

SPRING WORKSHOP SERIES

IRELAND – 4 MAY 2022



ON TODAY'S CALL

**MARCO ANGHEBEN,
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AGENDA

WELCOME AND INTRODUCTION

- Marco Angheben, European DataWarehouse

LATEST SOLUTIONS & GENERAL REGULATORY UPDATE

- Marco Angheben, European DataWarehouse

LEGAL ASPECTS OF TRANSPARENCY OBLIGATIONS (ART. 7 OF THE EU SECURITISATION REGULATION)

- Alan Bunbury, Matheson

UPDATE ON DATA QUALITY RULES

- Rodrigo Di Giannantonio, European DataWarehouse

NEW EDITOR FEATURES

- Rodrigo Di Giannantonio, European DataWarehouse

LATEST DEVELOPMENTS ON STS VERIFICATIONS

- Michael Osswald, STS Verification International (SVI)

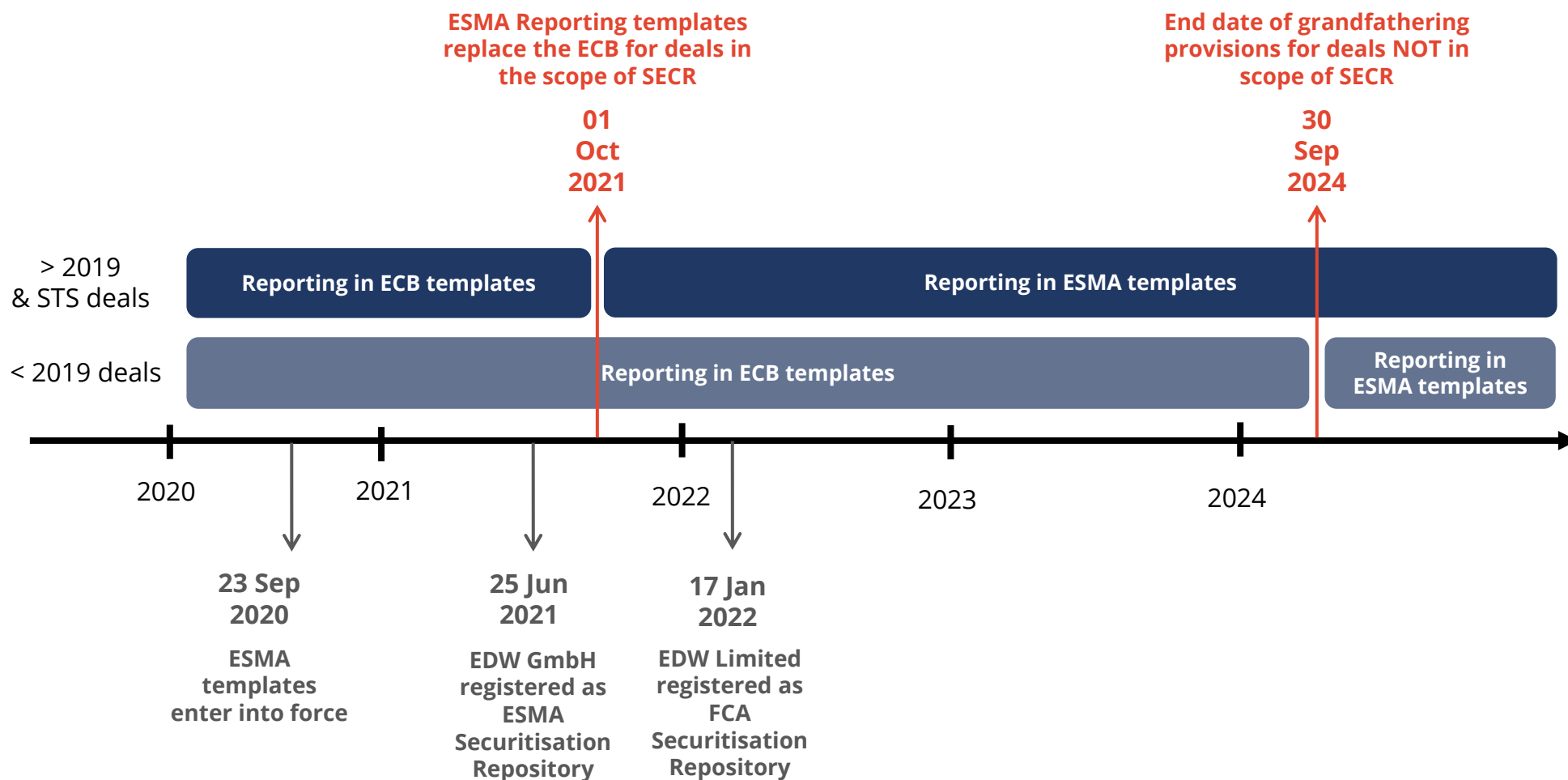
WELCOME AND INTRODUCTION

MARCO ANGHEBEN, EUROPEAN DATAWAREHOUSE

LATEST SOLUTIONS & GENERAL REGULATORY UPDATE

MARCO ANGHEBEN, EUROPEAN DATAWAREHOUSE

CHANGES TO THE EUROSYSTEM'S LOAN-LEVEL DATA REQUIREMENTS



Source: Timeline is based on the information provided in the ECB [press release](#) as of 28 June 2021

CURRENT DISCLOSURE REQUIREMENTS

Differences between public and private securitisations in EDITOR – Securitisation Repository solutions

