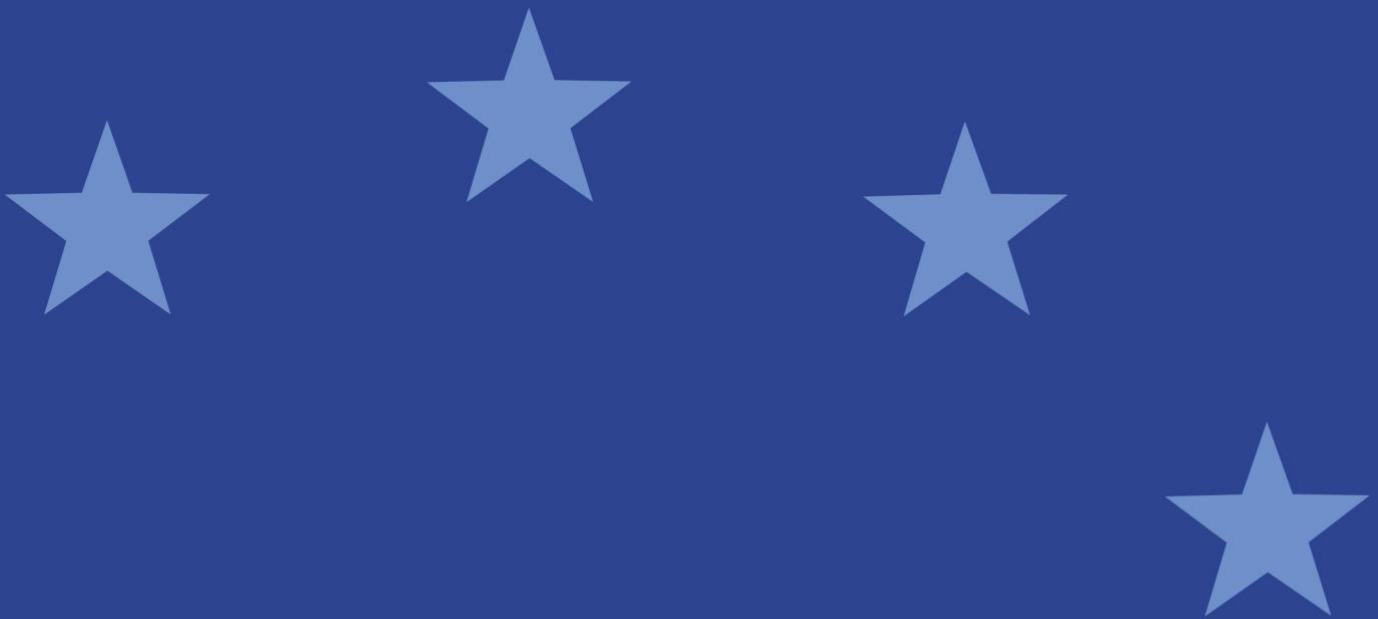




European Securities and
Markets Authority

Response form for the Consultation Paper on Technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation



Responding to this paper

ESMA invites responses to the questions set out throughout its Consultation Paper on Draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation (ESMA33-128-107). Responses are most helpful if they:

- respond to the question stated;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all responses received by 19 March 2018.

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 the present response form.
- Please do not remove tags of the type <ESMA_QUESTION_DOS_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 response, name your response form according to the following convention: ESMA_DOS_nameofrespondent_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA_DOS_ABCD_RESPONSEFORM.
- Upload the form containing your responses, **in Word format**, to ESMA’s website (www.esma.europa.eu under the heading “Your input – Open consultations” → “Consultation on Draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation”).

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. **Please clearly indicate by ticking the appropriate checkbox on the website submission page if you do not wish your contribution to be publicly disclosed.** 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 heading “Data protection”.

Who should read the Consultation Paper

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



General information about respondent

Name of the company / organisation	Association for Financial Markets in Europe
Activity	Other Financial service providers
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	Europe

Introduction

Please make your introductory comments below, if any:

<ESMA_COMMENT_DOS_1>

On behalf of the Association for Financial Markets in Europe ("AFME")¹ and its members, we welcome the opportunity to respond to the consultation paper (the "CP") on the draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation (collectively, the "Draft TS") published by the European Securities and Markets Authority ("ESMA") published on 19 December 2017.

Our response first raises nine general comments prompted by our review of the CP and then goes on to answer the questions posed by the CP.

General comments

1. AFME members would like to express their support and appreciation for ESMA's general approach of starting from existing templates (the ECB and Article 8b templates) in developing templates to be appended to the Draft TS. A great deal of effort on the part of regulators, the ECB and market participants went into the development of those templates and into adjusting to the disclosure obligations embodied therein. Although the proposed changes to disclosure requirements would require significant systems adjustment on the part of originators, it is helpful to limit this disruption to the extent possible by leveraging off of the work already done.
2. We expand on this point below in our response to Question 16, but it is important that ESMA and the other European Supervisory Authorities appreciate the extent of the time, effort and cost associated with changes to reporting requirements, especially where loan-level or exposure-level reporting is concerned. Not only do underwriting processes often need to be changed to request the newly-required information from underlying obligors (itself often not practicable with respect to legacy assets), but legacy reporting systems need to be adapted to collect that information, validate it and feed it into existing reporting

¹ AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. We advocate stable, competitive, sustainable European financial markets that support economic growth and benefit society.

AFME is the European member of the Global Financial Markets Association (GFMA) a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) in Asia. AFME is listed on the EU Register of Interest Representatives, registration number 6511006398676.

processes in the required format. This is especially challenging in respect of highly granular consumer asset pools (because of the number of data points involved) and in respect of long-dated assets (because of the difficulties with acquiring additional information in respect of assets that were originated many years prior to securitisation).

3. Thirdly, and connected to our second point, AFME members would urge ESMA to proceed in the development and adoption of the Draft TS with all deliberate speed. Beyond simply providing certainty as to the future requirements as early as possible (as to which see our comments on adaptation time at point 2 above), it is essential to avoid the interim application of the RTS made under Article 8b of the Credit Rating Agencies Regulation pursuant to Article 43(8) of the Securitisation Regulation. If the RTS made under Article 8b apply even for a short time, then all of the work required described at point 2 above will need to be done twice, an outcome that would involve a great deal of effort and cost and which would be of no practical benefit to anyone.
4. AFME members would also like to emphasise their agreement with ESMA's approach with respect to private transactions as embodied in recital (3) of the draft RTS on securitisation disclosure requirements. We are of the view that this is a sensible approach that takes due account of the commercial realities and remains consistent with both the letter and the spirit of the treatment of private securitisations set out in Article 7(2) of the Securitisation Regulation. We would note, however, that ABCP transactions are very often private transactions. Likewise, ABCP programmes are very often private transactions. Thus, there seems to be some tension in the Draft TS which say both that ABCP transactions and ABCP programmes (both of which are usually private securitisations) are outside the scope of the Draft TS yet also specifically contemplates them. AFME members would therefore recommend amending recital (3) to clarify this point as follows:

"Pursuant to Article 7 of the Securitisation Regulation, the reporting templates do not apply to securitisations **(whether ABCP securitisations or non-ABCP securitisations)** where no prospectus has to be drawn up in compliance with Directive 2003/71/EC (often referred to as 'private securitisations').

