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## Press release

### AFME welcomes central banks' pro-securitisation report

30 May 2014

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The Association for Financial Markets in Europe (AFME) has welcomed the discussion paper, 'The case for a better functioning securitisation market in the European Union', published today by the Bank of England (BoE) and the European Central Bank (ECB).

"The paper summarises concisely what went wrong during the financial crisis, and helpfully acknowledges the steps already taken in Europe to address those shortcomings, as well as the strong performance of high-quality securitisation in Europe," commented Simon Lewis, Chief Executive, AFME.

"Most importantly, the paper poses several interesting ideas for further discussion – most significantly, the concept of 'qualifying securitisations'. This fits well with recent calls by the European Commission to revive a sustainable market for high-quality securitisation in Europe, as well as the analysis currently being undertaken by the European Banking Authority.

He added: "AFME and the industry are keen to continue our constructive engagement with the Bank, the ECB, the Commission and other policymakers to continue to develop this concept. Much work remains to be done, and there remain difficult challenges to resolve – for example, how to avoid cliff effects; how to address the different motives behind any single definition of 'high quality'; and how to strike the right balance between meeting the needs of the real economy, while maintaining high quality.

"We believe it is crucial for industry and policymaker discussions to converge in a single forum, where we can all work together in a co-ordinated way. The prize will be an agreed standard that can be applied widely, usefully, easily and clearly to help revive European high-quality securitisation."

-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](http://www.afme.eu)
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