), the introductory part is replaced by the following:~~

~~‘(1) ‘securitisation’ means a transaction or scheme whereby the credit risk associated with an underlying exposure or a pool of underlying exposures is tranced, having all of the following characteristics:’; (AM 113 Crosetto, Vivaldini, Nesci, Ventola, Squarta)~~

~~(b) point (5) is replaced by the following:~~

~~‘(5) ‘sponsor’ means a credit institution, as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013, whether located in the Union or not, or an investment firm authorised in accordance with Directive 2014/65/EU, or an alternative investment fund manager authorised under Directive 2011/61/EU, or a management company authorised under Directive 2009/65/EC, other than an originator, that establishes and manages a securitisation.’; (AM 116 Ferber)~~

(c) the following points (32) and (33) are added:

‘(32) ‘public securitisation’ means a securitisation that meets any of the following criteria:

(a) ~~for which~~ a prospectus has to be drawn up ~~for that securitisation~~ pursuant to Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council¹;

(b) the ~~and a securitisation is where~~ *underlying pool of exposures is actively managed by the originator or sponsor a managed CLO* marketed with notes constituting securitisation positions admitted to trading on a Union trading venue as defined in Article 4(1), point (24) of Directive 2014/65/EU of the European Parliament and of the Council;²;

(c) — the securitisation is marketed to investors and the terms and conditions are not negotiable among the parties. ~~;~~ (AMs 11 Seekatz, AM 119 Kubin, AM 120 Zijlstra, AM 121 Zijlstra, Pimpie, AM 122 Zijlstra, Pimpie)

(32a) 'actively managed' means portfolio management that is directly related to the replacement of underlying exposures transferred or assigned to the SSPE, involving sale of the underlying exposure(s) for reasons other than those listed in the case of excluded techniques, or any type of active selection of the underlying exposures on a discretionary basis not related to the sale of underlying exposures, including management of the underlying exposures for speculative purposes aiming to achieve better performance or increased investor yield, while excluding the following portfolio management techniques:

(a) substitution or repurchase of underlying exposures due to the breach of representations or warranties;

(b) replenishment of underlying exposures, that is, the addition of underlying exposures as substitute for amortised exposures during the revolving period;

(c) use of "ramp up" period following the transfer of the underlying exposures to the SSPE, during which the proceeds from the underlying exposures are invested into additional exposures to line up the value of the underlying exposures with the value of the securitisation obligations;

¹ 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 (OJ L 168, 30.6.2017, p. 12, ELI: <http://data.europa.eu/eli/reg/2017/1129/oj>).

² Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (OJ L 173, 12.6.2014, p. 349, ELI: <http://data.europa.eu/eli/dir/2014/65/oj>).²;

(33) ‘private securitisation’ means a securitisation **that is not a public securitisation** that does not meet any of the criteria laid down in point (32). (AM 12 Seekatz, AM 123 Zijlstra)

(33a) ‘repeat transactions’ mean a sequence of securitisation transactions that fulfil all of the following criteria:

(a) they have the same originator or original lender;

(b) they are backed by the same type of underlying assets;

(c) they display the same overall structural features, notably concerning the number and hierarchy of tranches, credit enhancement mechanisms and cash flow distribution;

(d) they are presented to the market as a repeated and programmatic issuance with a similar name.’;

(AM 13 Seekatz; AM 124 Navarrete, Doherty, Benjumea Benjumea)

DUE DILIGENCE

(3) Article 5 is amended as follows:

(a) paragraph 1 is amended as follows:

‘(-i) the introductory part and points (a) and (b) are replaced by the following:

1. Prior to holding a securitisation position, institutional investors, other than the originator, sponsor or original lender, shall verify that:

(a) where the originator or original lender established in the Union is not a credit institution or an investment firm as defined in Article 4(1), points (1) and (2), of Regulation (EU) No 575/2013, the originator or original lender grants all the credits giving rise to the underlying exposures, or generates trade receivables, on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits or trade receivables and has effective systems in place to apply those criteria and processes in accordance with Article 9(1) of this Regulation;

(b) where the originator or original lender is established in a third country, the originator or original lender grants all the credits giving rise to

the underlying exposures, or generates trade receivables, on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits or trade receivables and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness;; (AM 127 Navarrete, Benjumea Benjumea);

- (i) point (c) ~~is deleted~~ **is replaced by the following:**

'(c) with regard to a securitisation notified as STS in accordance with Article 27, the compliance of that securitisation with Articles 19 to 22 or Articles 23 to 26 or Articles 26a to 26e, and Article 27.'; (AM 14 Seekatz)

- (ii) points (e) and (f) are replaced by the following:

'(e) if established in a third country, the originator, sponsor or SSPE designated in accordance with Article 7(2) has made available at least the information listed required by in Article 7(1), which would have been applicable if these entities were established within the Union in accordance with the frequency and modalities provided for in that paragraph; this does not include the requirement to use standardised templates referred to in Article 7(4); (AM 132 Gomart, AM 134 Ferber; AM 135 Boyer, Yon-Courtin, Kelleher)

(f) if established in a third country, in the case of non-performing exposures, the originator, sponsor or original lender has applied sound standards in the selection and pricing of the exposures.';

(iia) the following subparagraph is added:

'Point (c) of the first subparagraph of this paragraph shall not apply if the securitisation position has been verified by a third-party verifier authorised and supervised in accordance with Article 28.' (AM 15 Seekatz)

- (b) paragraph 3 is amended as follows:

- (-i) *the introductory part* is replaced by the following:

'3. Prior to holding a securitisation position, an institutional investor, other than the originator, sponsor or original lender, shall carry out a proportionate due diligence assessment which enables it to assess

the risks involved. That assessment shall consider at least all of the following;; (AM 139, Heinäluoma, Papandreou, Fernández, Repasi)

(i) point (b) is replaced by the following:

‘(b) all the structural features of the securitisation that can materially impact the performance of the securitisation position;’;

(ii) point (c) is deleted;

(iii) the following subparagraph is added:

‘When considering the proportionality of the due diligence assessment under this paragraph, its appropriate scope and depth may be reduced by factors such as the credit risk and relative seniority of the securitisation position and related credit enhancement, and whether the securitisation position relates to a repeat transaction.’; (AM 140 Heinäluoma, Papandreou, Fernández, Repasi)

(c) paragraph 4 is amended as follows:

(i) in point (a), the second subparagraph is deleted;

(ia) the following point is inserted:

‘(ca) in the case of repeat transactions, document the due diligence solely on the elements of the transaction that have changed since the last issuance, provided that the investor has already purchased a securitisation position in a previous transaction in the past 24 months;’; (AM 17 Seekatz)

(ib) points (d) and (e) are replaced by the following:

‘(d) ensure internal reporting to its management body or an entity designated by the management body so that the management body or an entity designated by the management body is aware of the material risks arising from the securitisation position and so that those risks are adequately managed; (AM 18 Seekatz)

(e) be able to demonstrate to its competent authorities, upon request, that it has a comprehensive and thorough understanding of the securitisation position and its underlying exposures and that it has implemented written policies and procedures for the risk

management of the securitisation position proportionate to its risk profile and for maintaining records of the verifications and due diligence in accordance with paragraphs 1 and 2 and of any other relevant information;; (AM 141 Heinäluoma, Papandreou, Fernández, Repasi)

(ii) the following point (g) is added:

‘(g) in the case of secondary market investments, document the due diligence assessment and verifications within a reasonable period of time which in any case shall not exceed 15 calendar days after the investment.’;

(ii a) the following subparagraph is added:

‘When considering the proportionality of the obligations under points (a), (b), (d) and (e) under this paragraph, an institutional investor may take into account the risk of the securitisation position and factors such as the seniority of the securitisation position and related credit enhancement and whether the securitisation position relates to a repeat transaction.’; (AM 142 Heinäluoma, Papandreou, Fernández, Repasi)

(d) the following paragraphs 4a and 4b are inserted:

‘(4a) Paragraphs 1 to 4 shall not apply to institutional investors that hold a securitisation position where such securitisation position is guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) No 575/2013.

For the purposes of the first subparagraph, the guarantee shall meet the conditions of Article 213 and 215 of Regulation (EU) No 575/2013.

