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| Response form for the Joint Consultation Paper concerning sustainable disclosures for STS securitisations |
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Date: 6 May 2022

ESMA82-402-859

**Responding to this paper**

The European Supervisory Authorities (ESAs) welcome comments on this consultation paper setting out the proposed Regulatory Technical Standards (hereinafter “RTS”) on the content, methodologies and presentation of information in respect of the sustainability indicators in relation to adverse impacts on the climate and other environmental, social and governance-related adverse impacts pursuant to Articles 22(6) and 26d(6) of the Regulation (EU) 2017/2402 (hereafter the Securitisation Regulation) and in particular on the specific questions summarised in Section 5 of the consultation paper under “List of stakeholder questions”.

Comments are most helpful if they:

* contain a clear rationale; and
* describe any alternatives the ESAs should consider.

When describing alternative approaches the ESAs encourage *stakeholders to consider how the approach would achieve the aims of SFDR.*

**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 <ESA\_QUESTION\_STS\_SUST\_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: ESA\_STS\_SUST\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESA\_STS\_SUST\_ABCD\_RESPONSEFORM.
* The consultation paper is available on the websites of the three ESAs and the Joint Committee. Comments on this consultation paper can be sent using the response form, via the [ESMA website](https://www.esma.europa.eu/press-news/consultations) under the heading ‘Your input - Consultations’ by **2 July 2022**.
* Contributions not provided in the template for comments, or after the deadline will not be processed.

**Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise in the respective field in the template for comments. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESAs rules on public 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 ESAs Board of Appeal and the European Ombudsman.

**Data protection**

The protection of individuals with regard to the processing of personal data by the ESAs is based on Regulation (EU) 2018/1725[[1]](#footnote-2). Further information on data protection can be found under the [Legal notice](http://www.eba.europa.eu/legal-notice) section of the EBA website and under the [Legal notice](https://eiopa.europa.eu/Pages/Links/Legal-notice.aspx) section of the EIOPA website and under the [Legal notice](https://www.esma.europa.eu/legal-notice) section of the ESMA website.

**General information about respondent**

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| --- | --- |
| Name of the company / organisation | European Banking Federation |
| Activity | Banking sector |
| Are you representing an association? |[x]
| Country/Region | Belgium |

**Introduction**

***Please make your introductory comments below, if any:***

<ESA\_COMMENT\_STS\_SUST\_1>

As a general matter, EBF members believe that ESG disclosures should be standardised, as simple as possible (i.e. focused on key, relevant PAI indicators) and harmonized at the origination level or when the assets are being securitized; bearing in mind that the ESG data shall be the one available at the origination date and should not need to be updated when the assets are securitised. They also need to be adapted to the different asset classes. It will be key in their implementation and for the success of this initiative.

Also, the right balance must be found between, on the one hand, the need to provide investors with meaningful information on principal adverse impacts (PAIs) on sustainability factors, as required by the Securitisation Regulation, and, on the other hand: (i) the necessity to keep reporting costs reasonable, especially with regards to financing tools and techniques other than securitisation, and (ii) the objective not to create an additional and specific reporting framework for securitisation, as recognized by ESAs and highlighted in the consultation document.

In the specific context of securitization and ESG disclosures in STS transactions pursuant to the Articles 22(6) and 26d(6) of the Securitisation Regulation, we would like to highlight that a grand-fathering provision would be strongly recommended in order to provide enough flexibility for the impacted originators to collect the required information for live transactions, a significant number of them having been concluded years ago or with assets originated well ahead of the transactions closing date. Grandfathering is especially relevant for the (old) transactions in the pool; for the use of proceeds sustainability data should be available subject to our reservations about the timing of implementation (see top of next page).

Furthermore, we do not recommend maintaining the requirement to provide "details of the best efforts used to obtain the information from the obligors, external experts or by making reasonable assumptions" in Article 2(3)(d) of the Draft RTS. Rather than simply requiring originators to describe their processes, the proposed Article 2(3)(d) seems to be imposing an obligation to make "best efforts" to obtain information. The reference to the “best efforts” may incur additional liability since the originators would need to prove that they were not in position to gather this information and would need to develop procedures and dedicate resources for this purpose.

Timing wise, an implementation on the 1st of January 2023 seems unrealistic given the workload, notably the required IT and operational developments in relation to the securitised transactions (specifically but not limited to data extraction in the systems).

