

# Feedback Statement

Consultation Paper on the securitisation disclosure templates under Article 7 of the Securitisation Regulation





## Table of Contents

<b>1</b>	<b>Executive Summary .....</b>	<b>4</b>
<b>2</b>	<b>References and Abbreviations .....</b>	<b>6</b>
<b>3</b>	<b>Background .....</b>	<b>9</b>
<b>4</b>	<b>Analysing the Responses .....</b>	<b>12</b>
4.1	General Overview of the responses .....	12
4.2	Summary of the feedback under each option .....	12
<b>5</b>	<b>Detailed summary of the feedback received .....</b>	<b>13</b>
5.1	Overview on options preferences .....	13
5.2	Loan-Level Data granularity .....	20
5.3	Simplifying or enriching templates .....	23
5.3.1	Introducing additional fields.....	23
5.3.2	Streamlining existing templates.....	26
5.3.3	Introducing new annexes .....	29
5.3.4	Deleting existing annexes .....	30
5.4	ND Options.....	32
5.5	Private securitisation .....	35
<b>6</b>	<b>Conclusion.....</b>	<b>40</b>
	<b>Annexes .....</b>	<b>42</b>
	Annex 1 – Summary of Questions .....	42
	Annex 2 – List of Non-Confidential Responses.....	48

# 1 Executive Summary

## Reasons for publication

In October 2022 the European Commission published a report on the functioning of the Securitisation Regulation, identifying a number of targeted improvements in its functionality. Among the areas marked for improvement, the European Commission recognised the necessity for a series of measures to improve the functioning of the transparency requirements and invited ESMA to review the technical standards pertaining to the disclosure framework.

Following this report and subsequent engagement with several categories of stakeholders representing different segments of the securitisation market, ESMA launched a consultation in December 2023. This consultation aimed to gather insights on the costs and benefits of various approaches to revising the framework. The Consultation Paper presented four distinct implementation options:

**Option A:** Postpone the review of the templates until the next review of the Level 1 text;

**Option B:** Introduce few refinements to the current framework to enhance disclosure;

**Option C:** Introduce a simplified template for private securitisation and undertake a targeted revision of the templates, aimed at streamlining disclosure; and

**Option D:** Undertake a complete and thorough review of the reporting framework aimed at a substantial simplification of disclosure requirements.

## Content

The Feedback Statement summarises the feedback that ESMA received on the Consultation Paper. Section 3 provides background on the consultation's proposals and the overall context of the disclosure framework review. Section 4 presents an overview of stakeholder feedback on the different approaches to the framework revision. Section 5 further examines responses on key topics, such as the preferred approach, loan-level data granularity, template simplification or enrichment, ND options, and private securitisation.

### **Next Steps**

The feedback from the Consultation Paper highlights that, while the securitisation transparency regime is not yet ideal, the timing may not be optimal to redefine the disclosure framework, particularly due to the upcoming review of the Level 1 text. Stakeholders have recommended that any immediate amendments should remain limited and targeted, prioritising proportionality and addressing the reporting costs and limitations associated with private securitisations.

Taking this feedback into account, ESMA will coordinate closely with the European Commission to assess whether targeted adjustments to the technical standards – particularly regarding the information to be provided for private securitisations – can be introduced pending the ongoing review of the Securitisation Regulation.

## 2 References and Abbreviations

### Legal References

<b>Securitisation Regulation</b>	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/EC and Regulations (EC) no 1060/2009 and (EC) no 648/2012
<b>Disclosure RTS</b>	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
<b>Disclosure ITS</b>	Commission Implementing Regulation (EU) 2020/1225 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

## Abbreviations

<b>ABCP</b>	Asset-Backed Commercial Paper
<b>ABS</b>	Asset-Backed Securities
<b>CP</b>	Consultation Paper
<b>EBA</b>	European Banking Authority
<b>EC</b>	European Commission
<b>ECB</b>	European Central Bank
<b>ESAs</b>	European Supervisory Authorities
<b>ESG</b>	Environmental, Social, and Governance
<b>ESMA</b>	European Securities and Markets Authority
<b>EU</b>	European Union
<b>ITS</b>	Implementing Technical Standards
<b>JCSC</b>	European Supervisory Authorities' Joint Committee Securitisation Committee
<b>LGD</b>	Loss-Given Default
<b>LLD</b>	Loan-Level Data
<b>MTF</b>	Multilateral Trading Facility as defined under Article 4 of Directive 2014/65/EU ('MiFID II')
<b>NCA</b>	National Competent Authority
<b>ND</b>	No-Data Options as defined under Article 9 of the Disclosure RTS.
<b>PD</b>	Probability of Default
<b>Private Securitisation</b>	A securitisation referred to in the third subparagraph of Article 7(2) of the Securitisation Regulation, namely a securitisation "where no prospectus has to be drawn up in compliance with Directive 2003/71/EC".
<b>RMBS</b>	Residential Mortgage-Backed Securities
<b>RTS</b>	Regulatory Technical Standards
<b>SECR (or Level 1)</b>	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 (the 'Regulation')

<b>SME</b>	Small and Medium-sized Enterprises
<b>SSPE</b>	'Securitisation Special Purpose Entity' as per the definition within Article 2(2) of Regulation (EU) 2017/2402 – the Securitisation Regulation
<b>SR</b>	Securitisation Repository
<b>SSM</b>	Single-Supervisory Mechanism function within the European Central Bank
<b>STS</b>	Simple, Standardised, and Transparent Securitisation
<b>Technical Standards (or Level 2)</b>	<p>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 (the 'disclosure RTS'); and</p> <p>Commission Implementing Regulation (EU) 2020/1225 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 (the 'disclosure ITS')</p>



### 3 Background

1. In October 2022, after three years from the entry into force of the SECR, the European Commission (EC) submitted a report on the functioning of the Securitisation Regulation (hereafter the 'EC Report') to the European Parliament and to the Council, in accordance with Article 46 of the SECR. The EC report covered several aspects of the securitisation framework, and was based on a targeted public consultation carried out by the EC. This consultation involved a diverse range of stakeholders, including market participants, public authorities, and academics.
2. The EC Report took into consideration the recommendations of the EC high-level forum of the Capital Market Union<sup>1</sup>, and also made reference to certain shortcomings in the current framework that had been previously highlighted in two documents issued by the Joint Committee of the ESAs' Securitisation Committee (hereafter referred to as 'JCSC'): the ESA's opinion on the Jurisdictional scope of SECR<sup>2</sup> (March 2021) and the ESA's report on the functioning of SECR<sup>3</sup> (May 2021). These documents were intended to draw the attention of the EC to the need for additional legal interpretations or guidance concerning specific provisions related to the disclosure of securitisation transactions which affect the efficiency and consistency of the regime.
3. After considering the findings of the ESAs Reports and the feedback stemming from the public consultation, the EC whilst noting that there was no immediate need for a revision of the Level 1 text, invited ESMA to address certain issues highlighted in the report through a review of the RTS and ITS concerning disclosure requirements. Specifically, the EC identified two areas that could be addressed by reviewing the technical standards: i) developing a simplified template for private securitisations; ii) ensuring adequate proportionality of transparency requirements and usefulness of data for proper due diligence.
4. Following this report, ESMA engaged in discussions with specific securitisation stakeholders to gather their feedback and insights on revising the current disclosure framework. Following these interactions and based on the feedback received, ESMA published in December 2023 a consultation to gather evidence regarding the costs and

---

<sup>1</sup> Final report of the high-level forum on the Capital Markets Union 'A new vision for Europe's capital markets' [High-Level Forum on capital markets union \(europa.eu\)](https://ec.europa.eu/economy_finance/High-Level-Forum-on-capital-markets-union_en)

<sup>2</sup> [JC 2021 16 - esas opinion on jurisdictional scope of application of the securitisation regulation 003.pdf \(europa.eu\)](https://ec.europa.eu/economy_finance/JC_2021_16_-_esas_opinion_on_jurisdictional_scope_of_application_of_the_securitisation_regulation_003.pdf)

<sup>3</sup> [JC 2021 31 \(JC Report on the implementation and functioning of the Securitisation Regulation\) \(1\).pdf \(europa.eu\)](https://ec.europa.eu/economy_finance/JC_2021_31_(JC_Report_on_the_implementation_and_functioning_of_the_Securitisation_Regulation)_1_.pdf)

benefits associated with the various approaches to address the review of the disclosure framework.