(4b) Paragraphs 1 and 4 shall not apply to institutional investors that hold a securitisation position where the first loss tranche representing at least ~~15%~~ **8%** of the nominal value of the securitised exposures **for non-STS securitisations, and at least 10% of the nominal value of the securitised exposures for STS securitisations**, is either held or guaranteed by **one of the entities listed under Article 6(5), points (a) to (f)** ~~the Union or by national promotional banks or institutions within the meaning of point (3) of Article 2 of Regulation (EU)~~

Commented [AM2]: Technical correction of the reference.

2015/1017 of the European Parliament and of the Council.’; (AM 145 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 146 Falcone, Martusciello;) (AM 158 Navarrete, Benjumea Benjumea)

(e) paragraph 5 is replaced by the following:

‘(5) Without prejudice to paragraphs 1 to 4 of this Article, where an institutional investor has given *delegated to* another institutional investor *the* authority to make investment management decisions that might expose ~~it~~ *the delegating institutional investor* to a securitisation, ~~the delegating institutional that~~ investor may instruct the *delegate* ~~delegated institutional investor~~ to fulfil its *the delegating institutional investor’s* obligations under this Article in respect of any exposure to a securitisation arising from those decisions. *Member States shall ensure that, where a delegate is instructed under this paragraph to fulfil the obligations of the delegating institutional investor and fails to do so, any sanction under Articles 32 and 33 is imposed on the delegate and not on the delegating institutional investor who is exposed to the securitisation. Before instructing the delegate to fulfil its obligations under this Article, the delegating institutional investor shall ensure not be affected by the fact that the delegate has prior experience in conducting due diligence obligations for its own account or on account of other parties. institutional investor has delegated functions.*’;

(AM 20 Seekatz; AM 148 Boyer, Yon-Courtin, Kelleher, AM 149 Navarrete, Doherty, Benjumea Benjumea, AM 150 Doherty)

RISK RETENTION

(4) Article 6 is amended as follows:

(-a) *in paragraph 1, the second subparagraph is replaced by the following:*

~~‘For the purposes of this Article, an entity shall not be considered to be an originator where the entity has been established or operates for the sole purpose of securitising exposures. Where the competent authority assesses the establishment or operation for the sole purpose of securitising exposures and this assessment is linked to a predominant source of revenue test in~~

~~accordance with the delegated act adopted under paragraph 7, first subparagraph, point (b), a threshold of 50 % or more, including revenue from the tranches held in excess of the 5 % material net economic interest requirement referred to in the first subparagraph, shall be applied to that test. An entity shall not be deemed established or operating for the sole purpose of securitising exposures where its purpose is to generate revenues from the exposures to be securitised and it enters into the securitisation transaction solely to finance or refinance these exposures.~~;

For the purposes of this Article, an entity shall not be considered to be an originator where the entity has been established or operates for the sole purpose of securitising exposures. For entities that provide SME loans, consumer credit or residential mortgages, and that act as originators, it shall suffice to demonstrate that securitising exposures is a means to finance their business, or that of an entity belonging to the same group, which is centred on the provision of goods or non-financial services.

When an entity does not meet the criteria as set out in a delegated regulation adopted pursuant to this Regulation, the actual purpose for which the entity was established and operates shall be examined by the competent authority on a case-by-case basis, to ascertain that it has a real substance and is suitable to perform the role of a retainer in a securitisation transaction.;

(AM 152 Boyer, Von Courtin, Kelleher)

- (a) in paragraph 5 point (f) is added:

‘(f) the Union.’

- (b) **the following paragraphs** 5a is **are** inserted:

~~‘(5a) Paragraph 1 shall not apply where the first loss tranche representing at least 15.8% of the nominal value of the securitised exposures is either held or guaranteed by one of the entities listed under points (a) to (f) of paragraph 5.’; (AM 157 Falcione, Martusciello; AM 160 Crosetto, Vivaldini, Nesci, Ventola, Squarta;)~~

Paragraph 1 shall not apply where the first loss tranche representing at least 15% of the nominal value of the securitised exposures for non-STS securitisations and at least 10% of the nominal value of the securitised exposures for STS

securitisations, is either held or guaranteed by one of the entities listed under points (a) to (f) of paragraph 5. (AM 158 Navarrete, Benjumea Benjumea)

(5b) This Article shall not apply to synthetic securitisations that meet all of the following conditions:

(a) the synthetic securitisation is originated by a national promotional bank or institution as defined in Article 2, point (3), of Regulation (EU) 2015/1017;

(b) the first -loss tranche is guaranteed by any of the entities referred to in points (a), (b), (d), (e) and (f) of paragraph 5;

(c) the non-guaranteed tranches are fully retained by the originator until maturity;

(d) the guarantor has established and approved the eligibility criteria for the underlying exposures prior to their creation, whereby no other party has discretion to alter or override such criteria; and

(e) the entity referred to in point (b) guarantees the first-loss tranche on a continuous basis and cannot hedge or otherwise transfer the credit risk associated with that tranche to an entity not referred in points(a), (b), (d), (e) and (f) of paragraph 5.';

(ba) paragraph 7 is amended as follows:

(i) in the first subparagraph, the following point is inserted:

'(ba) the criteria to be fulfilled by an entity in order not to be considered to have been established or to operate for the sole purpose of securitising exposures, as referred to in paragraph 1, second subparagraph;';

(ii) the second subparagraph is replaced by the following:

'EBA shall submit those draft regulatory technical standards to the Commission by ... [six months after entry into force of the Regulation].'

Commented [AM3]: To replace the general exemption in the scope for NPBs with a more targeted exemption.

TRANSPARENCY

(5) Article 7 is amended as follows:

- (a) in paragraph 1, **the introductory sentence is replaced by the following:**

1. If established within the European Union, the originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:; (AM 166 Boyer, Yon-Courtin, Kelleher; AM 167 Gomart)

Commented [AM4]: Commission confirmed that the change was needed.

- (aa)** the fourth subparagraph is replaced by the following:

*‘In the case of an ABCP or of a securitisation of highly-granular pools of ~~short-term~~ exposures, **whether public or private, or in the case of ABCPs,** the information described in points (a), (c)(ii) and (e)(i) of the first subparagraph shall be made available in aggregate form to holders of securitisation positions and, upon request, to potential investors.*

~~*For the purposes of the fourth subparagraph, the ESMA, in close cooperation with the EBA and EIOPA, shall specify what is “highly granular” based on the characteristics of asset classes in accordance with paragraph 3. **highly granular pool of exposures means a pool of exposures where the sum of the five largest single exposures, net of any eligible credit protection in accordance with Chapter 4, represents less than 5% of the total pool;***~~; (AM 23 Seekatz, AM 169 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 170 Falcone, Martusciello)

Commented [AM5]: Compromise proposal presented in paragraph 3.

- (b) in paragraph 2, the third subparagraph is replaced by the following:

*‘Private securitisations shall be subject to a distinct **and reduced** reporting framework that acknowledges their unique characteristics, differing from public securitisation, in a dedicated and simplified reporting template. That dedicated and simplified reporting template shall ensure that essential information relevant to national competent authorities is adequately reported, **while respecting strict confidentiality requirements,** without imposing the full extent of reporting obligations applicable to public securitisations. Private securitisations shall fulfil their obligations under this subparagraph as of [date set in the fourth subparagraphs of paragraphs 3 and 4 of this Article.]. **By way of derogation from the second subparagraph of this paragraph, private securitisations shall not be subject to the obligation to report to a securitisation repository set up in accordance with Article 10 or 17 of this Regulation. The reporting***

~~obligations for private securitisations shall be fulfilled exclusively through the dedicated and simplified reporting template referred to in this paragraph and shall be made available solely to national competent authorities, without requiring submission to or publication by a securitisation repository.~~; (AM 173 Boyer, Yon-Courtin, Kelleher; AM 175 Heinäluoma, Papandreou, Fernández, Repasi; AM-24-Seekatz)

(ba) the following paragraph is inserted:

(2a) This Article shall not apply to synthetic securitisations that meet all of the following conditions:

(a) the synthetic securitisation is originated by a national promotional bank or institution as defined in Article 2, point (3), of Regulation (EU) 2015/1017;

(b) the first -loss tranche is guaranteed by any of the entities referred to in Article 6(5), points (a), (b), (d), (e) and (f);

(c) the non-guaranteed tranches are fully retained by the originator until maturity;

(d) the guarantor has established and approved the eligibility criteria for the underlying exposures prior to their creation, whereby no other party has discretion to alter or override such criteria; and

(e) the entity referred to in point (b) guarantees the first-loss tranche on a continuous basis and cannot hedge or otherwise transfer the credit risk associated with that tranche to an entity not referred in Article 6(5), points (a), (b), (d), (e) and (f).;

Commented [AM6]: To replace the general exemption in the scope for NPBs with a more targeted exemption.

