

Reply Form

to the Consultation Paper on the securitisation disclosure templates under Article 7 of the Securitisation Regulation

This Consultation Paper may be of particular interest to securitisation investors/potential investors, securitisation issuers/originators, market infrastructures, securitisation repositories, credit rating agencies as well as public bodies involved in securitisations (market regulators, resolution authorities, supervisory authorities, central banks and standard setters).

1. General information about respondent

Name of the company / organisation	Dutch Securitisation Association
Activity	Associations, professional bodies, industry representatives
Are you representing an association?	<input checked="" type="checkbox"/>
Country / Region	Netherlands

2. Questions

1. **Option A focuses on maintaining the current framework in its entirety. Do you agree with maintaining the current disclosure framework unchanged?**

<ESMA_QUESTION_SECR_1>

No, we do not agree. There are some flaws in the current framework, especially regarding private transactions, that need repair, but changes should be kept to a minimum in order to limit additional work and costs for our members.

<ESMA_QUESTION_SECR_1>

2. **Do you agree that LLD granularity is essential for performing proper risk evaluation, including due-diligence analysis or supervisory monitoring? Please explain your answer considering the costs and benefits of keeping the current level of granularity in terms of operational costs, compliance burden and any other possible implications.**

<ESMA_QUESTION_SECR_2>

Although we notice that many investors do not really use LLD and prefer to work with the detailed stratifications as provided in the Standard DSA Investor Reports or by data vendors, while the utilization by NCAs is even more limited, it would be a waste after all the work of the industry to set up systems to collect the LLD, to now dispose of them again.

Even for those asset classes where the value added of LLD is limited due the very high turnaround of the assets (Credit Cards, Trade Receivables) we can provide the data (while having serious doubts about the usefulness of these data for investors and supervisors). For private transactions, and especially synthetic transactions, standardised LLD are however redundant, since for these transactions bespoke disclosure arrangements are imposed by investors and on the other hand supervisors are more focused on general transaction information and less on standard LLD for private transactions.

<ESMA_QUESTION_SECR_2>

- 3. Do you agree that the current design of disclosure templates is adequately structured to facilitate comprehensive risk evaluation, including due diligence analysis and supervisory monitoring of securitisation transactions? If not, please explain your answer.**

<ESMA_QUESTION_SECR_3>

“adequately structured” is perhaps an understatement; the templates could have been designed much simpler from the outset, but now they are there and the industry has developed the tools to fill the templates, we should not change the structure of the templates, but mainly focus on smaller adjustments and reduction of mandatory data fields and address the issue of an appropriate template for private transactions.

<ESMA_QUESTION_SECR_3>

- 4. Do you agree that disclosure and reporting requirements should be maintained consistent between private and public securitisation?**

<ESMA_QUESTION_SECR_4>

No, we do not agree. Due to their very nature, private investors can benefit from all kind of tailored information and do not have to rely on the standard information as provided for public transactions. The main benefit of disclosure for private transactions is that it allows supervisors to track developments in that part of the market. Existing ECB and local templates are already partially fulfilling this role; a new ESMA template for private transactions should be aligned with these existing templates.

<ESMA_QUESTION_SECR_4>

- 5. Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based on the above approach (Option A) may be to your own activities and potential impacts.**

<ESMA_QUESTION_SECR_5>

Our views will be summarized in the answer on Question 33.

<ESMA_QUESTION_SECR_5>

- 6. Do you believe that the additional adjustments to the current framework proposed by Option B, such as restricting the use of ND options and including additional risk indicators (including climate-related indicators) are necessary? Do you support a revision of the technical standards accordingly? Please explain your answer, indicating whether you support these proposed adjustments and any reasons for your agreement and disagreement.**

<ESMA_QUESTION_SECR_6>

While the original purpose of the review was to repair flaws in the current framework, the opportunity can be used to do some maintenance, since the templates have to adjust over time to developments in the real world.

However, adjusting the ND thresholds and reducing the number of potential ND fields seems to be premature as long as the industry is struggling with the templates.

We are also not convinced of the benefit of adding additional risk indicators, since we fail to see what has been changed in terms of risk factors since the entry into force of the Securitisation Regulation.

We also would like to emphasize that adding fields is a much more costly and complicated task than amending (the definitions of) existing fields.

So any additions for risk factors should be kept to a minimum, and sustainability data should only be added if properly aligned with other sustainable data disclosures.

<ESMA_QUESTION_SECR_6>

- 7. Do you believe that a reduction of ND thresholds would materially improve the representation of data of securitisation reports? Please explain your answer.**

<ESMA_QUESTION_SECR_7>

We have combined our answer with the answer on Question 8 below.