5. The Consultation Paper proposed four distinct implementation options to gather feedback from stakeholders on the next steps to be undertaken by ESMA. Specifically:
  - Option A – Postpone the review of the disclosure templates until the next review of the SECR;
  - Option B – Introduce few refinements to the current framework to enhance disclosure;
  - Option C – introduce a simplified template for private securitisation and undertake a targeted revision of the templates, aimed at streamlining disclosure; and
  - Option D – Undertake a complete and thorough review of the reporting framework aimed at a substantial simplification of disclosure requirements.
6. Table 1 below provides a brief summary of the four options.

**TABLE 1 - SUMMARY OF THE IMPLEMENTATION OPTIONS**

Topic	Option A	Option B	Option C	Option D
<b>Loan-Level Disclosure</b>	Keep	Keep	Shift to Aggregated Data for certain asset classes	Shift to Aggregated Data for certain asset classes
<b>Content</b>	Maintain Current Framework	Include additional metrics, e.g. climate risk metrics	Slight simplification of current framework	Complete overhaul of the current framework: heavily simplified templates
<b>Private Securitisation</b>	No Change	No Change	Introduce a simplified template for private deals	Same simplified template for public and private
<b>ND Options</b>	No Change	Tighter use of NDs	Keep NDs, amend conditionality of certain fields	Shift from NDs to Mandatory/Optional

7. The purpose of this Feedback Statement is to present ESMA’s assessment of the responses received from the Consultation Paper, while also considering the anticipated broader review of the SECR, which has since become more concrete following the EC publishing a targeted consultation<sup>4</sup> on 9 October 2024. This EC consultation seeks feedback on a review of the SECR, which could potentially lead to changes in the scope of Article 7 (transparency requirements for originators, sponsors and SSPEs) as it is currently defined.

<sup>4</sup> [https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-functioning-eu-securitisation-framework-2024\\_en](https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-functioning-eu-securitisation-framework-2024_en)

## 4 Analysing the Responses

### 4.1 General Overview of the responses

8. The consultation closed on 15 March 2024 and ESMA garnered 35 responses. Respondents include a diverse mix of buy-side and sell-side parties, as well as service providers such as securitisation repositories, credit rating agencies and other software providers.
9. Although the majority of responses appear to favour a review in line with Option C, the respondents expressed concerns with respect to implementation timelines in view of the upcoming review of the Level 1 text. The overall sentiment indicates that any changes in the short-term should be limited and targeted, aiming to reduce the disclosure burden. Broader changes to the securitisation framework could slow down the implementation and potentially conflict with a wider review of the Level 1 text.
10. In the interim, respondents recommended that ESMA should provide short-term solutions to address key challenges faced by the industry. A top priority should be the introduction of a simplified template for private securitisations, aimed at reducing unnecessary complexities and lowering the costs associated with regulatory compliance.

### 4.2 Summary of the feedback under each option

11. The summary of the feedback collected under each option is the following:

**Option A:** Keeping the existing disclosure framework is considered the least expensive solution for both buy- and sell-sides. However, this option does not address the shortcomings of current disclosure framework, which is perceived burdensome and disproportionate in certain areas.

**Option B:** General feedback is that adding the proposed risk indicators and restricting ND options would create unnecessary additional burden on reporting entities. The disclosure of climate risk indicators is advocated by several stakeholders, but their mandatory introduction is perceived as premature since it is still under development under other legislations. In addition, the current use of ND options does not seem a concern for data users.

**Option C:** Given that loan-level data (LLD) on highly granular and revolving asset classes are not considered critical for investors, respondents advise to relax LLD

requirements for these asset class. Furthermore, the development of a simplified template tailored to supervisory needs for private securitisation is seen as a cost-effective solution to improve the disclosure of private transactions. They also argue that this approach addresses the unlevel playing field imposed by Article 5(1)(e) of SECR, which disadvantages EU investors by prohibiting them from investing in third-country transactions unless all information according to Article 7 is received from non-EU sell-side entities<sup>5</sup>.

**Option D:** Option D is regarded as the ideal foundation for the future development of Article 7 templates in the longer term. However, at this stage, the proposed changes under Option D are seen as premature, potentially creating instability, requiring high implementation costs, and necessitating extended timelines. According to respondents, the industry's immediate needs are for short-term solutions to address certain key challenges, rather than a comprehensive review of the disclosure templates.

## 5 Detailed summary of the feedback received

12. In the review of the consultation responses, ESMA organised the feedback into five primary topics: (5.1) respondents' overall preference for the proposed implementation options, (5.2) views on loan level data granularity, (5.3) views on simplifying or enriching templates, (5.4) view on the ND options and (5.5) considerations related to private securitisation. Within each topic, ESMA provides a summary of the responses to the relevant questions from the Consultation Paper, which proposed four implementation options and included a total of 33 questions. In an effort to reduce duplication, similar questions with overlapping themes have been grouped together.

### 5.1 Overview on options preferences

#### *Option A*

**Question 1** Option A focuses on maintaining the current framework in its entirety. Do you agree with maintaining the current disclosure framework unchanged?

**Question 5** Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision

---

<sup>5</sup> See Box 2 – Third Country Securitisation in the CP on the [securitisation disclosure templates](#)

**based to the above approach (Option A) may be to your own activities and potential impacts.**

13. Option A, which proposes retaining the existing disclosure framework without change, received limited support from respondents. While many acknowledged that the framework could benefit from targeted amendments, they emphasised the need for a broader review of the Level 1 text before implementing reforms. They argue that this approach would ensure that any modifications to the framework are both comprehensive and effective, maximising the potential benefits of the proposed changes.
14. Buy-side respondents stress the importance of reviewing the framework under Article 7, arguing that simply preserving the current framework would fail to address its inefficiencies and shortcomings. They express concern that the existing disclosure templates do not adequately support effective risk evaluation, ultimately hindering both market growth and investor confidence.
15. On the sell-side, many participants recognise that while keeping the current framework may appear the least disruptive option, it would not alleviate the operational burdens or costs linked to compliance. They emphasise that the existing requirements impose significant operational demands and could necessitate considerable IT adjustments if changes were introduced. Moreover, there is a consensus that although maintaining the templates might avoid immediate costs, it would not resolve key issues that hinder market functionality. Some participants advocate for targeted simplifications to improve usability, without increasing the compliance burden for issuers.
16. Feedback from securitisation repositories (SRs) and data service providers reflects a similar viewpoint. While entities can comply with the current requirements, they highlight that the existing framework can create additional challenges. This category of stakeholders notes that the framework is overly broad and not well-suited to specific asset classes, causing confusion for issuers when using the templates. They also caution that extensive disclosure requirements, particularly for private transactions, may act as a barrier to market growth, reinforcing the need for a more flexible and efficient disclosure regime.
17. Notwithstanding the above, while there is general agreement on the need to address certain elements of the disclosure framework, most respondents believe that now is not the right time for substantial changes. In the short-term, respondents recommended that ESMA focus on targeted improvements to reduce the disclosure burden on private securitisations, reserving broader changes to the public securitisations' templates for consideration after the upcoming review of the Level 1 text.

**Question 3 Do you agree that the current design of disclosure templates is adequately structured to facilitate comprehensive risk evaluation, including due diligence analysis and supervisory monitoring of securitisation transactions? If not, please explain your answer.**

18. Many respondents expressed concerns that the current disclosure templates are overly complex and fail to support effective risk assessment. They argued that the extensive reporting requirements often do not add value to the market, with numerous mandatory fields deemed irrelevant or underutilised. This was seen as a particular challenge for new entrants and smaller players, potentially restricting the growth of the securitisation market. The feedback called for a more streamlined approach, reducing the number of mandatory fields while still preserving the integrity of portfolio analysis and enhancing reporting efficiency.
19. Similarly, while other respondents acknowledged the benefits of standardised disclosure, particularly in emerging areas like environmental, social, and governance (ESG) reporting, they emphasised the need for a framework that delivers consistent and comparable data across various transactions and asset classes. Although they see merit in including ESG fields, respondents recommended that any immediate amendments should prioritise reducing the reporting burden. In the longer term, further adjustments could enhance usability, address data quality concerns, and ensure that the templates evolve in line with market needs.
20. Respondents also highlighted the need for greater flexibility in applying disclosure requirements. They argued that a one-size-fits-all approach, particularly in private and third-country securitisations, may not be appropriate. A more tailored approach, such as simplified templates for specific transaction types or asset classes, could reduce the burden on issuers while still meeting the information needs of investors and regulators.
21. Additionally, some respondents proposed allowing more flexibility in submission formats, including free-form fields for asset-specific information not currently accommodated by the standardised templates.
22. In conclusion, respondents called for more proportionality, with a clear demand for simplification, flexibility, and reduced reporting burdens on market participants. However, many emphasised that the timing of these changes remain a key concern.