Article 7(3)

Transparency, mandate for ESAs

(c) paragraph 3 is replaced by the following:

‘3. The ESAs shall develop, through the Joint Committee of the European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, draft regulatory technical standards in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and

(EU) No 1095/2010 to specify the information that the originator, sponsor and SSPE shall provide to comply with paragraph 1, first subparagraph, points (a) and (e), and paragraph 2 taking into account:

(a) the usefulness **and comparability** of information for the holder of the securitisation position and for supervisors;

(AM 178 Eero Heinäluoma, Nikos Papandreou, Jonás Fernández, René Repasi)

(b) whether the securitisation is public or private;

(c) whether the securitisation position is of a short-term nature;

(d) in the case of an ABCP transaction, whether that transaction is fully supported by a sponsor;

(da) the data requirements under other Union legal acts that are relevant for monitoring climate change and environmental risks, including those related to physical and transition risks. (AM 179 Heinäluoma, Papandreou, Fernández, Repasi)

For the purposes of the fourth subparagraph of paragraph 1, the draft regulatory technical standards referred to in the first subparagraph of this paragraph shall map, except for ABCPs, the granularity of pools of exposures allowing for aggregated reporting to specific underlying asset classes, including mortgages, corporate loans, credit cards, consumer loans, and auto loans and trade receivables.

The ESAs, through the Joint Committee of the European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, shall submit those draft regulatory technical standards to the Commission by [6 months after the date of entry into force of this amending Regulation].

The Commission is empowered to supplement this Regulation by adopting the regulatory technical standards referred to in this paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.

The regulatory technical standards shall enter into force [12 months] after the adoption by the Commission

At least every three years from the date of their adoption by the Commission the ESAs, through the Joint Committee of the European Supervisory Authorities, shall assess the regulatory technical standards to determine their continued relevance and accuracy, to ensure they remain effective, up to date, aligned with market practices and needs. The ESAs, through the Joint Committee of the European Supervisory Authorities, shall inform the Commission of the results of the assessment.’

(d) paragraph 4 is replaced by the following:

‘4. In order to ensure uniform conditions of application for the information to be specified in accordance with paragraph 3, the ESAs, through the Joint Committee of the European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, shall develop draft implementing technical standards in accordance with Article 15 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 specifying the format thereof by means of standardised templates.

The ESAs, through the Joint Committee of the European Supervisory Authorities, shall submit those draft implementing technical standards to the Commission by [6 months after the date of entry into force of this amending Regulation].

The Commission is empowered to adopt the implementing technical standards referred to in this paragraph in accordance with Article 15 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.

The implementing technical standards shall enter into force [12 months] after the adoption by the Commission.

At least every three years from the date of their adoption by the Commission the ESAs, through the Joint Committee of the European Supervisory Authorities, shall assess the implementing regulatory technical standards to determine their continued relevance and accuracy, to ensure they remain effective, up to date, aligned with market practices and needs. The ESAs, through the Joint Committee of the European Supervisory Authorities, shall inform the Commission of the results of that assessment.’;

(5a) in Article 9, the following paragraph is added:

Commented [AM7]: To replace the general exemption in the scope for NPBs with a more targeted exemption.

(5) This Article shall not apply to synthetic securitisations that meet all of the following conditions:

(a) the synthetic securitisation is originated by a national promotional bank or institution as defined in Article 2, point (3), of Regulation (EU) 2015/1017;

(b) the first -loss tranche is guaranteed by any of the entities referred to in Article 6(5), points (a), (b), (d), (e) and (f);

(c) the non-guaranteed tranches are fully retained by the originator until maturity;

(d) the guarantor has established and approved the eligibility criteria for the underlying exposures prior to their creation, whereby no other party has discretion to alter or override such criteria; and

(e) the entity referred to in point (b) guarantees the first-loss tranche on a continuous basis and cannot hedge or otherwise transfer the credit risk associated with that tranche to an entity not referred in Article 6(5), points(a), (b), (d), (e) and (f).;

Registration of a securitisation repository

(6) Article 10 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. A securitisation repository shall register with ESMA for the purposes of Article 7 under the conditions and the procedure set out in this Article.’;

(b) paragraph 2 is replaced by the following:

‘2. To be eligible to be registered under this Article, a securitisation repository shall be a legal person established in the Union, apply procedures to verify the completeness and consistency of the information made available to it ~~under~~ **in accordance with** Article 7(1)(2) of this Regulation, and meet the requirements laid down in in Articles 78 and 79, and Article 80(1), (2), (3), (5) and (6) of Regulation (EU) No 648/2012. For the purposes of this Article, references in Articles 78 and 80 of Regulation (EU) No 648/2012 to Article 9 thereof shall be construed as

references to Article 7 of this Regulation.’ (AM 191 Navarrete, Benjumea Benjumea)

Commented [AM8]: The AM is correcting a reference mistake in a sense that the obligation to make information available is laid down in Article 7(2). That para also specifies how the information is being made available and contains a reference to information listed in Article 7(1).

Availability of data held in a securitisation repository

(7) Article 17 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. Without prejudice to Article 7(2), the securitisation repository referred to in Article 10 shall collect and maintain details of the securitisation. It shall provide direct and immediate access free of charge to all of the following entities to enable them to fulfil their respective responsibilities, mandates and obligations:

Commented [AM9]: Article 17(1) contains a closed list of authorities who can obtain information from the repository. Point (k) explicitly states that **only in the case of public securitisations, the information will be made available to investors and potential investors**. General confidentiality and data protection clause concerning the information is contained in Article 7(1), 6th subparagraph, that is not amended.

- (a) the EBA;
- (b) EIOPA;
- (c) ESMA;
- (d) the ESRB;
- (e) the relevant members of the European System of Central Banks (ESCB), including the European Central Bank (ECB) in carrying out its tasks within a single supervisory mechanism under Regulation (EU) No 1024/2013;
- (f) the relevant authorities whose respective supervisory responsibilities and mandates cover transactions, markets, participants and assets which fall within the scope of this Regulation;
- (g) the resolution authorities designated under Article 3 of Directive 2014/59/EU of the European Parliament and the Council³;
- (h) the Single Resolution Board established by Regulation (EU) No 806/2014 of the European Parliament and of the Council⁴;

³ *Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190, ELI: <http://data.europa.eu/eli/dir/2014/59/oj>).*

⁴ Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund

- (i) the authorities referred to in Article 29 of this Regulation;
 - (j) the Commission, upon request;
 - (k) in case of public securitisations, investors and potential investors.’
- (b) in paragraph 2, point (a) is deleted.

COMP B on STS Securitisations and unfunded credit risk guarantee for on-balance sheet securitisations; competent authorities, [supervisory fees], supervision and administrative sanctions and measures; reports and reviews; transitional provisions / application date

