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| 19 December 2017 |

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

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| --- | --- |
| Name of the company / organisation | Verband der Automobilindustrie e.V. (VDA); Banken der Automobilwirtschaft (BDA); Comité des Constructeurs Francais d’Automobiles (CCFA) |
| Activity |   |
| Are you representing an association? |[x]
| Country/Region | Germany and France |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_DOS\_1>

The Comité des Constructeurs Français d’Automobiles (CCFA) and the Verband der Automobilwirtschaft (VDA) represent the leading companies of the automotive industry in France and Germany, and the Banken der Automobilwirtschaft (BDA) represents the automotive captives in Germany.

The Captives are the link between the car manufacturers and the consumers. They offer favorable financing and leasing conditions for consumers when they buy a car and thus, they help the car manufacturers to increase the promotion of vehicle sales and customer loyality. In Europe, approximately two out of three cars either financed or leased.

However, in order to be able to offer car loans and/or leasing options to consumers as well as to car dealers, the Captives need to refinance themselves. All European Captives rely on Auto-ABS (Auto-Asset Backed Securities) or ABCP (Asset Backed Commercial Papers).

<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>

Such templates would not be required for Auto-ABS.

<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>

Such templates would not be required for Auto-ABS.

<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>

As suggested by ESMA, reporting templates should be as close as possible in terms of granularity and content to existing loan-level templates.

We suggest to merge the template proposed by ESMA for the transparency obligation of the STS-Regulation and the current ECB template reported to EDW. Otherwise, the implementation and day-to-day costs would be double for achieving similar goals. Additionally, for the already existing fields used in the ECB template, we would appreciate to keep the current meaning in order to avoid different interpretations.

<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>

No, we do not consider the risk-related fields useful. PD and LGD data are calculated subject to internal models of originators and investors. Hence PD/LGD of one and the same obligor could differ depending on the model applied by the specific originator or investor. As a result PD/LGD data are not consistent throughout the market participants.

<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>

We would like to comment on the field codes of Annex 5 of the ITS which contains the template for auto loans and leases underlying exposures:

1. In respect of "rare and idiosyncratic underlying exposures" we note that there is no template available for securitizations backed by dealer-floorplan receivables, which is essential for some automotive captives. Currently, SME template is used for reporting on such assets for ECB requirements. Our suggestion is therefore to add a template for dealer-floorplan receivables based on the ECB template. The lack of availability of a relevant template might be preventing us to securitize such assets, because we will have to fulfill too many fields not adapted for dealer-floorplan assets with “Not Relevant Data”, which might be confusing for investors and reduce comparability with similar transactions using this template.
2. Under field code AUTOL7 the template describes the conditions for credit impaired obligors. However, the wording of the description does not precisely reflect the corresponding provision of Article 20 par. 11 of the STS-Regulation, but specifically deviates from the therein regulated lit. (a) to (c). For the sake of a consistent and corresponding implementation we would hence advocate for inserting the level-1 wording of the STS-Regulation 1:1 into the level-2 template.
3. Field codes AUTOL55 and AUTOL57 seem to have exactly the same wording so that one of them should be deleted. Additionally, we consider the reference to mortgages irrelevant for auto loans and leases as these are not secured by mortgages.

The European Consumer Credit Directive (2008/48/EG) allows member states to provide that a compensation may be claimed by the creditor only on condition that the amount of the early repayment exceeds the threshold defined by national law which shall not exceed 10.000 € within any period of 12 months. Some member states, such as France, have implemented this provision. Hence, we propose to rather refer to the amount above which charges may be demanded and amend the wording of the description as follows: “Annual amount of pre-payments above which a fee could be charged“.

As regards leases there do not exist pre-payment provisions. Leasing contracts are only subject to early termination options for the whole contract and outstanding amount. In order not to produce insecurities with regard to filling in the template we would hence advocate for exempting leases from AUTOL55/57 and restrict the field code to loans.

1. Field code AUTOL74 describes the data to be provided for allocated losses. Under this field the originator is obliged to deliver the best estimate of the final loss that will be incurred once the recovery process has been completed by taking into account net of fees, accrued interest etc. However, such information is not available for institutions without a regulatory approval for using the IRB-Approach. Hence, we strongly recommend to insert option „ND5“ (Not relevant) into the filed description of AUTOL74.

<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>

Yes, we agree.

<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>

We understand that for investor reports for Auto-ABS Annex 10 of the ITS would apply. However, due to its size and the deviation from the current process it is difficult at this stage in time to precisely assess the impact of the tabled template. With your consent we would like to come back to this issue after we have formed a clear picture on possible consequences for our reporting.

<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>

Not relevant for Auto-ABS.