### ***Option B***

**Question 6** Do you believe that the additional adjustments to the current framework proposed by Option B, such as restricting the use of ND options and including additional risk indicators (including climate-related indicators) are necessary? Do you support a revision of the technical standards accordingly? Please explain your answer, indicating whether you support these proposed adjustments and any reasons for your agreement and disagreement.

**Question 13** Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based to the above approach (Option B) may be to your own activities and potential impacts.

23. Option B suggests modifying the current disclosure framework by limiting the use of ND options and introducing new risk indicators. Feedback on this Option reveals a strong consensus among stakeholders opposing these changes.
24. Many participants, particularly from the sell-side, argue that these adjustments would significantly increase costs and complexity without offering meaningful benefits. They expressed concerns that tightening ND thresholds could limit the availability of collateral for securitisation, reducing issuance volumes and ultimately undermining market competitiveness.
25. Data service providers echoed these concerns, stressing the need for greater flexibility in the use of ND options. They cautioned that imposing stricter limitations could compromise data accuracy and reliability, as issuers may be required to report information that is either inapplicable or unavailable.
26. One SR noted that while some of Option B's proposals could offer practical benefits, such changes should only be considered after addressing the existing issues surrounding the definitions of public and private securitisation within the Level 1 text.
27. Regarding the introduction of additional risk indicators, buy-side respondents largely agreed that incorporating such metrics, especially climate-related metrics, is important for aligning with global sustainability goals. However, they warned that the absence of established standards could make compliance more difficult and fail to provide reliable information. Respondents also highlighted that the current templates are already burdensome, and further changes would only exacerbate these challenges.



28. In contrast, a joint reply from a consortium of six entities (the 'ENGAGE Consortium'), including one SR, supported the inclusion of additional climate risk-related metrics. They argued that these metrics are essential for facilitating a transition to a more sustainable economy, emphasising their relevance to the underlying assets of securitisation transactions.

### ***Option C***

**Question 14** Do you agree with Option C as the preferred way forward (simplified template for private transactions, removal/streamlining of loan-level data for some asset classes, new template for trade receivables) for the revision of the disclosure templates?

**Question 24** Please provide any general observations or comments that you would like to make on this CP, including how the revision based to the above approach (Option C) may be relevant to your own activities, and any potential impacts.

29. Option C proposes the introduction of a simplified template for private transactions and the removal or streamlining of loan-level data for certain asset classes. The responses reveal support from a wide range of stakeholders.
30. The majority of associations representing sell-side participants emphasised the need for a simplified template for private securitisations, arguing it would reduce operational burdens and improve the quality of disclosures. They also suggest eliminating detailed loan-level data requirements for certain asset classes, such as revolving credit facilities, where such disclosures may be impractical. They state that by simplifying the reporting framework, issuers could focus on providing relevant information, benefiting both issuers and investors.
31. However, these proposals were not unanimously supported within the sell-side category. Some issuers believe the information currently already meets investors' needs and see no need to introduce a simplified template for private securitisation. They reported that none of their clients have requested simplified information and express concerns that a dedicated template might lead to inconsistencies in data quality and reduced supervisory oversight. They also cautioned that, in addition to the associated implementation costs, such changes could compromise transparency and increase risks.
32. Among the buy-side respondents to the CP, only one entity responded to Question 14, expressing a preference for a simplified template for private securitisations but without

providing additional feedback. Similarly, SRs and other data service providers did not favour this approach, arguing that the costs associated with implementing such changes would outweigh the potential benefits. They consider the current framework sufficient and noted that both buy-side and sell-side parties have become accustomed to the current disclosure requirements.

33. Overall, the feedback indicates that Option C garnered the most support among respondents, particularly from sell-side associations, as the preferred approach for streamlining the disclosure framework. However, respondents highlight that only the introduction of a simplified template for private securitisations is considered a short-term priority. Respondents recommended that ESMA should await the outcome of any potential Level 1 text review before implementing broader amendments to the templates. One respondent noted that this approach would provide flexibility should co-legislators adopt a more principles-based framework for asset classes or transactions that do not align well with the existing templates. This respondent argued that such flexibility could enhance the quality of disclosures for both investors' due diligence purposes and supervisory monitoring.
34. On a final note, it is important to highlight that an isolated review of the responses to Questions 14 and 24 revealed a lack of consensus on certain elements within Option C, particularly regarding the simplified template for private securitisation. To reach a well-informed conclusion on Option C, it is essential to consider responses across other sections of this Feedback Statement, where the feedback has been contextualised and analysed in more detail.

### ***Option D***

**Question 25** Do you agree with Option D (a comprehensive review of the disclosure framework) as the preferred way forward for the revision of the disclosure templates?

**Question 33** Please provide any general observations or comments that you would like to make on this CP, including how the revision, based to the above approach (Option D) may be relevant to your own activities and any potential impacts.

35. The responses to Option D indicate mixed feedback among stakeholders regarding the proposal for a comprehensive review of the disclosure framework. Buy-side participants support a thorough review, arguing that a holistic approach is essential to address the competitive disadvantages faced by EU institutional investors in the global securitisation

market. Their feedback highlights that the current regulatory framework limits access to third-country securitisation opportunities, a barrier that could be mitigated through a well-designed review process.

36. Similarly, one respondent emphasised that such a review should be considered as part of a broader revision of the Level 1 text and not limited to differentiating template requirements solely by asset class. This respondent highlighted the competitive disadvantages faced by EU investors, who are restricted from investing in third-country securitisations if sell-side parties in those jurisdictions fail to provide all the information required under Article 7.
37. This respondent proposed several solutions, notably advocating for a more proportionate and principles-based approach. Under this principles-based approach, they recommended replacing the current rules with a requirement within the Level 1 text for EU institutional investors to: (a) verify that sufficient information has been received to assess the risk of holding a securitisation position, (b) confirm that at least the information mandated by the existing rules is provided, and (c) ensure a commitment from sell-side parties to make further relevant information available on an ongoing basis, as appropriate.
38. In contrast, many sell-side respondents oppose the comprehensive review proposed under Option D. They argue that such an extensive revision would bring significant costs and operational burdens, particularly given the investments already made to comply with the existing framework. There is broad agreement that while the current templates have flaws, they are workable, and that major changes could lead to longer implementation timelines and increased uncertainty in the market. Instead, many favour targeted adjustments or streamlining of the current templates to improve efficiency without requiring a complete overhaul.
39. Securitisation repositories and data service providers share similar concerns about the extensive changes proposed in Option D. They caution that a comprehensive review could result in inconsistencies in data quality and availability across different types of securitisation transactions. Stakeholders in this group advocate for more focused solutions that address immediate compliance challenges, rather than a full review of the framework at this stage.
40. Overall, while there is some support for the principles behind Option D, many respondents argue that a more immediate and practical approach, such as implementing Option C, would be preferable. They believe this would enable timely improvements in the securitisation market without incurring significant additional costs or complications.

## 5.2 Loan-Level Data granularity

### *Option A*

**Question 2** Do you agree that LLD granularity is essential for performing proper risk evaluation, including due-diligence analysis or supervisory monitoring? Please explain your answer considering the costs and benefits of keeping the current level of granularity in terms of operational costs, compliance burden and any other possible implications.

41. There is strong support for maintaining LLD, as granular data allows for a more accurate risk assessment, benefitting both investors and regulators. However, opinions vary across asset classes, with some respondents advocating for tailored approaches based on the specific characteristics of different securitisations.
42. Investors, particularly those involved in detailed risk analysis and due diligence, consider LLD to be essential. The ECB, as one of Europe's major investors in securitisation, emphasise that LLD provides critical insights into the underlying collateral mix of ABS, which is crucial for accurately assessing credit risk and predicting asset performance. Furthermore, the ECB emphasises that data granularity is important for various investor activities in acquiring ABSs. These tasks include pricing, running of internal cashflow models, stress testing, and trend analysis.
43. Whilst respondents agree on the importance of data granularity, there is a general consensus that, in certain cases, LLD may offer limited value. They explained that for highly granular or revolving asset classes, such as credit card or trade receivables, LLD is often outdated by the time it is reported. For these asset classes, respondents believe that statistical characteristics of the asset pool are more informative and remain relatively stable due to constraints set by the pool criteria. As an alternative, they suggest that providing aggregated information or using stratification tables could maintain the same level of transparency without imposing unnecessary burdens.