5. A large number of the data fields, and the Draft TS more generally make a basic assumption that the originator of an underlying exposure will be a bank. A good example of this is the inclusion of risk-related fields in the disclosure templates that assume not only an originator which is a bank in general, but specifically an IRB bank. This basic assumption is unhelpful for any non-bank (or indeed any bank that is not an IRB bank) attempting to finance its loans via securitisation. Given that reducing the European economy's reliance on bank finance is a principal objective of Capital Markets Union, it seems to AFME members that it is necessary to design the disclosure obligations detailed in the Draft TS so that they work well for both bank and non-bank originators. Even today the basic assumption that the originator is a bank is not always correct. For example, even where the original lender of an exposure is a bank, portfolios are often sold to non-bank

financial investors who use securitisation techniques to finance the acquisition of the portfolio. That non-bank financial investor would then serve as the "originator" for securitisation purposes. Another example is that the originators of e.g. trade receivables will almost invariably be non-banks. AFME members would urge ESMA to review the Draft TS in their entirety to ensure that they will operate correctly for all types of originators, regardless of whether they are banks, other types of regulated entity or corporates.

6. There is a requirement under the second subparagraph of Article 7(1) of the Securitisation Regulation that the "information described in points (b), (c) and (d) of the first subparagraph shall be made available before pricing." Curiously, this requirement is apparently more onerous than the equivalent requirements relating to STS transactions in Article 22(5) to make the information in points (b) and (d) "available before pricing at least in draft or initial form". AFME members would be extremely grateful if ESMA would clarify in its technical standards eventually adopted that the requirement for information before pricing under the second subparagraph of Article 7(1) can similarly be satisfied by the provision of that information in draft or initial form.
7. A further aspect of Article 7(1)(b) of the Securitisation Regulation is that the requirement to disclose transaction documents thereunder can be satisfied by disclosing versions of those documents with certain sensitive information redacted. Such sensitive information might include bank account details, individuals' contact details, signatures or fee amounts where such fee amounts are not "essential for the understanding of the transaction" because e.g. they are not paid directly or indirectly by investors in the transaction. This approach is consistent with e.g. the requirements for transaction document disclosure currently imposed by the Bank of England in connection with its collateral eligibility rules.
8. Although previously raised by AFME and various AFME members, we would note once again the importance of resolving the difficulties presented by Article 14 of the Capital Requirements Regulation as amended by Article 1(11) of the CRR Amending Regulation (Regulation (EU) 2017/2401). It is inappropriate to impose the disclosure obligations on consolidated entities outside the EU, just as it is inappropriate to do so with respect to the direct retention obligations, the ban on resecuritisations and much else besides in Chapter 2 of the Securitisation Regulation. Doing so would give rise to significant unlevel playing field issues for EU banking groups undertaking securitisations in third countries and without an EU nexus other than the involvement of a group entity of an EU-established parent. We understand that this is not the policy intention; indeed today an exemption exists for consolidated entities of EU banks outside the EU. A fuller discussion of this important issue is available from AFME on request.
9. Finally, AFME members would urge ESMA to clarify the jurisdictional scope of the disclosure obligations in the final technical standards relating to disclosure obligations. A number of references (in particular, the inclusion of the words "where applicable" in



Article 5(1)(e) relating to due diligence requirements and the absence of a competent authority to supervise compliance with Article 7 for third country originators, sponsors or original lenders) indirectly indicate that the intended policy position for Article 7 obligations is that they should apply only in respect of EU-established entities. We believe it is reasonable that market participants be provided with clarity on an issue as fundamental as the jurisdictional scope of the basic disclosure obligations provided for in the Securitisation Regulation. We would therefore urge ESMA to make explicit in the technical standards the policy choice that is implicit in the level 1 text.

<ESMA_COMMENT_DOS_1>

Q 1: Do you agree with ESMA's initial views on the possibility of developing standardised underlying exposures templates for, respectively, CDOs and "rare and idiosyncratic underlying exposures"? If you perceive a need to develop one or all of these underlying exposure templates, please explain in detail the desirable consequences that this would have. As regards CDOs, if you are in favour of developing a dedicated template, then please also indicate whether 'managed CLOs' and 'balance sheet CLOs' should be dealt with under the same template or separately under different templates.

<ESMA_QUESTION_DOS_1>

As an initial matter, AFME members agree strongly with ESMA's conclusion that there is no need to develop a disclosure template for whole business securitisations ("**WBS**"). We agree with the conclusion, but for very different reasons to the ones set out in the CP. In particular, WBS transactions – although they are called "securitisations" in (now somewhat dated) market vernacular – are not normally securitisations in regulatory terms. They are in fact, tranching, secured corporate debt. Accordingly, and to reduce precisely this kind of confusion, these transactions have increasingly been referred to as "secured corporate" transactions rather than WBS over recent years.

In respect of CDOs, these transactions have all but disappeared from European securitisation markets. So while AFME members have no particular objection to the development of templates to cover these, they are also not a high on the priority list of AFME members.

Managed CLOs, however, are another matter. There is a vibrant market in managed CLOs and these are an important source of funding for the real economy in Europe via their investments in the corporate and leveraged loan market. While AFME does not have a principal focus in this area, AFME members believe strongly that care should be taken by ESMA to develop appropriate standards (including disclosure templates) that take into account the particular needs of such transactions and the market they operate in.

Regarding the "rare and idiosyncratic underlying exposures" template it is unclear to AFME members how the development of this template would assist with transparency or standardisation. It is unclear what disclosure fields would or could be required beyond the basic information set out in paragraph 30 of the CP that would be required of any securitisation that does not fall within one of the asset classes for which a template has been developed.

As a separate but related point AFME members do however believe it is essential that some means of complying with Article 7 be developed for transactions in respect of which none of the existing reporting templates would apply. Indeed, providing a route to compliance for such transactions would appear to be the only way to ensure that the disclosure obligations under the Securitisation Regulation are flexible enough not so much to incorporate "rare and idiosyncratic underlying exposures" but to allow room for normal evolutions and allow for future innovation in the securitisation markets.

<ESMA_QUESTION_DOS_1>

Q 2: Do you agree that ESMA should specify a set of underlying exposure disclosure requirements and templates for NPL securitisations, among the set of templates it will propose to the Commission? If so, do you agree that the draft EBA NPL exposures templates could be used for this purpose? Are there additional features (excluding investor report information, discussed in



section 2.1.4 below) that are pertinent to the securitisation of NPL exposures that would need to be reflected or adjusted, in relation to the draft EBA NPL exposures templates?

