**Reply** **form**

Consultation Paper on the revision of the disclosure framework for private securitisation under Article 7 of the Securitisation Regulation

Responding to this paper

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

* respond to the question stated;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **31 March 2025.**

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\_VALID\_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 responses, save the reply form according to the following convention: ESMA\_VALID\_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA\_VALID\_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](http://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

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the headings ‘Legal notice’ and heading ‘[Data protection](https://www.esma.europa.eu/about-esma/data-protection)’..

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | Capital Group |
| Activity | Investment Services |
| Are you representing an association? |  |
| Country/Region | Europe |

# Questions

1. Do you agree with the proposed approach to disclosing information on private securitisations? If not, please specify any alternative approaches you would recommend, including their advantages and potential drawbacks.

<ESMA\_QUESTION\_PRSE\_1>

The overall objective of pursuing simplification and alleviating disclosure requirements for issuers and by extent users of securitisation in Europe is plausible. Along these lines the focus of the consultation on the templates is appropriate and an important step.

In relation to the specific approach suggested, we have important concerns, firstly as regards the scope of the issuers captured in relation to these simplification efforts and secondly, as regards the approach to simplification as such.

As regards the scope, the measures suggested are solely capturing the use of simplified templates by EU issuers, leaving non-EU issuers still in the scope of the existing overly prescriptive templates. However, from a user’s perspective, the main constraints related to the templates are mostly linked to non-EU issuers and sponsors, who are not bound by the EU rules, hence, do not need to comply with them. Despite the fact that non-EU issuers, particularly from the US, generally comply with the requirements of the Regulation in terms of substance, they often do not fully adhere to the cumbersome Article 7 reporting templates, as they don’t see the need to provide information that is otherswise readily available in their prospectuses and trustee reports via a new set of additional templates. This leads to their exclusion from the investable universe of EU products and creates a less diversified market and fewer opportunities for investors in EU products.

Restricting access of EU products to non-EU originators solely based on their non-compliance with the EU template and not on the reason of not being aligned with the substance of the requirements, results in a disadvantage for EU investors and defies the overall EU objective of enhancing competitiveness for its investors and industry. At the same time, investors in other mutual funds around the globe have the capacity to diversify risks via a larger pool of issuers and sponsors and, hence, benefit from enhanced investment strategies. Given the limited number of EU-originated securitised assets, making it feasible for EU investment products to also invest into non-EU issuers that meet all substance requirements of the Regulation would significantly enhance their investment options and, in that way, allow them to channel capital back to the economy in a more efficient way.

Our preferred solution would be to adopt a more principles-based approach to transparency requirements, allowing meaningful information to be gathered from third-country originators, sponsors, or original lenders as part of the investor's due diligence process, without the need for predetermined templates. Market practice indicates that these issuers already provide meaningful information in their prospectuses and ongoing reports. This approach would enhance access to global markets, improve EU demand for securitisation, diversify portfolios, and boost the global competitiveness of EU-based institutional investors and asset managers, without creating additional risks.

In relation to the suggested changes for simplifying the templates, we agree with the approach towards less granular and more aggregated data, but we still consider that maintaining the reporting based on the predefined templates renders the overall approach less efficient. We would, therefore, recommend the removal of the templates.

To the extent templates are maintained, we would call for the extension of the scope for the new "simplified" disclosure framework to also apply to non-European securitisations, meaning, regardless of whether the sell-side parties — the originator, sponsor, original lender, and SSPE — are established in the EU or not. We would also like to raise the following point. The CP states that "originators, sponsors, and SSPEs of private transactions must still provide the full set of 'public' disclosure information outlined in Article 7(1)(a) of the SECR to investors, potential investors, and competent authorities upon request." If this is the case, it would undermine the purpose of the exercise to reduce the regulatory burden on market particpants.

We would encourage ESMA to ensure access to a more dynamic market. Considering the ongoing review of the EUSR Level 1 text, any proposed changes should also align with potential revisions.

<ESMA\_QUESTION\_PRSE\_1>

1. Do you agree with the proposed scope of application, which requires all of the originators, sponsors, original lenders and SSPEs to be established in the Union? Alternatively, do you see any merit in applying the new template when at least the originator and sponsor are established in the Union? Please provide specific examples where the application of the proposed scope might present practical challenges.