### *Option C*

**Question 18** Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data reporting for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?

**Question 19** Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes and explain why.

**Question 30** Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes explain why.

44. Building on the feedback provided in response to Question 18, which discussed the possibility of deviating from loan-level data disclosure for highly granular asset classes, Questions 19 and 30 focus on identifying specific asset classes that could benefit from this deviation. These asset classes, which typically involve short-term or revolving pools, were considered suitable for aggregated reporting to streamline the process while maintaining sufficient transparency.
45. A significant number of respondents agreed that the asset classes listed in Paragraph 140 of the Consultation Paper, notably auto loans, credit card loans, and trade receivables, could benefit from using stratified data instead of loan-by-loan information. These asset classes are characterised by high granularity and a large number of small, homogeneous loans. Therefore, respondents suggested that an aggregated approach, reporting metrics such as average credit scores, delinquency rates, and loss ratios, would provide adequate insight into the portfolios without requiring detailed loan-by-loan data. This shift would streamline reporting while still allowing for effective risk assessment at the portfolio level.
46. However, a National Central Bank expressed a differing view, agreeing with the use of stratified data for credit card loans and trade receivables but advocating for loan-by-loan information for auto loans, as this level of detail is essential for accurate pricing of transactions in this asset class.

47. In addition to these asset classes, respondents also suggested that student loans and consumer ABS could benefit from a similar approach. Like credit card receivables, these loans tend to involve numerous small-balance loans that are more efficiently assessed through portfolio-level data. Respondents pointed out that aggregated metrics such as payment patterns and overall portfolio performance would be sufficient for understanding the risk characteristics of these pools, allowing a more efficient analysis.
48. Some respondents went further, proposing that aggregated reporting should be extended to all private non-ABCP (Asset-Backed Commercial Paper) transactions. They argued that such transactions typically have less need for detailed loan-level data, as private deals often involve bilateral agreements that already provide the necessary data. Transitioning to an aggregated approach for these transactions could reduce the administrative burden while maintaining transparency in line with investor expectations.
49. For Residential Mortgage-Backed Securities (RMBS), several respondents suggested that standard residential mortgages could also benefit from aggregated reporting. Given the well-understood nature of these assets, coupled with extensive historical performance data and established credit models, they suggested that loan-level granularity may not be necessary for most transactions. However, they stressed that non-standard mortgages, such as those involving non-traditional borrowers or complex structures, would still require loan-level reporting to ensure thorough risk assessment.
50. On the other hand, other respondents cautioned against moving away from loan-level data entirely. They argued that while aggregated reporting may appear less burdensome, it might not significantly reduce the operational workload compared to loan-by-loan disclosures. These respondents also warned that shifting to aggregated data could diminish the quality and consistency of the information provided, potentially reducing transparency, and complicating the regulatory reporting process. In their view, the balance between reducing burdens and maintaining sufficient granularity for effective risk assessment must be carefully managed.

#### **OPTION D**

**Question 29** Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data disclosure for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?

51. Feedback on whether ESMA should review the RTS to allow deviations from LLD reporting for specific asset classes highlights key considerations. While many respondents agree that such deviations could reduce operational costs and simplify reporting, particularly for highly granular or short-term asset classes, there are concerns. For asset classes like credit card or trade receivables, where loan-level data may be less critical, aggregated data or stratification tables could strike a balance between transparency and reduced burden.
52. However, shifting from loan-level data to aggregated reporting requires a careful evaluation of its impact on risk assessment and regulatory oversight. LLD remains essential for thorough risk analysis in complex and less homogeneous asset classes, as it allows for detailed scrutiny of individual loans, which is crucial in volatile market conditions. Reducing granularity could undermine the precision of risk evaluations and overall market transparency.
53. Additionally, concerns were raised about consistency and comparability if significant deviations from current reporting standards are introduced. Respondents argued that while aggregated data may simplify reporting, it must still provide sufficient granularity to support effective risk management and regulatory compliance. Any amendments must be targeted towards maintaining high data quality and ensuring alternative reporting methods meet investors and regulators needs.

## 5.3 Simplifying or enriching templates

### 5.3.1 Introducing additional fields

#### *Option B*

**Question 9** Do you believe that the proposal of enriching the Annexes with additional risk-sensitive indicators (presented in Section 5.3) is necessary?

**Question 10** Do you believe that reporting entities would face challenges and/or significant costs if requested to report those additional indicators? If yes, please elaborate your answer.

54. Many respondents opposed the proposal to include additional risk indicators, citing concerns over increased costs and complexity without clear proportional benefits. They noted that integrating new data points into existing systems could be particularly

burdensome for entities using standardised approaches, require significant IT development, testing and ongoing updates. These respondents argued that the new indicators might not be universally applicable and would increase operational costs without providing meaningful advantages.

55. Respondents also questioned the relevance of the indicators proposed in Section 5.3 of the Consultation Paper for securitisation transactions, especially for granular portfolios. In addition, they raised concerns about the commercial sensitivity of certain data points, such as the Probability of Default (PD) and Loss Given Default (LGD) in Annex IV, which could pose confidentiality risks.
56. The requirement to report the 'payment schedules for individual loans' was seen as particularly burdensome. Respondents emphasised that maintaining detailed loan-by-loan payment schedules, particularly for large or long-term portfolios, would be resource-intensive and provide limited value to investors. The operational costs of this requirement were viewed as disproportionate to any potential benefit.
57. A smaller group of respondents supported the inclusion of additional risk-sensitive indicators, particularly for enhancing the precision of credit risk evaluation. They noted that these indicators could improve the transparency and strengthen the securitisation framework for investors requiring detailed risk assessments. Some respondents suggested that for entities already collecting similar data, such as for the purpose of the ECB loan-level data initiative, the added costs might be minimal.
58. However, even among those in favour, there was a strong call for a comprehensive cost-benefit analysis before implementing any new requirements, to ensure that the additional data fields do not unduly increase the reporting burden.
59. Some respondents recommended making certain risk indicators optional rather than mandatory. This would offer flexibility, allowing different market participants to adapt the reporting to their specific needs. They also urged ESMA to provide clear guidance and sufficient lead time for implementing any new requirements. Ensuring alignment with existing regulatory frameworks, especially in areas like ESG metrics where data comparability is still a challenge, was highlighted critical.
60. In summary, while some respondents see value in introducing additional indicators, many believe that no further changes to the current framework are necessary and advise caution in making additions. It was noted that any benefits from new fields should outweigh the associated disclosure costs; however, in the respondents' view the proposed fields do not meet this criterion and instead introduce unnecessary complexity.



**Question 11 Do you believe that the proposal of enriching the Annexes with climate risk indicators (presented in Section 5.4) is warranted?**

61. The feedback on the proposal to add climate risk indicators was divided, reflecting similar concerns raised in response to additional risk-sensitive indicators.
62. Some respondents, including the ECB, strongly support the inclusion of climate risk indicators, viewing them as crucial for aligning securitisation practices with the EU's broader sustainability goals. They noted that securitisation assets are not covered by existing climate-related regulations, positioning the SECR as a critical framework to mandate such disclosures. The ECB proposed metrics which would align with other EU regulatory criteria and advocated for a phased implementation, particularly for new loans, with clear guidelines from ESMA on estimating metrics for older loans with limited data availability.
63. In addition to the above, this proposal received support from the ENGAGE Consortium, which argued that enhancing the templates with such climate risk-related indicators is justified given the growing demand from data users, particularly for assets significantly exposed to physical risks, such as residential real estate. However, they emphasised the need for a systematic and gradual integration of such indicators in the ESMA templates to ensure a smooth transition.
64. On the other hand, a substantial number of respondents opposed the inclusion of climate-related disclosures, raising similar concerns as those expressed about other additional disclosures. They argued that such indicators are premature or redundant until issues related to the data standardisation and accuracy are addressed. Respondents cautioned that introducing these requirements prematurely could impose unnecessary burdens and costs on market participants. Furthermore, they highlighted the risk of overlapping with other reporting obligations, which could further complicate compliance efforts. To address these concerns, they recommended aligning the inclusion of sustainability metrics with existing EU reporting taxonomies and broader sustainability initiatives to ensure coherence and reduce duplication.
65. In summary, the feedback reflects the broader debate surrounding additional indicators, acknowledging the growing recognition of the importance of climate-related data. However, many respondents urge caution, emphasising the need to address challenges related to data reliability and standardisation before implementing such measures. A phased-in approach was widely recommended to provide the market with sufficient time to adapt and ensure that the data collected is both reliable and relevant.

