|  |
| --- |
| 19 December 2017 |

|  |
| --- |
| Response form for the Consultation Paper on Technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation |
|  |

|  |
| --- |
| Date: 19 December 2017 |

Responding to this paper

ESMA invites responses to the questions set out throughout its Consultation Paper on Draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation (ESMA33-128-107). Responses are most helpful if they:

* respond to the question stated;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all responses received by 19 March 2018.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

* Insert your responses to the questions in the Consultation Paper in the present response form.
* Please do not remove tags of the type <ESMA\_QUESTION\_DOS\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
* If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
* When you have drafted your response, name your response form according to the following convention: ESMA\_DOS\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_DOS\_ABCD\_RESPONSEFORM.
* Upload the form containing your responses, in Word format, to ESMA’s website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Your input – Open consultations” 🡪 “Consultation on Draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation”).

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly indicate by ticking the appropriate checkbox on the website submission page if you do not wish your contribution to be publicly disclosed. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Data protection”.

Who should read the Consultation Paper

This Consultation Paper may be of particular interest to securitisation investors/potential investors, securitisation issuers, market infrastructures, as well as public bodies involved in securitisations (market regulators, resolution authorities, supervisory authorities, and standard setters).

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | Irish Debt Securities Association (IDSA) |
| Activity | Other Financial service providers |
| Are you representing an association? |  |
| Country/Region | Ireland |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_DOS\_1>

These responses have been compiled by the Irish Debt Securities Association (IDSA), which is an industry organisation, established to promote and develop Ireland as the premier European location for activities to support the global structured finance, debt securities and the specialist securities industries. The membership of the IDSA includes corporate administrators, trustees, audit firms, legal advisors, listing agents, and other parties involved in the structuring and management of Securitisations and SPVs in the industry in Ireland. The IDSA promotes a responsible, sustainable and effective environment within which debt securities and other specialist securities can be used to facilitate transactions, to create investment products and to raise capital funding, similar to that of the European Commission’s Capital Markets Union (EC CMU) initiative.

The IDSA welcomes the opportunity to reflect the views of the industry and to provide input into this consultation process into ESMA33-128-33 Draft technical standards on content and format of the STS notification under the Securitisation Regulation<ESMA\_COMMENT\_DOS\_1>

**Q 1: Do you agree with ESMA’s initial views on the possibility of developing standardised underlying exposures templates for, respectively, CDOs and “rare and idiosyncratic underlying exposures”? If you perceive a need to develop one or all of these underlying exposure templates, please explain in detail the desirable consequences that this would have. As regards CDOs, if you are in favour of developing a dedicated template, then please also indicate whether ‘managed CLOs’ and ‘balance sheet CLOs’ should be dealt with under the same template or separately under different templates.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 2: Do you agree that ESMA should specify a set of underlying exposure disclosure requirements and templates for NPL securitisations, among the set of templates it will propose to the Commission? If so, do you agree that the draft EBA NPL exposures templates could be used for this purpose? Are there additional features (excluding investor report information, discussed in section 2.1.4 below) that are pertinent to the securitisation of NPL exposures that would need to be reflected or adjusted, in relation to the draft EBA NPL exposures templates?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 3: Do you have any comments on the loan/lease-level of granularity for non-ABCP securitisations? If so, please explain, taking into account the due diligence, supervisory, monitoring, and other needs and obligations of the entities discussed above.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 4: Do you find these risk-related fields proposed in the draft templates useful? Do you see connections between them and the calculation of capital requirements under the SEC-IRBA approach provided for in the CRR?**

<ESMA\_QUESTION\_DOS\_1>

A new feature under the RTS is the introduction of Probability of Default and Loss Given Default fields and the definitions of default have been expanded to the reflect the CRR definition. In addition, fields on the loan/lease risk weight and approach used by the originator to calculate the risk weight (e.g. standardised, foundation, IRB approach) have been introduced.