<ESMA_QUESTION_SECR_7>

- 8. Do you think that the advantages stemming from restricting the consistency thresholds and/or removal of ND options for specific fields, resulting in more accurate representation of data, would justify the heightened compliance costs for reporting entities?**

<ESMA_QUESTION_SECR_8>

For the “legacy assets” category a reduction of the threshold would not make sense (and so also not result in a “more accurate representation”) since the data for these assets do not suddenly pop up with the passage of time; for the “legacy systems category” also options to remedy issues with legacy systems are nearly exhausted for most issuers; the tightening would not lead to a more accurate representation of

data but rather to the loss of eligibility for some of the affected transactions with legacy systems problems. The same might be the result of the removal of ND options.

<ESMA_QUESTION_SECR_8>

- 9. Do you believe that the proposal of enriching the Annexes with additional risk-sensitive indicators (presented in Section 5.3) is necessary?**

<ESMA_QUESTION_SECR_9>

No we do not think it is necessary and it would lead to considerable additional costs (with the possible exception of sourcing of Retention, Re-securitisation and STS status, which could be relatively straightforward).

<ESMA_QUESTION_SECR_9>

- 10. Do you believe that reporting entities would face challenges and/or significant costs if requested to report those additional indicators? If yes, please elaborate your answer.**

<ESMA_QUESTION_SECR_10>

PD and LGD data for Corporates will be incomplete and require additional ND capacity; we have no opinion on (Collateral, Collection process) data for NPE loans, since we have no knowledge of that asset class; payment schedules for individual loans may be relatively straightforward for retail assets, given their standardized nature, but will be a major challenge for other asset classes.

<ESMA_QUESTION_SECR_10>

- 11. Do you believe that the proposal of enriching the Annexes with climate risk indicators (presented in Section 5.4) is warranted?**

<ESMA_QUESTION_SECR_11>

The PAI indicators for RMBS (Exposure to energy inefficient real estate assets and Exposure to fuel oils) as well as info on the EPC for residential real estate can be made available to a certain extent and with a lot of effort, GHG and property location/ characteristics are much more complicated data for residential real estate. For other asset classes we are not in a position to give an opinion.

However our main concern is the proliferation of templates for sustainable data: CSRD, SFDR, EU Green Bond standard, now also the ESMA disclosure templates: all those different initiatives should be properly aligned and coordinated..

<ESMA_QUESTION_SECR_11>

- 12. In addition to the list of advantages and challenges identified by ESMA in introducing the proposed sustainability indicators, do you believe additional advantages and challenges should be factored in?**

<ESMA_QUESTION_SECR_12>

We fully subscribe to the challenges as indicated by ESMA (availability, comparability, accuracy and overlap), As indicated in our answer on Question 11, overlap is one of our major concerns. There are several other elements of the Taxonomy that confront the industry with challenges, especially with regard to DNSH. We would urge ESMA not to become a front-runner but rather act as a follower as concerns implementation of sustainable data fields in the templates. We see no advantages in requiring securitisations to be best in class in terms of sustainable data. Sustainable data is a general issue for the financial industry not something to be “solved” by a product that is already overloaded with data requirements. On the other hand it can be argued that no financial product has such an extensive disclosure infrastructure as a securitisation, so securitisation can incorporate sustainability data in their disclosure much easier than other financial products.

<ESMA_QUESTION_SECR_12>

- 13. Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based on the above approach (Option B) may be to your own activities and potential impacts.**

<ESMA_QUESTION_SECR_13>

Our views will be summarized in the answer on Question 33.

<ESMA_QUESTION_SECR_13>

- 14. Do you agree with Option C as the preferred way forward (simplified template for private transactions, removal/streamlining of loan-level data for some asset classes, new template for trade receivables) for the revision of the disclosure templates?**

<ESMA_QUESTION_SECR_14>

We strongly support a simplified template for private transactions as well as the streamlining of certain other templates, so Option C comes closest to our preferred solution.

<ESMA_QUESTION_SECR_14>

- 15. Do you agree with the analysis and the inclusion of a new simplified template for private transactions that focuses mostly on supervisory needs?**

<ESMA_QUESTION_SECR_15>

Yes we do agree that there should be a simplified template for private transactions and that this template should focus on supervisory needs. Investors in private transactions will typically ask for bespoke data disclosure, but in case they are happy with the ESMA templates, these can be provided.

In view of confidentiality issues, the bespoke data should rather not be accessible through a Repository but in a dedicated environment.

