JOINT STATEMENT

Investors' Views on the Securitisation Review

This statement sets out the shared views of the above associations from the perspective of investors in securitisations (the buy side). It is not intended to override or be a substitute for any broader positions these associations may hold in relation to the review.

Brussels, 20 November 2025

The following associations – AFME, AIMA, EFAMA, IACPM, ICMA, LMA and MFA - welcome the package of reforms put forward by the European Commission regarding the EU securitisation framework in June. A vibrant securitisation market, facilitated by an ambitious and impactful review, is essential for the Savings and Investment Union (SIU), enabling capital to flow efficiently to SMEs and supporting Europe's green and digital transitions.

Improving supply is clearly needed in the EU securitisation market, and we are encouraged by attempts in the reform proposals to address existing supply-side constraints, helping to unlock the potential of securitisation as a funding and risk transfer tool.

In parallel, **increasing investor demand is essential to revitalising Europe's securitisation market.** Institutional investors are key to this effort, both as a source of direct and indirect financing for European corporates and by allowing banks to increase asset velocity and expand lending to the real economy. Yet, as noted in the European Commission's Impact Assessment of 17 June 2025, *"the current investor base ... remains small, resulting in limited capacity to absorb increased supply."*

While supportive of the underlying intents behind the ongoing review, the associations are concerned that certain measures currently under discussion risk **discouraging investment** in securitisations, thereby undermining the Commission's stated objective of growing the market. We collectively call on co-legislators to make the following improvements that will enable demand for securitisation in Europe to grow in the context of a robust and resilient regulatory framework.

1. **Limited global market access, with fewer opportunities for EU savers and businesses**

The proposed reform of the EU securitisation market contains several provisions which *de facto* prevent EU investors from investing in non-EU securitisations. Ultimately, there is a risk of fragmenting the global securitisation market into an EU-specific and an international segment. This "silo effect" is likely to water-down the benefits expected from the ongoing reform of the EU securitisation market. We believe that by integrating more into a global securitisation market, the EU will be all the more able to attract greater capital flows to finance its growth.

By not adopting the recommendations of the ESAs (EBA, ESMA and EIOPA) outlined in their March 2025 Joint Report,[1] the administrative obstacles contained in the EU framework restrict EU investors' ability to access much of the global securitisation market, denying EU investors (and ultimately savers) the benefits of geographic diversification, leading to lower risk-adjusted returns and increased concentration. In this respect, the Commission's Impact Assessment also acknowledged that:

> *"due diligence requirements impact the level playing field **to the detriment of EU investors** when investing in securitisations vis-à-vis their non-EU peers"*

Institutional investors already adhere to robust general due diligence standards under the AIFMD, UCITS Directive and the IORP II Directive, which are applicable to all asset classes – including securitisation. The proposed rules would duplicate these requirements, adding an administrative layer which also runs counter to the EU's simplification agenda.

Requiring EU investors to receive reporting for non-EU and bespoke private deals strictly in the format of the Article 7 template is costly, inefficient and sometimes misaligned with investor needs. This explains why investors have gradually developed their own tailored due diligence processes, which over time have become market standards. Strict template requirements therefore duplicate such processes, slow down timely participation in secondary market transactions and limit access to many third-country securitisations. Finally, it is also worth noting that non-EU jurisdictions do not require EU issuers to provide reporting in strict formats when selling securitisations to non-EU investors.

In light of this, the associations would support a more proportionate approach as outlined by the ESAs Joint Committee report calling for a 'necessary information test', requiring institutional investors to perform a meaningful risk assessment whereby the focus would be "on the substance of the information, rather than prescribing the format

[1] ESMA, EBA, EIOPA "Joint Committee Report on the Implementation and Functioning of the Securitisation Regulation (Article 44)" (31 March 2025): "*due diligence obligations for institutional investors are overly burdensome and disproportionate … several non-EU regulatory regimes (e.g. UK, US, Canada) are substantially similar to EU requirements in terms of enabling investors to evaluate risk, perform due diligence, and, in many circumstances, reporting identical information, albeit in a different format to the prescribed Article 7 templates. … the focus should be on the substance of the information, rather than on prescribing the format in which it will be provided.*"

in which it will be provided".[2] This, in practice, permits parties to provide information about securitisations in an alternative format that allows for meaningful and comprehensive risk assessment, tailored to a particular deal, deferring to existing industry approaches towards disclosure. Specifically, this would entail a profound amendment to the wording of Article 5(1)(e) of the SECR review proposal.

That said, it is important to note that the Commission's proposal to remove the requirement for EU investors to verify compliance with STS, risk retention, and disclosure rules for EU transactions represents an encouraging development that the associations support.

2. **Investors are deterred by disproportionate monetary sanctions**

We strongly recommend removing Article 5 from the list of sanctionable provisions under Article 32. In this respect, we note that the Commission's initial proposal to impose penalties of up to 10% of an institutional investor's net annual turnover would quite significantly deter both new and existing investors from investing in EU and non-EU securitisations. This would only be reinforced by the shift in responsibility from delegated investors to delegating ones under Article 5(5) of the proposal.