These requirements are very based on bank underwriting practices. For banks there is a concern that providing such specific loan level information, in combination with margin information, could enable competitors to reverse engineer their underwriting models and pricing models, potentially putting them at a competitive risk. This could dissuade banks from securitising assets.

There is the possibility that banks which use the IRB approach to risk weighting will also be at a disadvantage to banks that use the standardised approach as they may avail of the no-data carve out. Non-bank originators tend to use different underwriting and credit risk criteria and it is also likely that they would also avail of the “no-data” carve out.

<ESMA\_QUESTION\_DOS\_1>

**Q 5: Do you have any views on the contents of the non-ABCP securitisation underlying exposure requirements found in the templates in Annexes 2 to 8 in the ITS (located in Annex V to this consultation paper)?**

<ESMA\_QUESTION\_DOS\_1>

In Annex 4: Corporate Loans Underlying Exposures Template, there is an obligation for the obligor is classified as a large enterprise (i.e. not an SME) according to the 'Enterprise Size' field, to enter the complete name and address of the headquarters of the firm (i.e. obligor name, street name and number, village/town/city, postcode, and country).

Based on current EU definitions, ‘large’ corporates are defined as entities with more than 250 employees and revenues above EUR 50m or balance sheets greater than EUR 43m. With such low thresholds, some asset line items in SME loan securitisations may fall into this category, requiring originators to disclose their internal ratings and other identifying metrics for these obligors.

The concern with this requirement is that it may be against client confidentiality in terms of legal requirements in certain legal jurisdictions or in terms of client confidentiality agreements already in place.

<ESMA\_QUESTION\_DOS\_1>

**Q 6: Do you agree with the reporting of ABCP underlying exposures to be segmented at the transaction level?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 7: Do you have any views on the contents of the ABCP securitisation underlying exposure requirements, found in the template located in Annex 9 in the ITS (Annex V to this consultation paper)?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 8: Do you agree with the proposed reporting arrangements for inactive exposures? If you prefer the alternative (i.e. require all inactive exposures to continue to be reported over the lifetime of the securitisation), please provide further evidence of why the envisaged arrangement is not preferred.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 9: Do you have any views on these proposed investor report sections? Are there additional fields that should be added? Are there fields that should be adjusted or removed? Please always include field codes when referring to specific fields.**

<ESMA\_QUESTION\_DOS\_1>

The proposal to introduce standardised investor reports is a welcome development which will lead to a much higher level of comparability between similar deals in similar assets classes and jurisdictions. It will increase transparency in relation to deal performance transparency and help investors with their due diligence and monitoring and surveillance. It will also ensure that investors can rank and benchmark deals against other similar deals which should help increase secondary market liquidity.

<ESMA\_QUESTION\_DOS\_1>

**Q 10: Do you have any views on the ‘protection information’ and ‘issuer collateral information’ sections, for synthetic securitisations?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 11: Synthetic ABCP securitisations have not been observed in Europe—to ESMA’s knowledge. However, do you see a need to extend the ABCP securitisation invest report template to cover potential synthetic ABCP securitisations?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 12: Do you agree with the proposal that ISIN-level information should be provided on the collateral held in a synthetic securitisation using CLNs? If you believe aggregate information should be provided, please explain why and how this would better serve the due diligence and monitoring needs of investors, potential investors, and public bodies listed in Article 17(1) of the Securitisation Regulation.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 13: Do you consider it useful to have this static vs. dynamic distinction in the templates?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 14: Do you have any views on these ‘No data’ options? Do you believe additional categories should be introduced? If so, please explain why.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 15: Do you have any views on these data cut-off date provisions?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 16: How much time would you need to implement these disclosure requirements? Do you have views on the date of effect of these disclosure requirements?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 17: Do you agree with the proposed technical format, ISO 20022, as the format for the proposed template fields? If not, what other reporting format you would propose and what would be the benefits of the alternative approach?**

<ESMA\_QUESTION\_DOS\_1>

The ISO 20022 format is already employed in other delegated acts and is used by many market participants. The use of a common data format and ISO standard ensures that all information to be collected and distributed by securitisation repositories will be made available on a daily basis and in real time.