<ESMA_QUESTION_SECR_15>

- 16. Do you believe that ESMA should proceed with the review of the RTS based on this option and using the SSM notification template as a starting point? Please provide details in your answer.**

<ESMA_QUESTION_SECR_16>

We do agree that the current SSM template can be taken into account in the design of a private transaction template but ultimately there should be, in our view, only one template for private transactions, to be applied for disclosure under the Securitisation Regulation, but also by the SSM and local security regulators, replacing their own, uncoordinated, templates.

<ESMA_QUESTION_SECR_16>

- 17. Do you consider that a simplified template can be useful even though the operational way to submit the data is exempted from the mandatory reporting via the SRs?**

<ESMA_QUESTION_SECR_17>

It can be useful anyway, but maybe it is not a bad idea to use the Repositories as a place to collect the templates (for public transactions as well as the proposed simplified template for private transactions).

On a somewhat related point, it may also be considered to collect all STS notifications through the Repositories, so there is a “one-stop-shop” for all submissions.

<ESMA_QUESTION_SECR_17>

- 18. Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data reporting for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?**

<ESMA_QUESTION_SECR_18>

Although we believe that the value added of LLD for high turnover assets is limited, the current systems are now in place and should be working properly to generate the required data, so it does not hurt to keep those templates in place. The costs of developing new templates with transaction data instead of LLD for these asset classes would be substantial and not to any benefit.

<ESMA_QUESTION_SECR_18>

- 19. Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes and explain why.**

<ESMA_QUESTION_SECR_19>

No, not as far as we can see.

<ESMA_QUESTION_SECR_19>

- 20. Do you agree, in the context of option C, that ESMA should further explore the deletion of the current disclosure templates? Please provide details in your answer.**

<ESMA_QUESTION_SECR_20>

The templates that could better be deleted or at least streamlined are the Annexes 12/13 (investor Reports: this information is already provided in the normal Investor Reports of public transactions and 14/15 (Inside Information/Significant event): they are very confusing and lead to a lot of interpretation issues. The other templates can be maintained.

<ESMA_QUESTION_SECR_20>

- 21. Do you agree, in the context of option C, that ESMA should further explore the streamlining of the current disclosure templates? Please provide details in your answer.**

<ESMA_QUESTION_SECR_21>

Yes, as we have indicated in the Field-by-Field review, some finetuning of Annexes 2 (Residential Real Estate) and 4 (Corporate) would be appropriate. And we understand from the auto industry that the same would apply to Annex 5. On the other Annexes we have no opinion and/or leave it to more specialized parties to comment.

<ESMA_QUESTION_SECR_21>

- 22. Do you consider that a new template for non-ABCP trade receivables should be included and why? Please provide reasons for your answer.**

<ESMA_QUESTION_SECR_22>

We do not think it is necessary; Annex 9 (Esoteric) can be used for this purpose, and the costs for creating such a template would not be commensurate to the (limited) applicability.

<ESMA_QUESTION_SECR_22>

- 23. Which additional template could be relevant for the reporting of other asset classes that are not currently covered in the framework? Please provide details in your answer.**

<ESMA_QUESTION_SECR_23>

We prefer not to add any Annexes; the whole system is already complicated enough and Annex 9 (Esoteric) can be used for asset classes not covered by the current framework. However, if no simplified template will be developed for private transactions and these transactions will have to use the existing collection of templates, it might be appropriate to develop a separate template for synthetic transactions.

<ESMA_QUESTION_SECR_23>

- 24. Please provide any general observations or comments that you would like to make on this CP, including how the revision based on the above approach (Option C) may be relevant to your own activities, and any potential impacts.**

<ESMA_QUESTION_SECR_24>

Our views will be summarized in the answer on Question 33.

<ESMA_QUESTION_SECR_24>

- 25. Do you agree with Option D (a comprehensive review of the disclosure framework) as the preferred way forward for the revision of the disclosure templates?**

<ESMA_QUESTION_SECR_25>

No, this is not desirable since it requires a complete renewal of systems with the associated costs and long timelines.

<ESMA_QUESTION_SECR_25>

- 26. Do you think that it would be possible to achieve a level of simplification and standardisation within fields, across multiple templates, without having an impact on the overall risk analysis of the transaction? Please explain the rationale behind your answer.**

<ESMA_QUESTION_SECR_26>

This could have been achieved when the original Annexes were developed if all parties involved had been listening a bit better to each other. It still can be achieved now, but we refer to our answer on Question 25 why we think it is not desirable.

