
Press release

AFME Urges Parliament to Take More Ambitious Approach on Securitisation

17 December 2025

Ahead of its formal adoption by EU Ambassadors in Coreper on 19 December, the Association for Financial Markets in Europe (AFME) notes the Council's General Approach on the Commission's proposal amending the Securitisation Regulation (SECR) and the Capital Requirements Regulation (CRR) as part of the EU securitisation review.

Shaun Baddeley, Managing Director of Securitisation at AFME, said: *"The Council's position on the Securitisation Regulation represents a balanced and constructive outcome. It addresses key concerns that could have hindered efforts to stimulate investor demand and broaden the investor base - both essential conditions to revitalising the EU securitisation market which is a core objective of the securitisation review. By appropriately resolving issues arising from the Commission's proposal, such as delegation and sanctions, the Council has set a clear and positive direction.*

"However, we have remaining concerns that the Council's General Approach will reduce the attractiveness of the European securitisation market for domestic lenders. The compromise introduces unwarranted tightening of specific prudential requirements. Such measures are not justified by the underlying risk profile and would impede the ability of banks to provide financing to businesses efficiently, ultimately undermining Europe's ambitions for competitiveness, growth and resilience.

"the European Parliament will now set out its own position in the coming months. The draft report published last week by Rapporteur MEP Ralf Seekatz provides an encouraging basis for the European Parliament to put forward a more ambitious position - one that refines and fine tunes both the Commission's proposals and the Council's position. This would help unlock capital to support businesses across Europe and contribute to broader EU policy objectives, including the delivery of affordable housing for EU citizens. These objectives can be achieved whilst maintaining strong macro prudential stability in the EU banking sector."

Key areas where the Council's position could have taken a more ambitious stance include:

In relation to the Securitisation Regulation:

- **Unfunded credit protection (UFCP):**
The Council requires a €15 billion asset threshold for protection providers, despite previous discussions about lowering it. This narrows the pool of eligible providers and limits broader use of UFCP structures.
- **Reporting to securitisation repositories:**
Requiring private transactions to report to securitisation repositories, even via simplified templates, adds an additional regulatory burden and runs counter to efforts to simplify the regulatory framework.
- **UCITS (Undertakings for [Collective Investment in Transferable Securities](#)):**
Applying the 50% cap only to public securitisations fails to adequately address the constraints facing asset managers investing across the full spectrum of transactions.

In relation to the Capital Requirements Regulation:

Association for Financial Markets in Europe

London Office: Level 10, 20 Churchill Place, London E14 5HJ, United Kingdom T: +44 (0)20 3828 2700

Brussels Office: Rue de la Loi 82, 1040 Brussels, Belgium T: +32 (0)2 883 5540

Frankfurt Office: c/o SPACES – Regus, First Floor Reception, Große Gallusstraße 16-18, 60312, Frankfurt am Main, Germany
T: +49 (0)69 710 456 660

www.afme.eu

- **Risk Weight Floors:**
The risk weight floor calculation still lacks risk sensitivity required to boost banks' lending capacity. As a result, credit risk transfer will remain constrained for asset classes such as residential mortgages, infrastructure, project finance and corporate loans – all crucial for investments in housing, clean energy, transport, defence and other critical infrastructure.
- **P-factor:**
In certain scenarios, such as resilient non-STS, the level of p - key to supporting sustainable financing of the real economy - remains unchanged.

AFME stands ready to continue a constructive dialogue with EU institutions throughout the next phase of the legislative process.

– Ends –

AFME Contacts

Rebecca Hansford
Head of Communications and Marketing
Rebecca.hansford@afme.eu
+44 (0)20 3828 2693

Notes:

The Association for Financial Markets in Europe (AFME) is the voice of the leading banks in Europe's financial markets, providing expertise across a broad range of regulatory and capital markets issues. We represent over 150 leading global and European banks and other significant market players. Our members play a vital role in Europe's financial ecosystem, underwriting around 90% of European corporate and sovereign debt, and 85% of European listed equity capital issuances. Importantly, AFME members are market makers, providing liquidity, which is essential for ensuring financial markets can function efficiently. We also represent law firms and other associate members which advise market participants and support AFME's legal and regulatory initiatives.

For more information, please visit the AFME website: www.afme.eu

Association for Financial Markets in Europe

London Office: Level 10, 20 Churchill Place, London E14 5HJ, United Kingdom T: +44 (0)20 3828 2700

Brussels Office: Rue de la Loi 82, 1040 Brussels, Belgium T: +32 (0)2 883 5540

Frankfurt Office: c/o SPACES – Regus, First Floor Reception, Große Gallusstraße 16-18, 60312, Frankfurt am Main, Germany
T: + 49 (0)69 710 456 660

www.afme.eu