<ESMA\_QUESTION\_PRSE\_2>

See our response to the previous question.

<ESMA\_QUESTION\_PRSE\_2>

1. Do you agree that the simplified template should be made available in CSV format, or should ESMA adopt a more flexible approach proposing a machine-readable format to be determined by the CA? Please specify which alternative format(s) you would recommend and provide your rationale.

<ESMA\_QUESTION\_PRSE\_3>

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<ESMA\_QUESTION\_PRSE\_3>

1. Do you agree with the disclosure frequency proposed in the Consultation Paper? Please provide your rationale.

<ESMA\_QUESTION\_PRSE\_4>

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<ESMA\_QUESTION\_PRSE\_4>

1. Do you agree with the structure of the simplified template, specifically the relevance of Section A to D for private securitisations? If not, please suggest any changes to the template’s structure and provide the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_5>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PRSE\_5>

1. Do you consider the use of ND Options in the template for private securitisations to be useful? Please provide your rationale.

<ESMA\_QUESTION\_PRSE\_6>

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<ESMA\_QUESTION\_PRSE\_6>

1. Do you agree with the fields proposed in Table 1? If not, please suggest any changes to the Table’s structure and provide the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_7>

‘Full legal name of the original lender’ could comprise many different entities. As such, it should be possible to populate more than one name.

<ESMA\_QUESTION\_PRSE\_7>

1. Do you agree with the fields proposed in Table 2? If not, please suggest any changes to the Table’s structure and provide the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_8>

The concept of “Significant Event Information” is rather broad, and Trustees (who will presumably be doing most of this reporting) will not be able to comment on “shifts in risk characteristics”. A more narrow set of requirements that Trustees can definitively opine on would be Events of Default, Indenture Amendments, or changes in key parties (Trustee, servicer, account bank, etc.).

<ESMA\_QUESTION\_PRSE\_8>

1. Do you agree with the securitisation characteristics fields proposed in Table 3? If not, please suggest any changes to the Table’s structure and provide the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_9>

* + Credit rating: The deal itself will not have a credit rating; each tranche may (or may not) have a rating from multiple rating agencies.
  + Date of origination: Clarify if this is for the deal or the loans/assets (if it’s the loans/assets, there could be hundreds of dates).

<ESMA\_QUESTION\_PRSE\_9>

1. Do you agree with the instrument/securities characteristics fields proposed in Table 4? If not, please suggest any changes to the Table’s structure and provide the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_10>

* + Instrument/Security type: If the tranches are the rows, it is unclear what the columns are.
  + Maturity Date: Clarification if this is the Anticipated Maturity or Legal Final Maturity.

<ESMA\_QUESTION\_PRSE\_10>

1. ESMA is not aware of significant issues with the current disclosure framework for ABCP transactions. Do you agree with maintaining this approach (i.e., Annex 11), or do you consider that disclosure via the simplified template would be more appropriate for ABCP transactions? Please provide your rationale.

<ESMA\_QUESTION\_PRSE\_11>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PRSE\_11>

1. If you support the use of the simplified templates for ABCP transactions (Question 10), do you also agree with the specific fields proposed in Table 5? If not, please suggest any changes to the content or structure of the table, along with the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_12>

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<ESMA\_QUESTION\_PRSE\_12>

1. Do you agree with the proposed approach for ABCP transactions, which focuses on information at the programme level? Alternatively, do you consider that disclosure should be based on transaction-level information to ensure alignment with the disclosure requirements for public transactions? Please provide your rationale.

<ESMA\_QUESTION\_PRSE\_13>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PRSE\_13>

1. Do you agree with the contact information collected under Table 6? If not, please suggest any changes to the Table’s structure and provide the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_14>

* + Full legal name of designated reporting entity: Consider whether this can be the trustee.
  + Full legal name of the law firm: Deal legal counsel is rarely disclosed in the documents and has no ongoing involvement in the transactions. Unsure how this requirement would work.

<ESMA\_QUESTION\_PRSE\_14>

1. Do you agree with the fields on the underlying exposures proposed in Table 7? If not, please suggest any changes to the Table’s structure and provide the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_15>

Information on securitised exposures: parts of the language used is less familiar to market participants. This section is the only one that will change over time and continued reporting by the Trustees will take some systemization to work out.