ESMA/FCA Reporting Templates	Public	Private
Underlying Exposures	✓	✓
Investor Report	✓	✓
Inside Information/ Significant Event	✓	–

Disclosure requirements based on the RTS/ITS on operational standards for SR	Public Securitisation Repositories (SR)	Private (exempted from reporting to SR)
XML format	✓	✓
XML Schema checks	✓	–
ESMA/FCA Scoring	✓	–
Content checks (validation rules)	✓	–
ND Thresholds	✓	–

NEW SECURITISATION NOTIFICATION TEMPLATE FROM 1 APRIL 2022

Reporting frequency: Please provide the information as per the date of **origination***. No regular reporting or updates on changes are requested, except for any significant event following Article 7 (1) g) of SECR, affecting or likely to affect the features of transactions, particularly in relation to compliance with Articles 6 to 8 SECR. If so, please notify the ECB via CASPER, submitting also the updated template reflecting the significant events.

Required data points: Depending on the type and specificities of the transaction, not all data fields are required to be reported. For example, in case of a self-retained securitisation, there is no need to report further data points in the risk retention section. Upon selecting "Yes" for *Fully self-retained transaction*, the remainder of the Risk Retention section will be formatted in grey to indicate that the other cells do not need to be filled.

Multi-seller pools: In relation to shared pools/multi-seller pools, each originator should notify the pro-rata participation in the pool and all the required data fields. In case of transactions with original lender and potentially several interim originators and one final originator (i.e. exposures sold subsequently from one originator to the other), notification is expected from the final originator who securitises the exposures.

Upload of attachments: Please note that one file can be uploaded as an attachment in CASPER up to the maximum size permitted (currently 10MB). Thus, please either provide the written confirmation that the securitisation complies with Art. 6-8 and the assessment of its internal policies, processes and procedures in one document or include all documents in one zip file.

Update of the template: The notification template and these instructions may be subject to change from time to time as required. Please make sure to use the latest version of the template as available in CASPER when submitting a notification in CASPER.

* The date on which the exposures were first securitized, which may be one of the following: the date of the first issuance of securities (traditional securitizations), the date of the credit protection agreement (synthetic securitizations), or the date on which the initial securitization positions were created (ABCP transactions) or on which the asset-backed commercial paper was first issued (ABCP programmes). This is in line with Article 43(9) SECR.

Source: [ECB website](#)

MAY 2022

Reporting entity
Banking group of reporting entity
Identifier of the securitisation
Unique identifier
Identifier assigned by Securitisation Repository
Type of transaction
Resecuritisation
Legitimate purpose for resecuritisations
Date of origination
Reference date of information
Status of STS
Status of SRT
Revolving exposures
Revolving securitisation
Unique identifier of corresponding ABCP Programme
Information on the credit enhancement (ABCP)
Liquidity line provided by the sponsor (Total in EUR)
Credit facility provided by the sponsor (Total in EUR)
Other support provided by the sponsor (Total in EUR)
Type of other support provided by the sponsor
Classification of the underlying exposures (ABCP)
Total number of transactions
NPE securitisation
Portfolio in the ramp-up phase
Final legal maturity
Nominal amount of the underlying securitised exposures
Total in EUR
Breakdown by currency:
Most relevant currency
2nd most relevant currency
3rd most relevant currency

GUIDE ON THE NOTIFICATION OF SECURITISATION TRANSACTIONS

Timeliness of the notification

It is recommended that new transactions be notified to the ECB **no later than one month from the date of origination**.¹⁰

The ECB foresees a phase-in implementation until [1 October 2022] for those SIs unable to properly notify the ECB from [1 April 2022]. During the phase-in period, SIs are expected to finalise set-ups and systems to be able to submit notifications in line with the expectations of the Guide.



**6-month 'phase-in' period
1 April – 1 October 2022**

Information to be provided at origination

Originators or sponsors are expected to provide the ECB with the information relating to each new transaction at origination as listed in the Annex, which is divided into the following four sections:

- Section A (key transaction information);
- Section B (information on securitised exposures);
- Section C (information on securitisation positions);
- Section D (compliance with Articles 6 to 8 SECR).

Information to be provided during the life of the transaction

The requirements of Articles 6 to 8 SECR have to be fulfilled on a continuous basis. Originators or sponsors are recommended to notify the ECB without undue delay of any significant event affecting or likely to affect the features of transactions during the life of the transaction, particularly in relation to compliance with Articles 6 to 8 SECR.

FCA XML SCHEMA UPDATE

End of the Temporary Transitional Power

On 1st April 2022 the UK TTP came to an end and the UK transitioned from the EU Securitisation Regulation to the UK Securitisation Regulation.

FCA XML Schema Update

Ahead of this transition the FCA published updated UK schemas to their Securitisations webpage, with the key changes being the removal of EU names and references. The following two updates were made on the FCA Securitisation page:

- Update with new schemas/ validation rules and amended worksheets; and
- Update to the validation rules for XML reporting of public securitisations.

EDW CSV2XML Converter Tool

The EDW Converter tool has been updated to support the new schema. Clients do not need to make any changes and can continue to use the ESMA CSV templates after the change for most relevant asset classes (RMBS / Auto ABS / Consumer ABS / Credit Card ABS).