<ESMA_QUESTION_DOS_1>

AFME members agree that it would be helpful to have separate templates for NPL exposures. However, the EBA templates for NPL exposures are extremely detailed to the extent of being impractical. This is especially important in the context of a regulatory requirement to report using these templates.

Should ESMA choose to develop additional templates for NPL securitisation transactions, AFME and its members would be pleased to engage with ESMA on the appropriate modifications to existing templates to reflect the particular needs of investors in the NPL market and the information that is practical for originators and sponsors of NPL securitisations to provide.

<ESMA_QUESTION_DOS_1>

Q 3: Do you have any comments on the loan/lease-level of granularity for non-ABCP securitisations? If so, please explain, taking into account the due diligence, supervisory, monitoring, and other needs and obligations of the entities discussed above.

<ESMA_QUESTION_DOS_1>

In general AFME members are supportive of the requirement to provide loan-level data. We agree that appropriate and sensible transparency is the foundation for a market that functions effectively and efficiently, allowing investors to price and take on risk appropriate to their business models and appetites.

That said, AFME members would draw ESMA's attention to certain practical matters relating to providing the kinds of loan-level data contemplated by the CP.

- Although the majority of fields align with existing ECB templates, there are a number of extra fields. While these may be possible to source, the level of coverage is highly unlikely to be 100% – certainly at first. A certain number of the additional fields will be able to be accommodated by existing systems, but systems constraints may prevent certain others from being collected or reported at all, meaning the constraint may not be resolvable at all short of a complete systems overhaul or replacement.
- Some AFME members will have difficulty with sub-account level reporting whilst others have commented that they prefer sub-account level reporting. In any case, AFME members are agreed that clarity is needed about the level of reporting required and, where information is to be provided as at origination, it will be necessary to clarify whether information for sub-loans should replicate the main loan information or whether this information should be marked as ND5.
- While CMBS investors should of course be provided with all materially relevant information to allow them to determine the credit quality and cash flow characteristics of the pool, full tenant-by-tenant information on all tenants is not necessary to fulfil that objective. The current practice of providing this information on the top three tenants is sufficient in order to

achieve that objective and represents the best balance between the imposition of onerous disclosure obligations and the need to ensure investors have sufficient information to make well-informed decisions. Moreover, the provision of tenant-level information for all tenants in respect of CMBS is impractical and runs counter to the general policy of encouraging the use of securitisation as an alternative to bank funding.

- Unlike most asset classes where loan-by-loan information can be provided by someone directly involved in the securitisation (e.g. the originator and/or servicer), the tenant-by-tenant information on a commercial real estate loan would need to be provided by the loan obligor (and landlord on the leases), who is not typically involved in any CMBS deal in which the loan is included and has no particular incentive to facilitate the securitisation. The collection of any necessary information to meet the originator's disclosure obligations under the securitisation therefore needs to be facilitated via imposing mirroring information covenants on the loan obligor in the underlying loan documentation. Such loan obligors may as a result apply pressure to lenders to fund their loans via syndication instead of securitisation because such detail is not required if banks fund CRE loans by syndication – an outcome that would tend to increase reliance on bank funding, not decrease it.

<ESMA_QUESTION_DOS_1>

Q 4: Do you find these risk-related fields proposed in the draft templates useful? Do you see connections between them and the calculation of capital requirements under the SEC-IRBA approach provided for in the CRR?

<ESMA_QUESTION_DOS_1>

Please see our general point 5 above.

AFME members strongly object to the inclusion of mandatory risk-related fields in the data templates. This is in part because their inclusion assumes that the original lender is an IRB bank. It is also because, unlike most loan-level data, PDs and LGDs are essentially just figures that represent the opinion of the original lending bank, and not any immutable, objective fact relating to the underlying exposure. While PDs and LGDs are generated by sophisticated risk models approved by the bank's regulator, they remain subjective assessments of a particular creditor and thus not fundamental to third party investors' assessment of creditworthiness in the same way as objectively verifiable data such as exposure amount, borrower income or collateral type.

Further, the mandatory disclosure in particular of PD and LGD fields is highly problematic because it would force banks and other lenders to disclose what is in some cases competitively sensitive information allowing their peers to reverse-engineer their proprietary risk and underwriting models in a manner that is potentially contrary to EU competition law. While it is correct that PDs and LGDs are on occasion disclosed at the moment, this is on an entirely voluntary basis, allowing IRB banks to choose whether to do so on a case-by-case basis. Those decisions are made based on a careful weighing up of the competitive sensitivity of the disclosures, and the potential benefits and drawbacks for themselves, for underlying obligors and for investors. A few of the relevant considerations are as follows:

- To the extent that there are a large number of individual underlying exposures, it is more likely that the large amount of loan-level data taken together with corresponding individual PDs and LGDs could permit a competitor to reverse engineer the original lender's proprietary credit underwriting/scoring processes.
- The extent to which there is overlap between the factors taken into account by the original lender in its credit underwriting processes and the loan-level data to be disclosed will also have a significant effect on the ability of third parties to reverse-engineer the original lender's proprietary credit underwriting/scoring processes. A large degree of overlap makes this easier, whereas a small degree of overlap makes it more difficult.
- Where there are a small number of underlying exposures (especially for CMBS, or corporate loan securitisations), the pools are often not blind pools (i.e. pools where investors do not know the identity of the underlying obligors). Investors (and, indeed, potential investors and often others in the market) are aware of the identities of the particular underlying borrowers. In these cases, the disclosure of individual PDs and LGDs assigned by the original lending bank would be very sensitive in that disclosure would have a direct effect on the relationship between the original lending bank and the borrower. It would also potentially be price-sensitive information in respect of that borrower where the borrower has issued publicly-traded, listed securities. The implications of such disclosure are serious and the difficulties associated with disclosing such information are potentially extremely difficult to manage.
- Partly because of the sensitivity of PDs and LGDs, original lenders are often restricted by confidentiality clauses in the contracts giving rise to the underlying exposures from disclosing particular information in relation to the loan. The extent of these confidentiality obligations varies widely, but requiring the disclosure of PDs and LGDs would increase rather than reduce reliance of the European economy on bank finance by preventing the financing of many loans via securitisation.
- Where a bank original lender is able to conclude legal/contractual considerations do not pose an absolute bar to disclosing individual PDs and LGDs, there are commercial considerations to weigh up. In some cases, there may be advantages to disclosing PDs and LGDs, such as better pricing due to improved capital-adjusted returns for investing banks able to use the IRBA to risk-weight their investment in the securitisation but this potential for improved pricing may not be sufficient to run the risks associated with disclosing individual PDs and LGDs.

Taking all the above into account, AFME members would strongly urge ESMA not to make disclosure of risk-related fields mandatory. Instead, such disclosure should be made optional in order to allow transaction parties to assess where the balance of the above (and other) factors lies on a transaction by transaction basis. There should also be an option (where loan-by-loan risk-related fields are not disclosed) to disclose, where appropriate, a weighted average PD and LGD for the asset pool as a whole.

