

ESMA consults on securitisation requirements

The European Securities and Markets Authority (ESMA) has published three consultation papers on draft technical standards implementing the Securitisation Regulation (SR). The Regulation establishes a general framework for securitisation and creates a specific framework for simple, transparent and standardised (STS) securitisation. Securitisations are transactions that enable a credit institution or a corporation to refinance assets, such as loans, by transforming them into tradable securities.

The Regulation requires certain information to be reported about securitisations to repositories, including details of their underlying exposures, details of the securitisation structure itself, and information on the securitisation cash flows. The securitisation repositories will be registered and supervised by ESMA. In addition, securitisations seeking to be designated as STS must fulfil additional criteria and notify ESMA of their fulfilment of these criteria. Finally, third party entities may seek to be authorised by a national competent authority to assess the compliance of securitisations with the STS criteria.

The Securitisation Regulation includes a number of mandates for ESMA to draft technical standards on these provisions. Accordingly, ESMA's just-published consultation papers seek stakeholder views on:

1. The contents and format of underlying exposures and investor report templates, which aim to meet the Securitisation Regulation's reporting requirements;
2. The operational standards for providing these reports to securitisation repositories, and the operational standards for accessing this information from securitisation repositories. Moreover, the specific conditions for the entities specified in the Regulation to access information from securitisation repositories;
3. The contents and format of the notification to ESMA of a securitisation's STS status; and
4. The application requirements for third party entities seeking to be authorised as providers of STS verification services.

Next steps

ESMA, in order to facilitate the provision of feedback, has made available flexible-format versions of the proposed reporting templates on its [website](#).

The consultation is open for feedback until 19 March 2018. ESMA will use the feedback received to help finalise its draft technical standards, and expects to publish a final report in July 2018 (for the STS notification and third party application requirements) and by the end of 2018 (for the reporting requirements and operational standards/access conditions).