



EUROPEAN CENTRAL BANK

BANKING SUPERVISION

# Guide on the notification of securitisation transactions

Articles 6 to 8 of the  
Securitisation Regulation

BANKENTOEZICHT

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# 1 Scope

This non-binding Guide sets out the notification practices that significant institutions (SIs)<sup>1</sup> acting as originators or sponsors of a securitisation transaction are advised to follow in order to provide the ECB with information needed for the supervision of compliance with Articles 6 to 8 of the Securitisation Regulation (SECR)<sup>2</sup>, as specified in Article 7 of that Regulation.

The Guide specifies information that SIs are expected to submit to the ECB both at origination and during the life of securitisation transactions, particularly if changes occur in the transactions which affect compliance with Articles 6 to 8.

The ECB recommends that SIs follow this Guide with respect to all securitisation transactions originated after [1 April 2022].<sup>3</sup> The Guide will be updated from time to time to reflect developments in the regulation and supervision of securitisations.

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<sup>1</sup> “Significant institutions” means “significant supervised entities” as defined in Article 2(16) of Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation) (ECB/2014/17) (OJ L 141, 14.5.2014, p. 1).

<sup>2</sup> Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

<sup>3</sup> It is nonetheless possible that the ECB will request information with respect to securitisation transactions originated before [1 April 2022] on a case-by-case basis.

## 2 Legal framework

### 2.1 The Securitisation Regulation

The SECR establishes a comprehensive EU legislative framework applicable to all securitisations, including requirements with regard to risk retention (Article 6), transparency (Article 7) and a ban on resecuritisation (Article 8).

The requirements of Articles 6 to 8 cover all securitisations under the scope of the SECR, including public transactions (for which a prospectus has to be drawn up) and private transactions; traditional, synthetic and asset-backed commercial paper (ABCP) transactions; and securitisations that are structured to achieve significant risk transfer (SRT) and those that are not.

#### Risk retention requirements

Article 6 SECR requires the originator, sponsor or original lender of a securitisation to retain a material net economic interest in a securitisation to ensure the interests of these parties are aligned with those of investors.

#### Transparency requirements

Article 7 SECR contains transparency requirements for securitisations and underlying exposures, to be fulfilled by all EU-based originators<sup>4</sup>, sponsors and securitisation special purpose entities (SSPEs), to allow investors to understand, assess and compare securitisation transactions and competent authorities to carry out their supervisory tasks. The transparency requirements make a key distinction between public and private securitisations. For the former, information must be disclosed through a securitisation repository (SR); for the latter, the use of an SR is not required.

#### Ban on resecuritisations

Article 8 SECR prevents the inclusion of securitisation positions in the exposures underlying a securitisation, i.e. it prevents resecuritisations. However, exemptions from the ban can be granted on a case-by-case basis by competent authorities for the purposes described in Article 8(3) and allowed by Article 8(5).

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<sup>4</sup> Simple, transparent and standardised (STS) securitisations are subject to additional transparency requirements supervised separately by authorities designated by Member States.

## 2.2 Technical standards developed by ESMA and the EBA

The technical standards mentioned in Articles 6(7) and 8(5) SECR<sup>5</sup> have not yet entered into force and are consequently not covered in this Guide.

The technical standards mandated in Articles 7 and 17 SECR have already been adopted.<sup>6</sup> They provide a set of transparency requirements and reporting standards to be fulfilled for public and private transactions and a set of transparency requirements and reporting standards applicable to public transactions only.

The SECR and the applicable Commission Delegated and Implementing Regulations form the European Union law which the ECB applies. This Guide provides practical steps facilitating the ECB's supervision of compliance with that law by SIs which are originators or sponsors, in respect of risk retention, transparency and resecuritisations. The Guide does not intend to introduce any new requirements.

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<sup>5</sup> Article 6(7) mandates the European Banking Authority (EBA), in close cooperation with the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA), to develop regulatory technical standards on risk retention. Article 8(5) says that ESMA, in close cooperation with the EBA, may draft regulatory technical standards to supplement the list of legitimate purposes set out in Article 8(3).

<sup>6</sup> Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE (OJ L 289, 3.9.2020, p.1); Commission Implementing Regulation (EU) 020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (OJ L 289, 3.9.2020, p. 217).