REPORTING SOLUTIONS UNDER ESMA AND FCA REGIMES

Base Scenario 1	Alternative Scenario 2	Alternative Scenario 3
<p>a) Private ABS transaction, as defined in Article 7.2, subparagraph 3 of Regulation (EU) 2017/2402 (<i>securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC, repealed by Regulation (EU) 2017/1129</i>).</p> <p>b) Listing: in the EU</p> <p>c) Reporting obligation/s: ESMA disclosure regime only (Article 7.1 of Regulation (EU) 2017/2402 along with the corresponding developing regulatory and implementing technical standards adopted by the European Commission)</p> <p>d) Dedicated website solution: EDITOR GmbH only.</p> <p>e) Costs: Annual fee of €7k starting from the second year of the deal creation (up to 30 June 2022)</p>	<p>a) Private ABS transaction, as defined in Article 7.2, subparagraph 3 of Regulation (EU) 2017/2402 (<i>securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC, repealed by Regulation (EU) 2017/1129</i>).</p> <p>b) Listing: in the EU</p> <p>c) Reporting obligation/s: ESMA disclosure regime only (Article 7.1 of Regulation (EU) 2017/2402 along with corresponding developing regulatory and implementing technical standards adopted by the European Commission), plus the delta with regard to the FCA disclosure regime (Article 7.1 of the UK Securitisation Regulation along with corresponding developing technical standards made jointly by the FCA and the PRA) based on investor request (to enable the performance of the due-diligence requirements for institutional investors prescribed in Article 5 of the UK Securitisation Regulation).</p> <p>d) Dedicated website solution: EDITOR GmbH only, under which an additional section is created under “Documentation” for the diverging UK disclosure regime.</p> <p>e) Costs: Annual fee of €7k starting from the second year of the deal creation (up to 30 June 2022)</p>	<p>a) Private ABS transaction, as defined in Article 7.2, subparagraph 3 of Regulation (EU) 2017/2402 (<i>securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC, repealed by Regulation (EU) 2017/1129</i>).</p> <p>b) Listing: in the EU</p> <p>c) Reporting obligation/s: ESMA disclosure regime only (Article 7.1 of Regulation (EU) 2017/2402 along with the corresponding developing regulatory and implementing technical standards adopted by the European Commission) plus complete FCA disclosure regime (Article 7.1 of the UK Securitisation Regulation along with the corresponding developing technical standards made jointly by the FCA and the PRA) based on investor request (to enable the performance of the due-diligence requirements for institutional investors prescribed in Article 5 of the UK Securitisation Regulation).</p> <p>d) Dedicated website: EDITOR GmbH plus EDITOR Ltd. (dual reporting for both documentation and LLD).</p> <p>e) Costs: Annual fee of €7k starting from the second year of the deal creation (up to 30 June 2022)</p>

LEGAL ASPECTS OF TRANSPARENCY OBLIGATIONS

ALAN BUNBURY, MATHESON



Matheson

EU Securitisation Regulation

Article 7 Transparency Requirements

Ireland Law Firm of the Year
Chambers Europe Awards 2021

Winner, 9 Deals of the Year in M&A, Equity Capital Markets, Debt Capital Markets, Financial Services and Aviation Finance
Finance Dublin Awards 2021

Ireland Tax Firm of the Year
International Tax Review 2021

Ireland's Leading Funds Practice by Assets Under Management (AUM)
Monterey Insight Ireland Fund Report 2020

First Organisation in Ireland to Receive the Investors in Diversity Gold Standard
Irish Centre for Diversity 2019

Ireland's Most Innovative Law Firm
Financial Times Innovative Lawyers Report 2019

EU Securitisation Regulation

- Came into force in 2019
- Post-crisis regulation of securitisations
- Imposes various obligations on market participants:
 - Due diligence requirements (Art 5)
 - Risk retention (Art 6)
 - **Transparency requirements (Art 7)**
 - Simple, Transparent and Standardised (STS) regime
 - etc.
- Irish Regulations (SI 656/2018): CBI is competent authority

Transparency Requirements – Who?

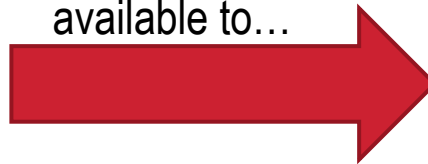
Applies to:

Originator

Sponsor

SSPE

Make information
available to...



Recipients:

Noteholders

Competent
authorities

Potential
investors*

* upon request

Originator, sponsor and SSPE must designate one of them to fulfil disclosure obligations

Transparency Requirements – What / when?

- Pre-pricing:
 - Transaction Documents
 - Prospectus / Transaction Summary
 - STS notification (where relevant)
- Quarterly (or monthly for ABCP):
 - Information on underlying exposures
 - Data re: credit quality, performance, risk retention, certain changes to structure
- Inside information / significant events (“*without delay*”)

Transparency Requirements – What / when?

- Article 7 supplemented by detailed technical standards in September 2020
 - Disclosure templates (by asset class)
 - Data format

- Irish Regulations: Notification to Central Bank
 - 15 working days after issuance
 - For SSPEs, combined with FVC / SPV registration process

Transparency Requirements – Where / how?