<ESMA_QUESTION_DOS_1>

Q 5: Do you have any views on the contents of the non-ABCP securitisation underlying exposure requirements found in the templates in Annexes 2 to 8 in the ITS (located in Annex V to this consultation paper)?

<ESMA_QUESTION_DOS_1>

Residential mortgages

RESL4: this is not currently available in some AFME members systems. Some AFME members have concerns about their systems' ability to generate it in such a way as to allow identification of an obligor with loans against more than one property in the portfolio.

RESL8: It is not clear whether this should be the gross income recorded on the originator's system or the value of income used to underwrite the loan. Please clarify.

RESL10: Please can ESMA clarify whether this is the currency in which the obligor is paid or the currency in which the income is recorded on the originator's systems.

RESL11: As with RESL8, it is not clear whether this should be the gross income recorded on the originator's system or the value of income used to underwrite the loan. Please clarify.

RESL14: Could ESMA please clarify the level 1 text used to define this field? For example, "adverse credit history" could mean a single missed/late payment, but surely this should not result in an obligor being "credit-impaired" especially if immaterial/quickly corrected. Also, may be particularly difficult to source this information for legacy assets as the relevant questions may not have been asked at the time of origination or, if they were, may not have covered the full 3-year timeframe.

RESL16: This is not a field with a "yes" or "no" answer, so it should not have a {Y/N} field format. Furthermore, some AFME members' systems are not capable of recognising mortgages extended to group employees where no special concessionary rate has been applied. Suggest adjusting the field definitions to specify situations where employee rates/other conditions apply vs. situations where they do not.

RESL22: Can ESMA please clarify whether this is the appropriate field to record payment holidays and arrears arrangements?

RESL23: Can ESMA please clarify what is meant by this field in its final report. More particularly, does this refer to mortgages with a guarantor (thus, amount of the guarantee benefiting the originator) or does it refer to the amount of loan (e.g. flexi advance loans) guaranteed to the customer to be advanced?

RESL27: Is this listed as a dynamic field because it is expected this will change in the month of redemption? Could ESMA please clarify?

RESL38: This field should be dynamic (cf. RESL37).

RESL42: Is this intended only to cover rates that are capped on a transaction-specific basis or does it extend to variable rates that have generally-applicable caps (e.g. caps on the standard variable rate). Please could ESMA clarify?

RESL59: This is in general information that AFME members will not hold in respect of residential mortgages because it is not required for underwriting. We understand that it is a requirement only for STS securitisations, but it would be helpful if ESMA could clarify what steps (if any) securitisation parties would be expected to take in order to source this information. Does it only need to be reported if it is held on lender/servicer systems or would they be expected to source it (e.g. from third parties).

RESL70: Is this field relevant solely for interest-only accounts or does it apply to repayment mortgages as well? Can ESMA please clarify?

RESL71: This information may not be available especially with respect to legacy assets as it will not always have been collected, especially when lenders relied on contractual provisions obliging the obligor to ensure that appropriate arrangements for prepayment were in place.

RESL74: Presumably this field is mainly to ensure that the requirement of Article 20(12) has been met in respect of an STS securitisation. Would it not therefore be more appropriate to turn this into a { Y/N } field to confirm that at least one payment had been made before securitisation? Also, this field should not change after a loan is securitised, so should this not be a static field, rather than a dynamic field?

RESL74-RESL81: Some AFME members cannot readily source prepayment data from their securitisation systems. Including this would be problematic for such members. At the moment, prepayment data is reported on an aggregate level. We would argue that having this information at the pool level is sufficient.

RESL81: Would the prepayment fee need to be reported even where any applicable prepayment fee would not belong to the securitisation?

Commercial Real Estate

COMML6: Contrary to the description, this field may change during the life of the securitisation if the servicer changes for any reason.

COMML18: AFME members are confused about why this would be the shortest extension. Should it not be any extension available?

COMML30: This field is not a static field necessarily as subordinated debt can trade in the secondary market. There may also be multiple subordinated debt holders. It seems the more commercially relevant thing to ask is whether there is any non-disenfranchised subordinated debt holder who is an affiliate of the obligor.

COMML31: Without further definition (e.g. what is material in this case) this is not a question for which it is practical to answer yes or no. AFME members would request this field be deleted.



COMML33: Noteholder meetings are not regularly scheduled. Rather, they are event-driven and typically convened at relatively short notice (e.g. 30 days). Including this information in loan-level data updated every quarter is not practical or sensible. Please delete.

COMML59: This is insufficiently clear. Different types of decisions will have different decision-making thresholds even within a single loan (e.g. some decisions require unanimity, some a 2/3 majority and some a simple majority). There may be no entity with a "majority" however defined. In any case, this information is often not available to the reporting entity and is subject to frequent change as a result of secondary trading of the debt. Even where this information is available (e.g. to the loan facility agent), it will often be confidential. Please delete.

COMML60: See comments on COMML59.

COMML61: As with COMML31.

COMML74: This should be a static field.

COMML102-105: This information is competitively sensitive and unnecessary for investors. It should be made optional. See our answer to Question 4.

COMML106: AFME members are concerned that originators will not be in a position to estimate final losses before allocated on behalf of other market participants. This is highly speculative, subjective and variable. It is not acceptable for one market participant to be expected to make such an estimate on behalf of others. We would request that references to estimates in this field be deleted.

COMML145: For the avoidance of doubt, AFME members are interpreting this as a field that needs reporting in the case any actual payment needs to be made. It should not be a theoretical number based on a hypothetical payment.

COMML188: This information is already available as part of the reports filed on earlier reporting dates. Duplication is inefficient.

COMML189: As with COMML106.

COMMC31: Unclear why this is collateral-level information. In any case, this information is already provided at COMML12. Please delete.

COMMC39 and COMMC40: This information would more appropriately be reported at loan level rather than collateral level. Please amend accordingly.

COMMT3 and COMMT6: This information is usually not available, in particular for granular pools. Please delete.

Auto Loans and Leases

AUTOL7: Some jurisdictions prohibit banks from maintaining information about debtors having been subject to a restructuring process or other financial difficulties after those problems have been resolved. This would make it impossible for originators in such jurisdictions to record or report such issues.



AUTOL8-AUTOL11: This information is competitively sensitive and unnecessary for investors. It should be made optional. See our answer to Question 4.

AUTOL35 and AUTOL36: As with RESL59.

AUTOL54-AUTOL63: There are very significant challenges to reporting cumulative prepayments since contract origination. Please consider amending these fields to permit reporting of prepayments since the relevant securitisation cut-off date instead. Note also that AUTOL56 and AUTOL58 appear to be identical so one of them should be eliminated.

Credit Card Receivables

CREDL8-CREDL11: This information is competitively sensitive and unnecessary for investors. It should be made optional. See our answer to Question 4.