**Question 12 In addition to the list of advantages and challenges identified by ESMA in introducing the proposed sustainability indicators, do you believe additional advantages and challenges should be factored in?**

66. The feedback highlighted similar challenges to those already raised in discussions about additional risk and climate indicators, particularly around data availability, comparability, accuracy, and overlap with existing regulatory frameworks. Many respondents expressed concerns about potential duplication with other sustainability frameworks, such as the EU Taxonomy. They cautioned against ESMA taking a leading role in implementing sustainability data fields in securitisation, suggesting that such efforts should be part of broader financial industry initiatives, not solely focused on securitisation.
67. While some respondents acknowledged the importance of integrating sustainability indicators, they noted specific challenges, particularly the lack of data for older assets, such as real estate properties. To address these concerns, they recommended harmonising sustainability data requirements across EU Member States to enhance comparability. Some respondents questioned whether the current securitisation templates are the best mechanism for reporting ESG-related information, especially qualitative aspects that may not fit within standardised formats.
68. Others saw clear advantages in collecting sustainability data, particularly regarding energy performance improvements, which align with the objectives of the Energy Performance of Buildings Directive. However, others warned that adding sustainability indicators could increase compliance costs and operational burdens, particularly given the limited availability of historical data and the fragmented regulatory landscape across jurisdictions. Introducing these indicators prematurely could also compromise data accuracy.

### 5.3.2 Streamlining existing templates

#### *Option C*

**Question 21 Do you agree, in the context of option C, that ESMA should further explore the streamlining of the current disclosure templates? Please provide details in your answer.**

69. Many respondents supported the idea of simplification but urged caution before moving forward. They recommended engaging stakeholders, particularly investors to ensure that essential fields are preserved. The Italian Banking Association, in collaboration with local

banks, proposed a detailed review of specific fields that could be removed or amended, especially those deemed redundant or irrelevant for investors. This feedback built on ESMA's field-by-field review initiated in Q1 2023. Banque de France echoed similar sentiments, supporting streamlining efforts but advising against removing fields critical for valuation and risk analysis.

70. The ECB also recognised the potential for streamlining by eliminating redundant fields but stressed that core data essential for due diligence must remain intact. The ECB highlighted that the ESMA templates include significantly more fields than previous ECB templates, largely due to the inclusion of investor reports, significant events, and inside information. While simplifying the templates could reduce the reporting burden, it is vital to balance this with maintaining essential fields for risk assessment, ensuring the ability of market participants to evaluate securitisation transactions accurately.
71. The majority of associations representing sell-side participants advocated for limited, targeted amendments to reduce the reporting burden on sell-side entities. They warned against broad changes, as this could increase compliance costs and administrative burdens. The associations stressed the importance of avoiding unnecessary modifications that might delay the implementation of interim reforms and conflict with the wider review of the SECR regime.
72. Other respondents expressed concerns about the potential costs and risks of over-complicating the process. They argued that the current regime is functioning adequately and that changes could lead to increased costs without delivering substantial benefits.

#### ***Option D***

**Question 26** Do you think that it would be possible to achieve a level of simplification and standardisation within fields, across multiple templates, without having an impact on the overall risk analysis of the transaction? Please explain the rationale behind your answer.

**Question 27** Do you think that the overall usability would improve with simplified and standardised templates? Please explain the rationale behind your answer

73. Responses to Questions 26 and 27 largely supported the idea of simplification, with many respondents believing that streamlining the templates could reduce unnecessary data fields and improve usability without compromising the overall risk analysis. The consensus was that many of the current fields are not actively used by investors, leading

to the perception that the templates function more as regulatory checklists rather than valuable tools for risk assessment. By focusing on the most relevant fields, especially for private securitisations, respondents suggested that templates could better serve market needs while maintaining efficiency.

74. Several respondents argued that simplification could enhance compliance and ease analysis for investors, without negatively affecting the quality of risk assessment. They recommended adopting a more investor-centric approach that ensures the templates are practically useful and not overburdened by redundant fields. These changes could especially benefit private securitisations, where bilateral agreements already offer the necessary data.
75. However, other respondents, including the ECB, expressed caution about the risks of a full-scale overhaul of the disclosure framework. While recognising the potential advantages of streamlining, they highlighted the significant implementation costs, particularly for data providers required to adapt their systems. There were also concerns that excessive standardisation might reduce the granularity of data necessary for effective credit analysis. These respondents emphasised the importance of retaining core fields critical to risk analysis, ensuring that the quality of the data is not compromised in the process of simplification.
76. Some respondents voiced concerns that any changes to the templates could complicate specific processes, such as cash flow analysis, or weaken the ability to assess transaction risks. Others supported simplification in principle but noted that applying a "one-size-fits-all" approach could be problematic across diverse asset classes. For instance, while simplified templates might work for some segments, both private and public securitisations may still require tailored reporting to meet their specific needs.
77. On the topic of usability, most respondents agreed that simplifying and standardising the templates would likely enhance usability by reducing complexity and enabling clearer transaction comparisons. This, in turn, could assist investors in making more informed decisions. However, there was a consistent emphasis that simplicity should not come at the expense of losing essential risk-related data.
78. A minority of respondents opposed removing loan-level data for non-granular pools, arguing that such data is crucial for understanding the risk layers within transactions. Others raised the point that while simplification might be beneficial, the real question lies in how "simplified" templates are defined and whether they would genuinely meet investors' and regulators' needs.
79. In conclusion, while there is broad support for reducing the complexity of the current disclosure templates, respondents were clear that any streamlining efforts must ensure

that essential data for risk analysis is retained. Simplification should not lead to additional burdens or compromise the quality of information available to investors and regulators. Overall, there was agreement that simplification could improve usability, but it needs to be balanced carefully to avoid unintended negative consequences.

### 5.3.3 Introducing new annexes

**Question 22 Do you consider that a new template for non-ABCP trade receivables should be included and why? Please provide reasons for your answer.**

80. Several respondents expressed support for the creation of a new template specifically tailored for non-ABCP trade receivables, noting that the current Annex 9 (Esoteric) template is overly complex and contains fields that are irrelevant or too granular for this asset class. Trade receivables, often characterised by high granularity and short-term maturity, do not benefit from loan-level data (LLD) reporting. Instead, respondents advocated for the use of aggregated reporting, similar to the approach used for ABCP transactions under Annex 11. This would streamline the reporting process and align better with how investors typically evaluate trade receivables, focusing on portfolio-level metrics rather than detailed, loan-by-loan data.
81. On the other hand, some respondents, while acknowledging the limitations of the current Annex 9, questioned whether a completely new template is necessary. They argued that Annex 9 could still be adapted for trade receivables with some modifications to remove irrelevant fields. These respondents pointed out the potential costs and operational complexities involved in developing and implementing a new template. Given the relatively limited application of non-ABCP trade receivables securitisations, they suggested that the benefits might not outweigh the effort required to introduce a separate template.
82. Overall, respondents acknowledged the challenges with the current template, but opinions were divided on the necessity of a new template. Proponents of a new template argued that it would better reflect the characteristics of trade receivables and reduce unnecessary complexity. Conversely, some respondents noted that since the majority of trade receivables securitisations are private transactions, if Option C is adopted, a new non-ABCP trade receivables template would be unnecessary. However, if Option C is not pursued, developing a new template would be essential, as loan-level data reporting is irrelevant for trade receivables. Additionally, respondents seemed sceptical about introducing additional templates, expressing concerns about further complicating an already complex framework.

