Reply Form

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

**Responding to this Consultation Paper**

ESMA invites comments on all matters in this Consultation Paper and in particular on the specific questions summarised in Annexes. Comments are most helpful if they:

* respond to the question asked;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider or comment to specific questions irrespective of the preferred option.

ESMA will consider all comments received by **15 March 2024.**

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input - Consultations’.

**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 this reply form.
* Please do not remove tags of the type < ESMA\_QUESTION\_SECR\_0>. 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 responses, save the reply form according to the following convention: ESMA\_CP1\_SECR \_nameofrespondent.
* For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA\_CP1\_SECR \_ABCD.
* Upload the Word reply form containing your responses to ESMA’s website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at www.esma.europa.eu under the heading *‘Your input - Consultations’*.

**Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. 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 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**

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**Who should read this paper?**

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

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | Intesa Sanpaolo |
| Activity | Originator |
| Are you representing an association? |  |
| Country / Region | Italy |

# Questions

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

<ESMA\_QUESTION\_SECR\_1>

No. We believe there is need for disclosure simplification on multiple levels, focusing on reducing mandatory fields of no particular added value for investors and expanding the use of ND5, while preserving the current structure known to the industry and developed with significant IT investments. An overall simplification of disclosure would be in line with the mandate given by the EC in the October 2022 report, aimed at <<addressing possible technical difficulties in completing the information required in certain fields, remove unnecessary fields, and align them more closely with investors’ needs>>, in the overall goal of boosting the EU securitisation market.

<ESMA\_QUESTION\_SECR\_1>

1. 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.

<ESMA\_QUESTION\_SECR\_2>

LLD granularity is important on most asset classes. To this extent, proprietary synthetic securitisations’ Investors Reports contain LLD, but only limited to the relevant fields needed for risk analysis. With regard instead to true sale transactions, it should instead be taken into account that for certain asset classes (i.e. trade receivables, credits cards,..) involving highly granular portfolios, which are typically evaluated and monitored via a statistical approach and/or on an aggregate level, LLD granularity might not represent a plus, but instead might provide data with low informative value and difficult to analyse, as further described in Q22.

<ESMA\_QUESTION\_SECR\_2>

1. 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.

<ESMA\_QUESTION\_SECR\_3>

The current level of detail is more than sufficient for a complete portfolio analysis, we believe that the mandatory fields should be reduced accordingly.

<ESMA\_QUESTION\_SECR\_3>

1. Do you agree that disclosure and reporting requirements should be maintained consistent between private and public securitisation?

<ESMA\_QUESTION\_SECR\_4>

Yes, we agree. It simplifies the marketplace for both investors and originators. However, working on differentiated mandatory fields depending on asset class and transaction type can help streamlining the current processes.

<ESMA\_QUESTION\_SECR\_4>

1. 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.

<ESMA\_QUESTION\_SECR\_5>

As outlined above, we are in favour of maintaining the current approach following the major investments on current templates but reducing the number of mandatory fields and opening for more optional (ND) fields. For example, one of the biggest problems with the current framework is the level of detail required for CRE loans (Annex 3). The collection of this data and its maintenance is a major operational burden that weighs on originators and does not bring value to investors who have never requested this level of depth (for example all information related to rents, occupancy rates etc.). Therefore, we believe a streamlining on Annex 3 is required.

<ESMA\_QUESTION\_SECR\_5>

1. 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.

<ESMA\_QUESTION\_SECR\_6>

We disagree. As explained above, we believe more flexibility is needed on ND fields for information that are not relevant for asset class or typology of transaction, not an increased restriction on ND use. In absence of a clear standard for the time being, requiring for climate-related indicators which are not always available will have the effect of making the current framework more burdensome for originators. We also disagree on providing payment schedules on individual loans: it will be extremely operational intensive and not deemed relevant as the amortization profile of the portfolio and its constituents are already provided for at inception.

<ESMA\_QUESTION\_SECR\_6>

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

<ESMA\_QUESTION\_SECR\_7>

No. The current ND Options framework allows for a full representation of portfolio details with respect to perform a portfolio risk analysis.

<ESMA\_QUESTION\_SECR\_7>

1. 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?

<ESMA\_QUESTION\_SECR\_8>

No. Whenever possible, the originators have already taken steps to provide the maximum information possible, greater than proprietary Investor Reports which are deemed to be sufficient.

<ESMA\_QUESTION\_SECR\_8>

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

<ESMA\_QUESTION\_SECR\_9>

Annex 4: aggregate data for PD (according to pre-defined ranges) and for LGD (weighted average of the underlying exposures) are already provided in Annex 12. We believe that this aggregate information is enough for evaluating the creditworthiness and potential losses associated with the underlying exposures, while providing loan-by-loan data may raise confidentiality issues.