<ESMA\_QUESTION\_PRSE\_15>

1. Do you believe that a minimum set of information should be made available to users to monitor the evolution of the underlying risks? If so, do you consider that the fields proposed in Table 7 to be relevant for this purpose? If not, please indicate which alternative indications should be used and provide the rationale for your suggestions.

<ESMA\_QUESTION\_PRSE\_16>

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<ESMA\_QUESTION\_PRSE\_16>

1. ESMA proposes the inclusion of fields to capture information on underlying assets to be reported at an aggregated level. Some of this information is also included in the Investor Report for non-ABCP transactions. Do you agree that such information should be provided in both the template for private securitisations and the Investor Report for non-ABCP transactions? Alternatively, would you support introducing the option to flag such fields as ‘not applicable’ in the Investor Report when used in the context of private securitisations? Please provide your views.

<ESMA\_QUESTION\_PRSE\_17>

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<ESMA\_QUESTION\_PRSE\_17>

1. Do you agree with the inclusion in table 7.5 of fields related to restructured exposures or do you consider that the information included in the investor reports is sufficient? Please provide your rationale for agreeing or disagreeing.

<ESMA\_QUESTION\_PRSE\_18>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_PRSE\_18>

1. If you agree with the inclusion of restructured exposure fields (Question 17), do you also agree with the specific fields proposed in Table 7.5? If not, please suggest any changes to the structure or content of Table 7.5, along with the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_19>

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<ESMA\_QUESTION\_PRSE\_19>

1. Do you agree with the inclusion in table 7.6 of fields related to energy performance? Please provide your rationale for agreeing or disagreeing.

<ESMA\_QUESTION\_PRSE\_20>

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<ESMA\_QUESTION\_PRSE\_20>

1. If you agree with the inclusion of energy performance fields (Question 19), do you also agree with the specific fields proposed in Table 7.6? If not, please suggest any changes to the structure or content of Table 7.6, along with the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_21>

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<ESMA\_QUESTION\_PRSE\_21>

1. Do you agree with the inclusion of the proposed fields related to risk retention, considering that this information is already covered in the investor reports? Please provide your rationale for agreeing or disagreeing.

<ESMA\_QUESTION\_PRSE\_22>

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<ESMA\_QUESTION\_PRSE\_22>

1. If you agree with the inclusion of risk retention fields (Question 21), do you also agree with the specific fields proposed in Table 8? If not, please suggest any changes to the structure or content of Table 8, along with the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_23>

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<ESMA\_QUESTION\_PRSE\_23>

1. Do you agree with the fields proposed for the position level information in Table 9? If not, please suggest any changes to the Table’s structure and provide the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_24>

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<ESMA\_QUESTION\_PRSE\_24>

1. Do you agree with the fields proposed for synthetic securitisation in Table 9? If not, please suggest any changes to the Table’s structure and provide the rationale for your proposed modifications.

<ESMA\_QUESTION\_PRSE\_25>

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<ESMA\_QUESTION\_PRSE\_25>

1. Do you foresee any operational challenges or implications arising from the implementation of the simplified template for EU private securitisations? If so, please describe the challenges you anticipate and suggest any measures that could mitigate them.

<ESMA\_QUESTION\_PRSE\_26>

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<ESMA\_QUESTION\_PRSE\_26>

1. What are the projected implementation costs for sell-side parties for transitioning to the simplified template for private securitisations, and how do these compare to the reduction of reporting burden?

<ESMA\_QUESTION\_PRSE\_27>

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<ESMA\_QUESTION\_PRSE\_27>

1. To what extent does the simplified disclosure framework for private securitisation improve the usefulness of information for investors while maintaining their ability to perform due diligence?

<ESMA\_QUESTION\_PRSE\_28>

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<ESMA\_QUESTION\_PRSE\_28>

1. Does in your view the introduction of the simplified template enhance the effectiveness of supervisory oversight without imposing disproportionate costs on market participants?

<ESMA\_QUESTION\_PRSE\_29>

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<ESMA\_QUESTION\_PRSE\_29>