

Transparency requirements of EU Securitisation Regulation to be incorporated into Eurosystem collateral framework



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- Eligibility requirements for loan-level data reporting in collateral framework to be adjusted to reflect EU Securitisation Regulation's disclosure requirements
- Eligibility criteria for asset-backed securities to change at a future date, dependent on fulfilment of certain conditions
- Phasing-in of new loan-level data requirements will be gradual and will facilitate continued eligibility of transactions fulfilling current reporting standards

The European Central Bank (ECB) has decided that the loan-level data reporting requirements of the Eurosystem collateral framework will converge towards the disclosure requirements and registration process for securitisation repositories specified in the Securitisation Regulation (Regulation (EU) No 2017/2402). The ECB has taken this decision with a view to promoting efficiency and standardisation in the securitisation market.

The Securitisation Regulation sets out the rules for all securitisation transactions and creates a framework for simple, transparent and standardised securitisation. It will enhance harmonisation and transparency in the

securitisation market and strengthen the efforts, initiated in 2013 with the establishment of the ECB's loan-level data initiative, to support a higher degree of transparency in the asset-backed securities (ABS) market.

The disclosure requirements of the Securitisation Regulation will be reflected in the eligibility requirements for the acceptance of ABSs as collateral in the Eurosystem's liquidity-providing operations. In addition, the ECB will phase out its designation process for loan-level data repositories and will rely instead on the registration of securitisation repositories by the European Securities and Markets Authority (ESMA) under the Securitisation Regulation.

The Securitisation Regulation became applicable on 1 January 2019. ABSs issued after that date and older ABSs seeking to obtain the simple, transparent and standardised (STS) label, as defined in Chapter 4 of the Regulation, will be subject to its provisions. However, the change in the Eurosystem's loan-level data reporting requirements to reflect the Securitisation Regulation's disclosure requirements and registration process for securitisation repositories is dependent on two conditions being met. First, the underlying exposure templates specified in the implementation technical standards adopted by the European Commission under Article 7(4) of the Securitisation Regulation must have entered into force. Second, at least one securitisation repository must have been registered by ESMA. The change in the Eurosystem's transparency requirements will come into effect after a transitional period of three months from the date on which these two conditions are fulfilled.

For ABSs issued prior to 1 January 2019 which are not subject to the Regulation, the Eurosystem's current loan-level data reporting requirements will be maintained for a grandfathering period of three years after the date on which the change in the ECB's transparency requirements becomes effective. After that period, it is envisaged that the disclosure requirements of the Securitisation Regulation will apply in full to these ABSs.

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