**Question 23 Which additional template could be relevant for the reporting of other asset classes that are not currently covered in the framework? Please provide details in your answer.**

83. Aligned with the responses to Question 22, in Question 23, the majority of respondents expressed a preference for avoiding the introduction of new templates due to the complexity of the existing system. They suggested that current templates, such as Annex 9 (Esoteric), could be adapted to include additional asset classes without the need for new frameworks. Many noted that if the simplified template for all private transactions, as proposed under Option C, is adopted, there would be no necessity for developing further specific templates.
84. However, some respondents highlighted specific asset classes that might benefit from new or adjusted templates. The ECB suggested the creation of a template for renewable energy assets, in light of the growing securitisations in photovoltaic and wind power projects. The ECB explained that such a template could support the development of green energy financing and align with the EU's sustainability goals.
85. Additionally, several respondents advocated for a simplified template for SME portfolios, currently classified under Annex IV (Corporate Loans), which necessitates extensive data that is often irrelevant to SME transactions. Accordingly, they emphasised the need for a more tailored approach that accurately reflects the characteristics of granular and homogeneous SME portfolios.
86. In conclusion, while there is a general consensus among respondents that new templates are unnecessary, the focus remains on developing a simplified template for private transactions.

#### 5.3.4 Deleting existing annexes

##### ***Option C***

**Question 20 Do you agree, in the context of option C, that ESMA should further explore the deletion of the current disclosure templates? Please provide details in your answer.**

87. Question 20 gathered different views from the market. Some respondents misunderstood the question and interpreted it as proposing a complete deletion of the disclosure framework (all annexes under Level 2).
88. Within this context, certain respondents opposed such deletion, arguing that the significant efforts invested in implementing the current framework should not be

disregarded. They advocated for improving and streamlining the existing templates through targeted simplifications, such as removing unnecessary fields and introducing greater flexibility in reporting. A simplified template specifically for private securitisations was also recommended as respondents highlighted that private transactions are subject to overly complex disclosure requirements, imposing unnecessary burdens on issuers while offering limited value to investors in these cases.

89. Conversely, other respondents supported a reassessment of the scope of the transparency framework. They suggested that ESMA consider a more principles-based approach, similar to frameworks in some third-country jurisdictions where no prescriptive disclosure templates are required. These jurisdictions focus on ensuring that mandatory information is disclosed without binding reporting entities to specific formats, templates, or schemas.
90. Others supported the removal of specific templates, particularly those related to non-performing exposures (Annex 10) and inside information/significant events (Annex 14). They argued that Annex 10 poses technical challenges in populating the required information, while noting that such information is not deemed useful for its intended purpose.
91. Additionally, the same respondents argued that Annex 14 is redundant and unnecessary considering the market abuse regime, which already requires reporting of significant events and inside information. They suggested that such information should be included within the investor reports. However, they acknowledged that any changes to the content of the investor reports would require amendments to the SECR, potentially delaying the implementation of Option C. This option is seen as key to addressing market issues, particularly the introduction of a dedicated template for private securitisations. They emphasised that any significant changes to the 'public' templates should be considered only after the Level 1 regulation review.

### ***Option D***

**Question 28 Do you agree with the approach proposed by Option D, to create a set of templates based on the characteristics and nature of underlying assets rather than the categorisation of the securitisation transaction (i.e., public, or private, true sale or synthetic)?**

92. This approach generated mixed feedback. Some respondents supported the idea, noting that asset characteristics are key drivers of credit quality and risk assessment. They

argued that asset-specific templates would improve the relevance of disclosures for both investors and regulators. However, while they acknowledged the potential benefits of this approach, they cautioned that implementing such changes at this stage could be costly and should avoid introducing additional complexity or burdens on issuers.

93. Significant others were sceptical of Option D. They emphasised that distinguishing between public/private and true sale/synthetic transactions is as important as asset characteristics. Some pointed out that the current system already differentiates by asset type, and introducing new templates could result in fragmented reporting and increased complexity. Others raised concerns that focusing solely on asset characteristics might neglect important structural differences in transactions, which are critical to risk assessment and investor needs.
94. Many respondents proposed an alternative approach, suggesting that refining the existing templates through simplification and targeted adjustments would be more practical. They expressed concern that introducing new templates could lead to high implementation costs without delivering proportional benefits. Overall, respondents urged ESMA to prioritise the development of a simplified template for private transactions, while minimising other changes to avoid complicating the reporting process and increasing costs for market participants.

## 5.4 ND Options

### *Option B*

**Question 7 Do you believe that a reduction of ND thresholds would materially improve the representation of data of securitisation reports? Please explain your answer.**

95. In response to Question 7 regarding the potential reduction of ND thresholds in securitisation reports, respondents expressed a variety of perspectives.
96. Some respondents supported the reduction of ND thresholds, believing that it would improve the quality and completeness of data in securitisation reports. They argued that stricter thresholds would push originators, sponsors, and servicers to enhance their data collection processes, leading to increased transparency and more accurate risk assessments. This could signal a strong commitment to improve data quality and accountability, aligning with broader objectives of market discipline, investor protection,



and responsible growth of securitisation as a financing tool, provided robust enforcement mechanisms are put in place.

97. However, other respondents expressed concerns that the current ND framework is already sufficient for portfolio risk analysis and that tightening thresholds further might not yield significant benefits. They warned that overly stringent requirements could lead to unintended outcomes, such as circumventing reporting obligations or overusing permissible ND options. This could negatively impact transaction sizes, reduce the availability of eligible receivables, and raise barriers to market entry, potentially reducing issuance volumes.
98. Some respondents proposed a more targeted approach rather than a uniform reduction in ND thresholds. They suggested adjusting thresholds based on data completeness in specific contexts and emphasised that SRs are already rejecting submissions that misuse ND codes. They recommended that repositories continue this practice to ensure accurate reported data while addressing excessive use of ND options in certain cases.
99. Additionally, some stakeholders stressed the importance of flexibility in the ND framework, arguing that a one-size-fits-all approach might not work for all securitisation submarkets, such as synthetic and private transactions, where investor reliance on prescribed reports is lower.
100. In conclusion, while there is general recognition of the potential benefits of reducing ND thresholds to improve data quality, respondents urged caution in implementing any changes. They recommended a thorough cost-benefit analysis to balance improved data quality with maintaining market efficiency and accessibility.

**Question 8 Do you think that the advantages stemming from restricting the consistency thresholds and/or removal of ND options for specific fields, resulting in more accurate representation of data, would justify the heightened compliance costs for reporting entities?**

101. ESMA received diverse feedback on the potential advantages and compliance costs associated with reducing ND thresholds and removing ND options for specific fields in securitisation reports.
102. One respondent supported the reduction of ND options, arguing that it would significantly improve the accuracy, completeness, and reliability of data in securitisation reports. They highlighted the importance of accurate data for risk assessment, transparency, and market confidence, suggesting that while compliance costs would rise, these could be offset by more streamlined processes and technological advancements. Another respondent recommended revising the ND framework and imposing stricter rules,

particularly by disallowing ND5 entries for fields critical to risk analysis and valuations, citing misuse of these options.

103. However, the majority of respondents expressed concerns about the practicality and cost implications of such changes. They noted that originators should already be striving to provide the most complete data possible, and tightening ND options might complicate reporting without substantially improving data accuracy. There was concern that increased compliance costs could act as a barrier to market entry and reduce the competitiveness of securitisation products, without delivering meaningful improvements in transparency or data usage.
104. In summary, while a few respondents saw long-term benefits in improved data accuracy and transparency, the majority raised concerns about the operational challenges, increased burdens, and limited advantages of tightening ND thresholds and restricting ND options.

#### ***Option D***

**Question 31** What are your views on the proposal to transition from the current ‘no-data’ options to a framework based on ‘mandatory’, ‘conditional mandatory’ and ‘optional’ fields for securitisation transactions?

**Question 32** Do you think that this transition be of added value to the securitisation framework? What challenges or concerns, if any, do you anticipate with the introduction of 'mandatory,' 'optional,' and 'conditionally mandatory' fields? Are there specific considerations related to data availability, feasibility, or implementation that should be considered?

105. Some respondents welcomed the proposal, highlighting that it could enhance data quality and transparency. They argued that mandatory fields would ensure critical information is consistently reported, leading to a more streamlined approach. They emphasised that defining core fields as mandatory while keeping some optional fields would accommodate the varying availability of data across different transactions. This structured framework, according to some, would reduce confusion, simplify the reporting process, and align with international standards, facilitating compliance for third-country securitisations.
106. However, several respondents raised concerns about the significant costs and resources required to implement this transition. They highlighted the need for substantial

investments to update reporting systems and processes, making past investments in the current ND options redundant. Moreover, some noted that the existing ND framework already achieves similar outcomes, providing flexibility when data cannot be disclosed due to confidentiality, non-applicability, or lack of historical data. This flexibility allows entities to avoid penalties while still maximising data availability.