In addition, upon the decision from the originators to proceed with ESG disclosure, it could be appropriate to allow for reporting on a portion of the assets pool, once the information systems are ready and the information is available.

Finally, it is our understanding that the environmental disclosures will not be part of the STS criteria requirements of a securitisation transaction. It could be useful to clarify this in the final RTS, because we assume that the requirements are not mandatory. This should be clarified in the RTS consulted here. In any case, they must not go beyond the disclosure obligation of the underlying Art. 22 (4) of the Securitisation Regulation. Moreover, it would be very helpful to avoid that those articles fall under article 7 (1) (a), because otherwise the disclosures will become part of the STS criteria.

<ESA\_COMMENT\_STS\_SUST\_1>

1. **: Do you agree that it is preferable to make disclosures available in a stand-alone document based on the SFDR template and consider any potential related adjustments to ESMA’s disclosure RTS at a later stage?**

<ESA\_QUESTION\_STS\_SUST\_1>

Yes, separating out the ESG disclosures from the existing loan-level data disclosures required under Article 7(1)(a) of the Securitisation Regulation is the preferred approach. We are not certain about the extent of the update of the loan level disclosure for the reasons mentioned in paragraph 11 of the consultation (e.g., qualitative nature of certain elements and absence of proportionality vis-à-vis to other financial products). In addition, existing ESMA templates are already very detailed and need to be streamlined, as highlighted, by numerous securitisation originators and investors and therefore, cannot be used in this context. Thus, we think that a separate document is necessary and would be more appropriate, as some of the PAI information cannot be standardised and summarised in abstract code. The “ND” classification of such information to be included in the loan level data reporting will also be essential, since the information is either not necessarily available at all or in the form required by the reporting template. A potential integration of the SFDR information in the ESMA templates is now absolutely premature and should be further discussed once the level of sustainable collateral has reached a critical mass. This also aligns with an eventual future shift from use of proceeds based to collateral based securitisations under the EU GBS.

As a general remark, information requirements should be aligned with other ESG reporting requirements and take the nature of securitisation and underlying assets into consideration as to detail level and frequency.

Overall, the direction for ESG disclosures should be relevant for investors and less burdensome for originators.

<ESA\_QUESTION\_STS\_SUST\_1>

1. **: Do you agree that originators should disclose information in the principal adverse sustainability impacts statement, about whether and, if so, how principal adverse impacts on sustainability factors are taken into account in the originator’s credit granting criteria? Do you agree that the disclosed information should rely on and cross-reference existing disclosures?**

<ESA\_QUESTION\_STS\_SUST\_2>

Yes, to the extent originators are financial market participants under SFDR – then they should disclose that information in respect of securitisations they originate. For example, subject to data availability, the originator could briefly describe its ESG policy, its span, its goals and its challenges but also the impact on the current status of credit granting criteria. As such, it should be important to align the credit granting criteria with such factors and try to develop measures, thresholds and strategies to tackle risk connected to principal adverse sustainability impacts. In order to attain such goals, one should cross-reference the current disclosure information.

Nevertheless, significant operational challenges are going to be expected as part of the implementation of those requirements. Therefore, we would also highlight the following considerations to be taken into account:

* There should not be any specific requirements for securitisation
* Such principal adverse impacts approach, and more generally relying on existing disclosures, should be adapted to the scope of securitisation transactions. For example, PAIs under SFDR are not all relevant in the context of a securitization, knowing that such PAIs, and reporting related thereto, are made at the entity’s level under SFDR (while securitization implies a disclosure at the transaction’s level)

<ESA\_QUESTION\_STS\_SUST\_2>

1. **: Do you agree that originators should disclose information about whether, and if so how, PAI indicators on sustainability factors are considered in the selection of underlying exposures to be added/repurchased to/from the pool at the time of marketing or during the lifetime of the securitisation? Do you agree with the level of information required?**

<ESA\_QUESTION\_STS\_SUST\_3>

Yes – to some extent: If originators are financial market participants under SFDR, they should disclose that information in respect of securitisations by disclosing the PAI indicators on sustainability factors considered in selection of assets for addition to or removal from the pool. However, we are not in favour of the requirement to provide "details of the best efforts used to obtain the information from the obligors, external experts or by making reasonable assumptions" in Article 2(3)(d).