Annex 10: Please see answer Q20

Annex 11, 12, 13: not particularly burdensome

Payment schedules on individual loans: extremely operational intensive and not deemed relevant as the amortization profile of the portfolio and its constituents are already provided for at inception.

<ESMA\_QUESTION\_SECR\_9>

1. 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.

<ESMA\_QUESTION\_SECR\_10>

Please see question above

<ESMA\_QUESTION\_SECR\_10>

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

<ESMA\_QUESTION\_SECR\_11>

No. If no standardization, data accuracy and availability are at a more mature stage we are not in favor of adding additional burden to the current framework.

<ESMA\_QUESTION\_SECR\_11>

1. 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?

<ESMA\_QUESTION\_SECR\_12>

<ESMA\_QUESTION\_SECR\_12>

1. 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.

<ESMA\_QUESTION\_SECR\_13>

Our general remarks are the following:

* As for LLD granularity, it has to be preserved, apart for certain asset classes involving highly granular portfolios (i.e. trade receivables, credit cards...) where a removal of LLD would be suggested (please refer to Q2, Q18, Q21 and Q22).
* We see merits in amending Annex 3 to achieve simplification (please refer to Q21).
* We see possible confidentiality issues with the risk indicators on LLD
* We believe that data avalaibilty is not sufficiently broad at the moment to allow for introducing climate indicators
* We favour a broader use of NDs and not its restriction.
* As for Private Securitisations, we are in favour of a simplification of the current framework, but retaining a format approach of templates similar to public ones to share operational and IT investments.

<ESMA\_QUESTION\_SECR\_13>

1. 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?

<ESMA\_QUESTION\_SECR\_14>

This option seems the preferred way forward. A simplified template for private securitisations will streamline the current framework while not hindering the information purposes of the disclosure framework. Alternatively, as we mentioned in answer 1, the current format might me maintained provided that the ND5 options be increased accordingly. In any case we believe that proprietary Investor Reports will not be dismissed as it is improbable that a one-fits-all template could be suitable for the specificities of any transactions.

<ESMA\_QUESTION\_SECR\_14>

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

<ESMA\_QUESTION\_SECR\_15>

In general no. Supervisors already receive all the information on securitizations as reported to investors (including current ESMA templates) and the one required by supervisory regulations (i.e. as per art. 6-8 SECR, COREP). It is not clear what are the specific supervisory needs additional to what it is currently being reported.

On the other side, in case of private transactions or at least for certain asset classes, the introduction of a template with aggregated and simplified information in line with what is envisaged by the SSM notification template might potentially be evaluated. This might lead to a simplification of reporting activity and provide consistency with the information to be provided to supervisors. However, it would be necessary to delve into which fields should be included and what the template structure might be, considering investments already made for setting current reporting structure.

<ESMA\_QUESTION\_SECR\_15>

1. 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.

<ESMA\_QUESTION\_SECR\_16>

The best scenario is streamlining the current reporting structure in which a lot has been invested but provided that ND5 options should be increased. Please refer also to answer at Q15.

<ESMA\_QUESTION\_SECR\_16>

1. 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?

<ESMA\_QUESTION\_SECR\_17>

<ESMA\_QUESTION\_SECR\_17>

1. 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?

<ESMA\_QUESTION\_SECR\_18>

Please refer to Question\_21 and 22 for the purpose of Annex 6 and Annex 9 for highly granular assets class

<ESMA\_QUESTION\_SECR\_18>

1. 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.

<ESMA\_QUESTION\_SECR\_19>

<ESMA\_QUESTION\_SECR\_19>

1. 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.

<ESMA\_QUESTION\_SECR\_20>

**Annex 14** consists of four main sections. In our opinion Bond, Account and Counterparty sections are useful for disclosure purposes while we consider Securitization section redundant and therefore it could be eliminated. The section is mainly filled in by most Italian counterparties using ND options.

**Annex 10** contains 75 fields of which about half of it are not relevant for NPE transactions. We suggest removing some fields in order to simplify the form keeping the ND faculty where already foreseen.

**Annex 10 - true sale Annex 10 - synthetic**

* Fields to remove (40 in total). - No comments
* Fields to amend (no one) - No comments

<ESMA\_QUESTION\_SECR\_20>

1. 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.

<ESMA\_QUESTION\_SECR\_21>

During 2023, a lot of meetings were held between the Italian Banking Association (i.e. ABI) and Italian banks, reaching a shared vision regarding the need to simplify the ESMA templates. Specifically, Annexes 2 (Residential Real Estate), Annex 4 (Corporate), Annex 6 (Consumer) were analysed and the introduction of a new Annex for trade receivables was proposed.