Similarly, linking the size of fines to the size of the exposures will introduce legal uncertainty and competitive distortions compared to other fixed-income asset classes and will act as a disincentive to investors overall. In sum, any proposal linking the size of a potential fine to the size of an exposure to securitised debt should be resisted. Moreover, a proposed threshold of twice the investments proves much higher in practice than the already disproportionate one of 10% the consolidated turnover.

Moreover, no rationale is provided in the Impact Assessment, and 88% of respondents to the Commission's December 2024 public consultation opposed this measure. This adds, rather than reduces, legal confusion and puts securitisations at a disadvantage compared to other asset classes without a rationale for, nor basis or scale to calculate sanction amounts.

AIFMs and UCITS managers are already subject to potential sanctions under their sectoral rules which set out due diligence rules applicable to all asset classes, including securitisations. Making investment in securitisations specifically subject to additional, duplicative sanctions introduces legal confusion, as well as financial and reputational risks for investors when compared to other comparable asset classes. Far from reducing operational burden, the proposal introduces more uncertainty and disincentivises investor participation.

Lastly, we also refer to the ECB's Opinion of 11 November 2025, supporting a more proportionate sanctioning regime to not disincentivise investor participation, as well as

[2] ESMA, EBA, EIOPA "Joint Committee Report on the Implementation and Functioning of the Securitisation Regulation (Article 44)" (31 March 2025), para 76.

to avoid making existing prudential capital standards for institutional investors even more "punitive".[3]

3. Reclassifying private securitisations as public increases reporting burden

We have strong concerns that broadening the definition of public securitisations will undermine many of the otherwise positive developments in the disclosure framework proposed by the Commission. The expanded definition of 'public securitisations' captures deals which are substantively private – i.e., those with a limited number of closely involved investors which are negotiated on a bespoke basis for each transaction. Standard terms, or voluntary listing on an exchange for tax reasons or to meet investor requirements, does not change the private nature of a securitisation. This change adds unnecessary burden with no clear benefit, especially as 70% of consultation respondents opposed it, and investors in these private deals already receive the information they need directly. This point is clearly recognised also by the ECB, in the above referenced Opinion, warning of the unintended consequences stemming from the proposed amendments to the definition of public securitisation.[4]

The proposed additions to the definition under Article 2 of the SECR *inter alia* include extending the definition of public securitisations to all EU transactions admitted to trading (point 32, letter b). We fear that this may simply drive such applications to trading outside the EU in order to preserve the "private" nature of a given transaction, leading to reduced flow of information to supervisors about the distribution and liquidity of these transactions, as well as reduced business for EU exchanges. Point 32 letter (c) would also lead to significant legal uncertainty, and it is therefore equally problematic.

We therefore urge co-legislators to ensure that the definition of a public securitisation does not extend so broadly that it captures transactions that are private in nature or otherwise not intended to fall within the EU securitisation framework.

4. Reporting of private securitisations to repositories

The vast majority of respondents to the Commission's December 2024 consultation opposed reporting to repositories for private securitisations "due to the associated increase in compliance costs." In private deals, investors already obtain the required information directly through simpler, more efficient channels. This new reporting burden for issuers provides no meaningful benefit and will serve only to discourage private securitisations.

Moreover, while we understand that the Commission's intention is for repositories to only provide access to private transaction information to public authorities (and for the information being made available via securitisation repositories to be limited to reporting that is provided using a new supervisor-focused and simplified reporting template), we are concerned that the legislation as proposed does not implement this intention. In fact, it is not sufficiently explicit about the level of information that is required to be provided via repositories, it is silent about the disclosure by repositories of information relating to

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[3] ECB Opinion of 11 November 2025, point 5.8 thereof.
[4] *Ibid*, point 9.1 thereof.

private deals to anyone other than public authorities, and it does not impose clear legal and data security obligations on repositories in this regard. Explicit provisions are therefore required to limit access to private deal information to public authorities, with the information that is required to be reported to repositories being limited to a supervisor-focused template only, thus aligning the legislation with the Commission's stated objective and avoiding unintended consequences as a result of amendments to the applicable technical standards that will follow the SECR reforms.

Conclusion

While the associations welcome the European Commission's efforts to revitalise the EU securitisation market, several aspects of the current proposals risk undermining the very objectives they seek to achieve. Barriers to global market access, disproportionate reporting requirements and restrictive sanctions threaten to discourage investor participation, limit market efficiency and fragment the market. We urge the co-legislators to adopt a more proportionate, pragmatic, and globally integrated approach that preserves the benefits of securitisation as a vital tool for financing European growth, supporting SMEs and facilitating the green and digital transitions, while maintaining a robust and resilient regulatory framework.