Articles 18-28; Articles 29-37; Articles 44 and 46; any final articles

If COMP B adopted, the following amendments fall: AMs 25-51 Seekatz; AM 193 Zijlstra, Pimpie; AM 194 Ferber; AM 195 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AMs 196-197 Toussaint; AM 198 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 199 Boyer, Yon-Courtin, Kelleher; AM 200 Van Overtveldt; AM 201 Heinäluoma, Papandreou, Fernández, Repasi; AM 202-203 Navarrete, Doherty, Benjumea Benjumea; AM 204 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 205 Zijlstra, Pimpie; AM 206 Falcone, Martusciello; AM 207 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 208-210 Navarrete, Benjumea Benjumea; AM 211 Falcone, Martusciello; AM 212 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 213-214 Toussaint; AM 215 Heinäluoma, Papandreou, Fernández, Repasi; AM 216 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 217 Boyer, Yon-Courtin, Kelleher; AMs 218-220 Toussaint; AMs 221-223 Zijlstra, Pimpie; AM 224 Heinäluoma, Papandreou, Fernández, Repasi; AM 225 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 226 Boyer, Yon-Courtin, Kelleher; AM 227 Falcone, Martusciello; AM 228 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 229 Heinäluoma, Papandreou, Fernández, Repasi; AM 230 Toussaint; AM 231 Kelleher; AM 232 Pereira; AM 233 Doherty; AM 234 Kelleher; AM 235 Doherty; AM 236 Kelleher; AM 237 Doherty; AM 238 Kelleher; AM 239 Doherty; AM 240 Winzig; AM 241 Pereira; AM 242 Zijlstra, Pimpie; AM 243 Winzig; AM 244-248 Boyer, Yon-Courtin; AM 249 Navarrete, Benjumea Benjumea; AMs 250-251 Kubin; AM 252 Zijlstra, Pimpie; AM 253 Boyer, Yon-Courtin; AM 254 Kemp; AM 255-256 Heinäluoma, Papandreou, Fernández, Repasi; AM 257 Kemp; AM 258 Zijlstra, Pimpie; AM 259-260 Boyer, Yon-Courtin; AM 261 Heinäluoma, Papandreou, Fernández, Repasi; AM 262-263 Boyer, Yon-Courtin; AM 264 Heinäluoma, Papandreou, Fernández, Repasi; AM 265 Boyer, Yon-Courtin; AM 266 Navarrete, Benjumea Benjumea; AM 267=AM 272 Doherty; AM 268 Pereira; AM 269 Boyer, Yon-Courtin, Kelleher, Van Brug; AM 270 Ferber; AM 271 Zijlstra, Pimpie; AM 273 Falcone, Martusciello; AM 274 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 275 Kubin; AM 276 Navarrete, Benjumea Benjumea; AM 277-278 Boyer, Yon-Courtin; AM 279 Zijlstra, Pimpie; AM 280 Heinäluoma, Papandreou, Fernández, Repasi; AM 281 Zijlstra, Pimpie; AM 282 Heinäluoma, Papandreou, Fernández, Repasi; AM 283 Boyer, Yon-Courtin; AM 284 Heinäluoma, Papandreou, Fernández, Repasi; AM 285 Boyer, Yon-Courtin; AM 286 Heinäluoma, Papandreou, Fernández, Repasi; AM 287 Toussaint; AMs 288-289 Heinäluoma, Papandreou, Fernández, Repasi; AM 290 Toussaint; AM 291 Heinäluoma, Papandreou, Fernández, Repasi; AM 292-295 Toussaint; AM 296 Doherty; AM 297 Navarrete, Benjumea Benjumea; AM 298 Toussaint; AM 299-300 Heinäluoma, Papandreou, Fernández, Repasi; AM 301 Winzig; AM 302-303 Doherty

Changes: v.03 in grey highlight

Changes v.04 in green highlight

STS non-ABCP traditional securitisations

(8) Article 20 is amended as follows:

(-a) paragraph 1 is replaced by the following:

‘1. The title to the underlying exposures shall be acquired by the SSPE or, in the case of securitisations of trade receivables where no SSPE is used, by the buyer of the underlying exposures, by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE or, in the case of securitisation of trade receivables where no SSPE is used, to the buyer of the underlying exposures, shall not be subject to severe clawback provisions in the event of the seller’s insolvency.

The buyer of the underlying exposers for the purposes of this Article and Article 27 shall be a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 or an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU; (AM 25 Seekatz; AM 194 Ferber)

(-aa) in paragraph 2, point (b) is replaced by the following:

‘(b) provisions where the SSPE or, in the case of securitisations of trade receivables where no SSPE is used, the buyer of the underlying exposures, can only prevent the invalidation referred to in point (a) if it can prove that it was not aware of the insolvency of the seller at the time of sale.’;

(-ab) paragraph 7 is replaced by the following:

‘7. The underlying exposures transferred from, or assigned by, the seller to the SSPE or, in the case of securitisations of trade receivables where no SSPE is used, to the buyer of the underlying exposures, shall meet predetermined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purposes of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE or, in the case of securitisations of trade receivables where no SSPE is used, to the buyer of the underlying exposures, after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.’;

- (a) in paragraph 8, the following subparagraph is added:

*‘A pool of underlying exposures shall be deemed to comply with the first sentence of the first subparagraph where **all of the following conditions are met:***

(a) at least 70% of the exposures in the pool at origination consists of exposures to SMEs;

(b) all of the exposures in the pool are to obligors established in Member States;

(c) all of the exposures in the pool are underwritten in accordance with standards that apply similar approaches for assessing associated credit risk; ~~and~~

(d) all of the exposures in the pool are serviced in accordance with similar procedures for monitoring, collecting and administering cash receivables;-

(e) the overall risk profile of the exposures remains consistent and comparable.’;

(AM 199 Boyer, Yon-Courtin, Kelleher; AM 200 Van Overtveldt; AM 202 Navarrete, Doherty, Benjumea Benjumea)

- (b) ~~in~~ paragraph 11 **is amended as follows:**

(i) the introductory part is replaced by the following:

‘The underlying exposures shall be transferred to the SSPE **or, in the case of securitisations of trade receivables where no SSPE is used, to the buyer of the underlying exposures,** after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator’s or original lender’s knowledge.’;

(ii) in point (a), ~~point (ii)~~ is replaced by the following:

‘(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone

a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE or, in the case of securitisations of trade receivables where no SSPE is used, to the buyer of the underlying exposures, except if:

- (i) *a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE or, where relevant, to the buyer of the underlying exposures; and*
- (ii) *the information provided by the originator, sponsor and/or SSPE explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring, and their performance since the date of the restructuring;*

(ba) in paragraph 14, the first subparagraph is replaced by the following:

'The EBA, in close cooperation with ESMA and EIOPA, shall develop draft regulatory technical standards further specifying which of the underlying exposures referred to in paragraph 8, first, second and third subparagraphs, are deemed to be homogeneous.'

(9) Article 22 is amended as follows:

(-a) paragraph 1 is replaced by the following:

'1. The originator and the sponsor shall make available robust data on static and dynamic historical default and loss performance, such as delinquency and default data, or other adequate data that allow for a proper assessment of the risk, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Where the sponsor does not have access to such data, it shall obtain access to data from the seller. The quality of the data shall be such as to enable potential institutional investors to conduct a prudent stress test analysis. Those data shall cover a period of at least five-two years, except for data relating to trade receivables and other short-term receivables, for which the historical period shall be no shorter than three years, unless A shorter period of no less than two years may be accepted by a competent

Commented [AM10]: Amending current EBA mandate which would allow to adopt RTSs to the whole paragraph 8. As the homogeneity conditions for SME loans is meant to be an exhaustive list not requiring additional RTSs, the new subparagraph has to be excluded from the mandate. The same applies to RTS provisions in Articles 24 and 26b.

Commented [AM11]: Streamlined with Article 24(14)

Commented [AM12]: This is current text of the Securitisation Regulation and was not meant to be deleted in the case where the default period is five years.

~~authority designated in accordance with Article 29 the EBA confirms a shorter time period requires otherwise for duly justified reasons provided that the data available is robust and enables institutional investors to conduct a prudent stress test analysis.~~’;

(AM 29 Seekatz, AM 206 Falcone, Martusciello; AM 207 Crosetto, Vivaldini, Nesci, Ventola, Squarta; AM 208 Navarrete, Benjumea Benjumea)

(-ab) in paragraph 2, the following subparagraph is added:

In the case of a securitisation where information is disclosed on an aggregated basis in accordance with Article 7(1), the external verification shall focus on the accuracy of the aggregation process and the consistency of the aggregated data with the underlying internal records of the originator. (AM 209 Navarrete, Benjumea Benjumea)

(a) in paragraph 4, the first subparagraph is replaced by the following:

‘In case of a securitisation where the underlying exposures are residential loans or auto loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or auto loans or leases.’;

(b) paragraph 5 is replaced by the following:

‘5. The originator and the sponsor shall be responsible for compliance with Article 7. In case of a public securitisation, the information required by Article 7(1), first subparagraph, point (a), shall be made available to potential investors before pricing upon request. In case of a public securitisation, the information required by Article 7(1), first subparagraph, points (b) to (d), shall be made available before pricing at least in draft or initial form. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.’;

STS ABCP securitisation

(10) Article 24 is amended as follows:

~~(-a) paragraph 1 is replaced by the following:~~

Commented [AM13]: The exception of not using a SSPE would be only limited to true sale of trade receivables in non-ABCP traditional securitisation.