- Distinguish **public** (Prospectus Directive) vs **private** securitisations
 - Public securitisations: via securitisation repository
 - Private securitisations: “*any arrangements that meet the conditions of the Regulation*” (ESMA Q&A)
 - website is common approach
 - use of securitisation repository is possible

Looking to the future

- ESAs' report on implementation and functioning of Securitisation Regulation recommendations:
 - Consider excluding certain private securitisations from disclosure requirements
 - Mandate disclosure via securitisation repositories for in-scope private securitisations
 - Monitor and re-calibrate technical standards
- European Commission to publish report and possible proposal for amendments

Thank you

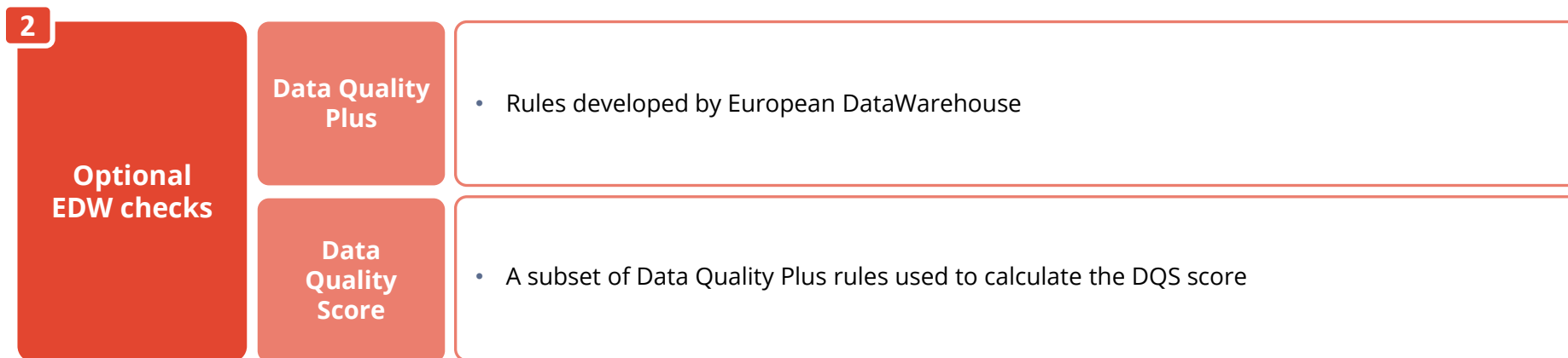
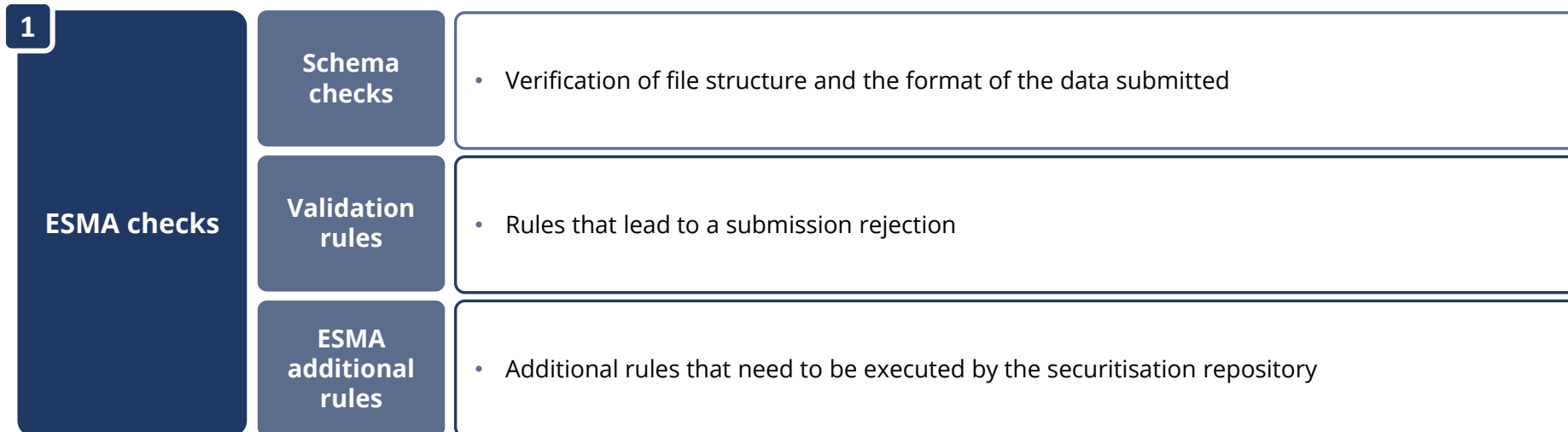
Questions? Get in touch

- **alan.bunbury@matheson.com**
- **+353 1 232 2767**

UPDATE ON DATA QUALITY RULES

RODRIGO DI GIANNANTONIO, EUROPEAN DATAWAREHOUSE

OVERVIEW OF EDW'S DATA QUALITY IMPROVEMENT PROCESSES



IDENTIFYING THE ADDITIONAL CHECKS DEVELOPED BY EDW

EDITOR's 'Download feedback' function allows issuers to view the failing checkIDs for the submitted ESMA templates

RuleId	RuleDesc	TemplateType	Status	Records
RREL63/UD/A/01	Prepayment Date (RREL63) later than Data Cut-Off Date (RREL6).	RMB	RJCT	5
RREL4/IS/A/01	[WARN] Original Obligor Identifier (RREL4) reports a different value than in the previous submission.	RMB	WARN	6
RREL37/IS/A/01	[WARN] Scheduled Principal Payment Frequency (RREL37) reports a different value than in the previous submission.	RMB	WARN	1
RREL48/CZ/A/01	[DQS] Interest Rate Cap (RREL48) equal to zero; for active loans.	RMB	WARN	5467
RREL49/IIC/A/01	[Data Quality Plus] Interest Rate Floor (RREL49) higher than Current Interest Rate (RREL43).	RMB	WARN	3320
RREL68/UHV/A/01	[Data Quality Plus] Number Of Days In Arrears (RREL68) greater than 180 when Account Status is not 'Defaulted' or 'Other' (RREL69 not in ('DFLT';'NDFT';'DTCR';'DADB';'OTHR')).	RMB	WARN	12
RREL69/OTH/A/01	[Data Quality Plus] Account Status equal to 'Other' (RREL69 = 'OTHR').	RMB	WARN	22
RREL73/ND5/A/01	[DQS] Allocated Losses (RREL73) reports ND5 when Sale Price (RREC21) or Date Of Sale (RREC20) are populated; for active loans.	RMB	WARN	6150
RREL8/IIC/A/01	[Data Quality Plus] Date Of Repurchase (RREL8) is populated when Account Status is not 'Repurchased' or 'OTHR' (RREL69 not in ('REBR'; 'REDF'; 'RERE'; 'RESS'; 'REOT'; 'OTHR')).	RMB	WARN	7421
RREL8/UD/A/02	[DQS] Date Of Repurchase (RREL8) earlier than 1980-01.	RMB	WARN	7443

