**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.

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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 | Luxembourg Capital Markets Association (LuxCMA) |
| Activity | Non-financial counterparty |
| Are you representing an association? |[x]
| Country/Region | Luxembourg |

# 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>

LuxCMA acknowledges that the current approach to disclosure of information on private securitisations to supervisory authorities has a significant impact on the manner in which such transactions are conducted, as it is associated with high costs due to the periodic nature of reporting. From the perspective of market participants, information is gathered in the context of due diligence taking place prior to or in parallel with the transaction. Subsequent work and costs associated with information disclosure is only linked to the obligatory reporting to supervisory authorities. This assessment is also in line with one of the key recommendations of the Joint Committee of the European Supervisory Authorities which has published its evaluation report on the functioning of the EU Securitisation Regulation calling, among other things, for more proportionate and practical due diligence requirements.

We welcome the proposed approach with a simplified template is a step in the right direction since it would make the reporting less burdensome to market participants.

However, any proposed changes should also address the fact that reporting requirements of supervisory authorities in different member states are not consistent, with some requiring a higher frequency of reporting, which puts market participants in these member states at a disadvantage when contemplating private securitisation transactions.

Furthermore, we firmly believe that there should not be any option for investors, potential investors, or competent authorities to request the full set of ‘public’ disclosure information outlined in Article 7(1)(a) of the SECR. If such an option remains included, originators, sponsors, and SSPEs of private transactions must still arrange for all information to be available at very short notice, which would largely deprive the simplified template route of its advantages. This optionality would de facto force parties to cater for public disclosure information at any time, creating ongoing administrative and compliance costs that would undermine the objective of reducing the reporting burden.

Lastly, a simplified approach to disclosure can only be effective if no other notifications or reporting are required by the EU supervisory authorities, and including the ECB, with respect to private securitisations.

<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>

We take the view that no distinction should be made between non-EU and EU participants. Such approach negatively impacts Union investors, who are effectively prevented from investing in certain securitisations from third countries, as the originators in such countries have no incentive to comply with disclosure requirements under Article 7.

Further, we take the view that only one party involved in the transaction should be designated to disclose all the relevant information linked to such transaction, to lessen the burden on all participants collectively.

<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>

LuxCMA agrees that the simplified template should be made available in CSV format.

<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>

LuxCMA recognises the importance of transparency in securitisation markets. However, we believe that the proposed quarterly disclosure frequency—and, in the case of ABCP transactions, the monthly disclosure requirement—is overly burdensome and not suitable for the intended purpose. These requirements impose unnecessary costs and operational challenges for issuers without delivering proportional benefits to market participants.

In our view, disclosure requirements should be made at the origination and thereafter upon the occurrence of any significant event identified under Article 7(1)(g) of the SECR.

Furthermore, we re-emphasise that requirements regarding frequency are not applied equally throughout the Union. Any reforms regarding disclosure requirements should tend towards establishing a level playing field in the Union.

<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>

In principle LuxCMA agrees with the structure of the simplified template, if applied for example only at initiation of each specific transaction. We would suggest streamlining the sections by consolidating overlapping information or simplifying data requirements to reduce complexity and reporting burden on market participants.

<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>

The ND Options should be removed due to the lack of clear guidance for market participants and inconsistent approaches by securitisation repositories.These repositories often do not provide a clear view on whether the use of ND Options prevents the reported information from being sufficiently representative of the underlying exposures. In addition, the provision of justifiable reasons for using ND Options is frequently challenging for market participants, adding complexity to the existing reporting requirements.

<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>

In principle, LuxCMA agrees with the fields proposed in Table 1 which aim to provide a comprehensive overview of the securitisation transaction, including details about the parties involved, such as the legal entity identifiers of the SSPE, originator, sponsor, and original lender.

<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>

In principle, LuxCMA agrees with the fields proposed in Table 2 which capture essential information such as the date of occurrence and a description of the event that must be reported promptly when any significant event impact the securitisation transaction throughout its lifecycle.

<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>

In principle, LuxCMA agrees with the securitisation characteristics fields proposed in Table 3. However, we suggest ensuring that the fields are clearly defined and easy to interpret, to avoid any ambiguity in reporting for market participants. It may be beneficial to review the fields to ensure that the information requested is relevant and contributes to a comprehensive understanding of the transaction's characteristics and associated risks.