~~1. The title to the underlying exposures shall be acquired by the buyer of the underlying exposures by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the buyer of the underlying exposures shall not be subject to severe clawback provisions in the event of the seller's insolvency. (AM 30 Seekatz)~~

(a) in paragraph 9, in point (a), point (ii) is replaced by the following:

(ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring, and their performance since the date of the restructuring;'

(aa) paragraph 14 is replaced by the following:

~~14. The originator and the sponsor shall make available **robust data on static and dynamic historical default and loss performance, such as delinquency and default data, or other adequate data that allow for a proper assessment of the risk,** for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Where the sponsor does not have access to such data, it shall obtain access to such data from the seller. ~~on a static or dynamic basis, on the historical performance, such as delinquency and default data, for exposures substantially similar to those being securitised. All such data shall cover a period no shorter than five years, except for data relating to trade receivables and other short-term receivables, for which the historical period shall be no shorter than three years. A shorter period of no less than two years may be accepted by competent authorities designated in accordance with Article 29 provided that the data available is robust and enables institutional investors to conduct a prudent stress test analysis. The quality of the data shall be such as to enable potential institutional investors to conduct a prudent stress test analysis. Those data shall cover a period of at least two five years except for data relating to trade receivables and other short-term receivables, for which the historical period shall be no shorter than three years, unless the EBA requires otherwise confirms a shorter time period for duly justified~~~~

Commented [AM14]: Streamlined to Article 22
(1)

Commented [AM15]: This is current text of the Securitisation Regulation and was not meant to be deleted in the case where the default period is five years.

reasons. (AM 31 Seekatz; AM 211 Falcone, Martusciello; AM 212 Crosetto, Vivaldini, Nesci, Ventola, Squarta)

(b) in paragraph 15 the following subparagraph is added:

‘A pool of underlying exposures shall be deemed to comply with the first *sentence of the first* subparagraph where *all of the following conditions are met*:

(a) at least 70% of the exposures in the pool at origination consists of exposures to SMEs;

(b) *all of the exposures in the pool are to obligors established in Member States*;

(c) *all of the exposures in the pool are underwritten in accordance with standards that apply similar approaches for assessing associated credit risk*; **and**

(d) *all of the exposures in the pool are serviced in accordance with similar procedures for monitoring, collecting and administering cash receivables*;

(e) *the overall risk profile of the exposures remains consistent and comparable*’;

(AM 217 Boyer, Yon-Courtin, Kelleher)

(ba) in paragraph 21, the first subparagraph is replaced by the following:

‘The EBA, in close cooperation with ESMA and EIOPA, shall develop draft regulatory technical standards further specifying which underlying exposures referred to in paragraph 15, first to fourth subparagraphs, are deemed to be homogeneous.’;

STS on-balance-sheet securitisations

(11) Article 26b is amended as follows:

(a) in paragraph 7, in the fourth subparagraph, the following points (e) and (f) are added:

- ‘(e) has been the object of Union restrictive measures or of proven fraudulent practices;
 - ‘(f) has been subject to changes in the national legal framework that would affect the enforceability of the claims of the underlying exposures.’;
- (b) ~~in~~ paragraph 8 *is amended as follows:*
- (i) the third subparagraph is replaced by the following:*
- ‘The underlying exposures referred to in the first subparagraph shall have defined periodic payment streams, the instalments of which may differ in their amounts, relating to rental, principal or interest payments or to other payments, including commitment fees, received on a periodic basis, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.’; (AM 35 Seekatz)*
- (ii) the following subparagraph is added:*
- ‘A pool of underlying exposures shall be deemed to comply with the first sentence of the first subparagraph where all of the following conditions are met:*
- (a) at least 70% of the exposures in the pool at origination consists of exposures to SMEs;*
 - (b) all of the exposures in the pool are to obligors established in Member States;*
 - (c) all of the exposures in the pool are underwritten in accordance with standards that apply similar approaches for assessing associated credit risk;*
and
 - (d) all of the exposures in the pool are serviced in accordance with similar procedures for monitoring, collecting and administering cash receivables;*
 - (e) the overall risk profile of the exposures remains consistent and comparable.’;*
- (AM 226 Boyer, Yon-Courtin, Kelleher)*
- (c) in paragraph 11, in point (a), point (ii) is replaced by the following:

- (ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring, and their performance since the date of the restructuring.’;

(ca) in paragraph 13, the first subparagraph is replaced by the following:

The EBA, in close cooperation with ESMA and EIOPA, shall develop draft regulatory technical standards further specifying which underlying exposures referred to in paragraph 8, first to fourth subparagraphs, are deemed to be homogeneous.

- (12) in Article 26c, in paragraph 5, the eighth subparagraph is replaced by the following:

‘Where a credit event, as referred to in Article 26e, has occurred in relation to underlying exposures and the debt workout for those exposures has not been completed, the amount of credit protection remaining at any payment date plus the amount of any retained tranches which rank junior to the tranches covered by the credit protection remaining at any payment date shall be at least equivalent to the outstanding nominal amount of those underlying exposures, minus the amount of any interim payment made in relation to those underlying exposures.’;

(12a) in Article 26d, paragraph 1 is replaced by the following:

- ‘1. *The originator shall make available robust data on static and dynamic historical default and loss performance such as delinquency and default data, ~~or other adequate data that allow for a proper assessment of the risk,~~ for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. The quality of the data shall be such as to enable potential institutional investors to conduct a prudent stress test analysis. Those data shall cover a period of at least ~~five two~~ years, except for data relating to trade receivables and other short-term receivables, for which the historical period shall be no shorter than three years, unless EBA requires otherwise confirms a shorter time period for duly justified reasons. ~~A shorter period of no less than two years may be accepted by competent authorities designated in accordance with Article 29 provided that the data available is robust and~~*

Commented [AM16]: This is current text of the Securitisation Regulation and was not meant to be deleted in the case where the default period is five years.

enables institutional investors to conduct a prudent stress test analysis.' (AM 38 Seekatz; AM 227, Falcone, Martusciello; AM 228 Crosetto, Vivaldini, Nesci, Ventola, Squarta)

(13) Article 26e is amended as follows:

(a) in paragraph 3, the third subparagraph is replaced by the following:

'The credit protection premiums to be paid under the credit protection agreement shall be structured as contingent on the outstanding size of the tranche and credit risk of the protected tranche. For those purposes, the credit protection agreement shall not stipulate guaranteed premiums, upfront premium payments, rebate mechanisms or other mechanisms that may avoid or reduce the actual allocation of losses to the investors or return part of the paid premiums to the originator after the maturity of the transaction.'

(b) in paragraph 7, point (d) is replaced by the following:

'(d) for originators not using the IRB Approach referred to in Article 143 of Regulation (EU) No 575/2013:

- (i) the total committed amount per year shall not be higher than the one-year expected loss of the portfolio for that year;
- (ii) the calculation of the one-year expected loss of the underlying portfolio shall be clearly determined in the transaction documentation.'

(c) paragraph 8 is amended as follows:

(i) the following point (aa) is inserted:

'(aa) a guarantee meeting the requirements set out in Part Three, Title II, Chapter 4 of Regulation (EU) No 575/2013, by which the credit risk is transferred to an insurance or reinsurance undertaking that meets **all of the following** criteria ***laid down in points (i) to (iv), at the date on which the credit protection was first recognised***:

(AM 39 Seekatz; AM 231 Kelleher)

- (i) the undertaking uses an **full or partial** internal model approved in accordance with Articles 112 and 113 of Directive

2009/138/EC for the calculation of capital requirements for such guarantees; ~~or~~

~~— has an authorisation from its designated national competent authority to underwrite the risks as set out in class 14 or class 15 of Annex I of Directive 2009/138/EC; and within such authorisation, has received from its designated national competent authority a confirmation of no objection of its underwriting guarantees for the purposes of compliance with this point, following an assessment of its capital strength, its risk management framework, governance and underwriting policies;~~

(AM 40 Seckatz; AM 232 Pereira; AM 233 Doherty; AM 234 Kelleher)

- (ii) the undertaking complies with its Solvency Capital Requirement and its Minimum Capital Requirement referred to in Articles 100 and 128 of Directive 2009/138/EC, respectively, and has been assigned to credit quality *of at least step 2* ~~step 3~~ or better, *at the date on which the credit protection was first recognised;*

(AM 41 Seckatz; AM 235 Doherty; AM 236 Kelleher)