CREDL18: NUTS3 2008 does not seem to be available and is used by some AFME members. It would be helpful if this could be included on the list of available options.

CREDL22: As with RESL14.

CREDL28: As with RESL16.

CREDL31: As with RESL83.

<ESMA_QUESTION_DOS_1>

Q 6: Do you agree with the reporting of ABCP underlying exposures to be segmented at the transaction level?

<ESMA_QUESTION_DOS_1>

Where the sponsor is the reporting entity, it should only be necessary to produce transaction-by-transaction data for the purposes of Article 7(1)(a) if requested to do so by the competent authority. Otherwise, the fourth paragraph of Article 7(1) allows information described in 7(1)(a) to be provided in aggregate form. Where information is provided in aggregate form, the information should be of a type which is relevant to all the transactions in ABCP programme so as to ensure it is capable of being understood and read on an aggregate programme-wide basis by investors and potential investors. While it will be helpful to set-out aggregate figures per-exposure type (as is typically market-practice for ABCP programmes at the moment) the data points for those aggregate figures should be capable of being read and compared on an aggregate basis. Data points for this aggregate information should therefore only be included to the extent they are relevant across all the possible exposure-types in an ABCP programme.

<ESMA_QUESTION_DOS_1>

Q 7: Do you have any views on the contents of the ABCP securitisation underlying exposure requirements, found in the template located in Annex 9 in the ITS (Annex V to this consultation paper)?



<ESMA_QUESTION_DOS_1>

Generally, see the answer to question 6, above.

- INVALID9, INVALID10 and INVALID12-INVALID18: Delete – these are too detailed for "aggregate" reporting.
- INVALID21: Delete – this is unlikely to be possible to report using this definition. There will, most likely, be transaction specific definitions of default.
- INVALID22: Delete – too detailed for "aggregate" reporting and may not be relevant for a lot of exposure types.
- INVALID23-INVALID34: Too detailed for "aggregate" reporting. Consider having a single line with any Article 24(9)(a) exposures (i.e., those temporarily not in compliance with Article 24(9)(a)). The second paragraph of Article 26(1) does not require this to be split into the sub-components of Article 24(9)(a).
- INVALID43- INVALID49: Delete – too detailed for "aggregate" reporting and may not be relevant for a lot of exposure types.
- INVALID51-INVALID59: These will be irrelevant for many exposures types in ABCP conduits. To be deleted from Annex 9 as too much detail for "aggregate" exposure and they can be provided on a transaction-by-transaction basis to competent authorities if required.

<ESMA_QUESTION_DOS_1>

Q 8: Do you agree with the proposed reporting arrangements for inactive exposures? If you prefer the alternative (i.e. require all inactive exposures to continue to be reported over the lifetime of the securitisation), please provide further evidence of why the envisaged arrangement is not preferred.

<ESMA_QUESTION_DOS_1>

AFME members currently approach the reporting of inactive exposures in different fashions. Some include inactive exposures throughout the life of the transaction and some report them for one period (i.e. on the submission date immediately following their becoming inactive) and then drop them from loan-by-loan reporting.

As a whole, bank members of AFME see no value in standardising the approach to reporting inactive exposures. They therefore oppose such standardisation on the basis that it would require difficult and costly adaptations to existing systems that are currently well-understood and easily analysed by investors. Investor members of AFME agree in that they see no need to standardise the reporting of inactive exposures in this manner.

<ESMA_QUESTION_DOS_1>

Q 9: Do you have any views on these proposed investor report sections? Are there additional fields that should be added? Are there fields that should be adjusted or removed? Please always include field codes when referring to specific fields.

<ESMA_QUESTION_DOS_1>

As a general observation, a number of fields (as noted below) will not be relevant in many instances so it will need to be possible for them to be populated with "Not Applicable".

- INVAS6: This is relevant on a transaction level but not at a programme level.
 - INVAS 7: Not appropriate for programme level report.
 - INVAS8: Please expand "PDL" to read "principal deficiency ledger" for clarity.
 - INVAS10-INVAS18: Will not be applicable for many ABCP programmes.
 - INVAS21: This question is too transaction specific to be included in the programme level report.
-
- INVAT3: This is unlikely to be relevant for most typical STS ABCP programmes.
 - INVAT4 to INVAT11: These are unlikely to be relevant for most typical STS ABCP programmes.
 - INVAN4 and INVAN5: Not appropriate to disclose originator information.
 - INVAN13-INVAN22: These fields do not relate to information which is ever usually relevant in the context of a non-recourse securitisation.
 - INVAN28: include extra options of (4) loan facility and (5) participation agreement.
 - INVAN37-INVAN45: As with INVAS10-INVAS18, these will not be applicable for many ABCP programmes.
 - INVAN 48: This should refer to a maximum funding limit rather than the maximum value of receivables which can be sold.
 - INVAN48-INVAN56: These will not be relevant for most ABCP transactions, especially ABCP conduits that are managed on a "pool funding" basis.

<ESMA_QUESTION_DOS_1>

Q 10: Do you have any views on the 'protection information' and 'issuer collateral information' sections, for synthetic securitisations?

<ESMA_QUESTION_DOS_1>

INVSN3: Protection type should have an option for credit insurance as well. This is not often used but is nonetheless one of the options available and the reporting template should accordingly include it.

INVSN11: The definition of balance sheet synthetics should include the situation where an economic interest in the reference loans is held within the broader consolidated group of the entity that is buying the protection. The current field definition suggests it would only count as a balance sheet synthetic if the protection is bought by the same entity that has the economic interest in the reference loan.

More generally, the "issuer collateral information section" does not seem to be designed to cover cash deposits. It should be adjusted so that it does so.

<ESMA_QUESTION_DOS_1>

Q 11: Synthetic ABCP securitisations have not been observed in Europe—to ESMA's knowledge. However, do you see a need to extend the ABCP securitisation invest report template to cover potential synthetic ABCP securitisations?

<ESMA_QUESTION_DOS_1>

To our knowledge these have not been seen and we do not expect them to be developed in the foreseeable future. AFME members do not see a need to extend the templates to cover the possible development of synthetic ABCP securitisations.

<ESMA_QUESTION_DOS_1>

Q 12: Do you agree with the proposal that ISIN-level information should be provided on the collateral held in a synthetic securitisation using CLNs? If you believe aggregate information should be provided, please explain why and how this would better serve the due diligence and monitoring needs of investors, potential investors, and public bodies listed in Article 17(1) of the Securitisation Regulation.

<ESMA_QUESTION_DOS_1>

AFME members believe that it would be more sensible to provide aggregate information on the collateral held by the issuer. While it would be possible to provide ISIN-level information, this could change day to day so it would only ever be a snapshot that would be outdated almost as soon as it was provided. The information that investors should more appropriately use to perform their diligence would be the information in the transaction documentation that limits the types of collateral that are permitted to be held and the ranges of proportions in which they can be held. The investor reporting documentation should then confirm compliance with these, the specific types of collateral and the current proportions in which those types of collateral are being held. This would balance investors' need for information to perform their due diligence and confirm compliance with transaction documentation on the one hand with the imposition of onerous reporting obligations on the protection buyer on the other hand.