We can summarize the agreed option at Italian level as follow:

**Annex 2 - true sale Annex 2 - synthetic**

* Fields to remove (11 in total). - Fields to remove (57 in total)
* Fields to amend (2 in total) - Fields to amend (1 in total)

**Annex 3 - true sale Annex 3 – synthetic**

* No comments - Fields to remove (146 in total)
* No comments - Fields to amend (2 in total)

**Annex 4 - true sale Annex 4 - synthetic**

* Fields to remove (21 in total). - Fields to remove (64 in total)
* Fields to amend (10 in total) - Fields to amend (no one)

**Annex 6 - true sale Annex 6 - synthetic**

* Fields to remove (5 in total). - No comments
* Fields to amend (1 in total) - No comments

**Annex 8 - true sale Annex 8 - synthetic**

* Fields to remove (34 in total) - Fields to remove (34 in total)
* Fields to amend (no one) - Fields to amend (no one)

**Annex 9 - true sale Annex 9 - synthetic**

* Fields to remove (All. See below for Trade Rec.). - No comments
* Fields to amend (no one) - No comments

**Annex 9 – Trade Receivables**

* **New aggregate and simplified template proposed** for trade receivables in line with Annex 11 for ABCP transactions.

**Annex 10 - true sale Annex 10 - synthetic**

* Fields to remove (40 in total) - No comments
* Fields to amend (no one) - No comments

**Annex 12 - true sale Annex 12 - synthetic**

* No comments - Fields to remove (60 in total)
* No comments - Fields to amend (no one)

For further details and explanations please refer to the attached excel.

<ESMA\_QUESTION\_SECR\_21>

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

<ESMA\_QUESTION\_SECR\_22>

Based on experience accrued since introduction of the ESMA disclosure templates, general perception is that Annex 9 (Exoteric) would not be as a suitable template for trade receivables. Such an Annex is often perceived as too complex and hardly processable for a potential receiver (i.e. fields not applicable to the type of underlying asset, fields not relevant for investors, too deeper level of detail in terms of fields number and loan by loan detail). This is especially true in the context of transactions with high granularity in terms of underlying exposures, where investors are used to run monitoring and risk assessment at a more aggregate level or via statistical approach.

Considering, as a very last point, that trade receivables transactions are in most cases funded mainly via ABCP conduit-based financing, we would suggest adoption of a simplified disclosure template reporting information at aggregate portfolio level in line with Annex 11(Underlying Exposure) in use for ABCP transactions.

<ESMA\_QUESTION\_SECR\_22>

1. 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.

<ESMA\_QUESTION\_SECR\_23>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SECR\_23>

1. 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.

<ESMA\_QUESTION\_SECR\_24>

See answer 20

<ESMA\_QUESTION\_SECR\_24>

1. 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?

<ESMA\_QUESTION\_SECR\_25>

No. Considering the costs and efforts already spent on the current framework, it is not efficient to proceed with its major revision which will add further burden and costs on originators and investors. Some streamlining on the current templates as detailed above will maximize the overall results.

<ESMA\_QUESTION\_SECR\_25>

1. 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.

<ESMA\_QUESTION\_SECR\_26>

<ESMA\_QUESTION\_SECR\_26>

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

<ESMA\_QUESTION\_SECR\_27>

<ESMA\_QUESTION\_SECR\_27>

1. 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)?

<ESMA\_QUESTION\_SECR\_28>

No. These differences should have been introduced at the starting point, 5 years ago. Now it is more efficient to work on some adjustments, as previously detailed, either with a simplified template (no change in format) or increasing the ND5 options

<ESMA\_QUESTION\_SECR\_28>

1. 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?

<ESMA\_QUESTION\_SECR\_29>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SECR\_29>

1. 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.

<ESMA\_QUESTION\_SECR\_30>

No.

<ESMA\_QUESTION\_SECR\_30>

1. 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?

<ESMA\_QUESTION\_SECR\_31>

We do not agree. The management of NDs options is a pillar of the annexes, changing its logic requires new significant investments.

<ESMA\_QUESTION\_SECR\_31>

1. 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?

<ESMA\_QUESTION\_SECR\_32>

Such a radical change would destroy the value of the investment made 5 years ago. We recommend a more conservative approach.

<ESMA\_QUESTION\_SECR\_32>

1. 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.

<ESMA\_QUESTION\_SECR\_33>

Please see answer to question n.13.

<ESMA\_QUESTION\_SECR\_33>