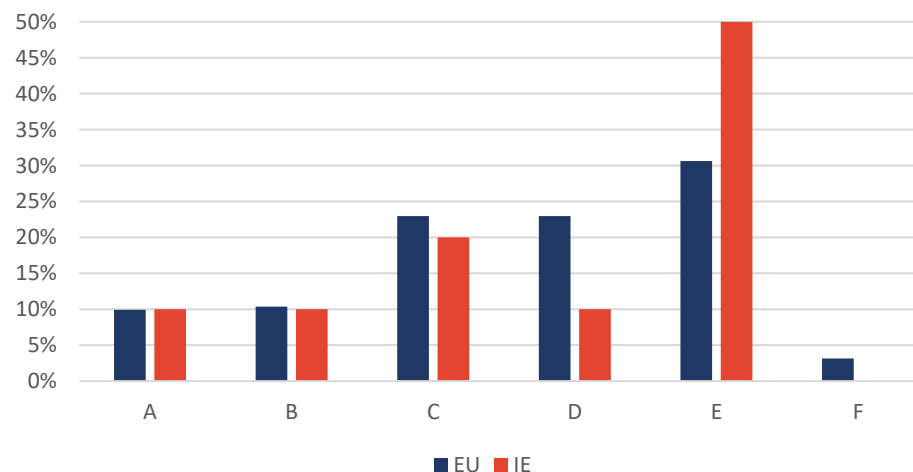
- **RJCT** → Validation rules
- **[WARN]** → Additional ESMA rules
- **[DATA QUALITY PLUS]** → Rules developed by EDW to improve the quality of ESMA submissions
- **[DQS]** → A subset of Data Quality Plus rules used to calculate the DQS score

DQS SCORE DISTRIBUTION FOR ESMA TEMPLATES

Methodology

- Automated score based on DQS failed rules – subset of all EDW Data Quality Plus rules
- Objective and common approach for all deals, jurisdictions, and asset classes
- Based on the following formula: $\frac{\sum(F_f)}{n \times MF}$ where:
 - F_f represents a field that failed a rule;
 - n is the total number of loans for each mandatory field;
 - MF represents the number of unique fields per each asset class with at least one DQS check implemented.

Distribution of DQS_all jurisdictions



DQS1 Score	Min. Fail Ratio	Max. Fail Ratio	Ratio
A	0.0000%	0.0001%	Up until 1 in a million
B	0.0001%	0.005%	Up until 5 in 100k
C	0.005%	0.1%	Up until 1 in a thousand
D	0.1%	1%	Up until 1 in a hundred
E	1%	4%	Up until 4 in a hundred
F	4%	100%	> 4 in a hundred

Note: data based on ESMA template submissions as of 10 March 2022 / Source: EDW calculations

MAIN DRIVERS FOR ESMA DQS

	Field
1	Credit Impaired Obligor
2	Purchase Price
3	Current Principal Balance
4	Origination Channel
5	Date Of Restructuring
6	Redemption Date
7	Maturity Date
8	Original Term
9	Number Of Days In Arrears
10	Original Term

SEVERAL KEY BENEFITS USING EDW'S EXTENDED TEMPLATES

Easy-to-use format

The data can be submitted in CSV-format

Time- & resource-saving

No need to prepare a second loan tape for credit rating agencies

Free of charge

The templates are available free of charge to EDITOR users

Restricted access only

Templates provided via SFTP with access for selected parties only



A SEAMLESS UPLOAD PROCESS

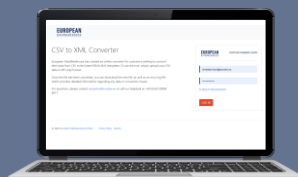
1

Upload EDW
Extended Templates
in CSV-format to the
CSV2XML Converter



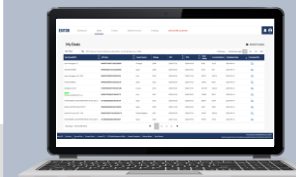
2

The ESMA fields are
automatically
converted into an
XML file



3

The XML files can be
published in EDITOR for
ESMA-regulatory compliance



The EDW Extended
Templates are automatically
stored in CSV-format for
credit rating agencies



4

NEW EDITOR FEATURES

RODRIGO DI GIANNANTONIO, EUROPEAN DATAWAREHOUSE

REPORTING ENTITY


Reporting Entity is derived from Securitisation Identifier

Create Deal

Ensure all details below are correct before confirming new deal.