- (iii) the undertaking operates business activities in at least two classes of non-life insurance within the meaning of Annex I of Directive 2009/138/EC, ~~except those that contain insurance or reinsurance activity in the non-life classes of insurance of ‘credit’, ‘surety ship’ and ‘miscellaneous financial loss’~~ (AM 237 Doherty)

~~— the undertaking’s total non-life technical provisions, net of amounts recoverable from reinsurance contracts and special purpose vehicles, across all lines of business, within the meaning of the delegated regulation adopted pursuant to Article 86(1), point (e), of Directive 2009/138/EC, except those that contain correspond to insurance or reinsurance activity in the non-life insurance classes of insurance of ‘credit’, ‘surety ship’~~

and 'miscellaneous financial loss', shall represent at least 40% of the total non-life technical provisions of the undertaking, net of amounts recoverable from reinsurance contracts and special purpose vehicles;

(AM 42 Seekatz)

(iv) the undertaking providing the credit protection is based in the Union and ~~at least one~~ either of the following conditions are fulfilled:

- the ~~value of the~~ total assets, ~~calculated in accordance with Article 75 of Directive 2009/138/EC, of the~~ ~~by the~~ ~~insurance or reinsurance~~ undertaking exceeds EUR ~~5~~ 10 billion; or
- ~~where that~~ the undertaking is not part of the same group as the originator, ~~and~~ is a subsidiary of a group subject to group supervision within the meaning of Article 213(2), ~~point (a) or (b) or (c), of Directive 2009/138/EC, in the case of Article 213(2), point (c), of Directive 2009/138/EC where the head office of the parent undertaking is outside the Union, the Commission has adopted a delegated act in accordance with Article 260 of Directive 2009/138/EC determining that the prudential regime of the third country is equivalent to Title III of that Directive,~~ the value of the total consolidated assets ~~as stated in the latest audited financial statements of the parent undertaking of that group, determined in accordance with Directive 2009/138/EC,~~ exceeds EUR 15 billion, ~~and the insurance undertaking can demonstrate, to the satisfaction of the supervisory authority, that, in the event that it is unable to meet its obligations under the credit protection agreement, a contractually binding commitment from its parent undertaking ensures the full and timely payment of claims arising under that agreement, either~~

Commented [AM17]: Solvency II calculation of total assets introduced as compromise proposal

Commented [AM18]: Reference to only EEA countries

Commented [AM19]: This wording insurers a parent reinsurer can provide financial support to a subsidiary insurer (including through reinsurance arrangements).

~~directly to the originating institution or by way of financial support of an equivalent amount to the subsidiary insurance undertaking;~~

~~the unfunded credit protection is provided through a co-insurance arrangement by the parent undertaking and the subsidiary undertaking in accordance with Article 190 of Directive 2009/138/EC and there is a contractual commitment by the parent undertaking to assume the full amount of claims arising under the credit protection agreement in the event the subsidiary undertaking is unable to meet its obligations under the co-insurance arrangement, within timeframes consistent with the undertaking's solvency and liquidity needs.~~

~~there are financial arrangements, which may include reinsurance, ancillary own funds or a combination of financial arrangements, ensuring effective financial support by the parent undertaking to under management by the insurance or reinsurance undertaking for such guarantees, in the event that the latter is unable to provide timely compensation to the originating credit institution exceed 20 billion euro; (AM 43 Seekatz; AM 238 Kelleher; AM 239 Doherty)~~

- (ii) point (c) is replaced by the following:
 - (a) another credit protection not referred to in points (a), (aa) and (b) of this paragraph in the form of a guarantee, a credit derivative or a credit linked note that meets the requirements set out in Article 249 of Regulation (EU) No 575/2013, provided that the obligations of the investor are secured by collateral meeting the requirements laid down in paragraphs 9 and 10 of this Article.;

(13a) Article 27 is amended as follows:

(a) paragraphs 1 and 2 are replaced by the following:

‘1. Originators and sponsors shall jointly notify ESMA by means of the template referred to in paragraph 7 of this Article where a securitisation meets the requirements set out in Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e (‘STS notification’). In the case of an ABCP programme, only the sponsor shall be responsible for the notification of that programme and, within that programme, of the ABCP transactions complying with Article 24. ~~In the case of a securitisation of trade receivables where no SSPE is used, the buyer of the underlying exposures shall be responsible for the notification.~~ In the case of a synthetic securitisation, only the originator shall be responsible for the notification.

The STS notification shall include an explanation by the originator and sponsor of how the STS criteria set out in Articles 20, 21 and 22, Articles 24, 25 and 26 or Articles 26b to 26e have been complied with.

ESMA shall ~~inform the EBA~~ ~~publish~~ of the STS notification ~~and shall publish such notifications~~ on its official website pursuant to paragraph 5. ~~and Originators and sponsors of a securitisation shall inform their competent authorities of the STS notification and designate amongst themselves one entity to be the first contact point for investors and competent authorities.~~

Commented [AM20]: Simplification of procedure in comparison to the current situation.

2. The originator, sponsor, ~~or~~ SSPE ~~or the buyer of the underlying exposures referred to in paragraph 1~~ of this Article may use the service of a third party authorised under Article 28 to assess whether a securitisation complies with Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e. However, the use of such a service shall not, under any circumstances, affect the liability of the originator, sponsor, ~~or~~ SSPE ~~or the buyer of the underlying exposures referred to in paragraph 1~~ in respect of their legal obligations under this Regulation. The use of such service shall not affect the obligations imposed on institutional investors as set out in Article 5.

Where the originator, sponsor, ~~or~~ SSPE ~~or the buyer of the underlying exposures referred to in paragraph 1~~ uses the service of a third party authorised pursuant to Article 28 to assess whether a securitisation complies with Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e, the STS notification shall include a statement that compliance with the STS criteria was confirmed by that authorised third party. The notification shall include the name of the authorised third party, its place of establishment and the name of the competent authority that authorised it.’;

(b) paragraphs 4 and 5 are replaced by the following:

‘4. . The originator and, where applicable, sponsor, shall immediately notify ESMA and inform ~~their competent authority~~ the EBA where a securitisation no longer meets the requirements set out in Articles 19 to 22, Articles 23 to 26, or Articles 26a to 26e.

5. ESMA shall maintain, on its official website, a list of all securitisations which the originators and sponsors have notified it of meeting the requirements set out in Articles 19 to 22, Articles 23 to 26, or Articles 26a to 26e. ESMA shall add each securitisation so notified to that list immediately and shall update the list where the securitisations are no longer considered to be STS following a decision of ~~competent authorities~~ the EBA or a notification by the originator or sponsor. Where ~~the competent authority~~ the EBA has imposed administrative sanctions or remedial measures in accordance with Article 33a, it shall immediately notify ESMA thereof. ESMA shall immediately indicate on the list that ~~a competent authority~~ the EBA has imposed administrative sanctions or remedial measures in relation to the securitisation concerned.’;

3rd party verifying STS compliance - horizontal article

(14) ~~in~~ Article 28(4) **is amended as follows:**

(a) paragraph 1 is amended as follows:

(i), in the first subparagraph, the introductory wording is replaced by the following:

‘A third party as referred to in Article 27(2) shall be authorised and supervised by ~~the competent authority~~ ESMA to assess compliance of securitisations with the STS criteria provided for in Articles 19 to 22, Articles 23 to 26, and Articles 26a to 26e. The ~~competent authority~~ ESMA shall grant the authorisation if the following conditions are met:’; (AM 244 Boyer, Yon-Courtin)

(ii) the second subparagraph is replaced by the following:

‘ESMA shall withdraw the authorisation when it considers the third party to be materially non-compliant with the first subparagraph.’; (AM 245 Boyer, Yon-Courtin)

(a) paragraphs 2 and 3 are replaced by the following:

*‘2. A third party authorised in accordance with paragraph 1 shall notify **ESMA** without delay of any material changes to the information provided under that paragraph, or any other changes that could reasonably be considered to affect the assessment of its competent authority.*

*3. **ESMA** may charge cost-based fees to the third party referred to in paragraph 1, in order to cover necessary expenditure relating to the assessment of applications for authorisation and to the subsequent monitoring of compliance with the conditions set out in paragraph 1. ’; (AMs 246 and 247 Boyer, Yon-Courtin)*

(14a) the following article is inserted:

Article 28a

Third-country STS equivalence

(1) The Commission is empowered to adopt delegated acts in accordance with Article 47 to supplement this Regulation by determining that the legal, supervisory and enforcement arrangements of a third country:

(a) are equivalent to the requirements laid down in Articles 19 to 22 [Non-ABCP], Articles 23 to 26 [ABCP] and Articles 26b to 26e [Synthetic], regarding the simple, transparent and standardised nature of the securitisation; and

(b) ensure that the securitisations originating in that third country are subject to effective supervision and enforcement on an ongoing basis.