<ESMA\_QUESTION\_DOS\_1>

**Q 18: Do you agree with the contents of the item type and code table? Do you have any remarks about a system of item codes being used in this manner?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 19: Do you agree with the proposal to require the use of XML templates for securitisation information collected by securitisation repositories?**

<ESMA\_QUESTION\_DOS\_1>

To avoid discrepancies in the data format and use the XML-format templates based on the ISO 20022 methodology as a common format in connection with the transmission of data to and from securitisation repositories is a worthy suggestion.

<ESMA\_QUESTION\_DOS\_1>

**Q 20: Do you agree with the requirement that securitisation repositories produce unique identifiers that do not change over time?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 21: Do you agree with the usefulness and contents of the end-of-day report?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 22: Do you agree that securitisation repositories should, at a minimum, offer a secure machine-to-machine connection platform for the users listed in Article 17(1) of the Securitisation Regulation? If not, please explain why and what you would propose instead as a minimum common operational standard.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 23: Do you believe that other channels besides SFTP (such as messaging queue), are more appropriate? If so, please outline your proposal and explain why.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 24: Do you agree with the available fields for creating ad hoc queries? Are there other fields that you would like to include? Please explain why if so.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 25: Do you agree with the deadlines for securitisation repositories to provide information, following a data access query? Please explain if not and provide an alternative proposal and justification.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 26: Do you agree with the 60 minute deadline for securitisation repositories to validate data access queries and provide a standardised feedback message? Please explain if not and provide an alternative proposal and justification.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 27: Do you agree with the mandatory use of XML format templates and XML messages? If not, please explain why and please provide another proposal for a standardised template and data exchange medium.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 28: Do you agree with the use of the ISO 20022 format for all securitisation information made available by securitisation repositories? If not, please explain why and please provide another proposal for a standardised information format.**

<ESMA\_QUESTION\_DOS\_1>

The ISO 20022 format is already employed in other delegated acts and is used by many market participants. The use of a common data format and ISO standard ensures that all information to be collected and distributed by securitisation repositories will be made available on a daily basis and in real time.

<ESMA\_QUESTION\_DOS\_1>

**Q 29: Do you agree with the data completeness score provisions? Are there additional features that you would recommend, based on your institution’s needs as per the Securitisation Regulation?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 30: Do you agree with the data ‘consistency’ provisions? Are there additional features that you would recommend be examined?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 31: Do you agree that the securitisation repository, in order to verify the “completeness” of the securitisation documentation reported to it, should request written confirmation each year, as described above?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 32: Do you agree that the securitisation repository should verify the “consistency” of documentation reported under points (b), (c), (d), (f), and the fourth subparagraph of Article 7(1) of the Securitisation Regulation by asking for written confirmation of its “consistency” as part of the same “completeness” confirmation request?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 33: Do you see a need to develop standardised language for the written confirmation?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 34: Do you agree with these ‘free of charge’ proposals?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 35: Do you agree with the data access conditions for each entity listed in Article 17(1) of the Securitisation Regulation? If not, please explain your concerns and what access conditions you instead consider appropriate.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 36: Do you consider that additional specifications should distinguish ‘direct and immediate’ access to information? If so, please explain why the above provisions are insufficient for your purposes and what you instead propose.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 37: Do you believe that there should be a specific deadline for reporting entities to be able to make corrections for information submitted to a securitisation repository? If so, please set out the reasons why a principle-based approach is insufficient and, furthermore, what deadline you propose.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q38 Do you agree with the outcome of this CBA on the disclosure requirements?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q39 Do you have any more information on one-off or ongoing costs of implementing the disclosure requirements or of working with the disclosure requirements?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q40 Do you agree with the outcome of this CBA on the operational standards and access conditions?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q41 Do you have any more information on one-off or ongoing costs of implementing the turnaround times for responding to reporting entities or to data queries?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>