Data Owner	European DataWarehouse GmbH
Data Provider	European DataWarehouse GmbH
Reporting Entity LEI	529900IUR3CZBV87LI37
Reporting Entity Name	European DataWarehouse GmbH
Securitization Identifier	529900IUR3CZBV87LI37N202245

 Edit Deal

 Cancel



 Confirm

ADD AND VISUALISE PREFERRED DEALS

Stay up to date with recent submissions and new document uploads using the MyPortfolio tool in EDITOR

- Via the EDITOR “Home” tab, create a personal portfolio and add specific deals based on the Securitisation ID, ISIN, or EDCode.
- Select the type of notification you want to receive:
 - ✓ New ESMA uploads
 - ✓ New ECB uploads
 - ✓ Documentation Changes
- Select the frequency of the notifications: Daily, Monthly, or Quarterly.

My Portfolios

 View
 Create

Portfolio Name

Add (Only one of the below Securitisation ID / ISIN / Edcode can be selected in a portfolio)

Securitisation ID
ISIN
Edcode

Subscribe to Email Notifications

New ESMA uploads
 New ECB uploads

Documentation Changes

Frequency

Daily
Monthly
Quarterly

Submit

COMPLIANCE WITH ARTICLE 5 OF THE SECURITISATION REGULATION

Get key transaction information in a standardised format with EDW Monitoring Report Solution

- Supports institutional investors in carrying out their due diligence assessment to comply with ongoing monitoring requirements under Article 5 of the Securitisation Regulation
- Contains a transaction summary with the most important information for a selected deal, such as principal balance, average LTV ratio, risk retention method, and ISIN-level data
- Allows in-depth insights on the pool of underlying assets, retrieved directly from EDW's database
- Currently available for RMBS and Auto asset classes - others soon to come

3. Prior to holding a securitisation position, an institutional investor, other than the originator, sponsor or original lender, shall carry out a due-diligence assessment which enables it to assess the risks involved. That assessment shall consider at least all of the following:

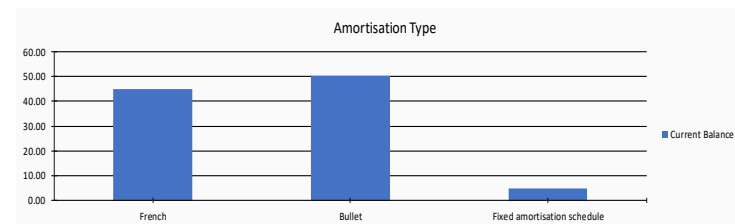
- (a) the risk characteristics of the individual securitisation position and of the underlying exposures;
- (b) all the structural features of the securitisation that can materially impact the performance of the securitisation position, including the contractual priorities of payment and priority of payment-related triggers, credit enhancements, liquidity enhancements, market value triggers, and transaction-specific definitions of default;

MONITORING REPORT SOLUTION FOR INVESTOR DUE DILIGENCE

Comprehensive overview. Easy to read. Quick to download.

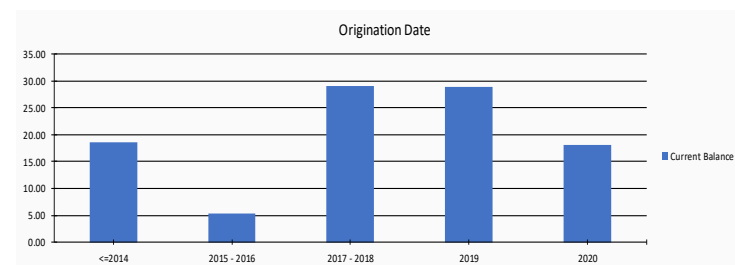
Amortisation Type

	Current Balance	Current Balance %	Number of Loans
French	200,963,505.00	44.87	2,612
Bullet	225,812,671.00	50.42	2,541
Fixed amortisation schedule	21,131,294.00	4.72	240



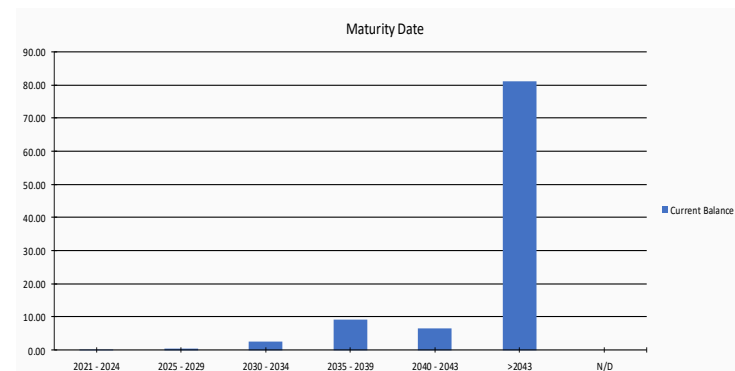
Origination Date

	Current Balance	Current Balance %	Number of Loans
<=2014	96,450,188.11	18.62	1,125
2015 - 2016	27,485,982.82	5.31	328
2017 - 2018	150,714,382.72	29.10	1,348
2019	149,883,468.21	28.94	1,341
2020	93,415,313.96	18.04	832



Maturity Date

	Current Balance	Current Balance %	Number of Loans
2021 - 2024	64,727.22	0.01	8
2025 - 2029	2,274,397.25	0.45	59
2030 - 2034	13,146,238.84	2.58	194
2035 - 2039	46,352,073.62	9.11	538
2040 - 2043	33,746,284.18	6.63	366
>2043	413,477,314.83	81.22	3,649
N/D	0	0	223



WRITTEN CONFIRMATION

Reporting Entities (RE) are obliged to provide a written confirmation to the Securitisation Repository (SR) in line with the Regulatory Technical Standards (RTS) on operational standards for SRs.



