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Additional Information

Level 1 Regulation
Securitisation Regulation (EU) 2017/2402

Topic
Securitisation Disclosure Templates

Subject Matter
Annexes 14 and 15: Inside Information or Significant Event Information - How to complete the Synthetic Coverage Information Section in Annex XIV

Question
(a) Where a synthetic securitisation has several instruments of the same type, e.g. four credit-linked notes (SESV3 Protection Type = CLKN), should the Synthetic Coverage Information Section be completed once (i.e. once per type of protection arrangement) or should it be completed four times (i.e. once for each of the credit linked notes)?

(b) It is not possible to enter more than one protection provider into SESV4 and SESV5. How should these fields be completed when there is more than one protection provider?

ESMA Answer

19-11-2019

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.15.16]

(a) As set out in Article 8 of the RTS on Disclosure: "*The reporting entity shall make available the information specified in Annex XIV on the following: […]*

(d) where the securitisation is a synthetic non-ABCP securitisation:

(i) synthetic coverage, for as many protection arrangements as exist in the securitisation; […]
"

Each instrument, in this case each credit-linked note, is considered to be its own independent "protection arrangement". Consequently, the template should be completed for each protection instrument, in this particular example: four times.

(b) This is an error in the XML schema which ESMA intends to address during the next revision of the XML schema. Once this is done, it will be possible to enter multiple protection providers for one single protection instrument. Until then, whenever there is more than one protection provider for the same protection instrument, the primary protection provider should be entered into these two fields.