<ESMA_QUESTION_SECR_26>

- 27. Do you think that the overall usability would improve with simplified and standardised templates? Please explain the rationale behind your answer.**

<ESMA_QUESTION_SECR_27>

Yes, again, it would improve, but we do not want to go through the whole design process again for reasons stated above.

<ESMA_QUESTION_SECR_27>

- 28. Do you agree with the approach proposed by Option D, to create a set of templates based on the characteristics and nature of underlying assets rather than the categorisation of the securitisation transaction (i.e., public or private, true sale or synthetic)?**

<ESMA_QUESTION_SECR_28>

No, in our view the categorization private/public and true sale/synthetic is just as important as the nature of the underlying assets. So in that respect we support the approach as currently provided by the Securitisation Regulation, but with a better distinction of private/public or at least alternatively a more dedicated approach for synthetic transactions

<ESMA_QUESTION_SECR_28>

- 29. Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data disclosure for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?**

<ESMA_QUESTION_SECR_29>

We refer to our answers on Questions 2 and 18: although the value of LLD for assets with a high turnover is questionable, we can provide these data and leave it to the users what to do with it. Also the costs of developing new templates with transaction data would not be justified.

<ESMA_QUESTION_SECR_29>

- 30. Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes explain why.**

<ESMA_QUESTION_SECR_30>

Apart from ABCP transactions (no LLD required in the current framework) and Private transactions, as discussed in this Consultation, we do not see a need to deviate from providing LLD. However if the private templates are not simplified, we would strongly support the development of a specific synthetic template as second best alternative (see also our answer on Question 28).

<ESMA_QUESTION_SECR_30>

- 31. What are your views on the proposal to transition from the current 'no-data' options to a framework based on 'mandatory', 'conditional mandatory' and 'optional' fields for securitisation transactions?**

<ESMA_QUESTION_SECR_31>

We prefer to stay with the ND options rather than adopting a conditional/mandatory framework, especially since we expect a lot of confusion around the “Conditionally Mandatory” category.

<ESMA_QUESTION_SECR_31>

- 32. Do you think that this transition be of added value to the securitisation framework? What challenges or concerns, if any, do you anticipate with the introduction of 'mandatory,' 'optional,' and 'conditionally mandatory' fields? Are there specific considerations related to data availability, feasibility, or implementation that should be considered?**

<ESMA_QUESTION_SECR_32>

The challenges will be again the time and costs associated to switching to yet another methodology. And we have concerns about the interpretation of “Conditionally Mandatory”.

<ESMA_QUESTION_SECR_32>

- 33. Please provide any general observations or comments that you would like to make on this CP, including how the revision, based on the above approach (Option D) may be relevant to your own activities and any potential impacts.**

<ESMA_QUESTION_SECR_33>

Our overall view on the proposed options A-D and related amendments is the following: we do support as a general approach Option C and especially a simplified and targeted private securitisation template and some minor amendments/clarifications of some to the Annexes.

All other proposals are not essential although they may contain some valuable elements, like adjusting the ND thresholds/reducing the potential number of ND fields and adding some sustainability/climate-risk data (but only if aligned with other disclosure requirements for ESG). We only see a benefit in reporting private transactions in a Repository if the templates for these transactions are indeed simplified and targeted to regulatory needs.

And if the outcome would be not to simplify the private transactions template, it should be considered to develop a new template for synthetic transactions.

Although the current framework is far from optimal, we would like to restrict amendments to the minimum as indicated above, and refrain from anything that is not directly needed and requires a long time of regulatory

<ESMA_QUESTION_SECR_33>

Responding to this Consultation Paper

ESMA invites comments on all matters in this Consultation Paper and in particular on the specific questions summarised in Annexes. Comments are most helpful if they:

- respond to the question asked;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider or comment to specific questions irrespective of the preferred option.

ESMA will consider all comments received by **15 March 2024**.

All contributions should be submitted online at www.esma.europa.eu under the heading ‘Your input - Consultations’.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

- Insert your responses to the questions in the Consultation Paper in this reply form.
- Please do not remove tags of the type < ESMA_QUESTION_SECR_0>. Your response to each question has to be framed by the two tags corresponding to the question.
- If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
- When you have drafted your responses, save the reply form according to the following convention: ESMA_CP1_SECR _nameofrespondent.
- For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA_CP1_SECR _ABCD.
- Upload the Word reply form containing your responses to ESMA’s website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at www.esma.europa.eu under the heading ‘Your input - Consultations’.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

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Information on data protection can be found at www.esma.europa.eu under the heading '[Data protection](#)'.

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