When should it be submitted?

Within 5 working days of the first issuance of securities for securitisations

Upon any material changes to documents uploaded to the SR

On an annual basis



How should it be submitted?

Via upload to EDW's SR platform through EDITOR (web and SFTP) under item code – 13

As an email attachment to enquiries@eurodw.eu with the subject:

“Written Confirmation - <SecID or DealName>”



What about Due Diligence?

EDW shall review the written confirmation document to ensure it reflects the underlying documentation uploaded

EDW shall verify that the document has been signed by a legal representative or authorized person of the RE

*Applicable to any public deal that has documents uploaded against items 3-9



Which privacy measures are in place?

The written confirmation document will be stored in a secure location accessible only by EDW

Data users will be made aware that a written confirmation has been received and verified by EDW, but will not gain access to the actual document itself

LATEST DEVELOPMENTS ON STS VERIFICATIONS

MICHAEL OSSWALD, STS VERIFICATION INTERNATIONAL (SVI)



THE STS VERIFICATION PROCESS
– THE STRUCTURED PATH TO
YOUR SUCCESS.

Latest Developments on STS

Michael Osswald

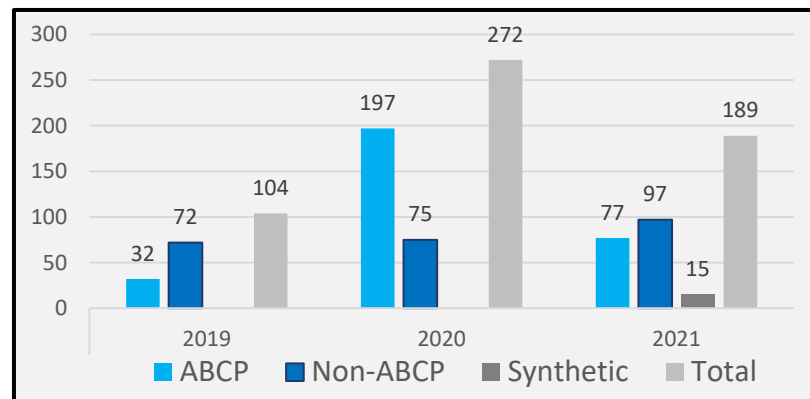
STS Verification International GmbH ("SVI")

European Data Warehouse Irish Virtual Workshop, 4 May 2022

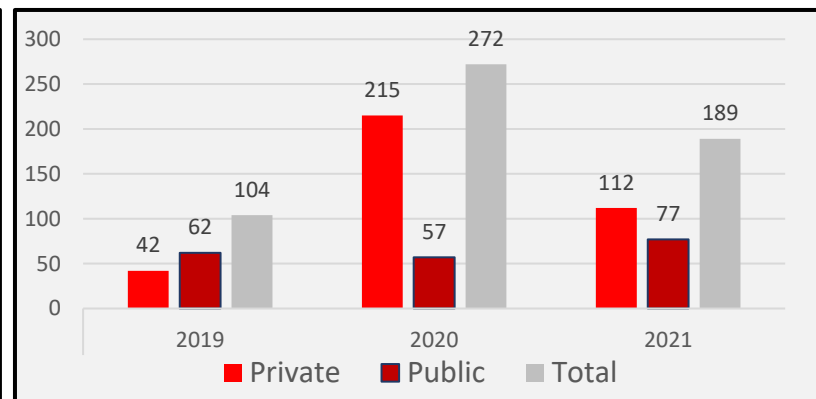


DEVELOPMENT OF THE MARKET FOR STS TRANSACTIONS (EU-27 COUNTRIES)

Distribution of all STS-notified Securitisations by Transaction Type*)



Distribution of all STS-notified Securitisations by public vs private*)

