



ESMA Consultation Paper on the Draft technical standards on the application for registration as a securitisation repository under the Securitisation Regulation

This document provides the response of the Dutch Securitisation Association (“DSA”) on the ESMA Consultation Paper dated 24 March 2018.

We welcome the opportunity to commend on this Consultation Paper.

DSA Background

The Dutch Securitisation Association was established in 2012 as representative body of the Dutch securitisation industry. Our membership includes issuers of securitisations both from the insurance and banking industry, and we are operating in close cooperation with the Dutch investor community.

Our purpose is to create a healthy and well-functioning Dutch securitisation market.

We try to achieve this i.a. by providing a standard for documentation and reporting of Dutch RMBS and Consumer ABS transactions, promoting (in close cooperation with PCS) further standardisation and improvements in transparency, and active involvement in consultations about future regulation of the securitisation market.

Against this background, we would like to commend, on behalf of all Dutch issuers joined in the DSA, on the ESMA Consultation Paper on the application for registration as a securitisation repository (individual DSA members may also provide their own comments).

Our comments

Q 1: Do you agree with the general requirements proposed in the draft RTS? Do you have any further suggestions? If yes, please provide also the reasoning.

We do agree with the intention of the general requirements, but also have a concern.

We appreciate that you would like to minimise costs for market participants. This should however not be achieved by lowering the entrance barrier into securitisation for existing regulated (non-securitisation) repositories. They may be able to provide short term benefits in terms of lower fees, but longer term the market is better helped with dedicated securitisation repositories creating lower fees from economies of scale.

So we would like to point to the fact that fees and fee structures are evolving over time, and the current upfront fees (structure) may be less relevant than any policy to pass on economies of scale in the actual fees charged in the future.

Q 2: Do you agree with the operational reliability provisions set out in the draft RTS? Do you have any further suggestions?

We do agree, but would like to stress that operational reliability is certainly depending on skills in information technology (as emphasised by you) but also on in-depth knowledge of the nature of the data contained in securitisation loan level files, which are very different from the files handled by EMIR or SFTR repositories.

Q 3: Do you agree with a centralised approach to develop ISO 20022-compliant XML messages/schema? Do you agree that ESMA is best placed to develop ISO 20022-compliant XML messages/schema? Please explain why if not and provide an alternative proposal.

We do agree but subject to our answer on Q17 of the Disclosure Consultation that ..."the ISO 20022 standard can be used for daily reporting and providing feedback messages, but better not for the template fields, where it is recommended that CSV and XML be used".

Q 4: Do you agree with the data safeguarding provisions set out in the draft RTS?

We do agree. We understand from your explanation in Par. 33 that the reference to a (derivatives) contract in Art. 80(4) of EMIR should be understood as a reference to a data file in the Securitisation Regulation. Can this be confirmed in the RTS ?

Q 5: Do you agree with the contents of the simplified application?

Since only few items are excluded, and most of them will need an update, it looks like the benefits are small. But since securitisation repositories are rather different from EMIR or SFTR repositories, this may be the correct outcome anyway. On one specific point, (f) staffing policies and procedures, we are of the view that they may not be necessarily the same in Securitisation, EMIR or SFTR repositories.

Q 6: Do you agree with the proposed requirements for the ITS?

We have no comments on the ITS and the Annexes.

Q 7: Do you agree with the considerations on transferring information following a request to transfer data to another repository?

We have some concerns about enforcement and arbitrage in case the old and new repository do not agree (in time) on a migration plan. It may be difficult to determine who is guilty on failing to agree on the plan. We fear that in practice it will be very difficult to achieve a voluntarily transfer from one repository to the other.

Q 8: Do you consider that any other aspects should be considered regarding the fees charged by the new or old repository for the data transfer process?

The costs (and so the fees) may be different depending on the systems, capabilities etc. of the repository on the other side of the data transfer, so it may be difficult to design a pricing policy for this purpose.

Q 9: Do you agree with the draft arrangements for transferring information from one securitisation repository to another following a withdrawal of registration?

Our concerns about enforcement (see Q7.) may be limited in this case, due to the involvement of ESMA. Our concerns on the costs and fees (see Q8.) will remain.