

Submission Date

28/05/2020

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Additional Information

Level 1 Regulation

Securitisation Regulation (EU) 2017/2402

Topic

Securitisation Disclosure Templates

Subject Matter

How to report various fields following default of an underlying exposure

Question

(a) How should these and similar fields be completed after an underlying exposure is deemed to be in default?

(b) How should information be provided for underlying exposures that are classified as 'sofferenze'?

ESMA Answer

28-05-2020

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.2.18]

- (a) These fields should continue to be entered and updated according to the situation as at the cut-off date. For an underlying exposure in default, these fields will often remain unchanged. However, this depends on the underlying exposures terms and may change if the underlying exposure begins to perform again subsequent to default. Where the payment terms change, for example because a repayment plan has been agreed with the obligor, these fields should be revised where necessary to reflect this updated situation.
- (b) Exposures that are classified as 'sofferenze' should be considered to be in 'default' for the purposes of reporting information and, therefore, should provide information as per point (a) above. Except where an underlying exposure is "inactive" (i.e. an underlying exposure that has defaulted with no further recoveries expected), information about the underlying exposure should continue to be provided and updated. For further explanation about the distinction between active and inactive disclosures see Q&A 1296.