In any case, part of this data may already be available as part of the screening, selection and posterior due diligence processes prior the issuance, carried out by auditors and arrangers, but also taking into account the first level granting criteria. Lastly, the way such information is disclosed should be subject to discretion by the originator, as the explanation could take various forms depending on how the selection is performed.

<ESA\_QUESTION\_STS\_SUST\_3>

1. **: Do you agree with the approach taken in the draft RTS which aims for full consistency with the draft SFDR RTS?**

<ESA\_QUESTION\_STS\_SUST\_4>

Yes – noting that these RTS would apply to market participants governed by the SFDR (not all types of originators).

We agree with the approach aiming at adopting the SFDR RTS as a foundation of the reporting since we consider that ESG disclosures should be standardised, as simple as possible and harmonized at the origination level or also when the assets are being securitized, bearing in mind that the ESG data shall be the one available at the origination date and should not need to be updated when the assets are securitised.

However, we do not believe that the approach taken in this draft RTS should be aiming towards “full consistency” with the draft SFDR RTS, but rather to draw from it to the extent that is relevant to achieve the ultimate expected objective, i.e. informing investors about the sustainable impact of securitized assets.

We also recall that the right balance must be found between the need to provide investors with meaningful information and the necessity to keep reporting costs reasonable, especially with regards to financing tools & techniques other than securitisation.

Thus, we believe that only SFDR PAIs that are relevant for credits and for securitization should be selected. “Forcing” irrelevant SFDR indicators into the considered draft RTS would (i) not be useful to investors, (ii) difficult or impossible to produce and ultimately (iii) could have a negative impact on the use of the STS label.

<ESA\_QUESTION\_STS\_SUST\_4>

1. **: Do you agree with the inclusion of the new mandatory non-green asset ratio indicator for all asset classes covered by the RTS?**

<ESA\_QUESTION\_STS\_SUST\_5>

We do not agree with the inclusion of the ratio described in 4.3.1 of the consultation document.

Firstly, this ratio is not referred to in SFDR, which runs against the objective of standardized and harmonized ESG disclosure.

Secondly, this approach is not fully aligned with SFDR since, at product level, the GAR ratio may, in some instances, not be required. Thus, banks will not be in a position to calculate it. We recall, in this regard, the necessity to keep ESG disclosures simple and reporting costs reasonable to avoid negative impact on the use of the STS label.

In addition, we are not sure that this indicator is a PAI measure – even if consistent with existing information, and we think that it would have no relevance for the purpose of measuring adverse impacts on the climate. Indeed, this indicator is not aligned with the Securitisation Regulation mandate to provide investors with information on the “principal adverse impacts”, i.e. “those impacts of investment decisions and advice that result in negative effects on sustainability factors”. Indeed, “non-green assets” (with “green” defined as complying with all Taxonomy requirements) is not equivalent to “assets that negative effects on sustainability factors”. As recognized in the consultation document itself: “It is an imperfect indicator, which indicates the number of assets which fails to meet high sustainability criteria rather than those with a negative impact.” While the consultation document justifies the use of NGAR by the fact that SFDR RTS includes an indicator that is similar in nature (“Share of bonds not certified as green under a future EU act setting up a European Green Bond Standard”), we recall that such indicator is part of “Indicators applicable to investments in sovereigns and supranational” and is an “opt-in” indicator (see table 2 - Additional climate and other environment-related indicators). Thus, the comparison is not relevant and we believe the inclusion of NGAR is the contemplated reporting framework contradicts the legal mandate given to ESAs.

In addition, we tend to think that such approach may have a negative impact and bring confusion to the STS labelled securitization market in general if this non-green asset ratio indicator is too much highlighted towards investors who may become reluctant at a certain stage to invest in securitization which are clearly not green (while being STS) at the pool level but are definitely green in their use of proceeds.

Finally, the originators do not necessarily have all the information to produce it, for instance in the context of loans granted to finance the purchase of second-hand vehicles.

Lastly, we would like to draw attention to the clarification provided by the European Commission that information on the proportion of the taxonomy-aligned activities or other sustainable finance related performance is not a prerequisite for the application of the SFDR. Therefore, we would advise not to implement the proposal for the non-green asset ratio.

<ESA\_QUESTION\_STS\_SUST\_5>

1. **: Do you agree with the proposed PAI indicators for residential real estate?**

<ESA\_QUESTION\_STS\_SUST\_6>

As long as this information is generally available (under SFDR), it should also be available for securitisation. However, can this apply only to newly originated loans? Because the information that is required will not necessarily have been collected in the past (this question is not securitisation specific).