107. Others recognised the potential benefits in the new approach, provided that clear guidelines and definitions are established, they cautioned that determining which fields should be mandatory for all transactions could be challenging. They also suggested that the new framework might not fully address the scenarios currently managed by the ND options.
108. Overall, while respondents acknowledged the merits of the proposed framework, they suggested that any transition should only be considered after a thorough review of the Level 1 text. They recommended against making immediate changes to the ND framework, advising that ESMA should instead focus on implementing a simplified template for private securitisations, as further changes would involve considerable costs and delays.

## 5.5 Private securitisation

### *Option A*

**Question 4 Do you agree that disclosure and reporting requirements should be maintained consistent between private and public securitisation?**

109. In response to Question 4, several respondents from multiple categories, including buy-side and sell-side participants as well as SRs, highlighted that the discussion extends beyond the scope of the consultation. They emphasised the need for a clearer definition of private securitisation to effectively distinguish transactions where a direct relationship exists between the originator or sponsor and the investors (allowing for a bilateral negotiation and tailored information sharing for due diligence purposes) from transactions currently categorised as ‘private’ due to the lack of a more precise definition of public transactions, despite being considered public in structure.
110. From the ECB’s perspective, the information required within the templates should not be reduced unless there is a clear need from market participants or substantial changes in market conditions that justify such amendments to the regulatory framework. The ECB

highlighted that the current disclosure framework enables private investors to access information that meets due-diligence requirements on a basis comparable to public transactions. They stressed that any change to disclosure standards for private securitisations would necessitate amendments to Level 1 legislation. Additionally, the ECB emphasised that the challenges of differentiated requirements between public and private securitisations extend beyond legal considerations to encompass financial stability concerns.

111. At the same time, buy-side respondents emphasised that private transactions are often highly customised, making the ESMA templates inadequate to reflect the unique characteristics of these deals. They noted that the necessary information for due diligence is typically provided directly by sell-side parties, with minimal reliance on the information contained in the ESMA templates.
112. Similarly, the majority of sell-side respondents supported the introduction of differentiated requirements for public and private securitisations, citing the bespoke nature of private securitisations. Many favoured the introduction of a simplified template tailored to private securitisations. Others, while acknowledging the need for more proportionate requirements, recommended retaining the current disclosure framework but making certain fields optional for information not relevant to private securitisations. They argued that this approach would reduce costs and disclosure burden for market participants without necessitating additional changes to the framework.
113. Data service providers advocated for maintaining consistent disclosure standards across securitisation products, emphasising the need for comparability and ensuring a level playing field. They expressed concerns that introducing differing requirements could create discrepancies in market practices and undermine the ability to compare products effectively. Along these lines, SRs highlighted the overarching issue arising from the current definitions for public and private transactions. They pointed out that some transactions listed on MTFs are categorised as private by definition but align more closely with public transactions. However, they acknowledged that if the definitions were revised, introducing differentiated disclosure standards could potentially provide value, though such differentiation would not be appropriate under the current framework.
114. In summary, while respondents broadly supported differentiating requirements to account for the tailored nature of private securitisations, they emphasised the need to first revise the existing definitions of public and private securitisation. Concerns were raised about imposing additional costs or complexities for market participants. Additionally, the introduction of a dedicated template for private securitisations was highlighted as a potential solution, provided it achieves an appropriate balance between flexibility and transparency.

### ***Option C***

#### **Question 15 Do you agree with the analysis and the inclusion of a new simplified template for private transactions that focuses mostly on supervisory needs?**

115. The feedback on Question 15 should be considered alongside the insights provided under Question 4, particularly regarding the differentiation of disclosure requirements between private and public securitisations. This connection is especially relevant in light of the overarching issues stemming from the definitions outlined in Level 1.
116. Respondents in favour of differentiation generally supported the proposal for a simplified template for private securitisations. They argued that supervisors typically do not need the same level of detailed information as investors, making a simplified template sufficient for their purposes. This approach was viewed as a way to ease the reporting burden for private transactions, which involve fewer and more sophisticated investors. These respondents also noted that investors in private deals often rely on bespoke, detailed information tailored to their specific needs, rendering a standard template less relevant.
117. At the same time, another respondent supported differing disclosure requirements between public and private securitisations and acknowledged the need for simplification of the templates. However, this entity recommended addressing this simplification by revising the mandatory nature of certain fields rather than making significant changes to the current annexes. They argue that supervisors already receive the relevant information to meet their needs, and introducing additional templates would increase costs for market participants, particularly for SMEs, potentially making securitisation funding less attractive.
118. Those opposing differing disclosure between private and public securitisation were generally against the introduction of a simplified template. They raised concerns about potential inconsistencies between the disclosures for private and public transactions, which could complicate risk assessments and hinder market comparability. They also pointed to the operational costs of implementing a new reporting system, particularly for entities already adapted to the current framework. Additionally, some feared that focusing solely on supervisory needs might result in insufficient information for investors, potentially weakening investor confidence and due diligence processes.
119. In summary, many respondents supported the introduction of a simplified template for private transactions, viewing it as a high priority to reduce reporting burdens. However, others expressed caution, highlighting potential risks to market comparability and

transparency, particularly if such a template is introduced without first addressing issues on the definition of private securitisation within the Level 1 text.

**Question 16 Do you believe that ESMA should proceed with the review of the RTS based on this option and using the SSM notification template as a starting point? Please provide details in your answer.**

120. The majority of stakeholders in favour of introducing a dedicated template for private securitisations viewed the SSM notification template as a feasible and effective starting point. They argued that the SSM template, which focuses on supervisory needs and is less prescriptive in nature, aligns well with the objectives of simplifying the reporting process while ensuring essential oversight. These respondents noted that the SSM template provides a suitable framework for supervisory monitoring without imposing excessive reporting requirements on market participants. They further suggested refining the template to include aggregate information on underlying exposures, thereby offering investors a standardised overview while still allowing for bespoke, detailed information when necessary.
121. To enhance efficiency, stakeholders emphasised the importance of eliminating overlapping reporting obligations. They recommended avoiding ad-hoc notifications or additional requirements from NCAs to prevent duplicative efforts. They suggested ESMA consider a template based on the existing templates used to disclose private securitisations, such as the SSM template, which could streamline disclosure processes. Additionally, they emphasised that this template should reduce duplicative disclosure to supervisory entities, thereby alleviating administrative burdens on market participants.
122. Conversely, respondents who opposed differentiating between public and private securitisation disclosures did not support the use of the SSM template for private securitisations. They reiterated their preference for maintaining consistent transparency standards across both public and private securitisations while simplifying existing disclosure templates. This approach would ensure uniform transparency without complicating the reporting processes.

**Question 17 Do you consider that a simplified template can be useful even though the operational way to submit the data is exempted from the mandatory reporting via the SRs?**

123. Some respondents acknowledged the potential benefits of mandating the reporting of a simplified template for private securitisation through SRs. They argued that such a requirement could enhance data quality and facilitate the centralised collection of information on both public and private transactions.

124. However, the majority of respondents opposed this potential mandate, citing concerns that it would introduce additional operational costs for originators, potentially placing non-EU investors at a competitive disadvantage. Many respondents also emphasised that since the simplified template is primarily designed for supervisory purposes, NCAs should be able to receive and validate the information directly without the need for an SR's involvement. They contended that the simplicity of the template should not impede the validation of data quality.

## 6 Conclusion

125. The outcome of the Consultation Paper builds on feedback from numerous interactions with market participants over recent years, as well as recommendations from the JC and EC reports concerning the functioning of the Securitisation Regulation. This feedback clearly indicates that, while the securitisation transparency regime is not yet ideal, it may not be the right time to redefine the disclosure framework, particularly in light of the upcoming review of the Level 1 text.
126. The Consultation Paper provided a valuable opportunity to assess market concerns and determine whether specific aspects of the framework require immediate action. Based on the feedback received, ESMA acknowledges that any short-term changes should be limited and targeted, focusing on establishing appropriate proportionality and reducing associated costs and complexities, especially concerning private securitisations.
127. ESMA notes that on 9 October 2024, the EC published a targeted consultation on the functioning of the EU securitisation framework. This consultation seeks feedback on the broader review of the SECR, including due diligence and transparency requirements, supervision, the STS standards, as well as the prudential requirements for securitisation positions in the Capital Requirements Regulation and in Solvency II Delegated Act, alongside liquidity requirements for credit institutions in the Liquidity Coverage Ratio Delegated Act.
128. Regarding transparency requirements, the EC consultation explores various options for defining the overall scope of the information disclosed under Article 7, presenting three alternative approaches:
- Option 1** – Streamline the current disclosure templates for public securitisation and introduce a simplified template for private securitisations. It also seeks feedback on imposing mandatory reporting of private transactions to SRs, which will not be public.
- Option 2** – Introduce principles-based disclosure for investors, eliminating the need for prescriptive templates.
- Option 3** – Maintain the status quo and refrain from introducing any changes to the existing regime under Article 7.
129. In line with the feedback received from the consultation carried out by ESMA, proceeding with a review of the disclosure templates at Level 2, while the overall Level 1 framework is changing, might require market participants to implement multiple changes in a limited amount of time, thus exposing them to unnecessary costs to adapt to such changes.