<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>

In principle, LuxCMA agrees with the instrument/securities characteristics fields proposed in Table 4. To enhance their effectiveness, it would be beneficial to review the fields to ensure they align with and reflect current market practices and regulatory requirements.

<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>

LuxCMA is not aware of any issues with the current disclosure framework and do not have a preference for establishing a simplified template.

<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>

LuxCMA concurs with the proposed approach for ABCP transactions. The information available at program level appears to be sufficient.

<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>

LuxCMA agrees that the contact information collected under Table 6 appears to be sufficient.

<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>

LuxCMA is of the opinion that the fields on the underlying exposures proposed in Table 7 appear to be sufficient.

<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>

Yes, LuxCMA believes that a minimum set of information is essential to ensure users can monitor the evolution of underlying risks effectively. In our view, proposed Table 7 offers an appropriate balance between supervisory oversight/sufficient monitoring and efficiency for the market participants. In particular, we are of the opinion that by requiring aggregate rather than loan-level data, the template reduces the reporting burden on private transactions while still enabling risk monitoring.

For Tables 7.2, 7.3 and 7.4, given the objective to monitor concentration and diversification on currency, jurisdiction, asset class, we would suggest that these are reported to the extent they cross a certain percentage cap of the portfolio total exposure (e.g. 20-30%, as, if below, concentration risk should be considered in any case low, therefore they should not be reported at all (either as 2nd or 3rd most relevant); and in Table 7.5, Information on Arrears could be limited in less categories (e.g. 1-90 days), 90-180, 180+), as we take the view that more detailed categorization does not provide any additional value.

<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>

LuxCMA understands that it is important for such information to be available across both templates. Hhowever, we would recommend introducing flexibility by allowing reporting entities to flag overlapping fields as ‘not applicable’ in the Investor Report when the data is already provided in the simplified template. Avoiding duplicate disclosures is critical to keeping compliance costs manageable particularly in private transactions where margins are thinner. Allowing flexibility would streamline reporting processes, reduce costs, and enhance usability without compromising potential investor and CAs access to information.

<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>

LuxCMA agrees with the inclusion of fields related to restructured exposures in Table 7.5. These fields provide important indicators of credit deterioration and borrower distress, which are relevant for supervisory review, especially in NPE portfolios. The suggested fields constitute valuable indicators for both potential investors and regulators to asses the depth and nature of restructuring practices of the portfolio.

<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>

LuxCMA would suggest that the fields of Table 7.5 turn to more indicative (given also the investor reports) as currently Table 7.5 is a bit granular and not all fields are being equally useful. We would therefore suggest simplification as follows: (i) streamlining the number of fields regarding the timing of the restructuring in relation to the timing of the transfer, with reference point the 1 or 2 years (e.g. 0-1 years before transfer and >1 year before transfer) – distinction only based on 1 or 2 year(s) gives a sufficient indication of the recency of the restructuring and further distinction does not provide additional value; and (ii) simplifying by including a general post-transfer arrears percentage – the only information that should be needed is whether the exposure has any post-transfer arrears following restructuring, no need for further distinctions.

<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>

Yes, LuxCMA supports the inclusion of energy performance fields in Table 7.6, but only where the relevant provisions under Articles 22(4) or 26(d)(4) of the SECR apply. This will be valuable to potential investors align their potential investments with potential investment policies and objectives, which are energy-oriented.

<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>

LuxCMA understands the importance of transparency in risk retention, as it is a critical element in ensuring that the originator or sponsor has sufficient exposure to the risks associated with the securitisation. However, we recognize that much of the information related to risk retention, such as the level of retention, the entities holding the retention, and the modalities of retention, is already typically disclosed in investor reports. In light of this, we believe there are more disadvantage and challenges of including this reporting table:

- the same information is already being disclosed in investor reports, requiring its inclusion again in regulatory filings may result in redundancy. Market participants, especially smaller issuers, may face an additional administrative burden in ensuring that this information is provided in two separate places. This could increase costs and complexity without adding significant value, particularly if the investor reports are already publicly available or easily accessible to regulators.

- Reporting this information twice (once in investor reports and again in regulatory filings) may not improve the overall quality of information available to investors, and could create inefficiencies in the disclosure process. Instead of duplicating the effort, a more efficient approach might be to ensure that investor reports are subject to standardized guidelines and are submitted to regulators for review, eliminating the need for additional fields in separate regulatory reporting.