2. For the purposes of paragraph 1, the Commission shall verify that the third country's arrangements are fully aligned with the "Criteria for identifying simple, transparent and comparable securitisations" (STC) published by the Basel Committee on Banking Supervision and IOSCO. Equivalence shall be granted based on the substantive outcome of the regulatory framework, regardless of the specific format or templates used for disclosure in that third country.

~~3. A securitisation originating in a third country regarding which an equivalence decision has been adopted in accordance with paragraph 1 shall be considered an STS securitisation for the purposes of this Regulation and Regulation (EU) No 575/2013 [CRR], provided that:~~

~~(a) the originator, sponsor or SSPE of that third country has received a verification from a Third Party Verifier authorised in accordance with Article 28, confirming compliance with the equivalent third-country standards; or~~

~~(b) in jurisdictions where no specific STS or STC label exists, the Third Party Verifier confirms that the transaction complies with the Basel/IOSCO STC criteria on a substance basis. (AM 249 Navarrete, Benjumea Benjumea)~~

Designation of competent authorities

(15) ~~in Article 29, paragraphs 5, 6 and 7 are deleted.~~ is amended as follows:

(a) — the following paragraph 4a is inserted:

~~‘4a. Competent authorities responsible for the supervision of originators, sponsors and SSPEs in accordance with Directive 2013/36/EU, including the ECB with regard to specific tasks conferred on it by Regulation (EU) No 1024/2013, shall supervise compliance by originators, sponsors and SSPEs, with the obligations set out in Articles 18 to 27 of this Regulation.’;~~

(b) — in paragraph 5, the first sentence is replaced by the following:

~~‘For entities supervised by competent authorities other than the ones referred to in paragraph 4a, Member States shall designate one or more competent authorities to supervise the compliance of originators, sponsors and SSPEs with Articles 18 to 27, and the compliance of third parties with Article 28.’;~~

(15a) *the following article is inserted*

‘Article 29a

Direct supervision of STS securitisation and third party verifiers

- The EBA shall be responsible for supervising compliance by originators, sponsors, SSPEs and, in the case of a securitisation of trade receivables where no SSPE is used in accordance with Article 20, the buyers of the underlying exposures, with the obligations set out in Articles 18 to 27 of this Regulation***

and ESMA shall be responsible for supervising compliance of third parties verifying STS compliance with Article 28.

2. *For the purposes of paragraph 1, the EBA and ESMA shall be empowered to exercise supervisory, investigatory and enforcement powers. Those powers shall be exercised in accordance with Articles 23a to 23e of Regulation (EU) No 1060/2009, which shall apply mutatis mutandis to both the EBA and ESMA, and in accordance with Article 33a of this Regulation.’; (AMs 256 Heinäluoma, Papandreou, Fernández, Repasi; AM 259 Boyer, Yon-Courtin) **The supervisory, investigatory and enforcement powers conferred on EBA and ESMA pursuant to paragraphs 1 and 2 shall be exclusive with regard to the obligations referred to therein. Member States shall ensure that no national competent authority exercises parallel supervisory or sanctioning powers in respect of compliance with Articles 18 to 27 and Article 28. Any transfer of responsibilities to EBA or ESMA under this Article shall fully replace corresponding national competences, including with regard to supervisory fees.***

Commented [AM21]: Credit Ratings Agencies’ Regulation

Powers of competent authorities

- (16) Article 30 is amended as follows

~~(a) the following paragraph 1a is inserted:~~

~~1a. The competent authority shall supervise the compliance of originators, sponsors, SSPEs and original lenders with this Regulation in accordance with Article 29.’; (AM 44 Seekatz, AM 260 Boyer, Yon-Courtin)~~

(aa) in paragraph 2, points (b), (c) and (e) are deleted; (AM 261 Heinäluoma, Papandreou, Fernández, Repasi; AM 262, 263 Boyer, Yon-Courtin)

(b) paragraph 5 is deleted.

Administrative sanctions and administrative and remedial measures

- (17) ~~in~~ Article 32 is amended as follows:

(a) paragraph 1, first subparagraph, is amended as follows:

(i) the introductory part is replaced by the following:

‘Without prejudice to the right for Member States to provide for and impose criminal sanctions pursuant to Article 34, Member States shall lay down rules establishing appropriate administrative sanctions, in the case of negligence or intentional infringement, and remedial measures, applicable at least to situations where:’;

(ii) points (e) to (h) are deleted.

(iii) the following point (i) is added:

‘(i) an institutional investor, other than the originator, sponsor or original lender, has failed to meet the requirements provided for in Article 5.’;

(b) paragraph 2 is amended as follows:

(i) the introductory part is replaced by the following:

‘2. Member States shall confer on competent authorities the power to apply at least the following sanctions and measures in the event of the infringements referred to in paragraph 1:’;

(ii) point (d) is deleted;

(iii) the following point is inserted:

‘(fa) in the case of an institutional investor, or the delegate pursuant to Article 5(5), maximum administrative pecuniary sanctions of up to the half of the invested amount;’;

(iv) point (h) is deleted;

(v) the following subparagraph is added:

‘When laying down rules establishing administrative sanctions and administrative measures, Member States shall take into account any sanctions and measures ~~and additional risk weights~~ implemented in accordance with sectoral regulation in order to avoid duplications for the same infringement by reason of negligence or omission;’

(AMs 46 and 48 Seekatz; AM 266 and 276 Navarrete, Bnejumea Benjumea)

17a) the following article is inserted:

Article 33a

Direct supervision of STS securitisation and third party verifiers

1. Where the EBA's Board of Supervisors finds that an originator, sponsor, SSPE or, in the case of securitisations of trade receivables where no SSPE is used in accordance with Article 20, the buyer of the underlying exposures has, intentionally or negligently, committed one of the infringements listed in the second subparagraph, the EBA shall adopt a decision imposing one or more of the relevant sanctions or measures listed in paragraph 3 of this Article.

The infringements referred to in the first subparagraph are the following:

(a) a securitisation is designated as STS and an originator, sponsor or SSPE of that securitisation has failed to meet the requirements provided for in Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e;

(b) an originator, sponsor or the buyer of the underlying exposures makes a misleading notification pursuant to Article 27(1); or

(c) an originator, sponsor or the buyer of the underlying exposures has failed to meet the requirements provided for in Article 27(4).

2. Where ESMA's Board of Supervisors finds that a third party verifying STS compliance with Article 28 has, intentionally or negligently, failed to notify material changes to the information provided in accordance with Article 28(1), or any other changes that could reasonably be considered to affect the assessment of ESMA, ESMA shall adopt a decision imposing one or more of the sanctions or measures listed in paragraph 3 of this Article.

3. The EBA and ESMA shall have the power to apply one or more of the following sanctions and measures in the event of infringements referred to in paragraphs 1 and 2, respectively:

(a) a public statement which indicates the identity of the natural or legal person and the nature of the infringement in accordance with Article 37;

(b) an order requiring the natural or legal person to cease the conduct and to desist from a repetition of that conduct;

(c) a temporary ban preventing any member of the originator's, sponsor's or SSPE's management body or any other natural person held responsible for the infringement from exercising management functions in such undertakings;

(d) in the case of an infringement as referred to in paragraph 1, point (a) or (b), of this Article a temporary ban preventing the originator and sponsor from notifying under Article 27(1) that a securitisation meets the requirements set out in Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e;

(e) in the case of a natural person, maximum administrative pecuniary sanctions of at least EUR 5 000 000 or, in the Member States whose currency is not the euro, the corresponding value in the national currency on 17 January 2018;

(f) in the case of a legal person, maximum administrative pecuniary sanctions of at least EUR 5 000 000, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 17 January 2018 or of up to 10 % of the total annual net turnover of the legal person according to the last available accounts approved by the management body; where the legal person is a parent undertaking or a subsidiary of the parent undertaking which has to prepare consolidated financial accounts in accordance with Directive 2013/34/EU, the relevant total annual net turnover shall be the total net annual turnover or the corresponding type of income in accordance with the relevant accounting legislative acts according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking;

(g) maximum administrative pecuniary sanctions of at least twice the amount of the benefit derived from the infringement where that benefit can be determined, even if that exceeds the maximum amounts in points (e) and (f);

(h) in the case of an infringement as referred to in paragraph 2, a temporary withdrawal of the authorisation referred to in Article 28 for the third party authorised to assess the compliance of a securitisation with Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e.