## 3 The notification

The ECB acknowledges that, for public securitisations, the data collected by SRs facilitates the supervision of compliance with Articles 6 to 8 SECR, as specified in Articles 7 and 17 and as further specified by Commission Delegated Regulation (EU) 2020/1224 and Commission Implementing Regulation (EU) 2020/1225 in relation to the disclosure templates. Nevertheless, supervision would in practice benefit from SIs providing more focused information, in particular a transaction overview, and confirmation of compliance with Articles 6 to 8. Moreover, while SRs are not required to store information on private securitisations, the latter are also subject to transparency requirements, and there is currently no standardised process through which SIs can make the information on them required by Article 7 available to the ECB.

The Guide therefore recommends that SIs acting as originators or sponsors for either private or public securitisations notify the ECB of compliance of these transactions with Articles 6 to 8 SECR.

Notifications are expected to be submitted in a dedicated template [via the CASPER platform] [link to the website in a footnote]. The technical details on how to submit notifications and the template will be communicated separately.

### Timeliness of the notification

It is recommended that new transactions be notified to the ECB **within two weeks of the date of origination**<sup>7</sup>.

### Information to be provided at origination

Originators or sponsors are expected to provide the ECB with the information listed in the Annex in relation to each new transaction at origination in a dedicated template, which is divided into the following four sections:

- Section A (key transaction information);
- Section B (information on securitised exposures);
- Section C (information on securitisation positions);
- Section D (compliance with Articles 6 to 8 SECR).

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<sup>7</sup> The time at which the exposures were first securitised, which may be one of the following: the date of the first issuance of securities (traditional securitisations); the date of the credit protection agreement (synthetic securitisations); or the date on which the initial securitisation positions were created (ABCP transactions) or on which the asset-backed commercial paper was first issued (ABCP programmes). This is in line with Article 43(9) SECR.

## Information to be provided during the life of the transaction

The requirements of Articles 6 to 8 SECR have to be fulfilled on a continuous basis. Originators or sponsors are recommended to notify the ECB without undue delay of any material event or change affecting or likely to affect the features of transactions during the life of the transaction, particularly in relation to compliance with Articles 6 to 8 SECR.

## 4 Informal exchange of views

An informal dialogue on the specific features of a transaction may take place between representatives of originator/sponsor SIs and the ECB once a transaction has been notified to the ECB or even before the origination of a transaction.

Such a dialogue does not represent a confirmation (whether explicit or implicit) that the conditions of Articles 6 to 8 SECR will or have been met.

# Annex: Information to be provided to the ECB

**At origination**, for each of the following Sections A to D, the SI acting as originator or sponsor is recommended to provide the information on the basis of the final transaction documentation.

## Section A. Key transaction information

1. Information on the originator or sponsor (name and Legal Entity Identifier (LEI) of the bank and banking group)
2. Identifiers: [International Securities Identification Number (ISIN; where available); the internal identifier reported in column 0020 of COREP template C14.00; and the unique identifier assigned to the transaction in accordance with Article 11 of Commission Delegated Regulation (EU) 2020/1224]
3. Type of transaction
  - (a) Traditional securitisation/synthetic securitisation/ABCP transaction/ABCP programme
  - (b) Resecuritisation<sup>8</sup>
  - (c) SRT status
  - (d) STS status
  - (e) Revolving exposures or revolving securitisation
4. Date of origination<sup>9</sup>
5. Nominal amount of the underlying securitised exposures
6. Nominal amount of the tranches
7. Public or private securitisation
8. Name of the SR used, if applicable (for both public and private securitisations)
9. For private securitisations for which no SR has been used: information on how to access information that must be made available under Article 7 SECR

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<sup>8</sup> The ECB may grant permission to SIs to include securitisation positions as underlying exposures for legitimate purposes as set out in Article 8(3) and allowed by Article 8(5) SECR; this is not covered by this Guide

<sup>9</sup> Defined in footnote 7.

