



afme / **8th Spanish Funding Conference**
Finance for Europe

**Gran Melia Fenix Hotel
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- **Capital Calibrations:** overall, the capital calibration remains conservative; the floors as proposed by the Commission (in September 2015) are: 10% for STS securitisation and 15% for non-STS securitisation.
- **Conditions for the use of SEC-IRBA:** it is essential that the CRR Amendment allows for broader use of SEC-IRBA and includes provisions for the EBA to develop RTS for the use of a purchased receivables approach.
- **Significant Risk Transfer:** the definition of mezzanine securitisation for purposes of the significant risk transfer test has been settled for some time and should not be changed except to the extent necessary to adapt to other changes in the securitisation framework; we support the Council's provisions in this area.
- **SME Securitisations (Art. 270(e)):** lack of provision which allows banks to use the same regulatory capital treatment of STS securitisation for the senior tranche of their SME securitisations even where the guarantee was provided by private investors using cash collateral.

- **Restrictions on permitted market participants:** originators/sponsors/original lenders and investors (Art. 2a) as well as on issuers (Art.2b).
- **Transparency Provisions:** an appropriate, principles-based disclosure standard for private transactions, including adjustments to the application of the loan-level reporting requirement is vital; investor name give-up will drive investors from the market.
- **Sanctions:** a negligence/omission standard should apply; the provisions to which sanctions could apply are numerous, new, and unclear; sanctions should be proportionate.
- **Risk Retention:** the retention level should remain at 5%; no evidence has been produced or impact assessment undertaken to support a change to the current regime; deviation from the global 5% standard would create major challenges.
- **Third country issues:** the lack of clear provisions on the access of third country entities to the EU market as well as the requirement that originator, sponsor and SSPE must *all* be established in the EU for a STS securitisation (Council text) remains a concern.
- **Existing/legacy transactions and grandfathering:** the lack of provision for an adjusted standard for existing/legacy transactions, as well grandfathering provisions.
- **ABCP maturity limitation:** the adjusted requirement in Art. 12 proposed by the EP should also be extended to consumer loans, credit cards and SME loans.