<ESMA_QUESTION_DOS_1>

Q 13: Do you consider it useful to have this static vs. dynamic distinction in the templates?

<ESMA_QUESTION_DOS_1>

In general this seems helpful provided that it is implemented as guidance rather than a rigid rule. It is important that some static fields are capable of being updated as and when needed even if this is on an exceptional basis.

<ESMA_QUESTION_DOS_1>

Q 14: Do you have any views on these 'No data' options? Do you believe additional categories should be introduced? If so, please explain why.

<ESMA_QUESTION_DOS_1>

These ND fields are helpful and cover most of the reasons data might not be available. It is also helpful that these are aligned with the ECB approach. There are four additional "no data" option AFME members would like to see included.

The first is a "no data" option that reflects the existence of a confidentiality requirement preventing the disclosure of the relevant information (or indeed a requirement not to collect/keep such information). Creating such an option would merely reflect the sixth subparagraph of

Article 7(1) that explicitly requires originators, sponsors and SSPEs to "comply with national and Union law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated." As with the example of corporate loan securitisations given in our response to Question 4, there are times when it would not be possible to anonymise information (because, e.g. the pool is not a blind pool) that – as currently contemplated under the Draft TS – would otherwise need to be reported on a loan-by-loan basis. Also, in some jurisdictions, originators are not permitted to keep information on past financial difficulties of individual obligors once those payment difficulties have been resolved, meaning it's impossible for them to supply that data. In such situations where a confidentiality obligation (or obligation to delete data) applies, the data providers would need an option to report that the information has been collected but consistent with the sixth subparagraph of Article 7(1) it cannot be disclosed due to a confidentiality obligation.

The second is where the information has been collected but is believed to be not sufficiently reliable for disclosure. This situation can arise in a number of ways that are perfectly normal in ordinary business practice, and not imprudent. For example, information may be sourced from a third party. Equally, it may be collected from obligors during the origination process, but not be independently verified because the information has no credit relevance or the particular loan can be prudently underwritten without that information in that particular case. Whatever the reason, AFME members believe it is important for originators to have an option to avoid reporting information that is stored on their systems but that they are aware – for whatever reason – may not be sufficiently reliable for disclosure.

The third ND field that AFME members would like to see added is a "no data" field designated for use by secondary purchasers of securitised assets or "limb (b) originators". This would be a field for use when the data is not available because it was not provided by/available from the original lender. Acquirers of assets intending to securitise them are required under Article 9(3) of the Securitisation Regulation to verify that the original lender applied the same sound and well-defined criteria for credit granting as it applied for non-securitised assets. It does not follow from that obligation that the original lender will necessarily have collected all of the information required by the disclosure templates proposed as annexes to the Draft TS. It is therefore possible that although sound and well-defined credit granting criteria have been applied, and although the limb (b) originator has fulfilled its obligations under Article 9(3) of the Securitisation Regulation, some of the information required under the disclosure annexes will not be available. In such cases, an appropriate ND field should be available to properly reflect the reason the data cannot be provided.

Finally, an ND field is needed for data not available because the assets were originated prior to the date the final technical standards on disclosure come into force. This is required because, absent the final technical standards, originators originating assets will not be able to know what information they need to collect in order to fulfil the requirements of the final technical standards. Data collection and reporting systems are expensive and time-consuming to change, meaning it is not reasonable to expect that these will be modified in line with the Draft TS published alongside the CP. Once assets have been originated, it is often difficult or impossible to collect additional data, as realistically lenders/originators have lost their leverage to extract that information from

borrowers/obligors. Realistically, it may not ever be possible for originators to collect all information required in respect of legacy assets. As these assets mature, the need for this field will fall away, but given that it is not uncommon for securitised assets to have maturities of 25-30 years or more, this is a field that may be needed for some time to come.

<ESMA_QUESTION_DOS_1>

Q 15: Do you have any views on these data cut-off date provisions?

<ESMA_QUESTION_DOS_1>

The data cut-off provisions seem sensible. Coordinating the cut-off dates for the loan-level data and the investor reports is helpful and appropriate. AFME members support this choice. The maximum times between the data cut-off date and the submission date (two months for non-ABCP securitisations and one month for ABCP securitisations) is both workable from the point of view of data providers and still useful for investors.

<ESMA_QUESTION_DOS_1>

Q 16: How much time would you need to implement these disclosure requirements? Do you have views on the date of effect of these disclosure requirements?

<ESMA_QUESTION_DOS_1>

ESMA is exactly right that market participants will struggle to comply with the new RTS and ITS, despite the considerable speed with which ESMA has brought out the CP.

AFME members are grateful to ESMA for flagging this issue and for its readiness to engage in such a manner as to promote a sensible and orderly transition to the new disclosure regime.

Realistically, the RTS and ITS will not be finalised until late 2018 at the very earliest. Even beginning to prepare immediately based on the draft RTS and ITS published with the CP, there will be significant practical challenges in collecting the data necessary to comply. Major lenders (and especially consumer lenders) have complex data collection and reporting systems designed to manage very large quantities of data needed to monitor and properly service thousands of loans simultaneously. Those systems will need to be redesigned and the existing data in some cases re-analysed in order to meet the reporting requirements imposed by the Securitisation Regulation, the RTS and the ITS.

In addition, significant efforts will need to be made to collect data in respect of legacy assets for repeat issuance structures (where the first issuance after 1 January 2019 will trigger reporting obligations in respect of the entire legacy portfolio) and in respect of other legacy structures where the parties hope to apply for an STS designation.

In order to provide sufficient time to adapt to these new requirements, AFME members would suggest a phased compliance approach, whereby originators, sponsors and issuers will be deemed to be in compliance with the disclosure obligations under the Securitisation Regulation provided that they disclose data in respect of their public transactions with no more than the designated proportion of ND1-ND4 fields per the table below:

Date	Maximum proportion of ND1-ND4 fields
01-01-2019 to 30-06-2019	No maximum
01-07-2019 to 31-12-2019	50%
01-01-2020 to 30-06-2020	40%
01-07-2020 to 31-12-2020	30%
01-01-2021 to 30-06-2021	20%
01-07-2021 to 31-12-2021	10%
From 01-01-2022	1%

Setting the rate at 1% from 1 January 2022 onwards is intended to allow a *de minimis* exemption as a reflection of the fact that there will inevitably be some difficulties with data pools of this size and small errors that occur despite a good faith effort to comply should not lead to a conclusion that a transaction is non-compliant, with the severe sanctions (including possible removal of the STS designation) entailed.