Credit Institutions originating residential loans collect only part of the data included in the proposed PAI indicators. Illustratively, they will collect the energy performance of the building, as stated by the Energy Performance Certificate (EPC), as per EBA instructions guidelines (Jan 22 draft ITS on Pillar 3). We remind the importance (i) to select not all PAI indicators as listed in SFDR, but the most relevant ones that are indeed collected by Credit Institutions and (ii) to provide only meaningful information to investors.

The PAI indicators are clearly designed (under the SFDR) for larger (commercial) real estate projects and not for the retail residential market. So they should be reviewed against this background.

<ESA\_QUESTION\_STS\_SUST\_6>

1. **: Do you propose to add any additional specific indicators for this asset class?**

<ESA\_QUESTION\_STS\_SUST\_7>

No. Further indicators could be included at a later stage, but should be aligned with the SFDR for Green Bonds. Please also see comments to question 1.

<ESA\_QUESTION\_STS\_SUST\_7>

1. **: Do you agree with aligning the PAI indicators for motor vehicles with the screening criteria for motor vehicles established in the Taxonomy Regulation?**

<ESA\_QUESTION\_STS\_SUST\_8>

Same comment as for question 5 (reference with the Taxonomy is too binary).

We do not agree with this approach for the same reasons highlighted in response to question 5, and we would like to emphasize what is stated in the consultation document itself: assets which fail to meet high sustainability criteria are not the same as those with a negative impact.

The social and employee matters are not covered for residential loans – this should be the same for auto loans and leases to be consistent. Some indicators seem redundant as well (e.g., on greenhouse gas).

Finally, we note that many “auto captives” entities may not fall under the SFDR. In that case, this information will probably not be readily available to them. It could also be difficult to provide the required information for second hand cars (i.e. before the indicators were developed or for “external” vehicle brands).

In order to ensure a credible classification as environmentally sustainable, the DNSH-criteria (Do-No-Significant-Harm) were deliberately formulated very strictly. In principle, the DNSH-criteria are suitable for classifying economic activities and assets as environmentally sustainable, but not for describing the principal adverse impact on the environment. This holds true in particular for vehicles. It would be more reasonable to tie in with current legal requirements for vehicles, which are getting steadily stricter. Older used cars in particular often have a significantly worse environmental performance than new cars or young used cars, because the technology and legal requirements are constantly developing and the registration of a vehicle is based on the limit values for C02 emissions and air pollutants applicable at the time of registration, even if stricter limit values now apply to new vehicles. It would therefore be right to use current legal limit values for all vehicles, i.e. for new and used cars regardless of their age and registration, in order to describe adverse environmental effects in a transparent manner.

Details:

Indicators applicable to the assets financed by auto loans and leases

Emissions:

The emission values of 50g C02/km by 31 December 2025 can only be met by hybrid vehicles and 0g C02/km by pure electric vehicles. This would implicitly reflect the share of e-vehicles and hybrid vehicles until 31 December 2025 and the share of pure e-vehicles from 1 January 2026. However, this would only be a conditionally meaningful figure. It would make more sense for the vehicles for which the C02 emissions are available to indicate the average C02 emissions of the vehicles in order to enable investors to determine the CO2 intensity of their investment. This would also enable to reflect continuous improvement in the C02 intensity of financing and leasing of vehicles.

Pollution:

It makes sense to link to EURO standard 6 according to Regulation (EU) No. 715/2007 in order to describe principal adverse environmental effects with regard to air pollutants, as Euro standard 6 provides for a drastic tightening of the limit values compared to EURO standard 5 and before. For example, the Nox limits for diesel-fuelled passenger cars, which fall into category M, have been lowered by about 56% from 180mg/km (EURO Norm 5) to 80mg/km (EURO Norm 6). For older EURO Standard 4 vehicles, the Nox limit for diesel-fuelled passenger cars is still 250 mg/km and for EURO Standard vehicles 500mg/km. Compared to EURO standard 4, the reduction of the limit value is thus 68% and compared to EURO standard 3 even 84%. This shows significant improvements that the introduction of EURO standard 6 has brought in terms of reducing air pollutants.

