

Submission Date

15/11/2019

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Additional Information

Level 1 Regulation

Securitisation Regulation (EU) 2017/2402

Topic

Securitisation Disclosure Templates

Subject Matter

Annex 4: Underlying Exposures - Corporate - Enterprise Value

Question

How should this value be calculated when the obligor is not a listed company? Should the accounting value of the equity be used instead of the market capitalisation?

ESMA Answer

15-11-2019

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.6.4]

Yes, in this situation it is acceptable to substitute the accounting value of the equity instead of the market capitalisation. The calculation for this field in this situation would thus become “Enterprise value i.e. accounting value of the equity plus debt, minority interest and preferred shares, minus total cash and cash equivalents.”

Where the obligor is legally exempted from producing any financial statements (e.g. because the entity is a self-employed natural person with revenues falling below a specified threshold), an estimate should be entered based on tax statements and other available information. Where the originator/original lender did not collect/estimate the Enterprise Value at origination, ND1 must be entered in this field, or more generally the appropriate No-Data option (ND1-4) must be entered.