130. Against this background, ESMA will coordinate closely with the European Commission to assess whether target adjustments to the technical standards – particularly regarding the information to be disclosed for private securitisations – can be introduced pending the ongoing review of the SECR.
131. At the same time, ESMA will closely monitor the developments in the Level 1 review process and EC’s consultation on the functioning of the SECR, in order to speedily introduce the relevant changes to the public disclosure templates and contribute to the ultimate goal of fostering the growth of the securitisation market in Europe.

## Annexes

### Annex 1 – Summary of Questions

#### Option A

##### *General*

**Question 1** Option A focuses on maintaining the current framework in its entirety. Do you agree with maintaining the current disclosure framework unchanged?

##### *Section 4.2*

**Question 2** Do you agree that LLD granularity is essential for performing proper risk evaluation, including due-diligence analysis or supervisory monitoring? Please explain your answer considering the costs and benefits of keeping the current level of granularity in terms of operational costs, compliance burden and any other possible implications.

##### *Section 4.3*

**Question 3** Do you agree that the current design of disclosure templates is adequately structured to facilitate comprehensive risk evaluation, including due diligence analysis and supervisory monitoring of securitisation transactions? If not, please explain your answer.

##### *Section 4.4*

**Question 4** Do you agree that disclosure and reporting requirements should be maintained consistent between private and public securitisation?

### ***Other Observations***

**Question 5** Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based on the above approach (Option A) may be to your own activities and potential impacts.

### **Option B**

#### ***General***

**Question 6** Do you believe that the additional adjustments to the current framework proposed by Option B, such as restricting the use of ND options and including additional risk indicators (including climate-related indicators) are necessary? Do you support a revision of the technical standards accordingly? Please explain your answer, indicating whether you support these proposed adjustments and any reasons for your agreement and disagreement.

#### ***Section 5.2***

**Question 7** Do you believe that a reduction of ND thresholds would materially improve the representation of data of securitisation reports? Please explain your answer.

**Question 8** Do you think that the advantages stemming from restricting the consistency thresholds and/or removal of ND options for specific fields, resulting in more accurate representation of data, would justify the heightened compliance costs for reporting entities?

#### ***Section 5.3***

**Question 9** Do you believe that the proposal of enriching the Annexes with additional risk-sensitive indicators (presented in Section 5.3) is necessary?

**Question 10** Do you believe that reporting entities would face challenges and/or significant costs if requested to report those additional indicators? If yes, please elaborate your answer.

#### ***Section 5.4***

**Question 11** Do you believe that the proposal of enriching the Annexes with climate risk indicators (presented in Section 5.4) is warranted?

**Question 12** In addition to the list of advantages and challenges identified by ESMA in introducing the proposed sustainability indicators, do you believe additional advantages and challenges should be factored in?

#### ***Other Observations***

**Question 13** Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based on the above approach (Option B) may be to your own activities and potential impacts.

### **Option C**

#### ***General***

**Question 14** Do you agree with Option C as the preferred way forward (simplified template for private transactions, removal/streamlining of loan-level data for some asset classes, new template for trade receivables) for the revision of the disclosure templates?

#### ***Section 6.2***

**Question 15** Do you agree with the analysis and the inclusion of a new simplified template for private transactions that focuses mostly on supervisory needs?

**Question 16** Do you believe that ESMA should proceed with the review of the RTS based on this option and using the SSM notification template as a starting point? Please provide details in your answer.

**Question 17** Do you consider that a simplified template can be useful even though the operational way to submit the data is exempted from the mandatory reporting via the SRs?

### ***Section 6.3***

**Question 18** Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data reporting for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?

**Question 19** Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes and explain why.

### ***Section 6.4***

**Question 20** Do you agree, in the context of option C, that ESMA should further explore the deletion of the current disclosure templates? Please provide details in your answer.

**Question 21** Do you agree, in the context of option C, that ESMA should further explore the streamlining of the current disclosure templates? Please provide details in your answer.

### ***Section 6.5***

**Question 22** Do you consider that a new template for non-ABCP trade receivables should be included and why? Please provide reasons for your answer.

**Question 23** Which additional template could be relevant for the reporting of other asset classes that are not currently covered in the framework? Please provide details in your answer.

### ***Other Observations***

**Question 24** Please provide any general observations or comments that you would like to make on this CP, including how the revision based on the above approach (Option C) may be relevant to your own activities, and any potential impacts.

## Option D

### ***General***

**Question 25** Do you agree with Option D (a comprehensive review of the disclosure framework) as the preferred way forward for the revision of the disclosure templates?

### ***Section 7.2***

**Question 26** Do you think that it would be possible to achieve a level of simplification and standardisation within fields, across multiple templates, without having an impact on the overall risk analysis of the transaction? Please explain the rationale behind your answer.

**Question 27** Do you think that the overall usability would improve with simplified and standardised templates? Please explain the rationale behind your answer.

**Question 28** Do you agree with the approach proposed by Option D, to create a set of templates based on the characteristics and nature of underlying assets rather than the categorisation of the securitisation transaction (i.e., public or private, true sale or synthetic)?

### ***Section 7.3***

- Question 29** Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data disclosure for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?
- Question 30** Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes explain why.

### ***Section 7.4***

- Question 31** What are your views on the proposal to transition from the current 'no-data' options to a framework based on 'mandatory', 'conditional mandatory' and 'optional' fields for securitisation transactions?
- Question 32** Do you think that this transition be of added value to the securitisation framework? What challenges or concerns, if any, do you anticipate with the introduction of 'mandatory,' 'optional,' and 'conditionally mandatory' fields? Are there specific considerations related to data availability, feasibility, or implementation that should be considered?

### ***Other Observations***

- Question 33** Please provide any general observations or comments that you would like to make on this CP, including how the revision, based on the above approach (Option D) may be relevant to your own activities and any potential impacts.

## Annex 2 – List of Non-Confidential Responses

#	Institution
1	Alternative Credit Council (ACC) and Alternative Investment Management Association (AIMA)
2	Association of the Luxembourg Fund Industry (ALFI)
3	Banque de France
4	Bawag P.S.K.
5	BNY Mellon
6	Dutch Securitisation Association
7	ECB Staff Response
8	ENGAGE for ESG
	– European DataWarehouse GmbH
	– Hypoport B.V.
	– Università Ca' Foscari
	– Unión de Créditos Inmobiliarios, Establecimiento Financiero de Crédito, S.A.
	– Woonnu B.V.
	– Dexai s.r.l.
9	French Banking Federation
10	International Association of Credit Portfolio Managers
11	Intesa Sanpaolo
12	Italian Banking Association
13	Joint Associations Response
	– Association for Financial Markets in Europe (AFME)
	– Alternative Credit Council (ACC)
	– Alternative Investment Management Association (AIMA)
	– Australian Securitisation Forum (ASF)
	– Commercial Real Estate Finance Council Europe (CREFC)
	– German Banking Industry Committee (GBIC)
	– Insurance Europe
	– International Capital Market Association (ICMA)
	– International Swaps and Derivatives Association (ISDA)
	– Securities Industry and Financial Markets Association (SIFMA)
	– True Sale International GmbH (TSI)
14	Leaseurope & Eurofinas
15	Leibniz Institute for Financial Research SAFE e.V.
16	Loan Market Association
17	MACROFIN Consulting
18	Moody's Ratings
19	NPL Markets Ltd.
20	Polish Bank Association



<b>21</b>	Prime Collateralised Securities (PCS)
<b>22</b>	Storied Data
<b>23</b>	Swiss Finance Council
<b>24</b>	True Sale International GmbH