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## Press release

### AFME responds to Joint Committee Article 44 Report on the Securitisation Regulation

7 April 2025

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The Association for Financial Markets in Europe (AFME) welcomes the Joint Committee's (JC) Article 44 report on the implementation and functioning of the EU Securitisation Regulation (SECR), published at a pivotal moment ahead of the European Commission's anticipated legislative proposal in June.

The report provides timely insights and includes several constructive recommendations which, if appropriately implemented, could materially enhance the efficiency and competitiveness of Europe's securitisation market. However, AFME cautions that certain proposals, particularly those relating to scope, definitions and risk retention, may carry unintended consequences and merit close scrutiny. In particular, interpretive guidance in respect of risk retention has no doubt unintentionally created market disruption, both for CLOs and more generally securitisation in the primary market.

**Shaun Baddeley, Managing Director, Securitisation at AFME**, commented: *"We welcome the Joint Committee's recognition of the need to streamline and clarify key aspects of the Securitisation Regulation. In particular, we support moves to reduce unnecessary compliance burdens and improve consistency across jurisdictions. At the same time, we urge policymakers to tread carefully in areas such as jurisdictional scope and the definition of public securitisations, where well-intentioned changes risk creating new uncertainty. Critically, resolution is needed in the short term either by supervisors or the ESAs to address uncertainty created by interpretive guidance in relation to Risk Retention. It is our understanding that the approach adopted by supervisors prior to the publication of the Joint ESA's report should apply for CLOs that priced prior to its publication but have not yet settled. In general, a balanced, pragmatic approach is essential to unlock the full potential of the European securitisation market which is able to meaningfully contribute to economic growth and competitiveness."*

AFME has published a [detailed summary](#) of its views on the JC's recommendations.

AFME looks forward to working closely with the European Commission, Parliament, and Council to achieve a balanced, proportionate recalibration of the Securitisation Regulation that will support a well-functioning securitisation market in Europe, delivering capital to the real economy while maintaining sound prudential oversight.

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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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