<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>

Not relevant for Auto-ABS.

<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>

Not relevant for Auto-ABS.

<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>

No, the question rather would be whether static information would have to be reported periodically at all.

<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>

Applying the ECB approach would possibly reduce the administrative burden.

<ESMA\_QUESTION\_DOS\_1>

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

<ESMA\_QUESTION\_DOS\_1>

Not relevant for Auto-ABS.

<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>

The new templates shall apply from 1 January 2019. However, the RTS are expected to enter into force on the 20th day following its publication in the Official Journal of the EU. Taking into account the prescribed timelines of the STS-Regulation the date for entry into force is to be expected the 18 January 2019. This information has also been given during the public hearing of ESMA held in London on 19 February 2018. Hence, there will be no chance for market participants to timely and properly adhere to the new provisions and templates.

Against this background we strongly recommend a transitional period of at least two year in order to allow the reporting entities to correct and finalize their templates. The past has shown that such periods are beneficial for the industry as well as the authorities. With regard to the ECB template the completion of data took more than two years. Despite the setting up of a working group for a common interpretation of the required fields, some of these latter remain still unclear and seem to have different meanings depending on their provider. Further, the ECB template was progressively implemented, with optional fields at the beginning in order to let time to clearly understand what was expected and to improve the quality of the provided data.

<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>

No, we propose not to impose any obligation to adhere to uniform formats at all. Originators should rather be free to choose which format for delivering the relevant data they may use. In practice this is actually done nowadays already, whereas the use of CVS-formats (i.e. Excel-files) is most common amongst the Captives. Determining a fixed format would by contrast entail additional efforts and costs. On the other hand the benefits of such standardisation remain unclear.

<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>

No, we cannot perceive how the proposed item types and code tables shall contribute to the reporting obligations.

<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>

No, please refer to Q17.

<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>

That would be helpful for identification. We propose that the unique identifier is identical with the corresponding EDW-Code.

<ESMA\_QUESTION\_DOS\_1>

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

<ESMA\_QUESTION\_DOS\_1>

That would probably be helpful for market transparency.

<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>

Reference seems to be incorrect as Article 17 relates to credit-granting criteria.

<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>

No, we do not agree. Originators should be free of choice which delivery channel they may use.

<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>

This is for potential repositories to answer.

<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>

This is for potential repositories to answer.

<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>

No, please refer to Q17.

<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>

No, please refer to Q17.

<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>

Using a date completeness score programme similar to the one introduced by ECB would be preferable.

<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>

This is for potential repositories to answer.

<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>

Relying on a confirmation from the originator does not seem to be sufficient to meet the requirements of applying procedures to verify the completeness and correctness of the details reported to it as required in Article 8 (2). The drafting rather suggests an additional element of review on the side of the repository.

<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>

Relying on a confirmation from the originator does not seem to be sufficient to meet the requirements of applying procedures to verify the completeness and correctness of the details reported to it as required in Article 8 (2). The drafting rather suggests an additional element of review on the side of the repository.

<ESMA\_QUESTION\_DOS\_1>

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

<ESMA\_QUESTION\_DOS\_1>

Relying on a confirmation from the originator does not seem to be sufficient to meet the requirements of applying procedures to verify the completeness and correctness of the details reported to it as required in Article 8 (2). The drafting rather suggests an additional element of review on the side of the repository.

<ESMA\_QUESTION\_DOS\_1>

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

<ESMA\_QUESTION\_DOS\_1>

Since access free of charge is mandatory from Article 15(1), there is no room for discussion.

<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>

The correct reference should be Article 15(1). However, the list in table 8 does not seem to be consistent with Article 15(1) as investors and potential investors pursuant to paragraph (j) are missing.

<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>

No, we do not consider that.

<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>

No. A correction of erroneous data should be possible at any time without providing for deadlines, so that errors can be corrected when identified.

<ESMA\_QUESTION\_DOS\_1>

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

<ESMA\_QUESTION\_DOS\_1>

The proposed amendments of the current reporting templates and processes will entail an increase of necessary resources as well as substantial costs without proving to significantly enhance the benefits of the reporting.

<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>

The proposed amendments of the current reporting templates and processes will entail an increase of necessary resources as well as substantial costs without proving to significantly enhance the benefits of the reporting.

<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>

The proposed amendments of the current reporting templates and processes will entail an increase of necessary resources as well as substantial costs without proving to significantly enhance the benefits of the reporting.

<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>

The proposed amendments of the current reporting templates and processes will entail an increase of necessary resources as well as substantial costs without proving to significantly enhance the benefits of the reporting.

<ESMA\_QUESTION\_DOS\_1>