We do not agree that EURO standard 6 vehicles which do not comply with the last stage should also be classified as vehicles with a principal adverse impact in terms of pollution, like vehicles registered under EURO 5 or 4. In any case, a dynamisation like the last applicable stage of EURO standard 6 should be refrained from. It is certainly desirable that the limit values for vehicles with internal combustion engines should be adjusted and tightened in line with current technological progress in order to achieve a further reduction of air pollutants from vehicles. However, this does not mean that vehicles that currently are not classified with a principal adverse impact in terms of pollution will automatically have an adverse impact on pollution in the future due to the tightening of limits as the tightening of limits does not change the emissions of a registered vehicle with air pollutants and thus the principal adverse impact.

Moreover, we do not agree that vehicles should additionally meet the requirements for the promotion of clean and energy-efficient vehicles according to Directive 2009/33/EU, so that they do not cause significant adverse environmental effects. This directive was introduced to provide incentives in the public procurement process for the procurement of cleaner, smarter, safer and more energy-efficient vehicles. It is in its current version also a kind of taxonomy regulation to identify particularly environmentally friendly vehicles. Most recently, the requirements were formulated by amending regulation to the effect that vehicles may only achieve a maximum of 80% of the approved limit values for air pollutants by 31 December 2025. From 1 January 2026 the limit will be virtually 0% of the approved limit values for air pollutants. This would mean a further tightening and have the consequence that virtually only hybrid vehicles and e-vehicles would reach the 80% limit values of Directive 2009/33/EU in its current version with regard to air pollutants until 31 December 2025. From 1 January 2026 only pure e-vehicles could comply with these limits. We do not see this as reasonable, because then, in fact, no differentiation would be made for vehicles with combustion engines according to the different pollutant emissions. Older vehicles with a poor environmental performance in terms of air pollutants should be identified transparently for investors. We therefore advocate that only the share of vehicles that do not comply with at least EURO standard 6 should be reported.

<ESA\_QUESTION\_STS\_SUST\_8>

1. **: Do you agree with expanding the indicators to potentially cover these additional aspects at a later stage?**

<ESA\_QUESTION\_STS\_SUST\_9>

We believe that it is too early to precisely define the additional aspects to be covered by new indicators at this stage: technology is evolving, reliable emissions and air pollution measures are not available. In addition, these indicators should be workable for non-auto captive lenders (finance companies that are not subsidiaries of an OEM).

This needs to be assessed at a later stage. We find it preferable to design a simple, targeted disclosure framework, as mandated by the Securitisation Regulation, rather than multiplying indicators that will further complicate ESG disclosures.

Any future expansion on what concerns additional aspects to be considered, should be done subject to the condition of the availability of sufficient and reliable data.

<ESA\_QUESTION\_STS\_SUST\_9>

1. **: Do you agree with applying the mandatory indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters to the manufacturer of the vehicle?**

<ESA\_QUESTION\_STS\_SUST\_10>

Yes, we do agree to apply these indicators to the manufacturers, see also above our comment for non-auto captive lenders.

We would agree with this indicator should it apply generally to the manufacturer of the vehicle (for new vehicles) (i.e., no additional disclosure specific to securitisation).

However, it could be very complicated for originators to collect such kind of information, essentially because originators do not necessarily have the information. In this respect, a statement can only be made to the best of the originator's knowledge. In the case of vehicles produced by a manufacturer belonging to the same group as the originator, confirmation can be obtained directly from the manufacturer that the UN Global Compact principles of the OECD and the Guidelines for Multinationals have been complied with. In the case of third-party manufacturers, this confirmation may not be provided. The information should therefore be provided on the basis of the manufacturer's feedback, evaluating the sustainability report and press reports available in the originator's realm to the best of the originator's knowledge.

For example, in the context of loans granted to finance the purchase of vehicles, notably second-hand vehicles, it is also possible that the manufacturers are not in a position to provide such information. Numerous manufacturers are not subject to the jurisdiction of EU Member States and thus are not bound by this regulation, while we would be clearly relying on them to comply with such criteria. In that occurrence, it would be difficult to force them to comply with and provide the required information. It would be very likely detrimental both for the originators (not in a position to provide the information) and for the clients (if we were giving-up the financing of the purchase of the vehicles.

In addition, violations of the above principles and guidelines may only relate to certain operating sites of a brand manufacturer in a particular country, so that only some of the vehicles produced are affected by the violations. In this respect, the violations should then also only relate to vehicles in the production of which the principles and guidelines have not been complied with, if it is possible to separate the affected cars.