4. The EBA and ESMA, when determining the type and level of an administrative sanction or remedial measure imposed under this Article, shall take into account the extent to which the infringement is intentional or results from negligence and all other relevant circumstances, including, where appropriate:

(a) the materiality, gravity and the duration of the infringement;

(b) the degree of responsibility of the natural or legal person responsible for the infringement;

(c) the financial strength of the responsible natural or legal person;

(d) the importance of profits gained or losses avoided by the responsible natural or legal person, insofar as they can be determined;

(e) the losses for third parties caused by the infringement, insofar as they can be determined;

(f) the level of cooperation of the responsible natural or legal person with EBA or ESMA, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;

(g) previous infringements by the responsible natural or legal person.

5. Any decision by the EBA or ESMA imposing administrative sanctions or remedial measures set out in paragraph 3 of this Article shall be properly reasoned, shall be notified to the person concerned and shall be subject to a right of appeal in accordance with Article 25 of Regulation (EU) No 1060/2009.

6. Any decision referred in paragraph 5 of this Article shall be communicated to the competent authorities designated under Article 29 for the person concerned and to the other ESAs. The EBA or ESMA shall make public any such decision on its website within 10 working days from the date on which it was adopted subject to Article 37(2), (3) and (4).

Commented [AM22]: Credit Ratings Regulation as above

Cooperation between competent authorities and the ESAs

(18) Article 36 is amended as follows:

(a) paragraph 2 is deleted

(b) paragraph 3, is replaced by the following:

‘A specific securitisation sub-committee shall be established within the framework of the Joint Committee of the European Supervisory Authorities, within which competent authorities shall closely cooperate, in order to carry out their duties pursuant to Articles 30 to 34. The securitisation sub-committee shall be led by the EBA with the cooperation of ESMA, **and** EIOPA **and ESRB**. The EBA shall provide the secretariat and a vice-chairperson to the securitisation sub-committee on a permanent basis. The securitisation sub-committee shall foster supervisory

convergence to ensure common supervisory practices. The members of the securitisation sub-committee, under the stewardship of the EBA, shall closely coordinate their supervisory actions in order to identify and remedy infringements of this Regulation, develop and promote best practices, facilitate collaboration, foster consistent application of law and provide cross-jurisdictional assessments in the event of any disagreements. The securitisation sub-committee shall regularly monitor the state of the market and the application of this Regulation.’;

(AM 280 Heinäluoma, Papandreou, Fernández, Repasi)

(c) the following paragraphs 3a and 3b are inserted:

‘3a. The securitisation sub-committee referred to in paragraph 3 shall by [12 months after adoption] develop guidelines to establish common supervisory procedures.

3b. Following the notification to the *Where more than one competent authority is notified* authorities under Article 7(1), the competent *authority responsible for the supervision* authorities of the *originator or, if there are several originators, the competent authority supervising the originator that contributes the highest proportion of underlying exposures to the securitisation*, sell-side entities in the transaction shall appoint a *be the lead supervisor for that specific securitisation*. *The lead supervisor shall* to coordinate actions and avoid divergences of application of this Regulation for transactions involving sell-side entities under the remit of competent authorities from more than one Member State. A Competent authority may *authorities shall* delegate the exercise of some or all of the tasks and powers referred to in this Regulation to the lead supervisor. *In case the competent authorities of the sell-side entities do not reach an agreement on the appointment of the lead supervisor, the securitisation sub-committee established under paragraph 3 shall appoint the lead supervisor.*’; (AM 49 Seekatz)

(ca) paragraphs 4 and 5 are replaced by the following:

4. *Where a competent authority finds that one or more of the requirements under Articles 6 to 27 have been infringed or has reason to believe so, it shall inform the competent authority of the entity or entities suspected of such infringement, or the EBA, of its findings in a sufficiently detailed manner. The competent authorities concerned responsible for supervision of compliance with Articles 6*

to 17 shall closely coordinate their supervision in order to ensure consistent decisions.

5. *Where the infringement referred to in paragraph 4 of this Article concerns, in particular, an incorrect or misleading notification pursuant to Article 27(1), the competent authority finding that infringement shall, without delay, notify the competent authority of the entity designated as the first contact point under Article 27(1) the EBA of its findings. The competent authority of the entity designated as the first contact point under Article 27(1) shall in turn inform ESMA, the EBA and EIOPA and shall follow the procedure provided for in paragraph 6 of this Article.*

(d) in paragraph 6, the first and second subparagraphs are replaced by the following:

‘Upon receipt of the information referred to in paragraph 4, the competent authority of the entity suspected of the infringement shall take within 15 working days any action necessary to address the infringement identified and notify the other competent authorities involved, in particular those of the originator, sponsor and SSPE, and the competent authorities of the holder of a securitisation position, where known. A competent authority that disagrees with another competent authority regarding the procedure or content of the action or inaction or that other competent authority shall notify all other competent authorities involved about its disagreement without undue delay. Where that disagreement is not resolved within three months of the date on which all competent authorities involved were notified, the matter shall be referred to the EBA in accordance with Article 19 and, where applicable, Article 20 of Regulation (EU) No 1093/2010. The conciliation period referred to in Article 19(2) of Regulation (EU) No 1093/2010 shall be one month.

Where the competent authorities concerned fail to reach an agreement within the conciliation phase referred to in the first subparagraph, the EBA shall take the decision referred to in Article 19(3) of Regulation (EU) No 1093/2010 within one month. During the procedure set out in this Article, a securitisation appearing on the list maintained by ESMA pursuant to Article 27 of this Regulation shall continue to be considered an STS pursuant to Chapter 4 of this Regulation and shall be kept on that list.’;

- (e) paragraph 7 is replaced by the following

‘7. Three years from the date of application of this Regulation, and every three years thereafter, the EBA, in cooperation with ESMA and EIOPA, shall conduct a peer review in accordance with Article 30 of Regulation (EU) No 1093/2010 on the implementation of the supervisory powers provided for in Article 30 of this Regulation.’;

- (f) paragraph 8 is deleted;

Reports and review

- (19) Article 44 is amended as follows:

- (a) in the first subparagraph, point (e) is replaced by the following:

‘(e) the contribution of securitisation to funding Union companies, **in particular SMEs, and households** and to the economy **and financial stability** of the Union.’; (AM 50 Seekatz; AM 286 Heinäluoma, Papandreou, Fernández, Repasi)

- (b) the second subparagraph is deleted;

- (20) Article 46 is replaced by the following:

Article 46

Review

By ...[PO please insert the date: 5 years after date of entry into force], the Commission shall present a report to the European Parliament and the Council on the functioning of this Regulation, accompanied, where appropriate, by a legislative proposal.

That report shall consider in particular the findings of the reports referred to in **Articles 31 and 44**, and shall assess: **(AM 289 Heinäluoma, Papandreou, Fernández, Repasi)**

- (a) the effects of this Regulation on the functioning and the development of the market for securitisations in the Union;
- (b) the contribution of securitisation to:
- (i) to funding EU companies and economy, in particular on access to credit for SMEs and investments;

- (ii) **the build up of risks to the financial stability of the banking sector and the financial sector as a whole which could arise from the growth of issuances of synthetic securitisations, taking into account** interconnectedness between **financial institutions and the stability of the financial sector;** (AM 291 Heinäluoma, Papandreou, Fernández, Repasi)

(ii b) housing affordability and access to housing; (AM 293 Toussaint)

- (c) whether in the area of STS securitisations, an equivalence regime could be introduced for third country originators, sponsors and SSPEs, including in relation to due-diligence requirements, taking into consideration international developments in the area of securitisation, in particular initiatives on simple, transparent and comparable securitisations;
- (d) the implementation of the requirements set out in Article 22(4) and Article 26d(4) and whether those requirements may be extended to securitisation where the underlying exposures are not residential loans or auto loans or leases, with a view to mainstreaming environmental, social and governance disclosures.

Article 2

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg,

For the European Parliament

The President

For the Council

The President