Finally, AFME members acknowledge that the suggested phase-in period above is significantly longer than the equivalent phase-in period adopted by the European Central bank when it introduced loan-level data requirements. However, AFME members consider that this longer period is justified by the mandatory nature of the requirements under the Securitisation Regulation and the correspondingly harsh penalties for failure to comply. The consequence for failing to meet the data completeness requirements of the ECB was simply that a particular transaction would no longer be eligible collateral for the ECB's liquidity operations; a significant disadvantage to be sure, but hardly fatal for the institutions involved. By contrast, a failure to comply with the Article 7 obligations under the Securitisation Regulations could potentially lead to serious fines, bans, or public censure under Article 32(2) of the Securitisation Regulation, or even criminal sanctions pursuant to Article 34 of the Securitisation Regulation.

<ESMA_QUESTION_DOS_1>

Q 17: Do you agree with the proposed technical format, ISO 20022, as the format for the proposed template fields? If not, what other reporting format you would propose and what would be the benefits of the alternative approach?

<ESMA_QUESTION_DOS_1>

Yes, AFME members support the proposed format, ISO 20022, as the format for the template fields.

<ESMA_QUESTION_DOS_1>

Q 18: Do you agree with the contents of the item type and code table? Do you have any remarks about a system of item codes being used in this manner?

<ESMA_QUESTION_DOS_1>

Yes, AFME members agree with the proposals.



<ESMA_QUESTION_DOS_1>

Q 19: Do you agree with the proposal to require the use of XML templates for securitisation information collected by securitisation repositories?

<ESMA_QUESTION_DOS_1>

AFME members do not support a mandatory use of the XML format for reporting. There are several new, more efficient formats available, such as JSON, which are more appropriate for sending information to securitisation repositories. The data format in which repositories can collect data from reporting entities should not be too prescriptive and data formats other than XML, such as CSV or XLS should be allowed.

<ESMA_QUESTION_DOS_1>

Q 20: Do you agree with the requirement that securitisation repositories produce unique identifiers that do not change over time?

<ESMA_QUESTION_DOS_1>

As a general matter, AFME members do not consider it necessary or useful that securitisation repositories should assign unique identifiers to each securitisation reported to the repository. All securitisation transactions have unique names and there already exist sufficient ways of identifying securitisation transactions, such as ISIN codes. Therefore, it seems that proposed securitisation identifiers would not provide any additional benefits.

However, if securitisation identifiers were to be applied, AFME members would advocate that master trust transactions should have a single unique identifier.

<ESMA_QUESTION_DOS_1>

Q 21: Do you agree with the usefulness and contents of the end-of-day report?

<ESMA_QUESTION_DOS_1>

AFME members consider it helpful that securitisation repositories should produce and make available a report that captures key elements of all the securitisations recorded by that repository; however, such report should be optional or available upon request of the user rather than "pushed" to users each day. Furthermore, a form of notification, rather than a report would be preferred. AFME members do not consider an end-of-day report, distributed daily to all users of a repository, to be necessary.

<ESMA_QUESTION_DOS_1>

Q 22: Do you agree that securitisation repositories should, at a minimum, offer a secure machine-to-machine connection platform for the users listed in Article 17(1) of the Securitisation Regulation? If not, please explain why and what you would propose instead as a minimum common operational standard.

<ESMA_QUESTION_DOS_1>

AFME members are concerned that a machine-to-machine connection, which usually requires installation of specific software and significant costs attached thereto, will create an additional entry barrier for potential new entrants to the securitisation market. Consequently, AFME members believe that a web-based platform will be a much more widely accessible, efficient and cost-effective method of exchange of information between securitisation repositories and the users.

<ESMA_QUESTION_DOS_1>

Q 23: Do you believe that other channels besides SFTP (such as messaging queue), are more appropriate? If so, please outline your proposal and explain why.

<ESMA_QUESTION_DOS_1>

We consider the web-based portal to be preferred method of information exchange. Please see our response to Question 22.

<ESMA_QUESTION_DOS_1>

Q 24: Do you agree with the available fields for creating ad hoc queries? Are there other fields that you would like to include? Please explain why if so.

<ESMA_QUESTION_DOS_1>

As a general matter AFME members support ESMA's proposal to allow data queries based on any combination of a specific set of fields available and we do not see the need to include any additional fields for creating ad hoc queries.

<ESMA_QUESTION_DOS_1>

Q 25: Do you agree with the deadlines for securitisation repositories to provide information, following a data access query? Please explain if not and provide an alternative proposal and justification.

<ESMA_QUESTION_DOS_1>

AFME members do not have strong views on this question.

<ESMA_QUESTION_DOS_1>

Q 26: Do you agree with the 60 minute deadline for securitisation repositories to validate data access queries and provide a standardised feedback message? Please explain if not and provide an alternative proposal and justification.

<ESMA_QUESTION_DOS_1>

From AFME's investor members point of view a quicker response is preferred, however we appreciate the complexities of certain data access queries may require more time to provide a validation. Therefore, securitisation data repositories are better placed to comment on the above question.

<ESMA_QUESTION_DOS_1>



Q 27: Do you agree with the mandatory use of XML format templates and XML messages? If not, please explain why and please provide another proposal for a standardised template and data exchange medium.

<ESMA_QUESTION_DOS_1>

No. AFME members do not support a mandatory use of XML format templates. Please see our response to Question 19

<ESMA_QUESTION_DOS_1>

Q 28: Do you agree with the use of the ISO 20022 format for all securitisation information made available by securitisation repositories? If not, please explain why and please provide another proposal for a standardised information format.

<ESMA_QUESTION_DOS_1>

Yes, AFME members support the use of ISO 20022 format. Please see our response to Question 17.

<ESMA_QUESTION_DOS_1>

Q 29: Do you agree with the data completeness score provisions? Are there additional features that you would recommend, based on your institution's needs as per the Securitisation Regulation?

<ESMA_QUESTION_DOS_1>

In general, it is helpful that the data completeness scores approach proposed by ESMA is based on the score used by the ECB in its ABS loan-level eligibility requirement. However, AFME members are concerned that there may be instances where data is collected but cannot be provided due to confidentiality obligations. In addition, as mentioned in our response to Question 14, it may be that originators/original lenders have difficulty assessing whether some data is robust enough for public disclosure. AFME members believe that it would be more practical to provide additional "No data options", which would cover the above situations.

Furthermore, AFME members believe that a greater flexibility for reporting for legacy assets should be provided. Where the assets were created before January 2019, the reporting entity should be allowed to opt for ND1 (data not collected as not required by the underwriting criteria) and it should not be counted against the data completeness score.

Please see also our response to Question 16.

<ESMA_QUESTION_DOS_1>

Q 30: Do you agree with the data 'consistency' provisions? Are there additional features that you would recommend be examined?

<ESMA_QUESTION_DOS_1>



AFME members are supportive of the proposal on “data consistency” provisions.

<ESMA_QUESTION_DOS_1>

Q 31: Do you agree that the securitisation repository, in order to verify the “completeness” of the securitisation documentation reported to it, should request written confirmation each year, as described above?

