

OPEN LETTER:

Revision of the CRR securitisation framework at risk of falling short of EU Leaders' ambitions

Brussels, 4 December 2025

To: Council of European Union
Members of European Parliament

The **proposed revision of the EU securitisation framework**, launched in June this year, is the first initiative of the European Commission under its Savings and Investment Union (SIU) strategy and widely regarded as a **litmus test** for the EU's ability to deliver impactful reforms in this area. It is precisely because its success will set the tone for the future of the SIU that we are writing to you to express concern that the compromise developed at the Council working level **risks limiting the potential impact** of this reform.

The respective reports of Mario Draghi on European Competitiveness¹ and Enrico Letta on the Single Market² stressed the benefits of securitisation as a **bridge between bank and capital markets-based funding**, and as a **tool to unlock additional bank financing capacity in the near-term**. This potential was also **clearly recognised by European Heads of State**, who, in their April 2024³ and March 2025⁴ conclusions, called for a relaunch of the securitisation market as a key enabler for enhancing Europe's competitiveness.

The Commission's securitisation package has generally been viewed as a positive step in this direction. This is because it has adopted a **holistic approach**, combining measures to amend the Securitisation Regulation (SECR) to increase investor demand and support new issuance, as well as introducing **greater risk-sensitivity in prudential calibrations** in the Capital Requirements Regulation (CRR). The latter are particularly relevant for banks seeking to use securitisation for risk transfer purposes or to provide direct funding to their corporate clients.

We understand that an **unduly conservative compromise** agreement has been reached **at working level** in the Council on certain elements of the CRR calibrations, curtailing the utility of securitisation. If confirmed, the effect will be to **limit banks' ability to generate additional financing capacity** in asset segments central to the SIU. Moreover, we see this as being in **direct contrast with the calls of EU leaders** referred to above and putting the EU at risk of not being able to close the gap between EU securitisation issuances and those in other major economies, for several years to come⁵.

As it stands, the technical compromise **is limiting for most banks**, whether they use internal or standardised approaches to determine their capital requirements. **In practice** this means that the transfer of risk related to portfolios of larger internal model banks including asset classes such as infrastructure, project finance and corporate loans, all essential for investment in clean energy networks, railways, defence, and other critical infrastructure, will remain constrained. Medium sized banks using standardised approaches and seeking to transfer credit risk across a broad range of market segments will face similar issues. Effective credit risk transfer of retail mortgages, representing low credit risk, will also remain difficult to achieve. Overall, banks' capacity to use securitisation as a tool to finance the corporate sector, both directly and indirectly, will remain constrained in a way that is not the case in other jurisdictions.

¹ [The future of European competitiveness: Report by Mario Draghi](#), September 2025

² [Report on the Future of the Single Market, 'Much more than a market'](#), April 2024

³ [Special meeting of the European Council \(17 and 18 April 2024\) – Conclusions](#)

⁴ [European Council meeting \(20 March 2025\) – Conclusions](#)

⁵ In 2024, securitisation issuance in the European Union stood at around 0.5% of GDP. In the United States, excluding the large agencies markets, it exceeded 2% of GDP. [Source: Capital Markets Union - Key Performance Indicators Seventh Edition, 19 November 2024.](#)

Moreover, the conservative technical compromise is at **odds with robust impact analysis demonstrating** that only further improvements to the Commission's calibration proposals would i) effectively make credit risk transfer available to a broader universe of banks as well as asset portfolios and ii) further unlock banks' direct funding capacity to corporates. This analysis has also shown that this can be achieved with **ample headroom available to ensure robust prudential objectives**.⁶

Without **political impulse to guide changes in this direction**, and away from the choices presently made at technical level, we will simply not see the expected revival of the securitisation market. As a result, banks will be unable to use securitisation effectively to finance strategic EU priorities. There is a serious risk that the European Commission's proposals, which laid important groundwork for effecting meaningful change, may end up having only very limited economic impact.

We therefore **urge co-legislators to ensure that a greater level of ambition is reached** through improved calibrations to relevant aspects of the capital requirements for banks as detailed in our impact analysis⁷. Again, **we stress that this can be done without compromising financial stability**.

Our associations stand ready to provide additional detail and concrete solutions to support your work.

Signed on behalf of the undersigned associations,



Adam Farkas
Chief Executive Officer
Association for Financial Markets in Europe



Wim Mijs
Chief Executive Officer
European Banking Federation

⁶ [AFME SEC SA impact analysis](#)

⁷ See slide 6 of the AFME impact analysis, as referenced in footnote 5.

