

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 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 under the headings 'Legal notice' and heading '[Data protection](#)'..

1. General information about respondent

Name of the company / organisation	Schroders Investment Management (Europe) SA
Activity	Investment Services
Are you representing an association?	☐
Country/Region	Luxembourg

2. Questions

Q1 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>

ESMA's engagement in furthering the aim of simplification of the SECR reporting requirements for private securitisations is both welcomed, and, we believe, essential and urgent for the improved functioning of the EU securitisation market.

As a general comment, we remain concerned about the timings for this review of the disclosure framework for private securitisation, given the anticipated announcement of broader reforms to the regulatory framework for securitisation in H2 of this year. These reforms may seek to amend SECR requirements on transparency and investor due diligence more generally (including by way of amendment to Level 1 text), and importantly, crystallise a definition of what constitutes a private securitisation, including dealing with the investment in bespoke, negotiated securitisations, as well as public securitisations in non-EU jurisdictions. Clarification of these definitions is of significant concern not just to sell-side parties in EU jurisdictions, but also to global securitisation investors, who are assessing EU securitisations (both public and private) alongside securitisation transactions offered by originators in non-EU jurisdictions. We believe that greater clarity in these areas is essential to the appropriate tailoring of a pragmatic disclosure regime, which may otherwise fail to provide the desired clarity and efficiencies to the market.

Assessing Annex XVI from the context of information which a global investor would expect to receive in a private securitisation, we can see that this addresses a number of static data points

which would be dealt with in initial assessment (“teaser” or termsheet stage) and/or in the contractual documentation for a transaction:

- the information in Tables 1, 3, 4, 6 and 8 would be contained predominantly in contractual documentation (with specific representations in respect of Article 6 compliance in the case of Table 8);
- the information in Table 2 we would expect to see covered in detailed periodic reporting, noting that nuances of underlying asset classes may require very specific disclosure which Table 2 does not address);
- Table 7 sets out a helpful template for stratified information, which investors would expect to see as a minimum, but would want to ensure covers nuances of the originator/sponsor’s business, and also of the relevant asset class;
- the information in Table 9 is operational and we would expect to see this in clearing systems/other operational platforms (with the exception of Article 6 risk retention information, in respect of which we would expect to see contractual representations as noted above); and
- the information in Table 10 is again something we would expect to see reflect in contracts.

As such, for an investor assessing a private securitisation, Annex XVI does provide a summary that may have utility. However, investors in private securitisations would expect to be prescriptive in negotiations with an originator or sponsor in order to structure a disclosure package that serves the requirements of the investor to understand the transaction they are investing in. Given this fact, the proposed “one size fits all” approach set out in Annex XVI is unlikely to meet **investor** requirements in practice, particularly taking into consideration a broad cross-section of private securitisations.

With this said, we agree with the proposal set out in the Consultation Paper to the extent it serves sell-side parties and SRs as a supervisory tool and would recommend that it is implemented as such, with the following considerations:

- Removal of requirement for disclosure of granular data appears to be a positive proposal for sell-side parties in the supervisory context. We believe however that the requirement for investors in private securitisations to conduct substantive and proportionate due diligence in order to understand investments, and to work with originators, sponsors and original lenders to that end, may mean that in some cases granular data is provided on a bilateral basis. As such, the proposed template of Annex XVI may be helpful to SRs, but in a transactional context will not serve the needs of investors; Annex XVI should therefore not be held out as a replacement

for the negotiation and structuring as between the sell-side and buy-side parties, but rather as a supervisory requirement. Disclosures addressing investors' needs should not follow a prescriptive format or template, but rather – in line with our comments above – be tailored individually to the needs of a given investor in the context of a specific transaction.

- The obligation for sell-side parties in private securitisations to provide full public disclosure templates “upon request” of supervisors (and investors), as set out in paragraph 4.2 (22) of the CP, will introduce uncertainty to the execution process for transactions, ultimately making private securitisations more difficult to achieve for sell-side parties in the EU. The proposal therefore does not in our view meaningfully reduce the cost and burden of regulatory compliance.

<ESMA_QUESTION_PRSE_1>

Q2 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 understand the aim of this consultation as being to improve the liquidity and executability of private securitisations for any sell-side party to a transaction. Whilst this will (a) serve the purposes of EU supervisor(s), and (b) reduce the burden of the current disclosure template regime for sell-side parties in a supervisory context, as noted above investor needs are not appropriately reflected in the proposed disclosure regime and, accordingly, this facet of the disclosure framework will remain outside of the solution set forth in the Consultation Paper as an additional layer of disclosure requirements falling on sell-side parties.

Viewed through this lens, it is apparent that this complex and labour-intensive set of regulatory requirements places a disproportionate burden on European sell-side parties, which is absent in other jurisdictions boasting an efficient and prominent securitisation market. This creates the risk, firstly, that EU sell-side parties will remain uncompetitive on the global arena, and secondly that investors will not be supplied with substantive and proportionate information for their assessment of a transaction.

In addition, the proposal set forth in the Consultation Paper does not address the significant concern for global investors with EU investment vehicles that investment in non-EU securitisation will be prevented where a disclosure template proscribed by ESMA is not prepared. In our view, this concern should be addressed in the consultation paper in order to ensure that EU investors may benefit from fulsome global investment strategies that may also envisage investment in securitisations originated outside of the EU. Related to this, we are of the view that strengthening EU

securitisation markets should be viewed through a broad lens, and as such the ability of EU investors to invest in non-EU securitisation should be seen as conducive to building stronger capital markets in the EU.

<ESMA_QUESTION_PRSE_2>

Q3 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>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_PRSE_3>

Q4 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>

Q5 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>

Q6 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>

Q7 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>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_PRSE_7>

Q8 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>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_PRSE_8>

Q9 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>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_PRSE_9>

Q10 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>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_PRSE_10>

Q11 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>

Q12 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>

Q13 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>

Q14 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>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_PRSE_14>

Q15 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>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_PRSE_15>

Q16 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>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_PRSE_16>

Q17 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>

Q18 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>

Q19 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>

Q20 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>

Q21 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>

Q22 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>

Q23 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>

Q24 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>

Q25 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>

Q26 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>

Q27 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>

Q28 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>

We support, in principle, the efforts of ESMA to introduce a simplification to the disclosure regime that distinguishes between public and private securitisations. However, we refer to our comments in Qs.1 and 2, where we discuss in more detail that the proposed Annex XVI will be of limited use to investors, and reiterate that investors require, in the context of private securitisations, the ability to (i) engage with sell-side parties to carry out due diligence, and (ii) rely upon periodic investor reporting, which should in each case be aligned to their risk appetite, as well as the profile and characteristics of the transaction in question. This transparency exercise, undertaken with originators and sponsors for each proposed transaction, is crucial to ensuring that investors gain sufficient comfort that they will be able to meet their regulatory and investment objectives (which can, in some instances, be highly complex – see for instance the granular requirements for investment by UCITS), enshrine the same in contractual documentation, and price transactions accordingly.

<ESMA_QUESTION_PRSE_28>

Q29 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>