## Section B. Information on securitised exposures

1. For a non-ABCP transaction, classification of the underlying exposures according to Article 2 of Commission Delegated Regulation (EU) 2020/1224, based on the dominant asset class as measured by nominal value, as follows:
  - (i) Residential real estate
  - (ii) Commercial real estate
  - (iii) Corporate
  - (iv) Automobile
  - (v) Consumer
  - (vi) Credit card
  - (vii) Leasing
  - (viii) Esoteric – please specify
2. NPE securitisation<sup>10</sup>
3. For an ABCP transaction, classification of the underlying exposures according to Annex XI of Commission Delegated Regulation (EU) 2020/1224, as follows:
  - (i) Trade Receivables
  - (ii) Automobile Loans or Leases
  - (iii) Consumer loans
  - (iv) Equipment Leases
  - (v) Floorplan financed
  - (vi) Insurance Premia
  - (vii) Credit-Card Receivables
  - (viii) Residential Mortgages
  - (ix) Commercial Mortgages
  - (x) Small and Medium Enterprise Loans
  - (xi) Non Small and Medium Enterprise Corporate Loans
  - (xii) Future Flow
  - (xiii) Leverage Fund

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<sup>10</sup> As defined in Article 2(25) SECR.

- (xiv) Collateralised Bond Obligation
  - (xv) Collateralised Loan Obligation
  - (xvi) Other
4. Portfolio in the ramp-up phase
  5. Jurisdictions of loans (including information on multiple jurisdictions)

## Section C. Information on securitisation positions

1. Final legal and expected maturity
2. Number of securitisation tranches and which are to be kept/have no eligible credit protection, which are to be sold/have eligible credit protection (Article 6 SECR)
3. Name, LEI(s) and additional information on the entity or entities holding the risk retention (Article 6 SECR)
4. Level of risk retention (Article 6(1) SECR)
5. Confirmation that there has been no adverse selection (Article 6(2) SECR)
6. Modalities of risk retention (Article 6(3) SECR)
7. Consolidated retention (Article 6(4) SECR)
8. Exceptions to risk retention (Articles 6(5) and 6(6) SECR)
9. For resecuritisations, the legitimate purpose (Articles 8(3) and 8(5) SECR), i.e. one of the following:
  - (a) facilitation of the winding-up of a credit institution (Article 8(3)(a) SECR);
  - (b) ensuring the viability of a credit institution (Article 8(3)(b) SECR);
  - (c) preservation of investor interests where the underlying exposures are non-performing (Article 8(3)(c) SECR).
  - (d) other legitimate purposes (Article 8(5) SECR)
10. For ABCP programmes: information on the credit enhancement (Article 8(4) SECR)

## Section D. Compliance with Articles 6 to 8 SECR

1. An SI acting as originator or sponsor should provide written confirmation that the securitisation complies with:

- (a) Article 6 SECR, and any applicable delegated regulations;<sup>11</sup>
- (b) Article 7 SECR, any applicable delegated regulations and in particular:
  - (i) that all items referred to in Table 3 of Annex I to Commission Delegated Regulation (EU) 2020/1224 have been made available;
  - (ii) for public transactions, that information required to be made available pursuant to Article 7 SECR has been sent to an SR;
  - (iii) for private transactions, that information required to be made available pursuant to Article 7 SECR has been made available to investors and, upon request, to potential investors through dedicated channels (e.g. websites, data rooms, SRs);
  - (iv) that the information provided pursuant to Article 7 SECR to (potential) investors and to the ECB (as well as any further information requested by the ECB) reflects the actual arrangements and features of the securitisation;
- (c) Article 8 SECR.

2. An SI acting as originator or sponsor of a private securitisation should indicate where and how the information and documents required by Article 7 SECR are made available (e.g. links to websites, data rooms, SRs). For public and private securitisations using an SR, the name of the SR chosen (Section A) is sufficient.
3. An SI acting as originator or sponsor of a securitisation should provide an assessment of how its internal policies, processes and procedures (including the level of involvement of senior management and/or the board) ensure compliance with Articles 6 to 8 SECR.<sup>12 13</sup>

**During the life of the transaction**, SIs acting as originator or sponsor are recommended to notify the ECB without undue delay of any material event or change affecting or likely to affect the features of transactions, particularly in relation to compliance with Articles 6 to 8 SECR, and, where applicable, submit an updated template [via CASPER].

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<sup>11</sup> If there are multiple originators, each originator is expected to confirm compliance.

<sup>12</sup> The assessment should be sent at least every two years. If there are multiple originators/sponsors, each originator/sponsor involved in the transaction should send an assessment.

<sup>13</sup> The assessment could be produced by an independent function or functions, such as the internal audit and/or the compliance function.

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For specific terminology please refer to the [SSM glossary](#) (available in English only).