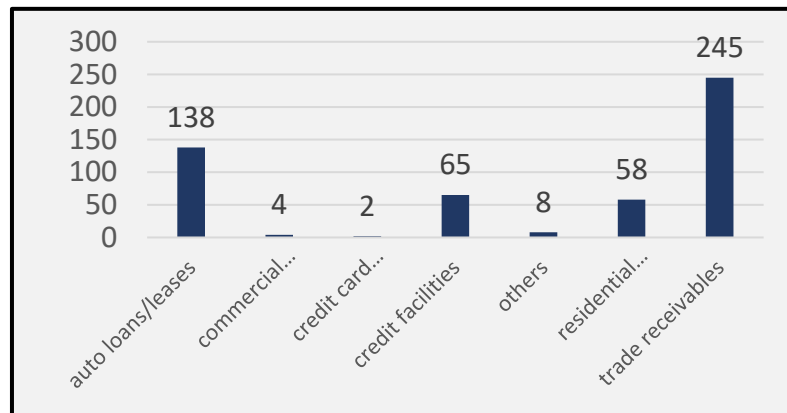


*) Period 1.1.2019 – 31.12.2021; Source: ESMA Website, SVI

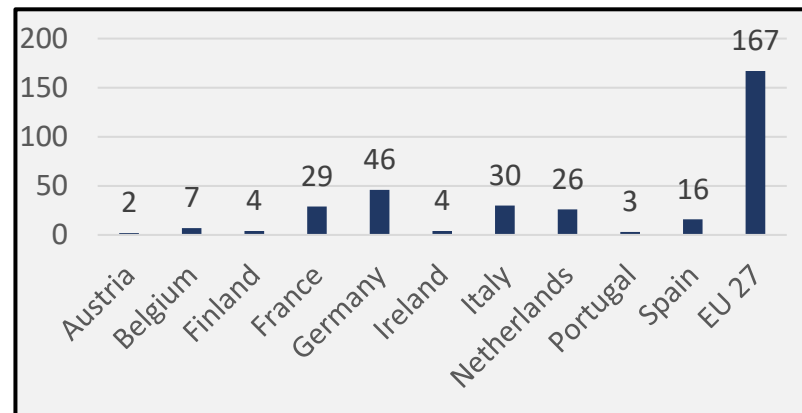
- Since the introduction of the STS-segment, 565 securitisations have been notified as STS-compliant (244 non-ABCP vs. 306 ABCP vs. 15 Synthetic, 196 public vs. 369 private transactions)
- STS-compliant transactions can be notified to ESMA as either “public” or “private” transactions, with resulting vastly different level of disclosure

DEVELOPMENT OF THE MARKET FOR STS TRANSACTIONS (EU-27 COUNTRIES) (CONTINUED)

Distribution of all STS-notified Securitisations by Asset Class*)



Distribution of public STS-notified Securitisations by Jurisdiction*)



*) Period 1.1.2019 – 31.03.2022; without Synthetic securitisations; Source: ESMA Website (, SVI

- The categorisation according to asset classes reflects the various asset types as proposed by the STS notification template provided by ESMA for traditional securitisations, respectively
- With effect from 3 February 2022, ESMA has introduced a new STS notification register, which includes (virtually) all previously STS-notified transactions and all newly STS-notified transactions

LEGAL CONSIDERATIONS

■ Ireland as leading SSPE location:

- As a pre-condition for STS-compliance, Article 18 of the SecR requires that „the originator, sponsor and SSPE involved in a securitisation considered STS shall be established in the Union.“
- In practice, for many of the STS securitisations (both non-ABCP, ABCP and synthetic) that we have verified, Ireland has been the location of choice for the SSPE.

■ Implications for the STS-Analysis regarding the true sale and related aspects:

- Transfer of title to the underlying exposures by means of a true sale and enforceability of such true sale
- Are there any severe claw-back provisions in the respective national insolvency law, which could allow the insolvency administrator to invalidate the transfer of the underlying exposures?
- Formal requirements for the external legal opinion (qualified external legal counsel, appropriate disclosure language)
- If the transfer of receivables and the perfection take place at a later stage (such as typically for Irish residential mortgage loans), are the trigger events in relation to the seller's credit quality standing sufficiently defined?
- Key requirements for synthetic on-balance sheet securitisations: Enforceability of the rights of the protection buyer and the protection seller under the financial guarantee

SUSTAINABLE SECURITISATION

■ Initial Securitisation Regulation (as of 12 Dec 2017):

- Since the inception of the STS-segment, the transparency criteria for non-ABCP securitisations have included the requirement to publish **environmental performance data** of the assets financed by residential mortgage loans and auto loans & leases
- Proviso that such information is available to the originator and captured in its IT systems

■ Amended Securitisation Regulation (as of 31 March 2021):

- **Art. 22 (4) and Art. 26d (4):** Originators may alternatively decide to publish „the available information related to the principal adverse impacts of the assets financed by the underlying exposures on sustainability factors“. At the same time, the European Supervisory Authorities shall develop an RTS on the content, methodologies and presentation of the above mentioned information, in respect of the sustainability indicators in relation to adverse impacts on the climate and other ESG-related adverse impacts (currently work-in-progress).
- **Art. 45a:** The ESAs shall, by 1 November 2021, publish a report on the development of a sustainable securitisation framework. The EU Commission shall submit such report together with the report on the functioning of the Securitisation Regulation as per Article 46 to the European Parliament and to the Council, in order to prepare a „specific sustainable securitisation framework“ (see next slide).

SUSTAINABLE SECURITIZATION (CONTINUED)

■ State of Play regarding the Sustainable Securitisation framework (as per EBA report):

- **Interaction with STS:** serve different purposes, but synergies are clearly recognisable
- **Proposed European Green Bond Standard as „platform“ also for green securitisations:**
Aims to create a common standard for all fixed income products, but amendments necessary to capture the specifics of securitisations:
 - ✓ use of proceeds approach at the level of the originator rather than SPV to avoid that the securitised portfolio needs to be 100% green and enable the originator to use the proceeds to finance green EU taxonomy-aligned investments
 - ✓ Additional disclosures of the environmental performance of the underlying assets to provide investors an insight on the green vs. brown composition of the securitised portfolio
- **Specific „green securitisation“ label:** possibly at a later stage for true sale securitisations; additional thoughts required for synthetic securitisations

■ The concept of the External Reviewer as crucial element of the proposed European Green Bond Standard:

- **Authorisation & supervision:** by ESMA, open to both EU and third-country domiciled entities
- **Main tasks:**
 - ✓ Pre-issuance review of the European green factsheet detailing (taxonomy-aligned) use of proceeds, environmental strategy of the issuer and other aspects of the bond issuance
 - ✓ Post-issuance review of the (use of proceeds) allocation reports (until bond maturity)



Q&A

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18.

MAY
2022

EDW 2022 Spring Workshop Series - Portuguese Market Webinar @ 16:00 CEST

02.

JUN
2022

Spring Research Update Webinar @ 16:00 CEST

08.

JUN
2022

EDW 2022 Spring Workshop Series - UK Market Webinar @ 16:00 CEST

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