<ESMA_QUESTION_DOS_1>

AFME members consider that an annual confirmation by the reporting entity would be a reasonable way to provide assurance that the relevant documentation has been reported to the securitisation repository. Given that transactions are amended from time to time, an annual confirmation is appropriate in order to ensure that the documentation held by the repository is up to date and complete. However, given the separate requirements for loan-level data provision and investor reporting, it is not appropriate that such confirmation should include the items contemplated at Art. 7(1)(a) or Art. 7(1)(e) of the Securitisation Regulation, each of which has to be submitted quarterly and will be subject to its own separate completeness and consistency checks under Article 5 of the RTS on standards and access. The annual confirmation under Article 6 of the RTS on standards and access should only cover those aspects not subject to Article 5 checks, i.e. the information required to be disclosed under Articles 7(1)(b), (c), (d), (f) and (g) of the Securitisation Regulation. Article 6 of the draft RTS on standards and access should be amended accordingly.

Further, AFME members do not believe it is appropriate that the confirmation should confirm that "the provided documentation is 'consistent'." The reporting entity's duty under the Securitisation Regulation is to make available "all underlying documentation that is essential for the understanding of the transaction, including but not limited to" certain listed documents where applicable. Provided the reporting entity makes such documents available to a securitisation repository (or otherwise in accordance with the requirements of the Securitisation Regulation) its duty has been fulfilled. Reporting entities are not generally in a position to engage in the type of substantive analysis that would be required to confirm consistency. Fortunately, they are not required to (and it is not appropriate to require that they) analyse the contents of those documents for investors or come to any conclusions on their meaning or internal consistency for the benefit of investors, who should take their own legal advice where appropriate.

<ESMA_QUESTION_DOS_1>

Q 32: Do you agree that the securitisation repository should verify the “consistency” of documentation reported under points (b), (c), (d), (f), and the fourth subparagraph of Article 7(1) of the Securitisation Regulation by asking for written confirmation of its “consistency” as part of the same “completeness” confirmation request?

<ESMA_QUESTION_DOS_1>

Consistent with our response to Question 31, we do not believe it is appropriate or helpful to include this confirmation as to consistency. It is not clear exactly what the content of such a confirmation would consist of, but surely the purpose of disclosing the full text of the underlying transaction documents is to allow investors, potential investors and competent authorities to come to their own conclusions about the meaning of documents and the rights and duties of the parties,

with the assistance of legal advice provided to them for their particular purposes. Providing a confirmation of "consistency" would, it seems to AFME members, be a fairly meaningless exercise that could serve only to create potential liability for the reporting entity without creating any benefit for investors.

<ESMA_QUESTION_DOS_1>

Q 33: Do you see a need to develop standardised language for the written confirmation?

<ESMA_QUESTION_DOS_1>

It seems to AFME members that there would be clear benefits in developing standardised language for the written confirmation. Centrally mandated standardised language would ensure that securitisation repositories obtained the correct assurances, that the form of confirmation does not become a differentiating factor on which to select a securitisation repository and that securitisation repositories do not attempt to shift their legal responsibilities to originators, sponsors and issuers by including extraneous language in their own standard form written confirmation.

One appropriate form of words that might be used for the confirmation would be as follows:

[Name of reporting entity] (the "**Reporting Entity**") as *[issuer/sponsor/originator]*, duly appointed reporting entity for *[name of securitisation]* (the "**Securitisation**"), does hereby certify to the best of its knowledge that no materials corresponding to items 3 to 22 of Table 2 in the Annex to *[reference to the final RTS on standards and access]* are available except to the extent that:

- (a) they have been submitted to *[name of securitisation repository]* in respect of the Securitisation on or before the date hereof;
- (b) in respect of materials described in Article 7(1)(b) of Regulation (EU) 2017/2402 of the European Parliament and of the Council (the "**Securitisation Regulation**"), they are not essential for the understanding of the transaction; or
- (c) they are otherwise not required to be disclosed under the Securitisation Regulation or any regulatory technical standards, implementing technical standards or guidelines made thereunder.

Where this confirmation is provided prior to the settlement of a transaction, the Reporting Entity further certifies that documents marked "draft" are the most current draft available to the Reporting Entity as at the date hereof.

<ESMA_QUESTION_DOS_1>

Q 34: Do you agree with these 'free of charge' proposals?

<ESMA_QUESTION_DOS_1>



AFME members note that as a general matter, the burden of disclosure and costs associated with it has always been borne by the issuers, since they have a vested interest to ensure as wide a reach as possible therefore we agree with ESMA’s proposals for the ‘free of charge’ access to the information collected by the securitisation depository for the investors, potential investors and regulatory bodies listed in point 2.2.5.1.

<ESMA_QUESTION_DOS_1>

Q 35: Do you agree with the data access conditions for each entity listed in Article 17(1) of the Securitisation Regulation? If not, please explain your concerns and what access conditions you instead consider appropriate.

<ESMA_QUESTION_DOS_1>

Yes. AFME members agree with the proposed data access conditions.

<ESMA_QUESTION_DOS_1>

Q 36: Do you consider that additional specifications should distinguish ‘direct and immediate’ access to information? If so, please explain why the above provisions are insufficient for your purposes and what you instead propose.

<ESMA_QUESTION_DOS_1>

Yes. AFME members support ESMA’s approach to “direct and immediate” access to information.

<ESMA_QUESTION_DOS_1>

Q 37: Do you believe that there should be a specific deadline for reporting entities to be able to make corrections for information submitted to a securitisation repository? If so, please set out the reasons why a principle-based approach is insufficient and, furthermore, what deadline you propose.

<ESMA_QUESTION_DOS_1>

The proposals that corrections for information submitted to a securitisation repository be made “in a timely manner” are sensible and AFME members support such an approach in general. AFME members do believe that there should be a specific deadline for a reporting entity to be able to make the corrections and we agree with ESMA that there are no benefits in specifying the timing for correction.

<ESMA_QUESTION_DOS_1>

Q38 Do you agree with the outcome of this CBA on the disclosure requirements?

<ESMA_QUESTION_DOS_1>

As general matter, AFME members will require sufficient time to adapt to the new reporting requirements and the cost of adaptation is one of the elements to be considered. AFME members' views on the CBA are contained in our comments on the individual questions.

<ESMA_QUESTION_DOS_1>

Q39 Do you have any more information on one-off or ongoing costs of implementing the disclosure requirements or of working with the disclosure requirements?

<ESMA_QUESTION_DOS_1>

See our response to Question 38.

<ESMA_QUESTION_DOS_1>

Q40 Do you agree with the outcome of this CBA on the operational standards and access conditions?

<ESMA_QUESTION_DOS_1>

See our response to Question 38.

<ESMA_QUESTION_DOS_1>

Q41 Do you have any more information on one-off or ongoing costs of implementing the turnaround times for responding to reporting entities or to data queries?

<ESMA_QUESTION_DOS_1>

See our response to Question 38.

<ESMA_QUESTION_DOS_1>