<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>

Although, LuxCMA overall disagrees with requiring the information in table 8 as we believe that this is already covered as part of the regular investor reporting, we see opportunities in making Table 8 less burdensome for the reporting entities without compromising on the transparency:

- Fully Self-Retained Securitisation: Remove this field as it is implicitly addressed by the "Level of Risk Retention" field. Reporting entities should simply confirm the retention level in percentage terms.

- Full Name and Identifier of Entity(ies) Holding the Risk Retention - the identifier (LEI) should suffice, as it already uniquely identifies the entity in question.

- Additional Information on Entity(ies) Holding the Risk Retention: This field requests additional information about the entity holding the retention. While it can provide useful context, asking for detailed descriptions of the entities in every case could lead to excessive reporting and is often not needed for regulatory purposes. We recommend removing this field.

- Modality of risk retention - While this modality is important, the current setup may be too detailed and repetitive, especially for standard securitisations that follow a clear and straightforward retention structure. We recommend to consolidate the modality reporting into a single field asking for the general retention structure (e.g. "traditional 5% retention" or "synthetic risk retention"), a secondary optional field can then allow for a more detailed breakdown if required.

 - Compliance with Art. 6(2) - Instead of requesting detailed explanations for each deal, we suggest offering a standardized template or checklist to ensure compliance with Article 6(2).

 - Consolidated retention - As above, we recommend providing a standardized compliance checklist for Art. 6(4), so entities can quickly confirm whether consolidated retention applies without having to provide lengthy explanations.

- Exceptions under Art. 6(5) and (6) SECR - We recommend simplifying this by allowing entities to select from a predefined list of exceptions (e.g., "No exceptions apply" or "Exception under Art. 6(5) applies") and provide only brief additional context if needed.

<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>

While LuxCMA generally agrees with the fields proposed for position-level information in Table 9, we believe that the reporting process could be streamlined to reduce the burden on market participants, without sacrificing the quality or transparency of the data provided to investors.

Given the increasing complexity of securitisation transactions and the operational challenges faced by issuers and servicers, it is important to ensure that disclosure requirements are efficient and do not impose excessive costs or administrative burdens. We propose the following changes to simplify and streamline the disclosure process:

- Simplify the Reporting Frequency - less frequent updates (e.g. annually) may be sufficient to keep investors informed, as opposed to monthly or more frequent disclosures. This would allow issuers to focus on providing more meaningful updates, rather than dealing with the constant administrative task of compiling detailed position-level data;

- Provide Standardized Aggregated Data: Where possible, encourage the use of aggregated or summarized data at a higher level (e.g., asset pool level) rather than detailed position-level reporting for each individual ISIN. Could give investors sufficient insight into the overall performance without overwhelming issuers with the need to report on every single position.

<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>

LuxCMA acknowledges the importance of ensuring appropriate disclosure for synthetic securitisations, as outlined in Table 10. These transactions have distinct features compared to traditional securitisation, as they primarily rely on derivatives to transfer risk. However, we believe there are opportunities to streamline the disclosure process to reduce the burden on market participants while maintaining the necessary transparency for investors:

- Streamline the data for certain fields (e.g., protection agreement type) where a more aggregated or simplified disclosure would provide sufficient transparency without being overly burdensome.

- Aggregating the protection attachment and detachment points at the asset pool or tranche level can reduce the complexity of reporting and ensure that market participants can focus on the broader risk exposure rather than individual positions;

- Protection provider name - Aggregating information about protection providers will reduce the number of individual counterparty disclosures needed while still offering investors insight into counterparty risk.

- Protection currency and Current Protection Notional - Providing an aggregated currency exposure (e.g., top 3 currencies with their respective exposures) would simplify the reporting process and still provide relevant information without the need for detailed currency breakdowns for every transaction. Same for the Current Reporting Notional - Allowing entities to report aggregated protection notional figures and offering the option to include summary data would significantly simplify the process, reducing the need for individual asset-level disclosures.

<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>

No. LuxCMA thinks that a simplified and uniformed template for private securitisation would be beneficial.

For very simple private securitisation transaction, additional exemption should be available. Answers may be different for actual market players.

<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>

The information would appear to be more relevant for private securitisation. A *de minimus* limit may even be included, under which no reporting should be made.

<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>