<ESA\_QUESTION\_STS\_SUST\_10>

1. **: Do you propose to add any additional specific indicators for this asset class?**

<ESA\_QUESTION\_STS\_SUST\_11>

Yes, we propose to report the share of e-vehicles and hybrid-vehicles in the securitised portfolios. This is more meaningful than to report about targets and limit for C02 and air pollutants that virtually only e-vehicles and hybrid vehicles can fulfil.

In addition, we propose to report available average C02-emissions of vehicles in g/km C02 to give an indication for investors that enable them to gauge and determine the CO2 intensity of their investment. <ESA\_QUESTION\_STS\_SUST\_11>

1. **: Would you agree with using the SFDR real estate PAI indicators for commercial real estate securitisation?**

<ESA\_QUESTION\_STS\_SUST\_12>

Yes, to the extent originators are financial market participants under SFDR they should disclose that information in respect of securitisations they originate, also under the condition that this information is available (which may not be the case for all originators).

<ESA\_QUESTION\_STS\_SUST\_12>

1. **: Would you consider it useful to provide originators of securitisations consisting of corporate debt including trade receivables a template to disclose standardised information on principal adverse impacts on sustainability factors?**

<ESA\_QUESTION\_STS\_SUST\_13>

It would be too early at this stage. It would also be overly prescriptive and burdensome.

The trade receivables market is very large and includes many economic stakeholders (with originators ranging from SMEs up to the big multinational corporates). This decision will have to be taken in close cooperation with the originators as they will have to provide this information. Therefore, this issue must be dealt separately and at a later stage.

<ESA\_QUESTION\_STS\_SUST\_13>

1. **: Would you agree with applying the draft SFDR RTS PAI indicators to exposures to corporates?**

<ESA\_QUESTION\_STS\_SUST\_14>

Yes - provided the originator is a financial market participant in scope of the relevant SFDR RTS disclosure obligations. However, the requirement should not be on top of what would already be provided under the SFDR. However, we consider that the scope is not fixed at this stage since CSRD will not be fully applicable before 2024/2025 and is still in under negotiation. Besides, ESG disclosures should be standardised, as simple as possible and harmonised. Therefore, we should avoid having discrepancy between SFDR and the future CSRD.

<ESA\_QUESTION\_STS\_SUST\_14>

1. **: Would you agree with applying the proposed application of the same draft SFDR RTS PAIs focusing on the seller in the case of securitisation consisting of trade receivables?**

<ESA\_QUESTION\_STS\_SUST\_15>

We do not agree.

<ESA\_QUESTION\_STS\_SUST\_15>

1. **: Would you agree with adopting the proposed proportionate approach to SME loan?**

<ESA\_QUESTION\_STS\_SUST\_16>

We believe that this proportionate approach is relevant with regards to SME loans (subject to the information being available - which might be practically difficult for SMEs).

In any case, this should be aligned with the required information in Pillar 3, also in terms of calendar, including phase-in period to allow the SME to also adapt to the new requirements and reporting.

<ESA\_QUESTION\_STS\_SUST\_16>

1. **: Would you propose to add any additional specific indicators for these three types of securitisation?**

<ESA\_QUESTION\_STS\_SUST\_17>

Not at this stage. Should follow the evolution of the taxonomy.

<ESA\_QUESTION\_STS\_SUST\_17>

1. **: Would you agree that there are no appropriate PAI indicators for securitisations backed by consumer loans or by credit card debt? If not, which PAI indicators would you propose for these loan types?**

<ESA\_QUESTION\_STS\_SUST\_18>

For Credit Cards, it is almost impossible to track down suitable PAI indicators. We see no obvious way to approach the definition of an appropriate PAI indicator. The same is true for consumer loans.

<ESA\_QUESTION\_STS\_SUST\_18>

1. **: Do you consider that it would be useful to develop standardised PAI indicators on sustainability factors for other types of securitisation?**

<ESA\_QUESTION\_STS\_SUST\_19>

We do not. The vast majority of STS securitisation transactions will be covered by the RTS.

<ESA\_QUESTION\_STS\_SUST\_19>

1. Regulation (EU) 2018/1725 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295, 21.11.2018, p. 39. [↑](#footnote-ref-2)