
Press release

AFME comment on the details of the ECB's ABS purchase programme

2 October 2014

Commenting on the unveiling of the details of the European Central Bank's Asset-Backed Securities (ABS) purchase programme today, Richard Hopkin, Head of Fixed Income at the Association for Financial Markets in Europe (AFME), said:

"AFME appreciates the continuing support of the ECB for the European securitisation market in the form of today's announcement of more details of the ABS Purchase Programme ("ABSPP"). However, while the programme is very welcome, as President Draghi himself has acknowledged, in isolation it will not be sufficient to restore the European securitisation market.

"We believe that public sector investment, including in mezzanine tranches, will not be required if sufficient private sector demand can be generated. For that to happen, key regulations on capital charges, such as Solvency II and the Basel 269 RWA proposals, will need to be well-calibrated to encourage, not dissuade, private sector investors to participate - at both senior and mezzanine levels of risk - complementing and supporting the ABSPP."

-ENDS-

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Notes:

1. AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. 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. AFME participates in 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) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website, www.afme.eu
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