



Consultation questions:

Question 1: Do you agree with the specification made in Article 2 ?

*We do agree but would appreciate if you could clarify (in the RTS and if possible also in future SRT guidelines), that “at origination” refers to the origination of the securitisation transaction (so the closing date or the effective date of the risk transfer) and not to the dates of origination of the underlying exposures.*

Question 2: Do you agree with the aim of Article 3 with regard to ensuring that the credit enhancement of the senior tranche does not fall below a certain threshold because of the non-sequential amortisation ?

*We do agree with the aim of Article 3, but would like to add to it that the trigger should be aligned with the SRT trigger and should be reversible.*

Question 3. Do you agree with the trigger set out in the Article or would you prefer the alternative option in order to meet the aim of this additional backward-looking trigger? Please justify your answer, providing, if possible, evidence of the outcome of both triggers based upon your past experience.

*We prefer the first alternative. The second alternative will provide varying results depending on the capital structure, which would be especially troublesome if the trigger level would be predetermined (see Question 4).*

Question 4. Which level of the trigger would you consider more appropriate and why?

*We are not supporting a fixed trigger level. It could lead to STS triggers that are inefficient from an SRT perspective, This could especially become a problem with the upcoming revised Basel III standard, where economic efficiency and SRT will not be aligned.*

Question 5. Do you agree with the specification of the forward-looking trigger in Article 4? In your view, will the possibility of switching back to non-sequential, as set out in paragraph 6, be detrimental for the simplicity of the specific transaction and the objective of standardisation of STS on-balance-sheet securitisations?

*We would appreciate if this trigger could be aligned with the comparable, but slightly differently worded, SRT trigger. And again, we would like to ask you to clarify “at origination” (see Question 1)*

*It should be possible to switch back; as long as the triggers themselves are simple and standardised, the mere switching back would not affect the simplicity or standardisation. A 4 quarter delay is very conservative and makes the option to reverse almost useless, so we would suggest to delete this requirement.*

Question 6. According to market practice, is it common that performance-related triggers can change several times the amortisation system of the tranches throughout the life of a synthetic securitisation? If so in your view, please provide concrete examples of triggers, distinguishing between backward-looking and forward-looking triggers.

*Frequent reversals between pro-rata and sequential have not been seen that often in practice.*

Question 7. Do you agree that the information that the originator shall provide under Articles 7 and 26d of the Securitisation Regulation includes the information needed by the investor providing protection to understand and verify the functioning of the performance-related triggers in an STS on-balance-sheet securitisation?

*Yes, we do agree.*

Question 8. Since as a first step before specifying the triggers above, the EBA reassessed the triggers included in recommendation 2 on Amortization Structure of the EBA 2020 Report on significant risk transfer in securitisation (see Section 5.2), and some elements from them were taken on board in the draft RTS, stakeholders are also invited to comment on the suitability of other triggers included in that recommendation for the purpose of these draft RTS.

*A better alignment between the SRT triggers and the RTS would be appreciated. We would like to see the choice between triggers as provided for SRT also be available in the RTS, so the most relevant trigger for a specific transaction structure can be used.*

Question 9. Do you have any other comments on these draft RTS ?

*Finally, we would like to ask you to provide for grandfathering of existing transactions, since it will be very difficult to meet the requirements of the RTS for existing transactions.*