Council of the European Union

Brussels, 18 November 2025
(OR. en)

15575/25

Interinstitutional Files:
2025/0825 (COD)
2025/0826 (COD)

EF 376
ECOFIN 1533
SURE 22
CODEC 1839
ECB

COVER NOTE

From:	Christine LAGARDE, The President of the ECB
date of receipt:	18 November 2025
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
Subject:	OPINION OF THE EUROPEAN CENTRAL BANK of 11 November 2025 on (a) a proposal for a regulation amending Regulation (EU) 2017/2402 laying down a general framework for securitisations and creating specific framework for simple, transparent and standardised securitisation, (b) a proposal for a regulation amending Regulation (EU) 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures, and (c) a draft proposal for a delegated regulation amending Delegated Regulation (EU) 2015/61 as regards the eligibility conditions for securitisations in the liquidity buffer of credit institutions (CON/2025/35)

EUROPEAN CENTRAL BANK

EUROSYSTEM

EN

OPINION OF THE EUROPEAN CENTRAL BANK

of 11 November 2025

on (a) a proposal for a regulation amending Regulation (EU) 2017/2402 laying down a general framework for securitisations and creating specific framework for simple, transparent and standardised securitisation, (b) a proposal for a regulation amending Regulation (EU) 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures, and (c) a draft proposal for a delegated regulation amending Delegated Regulation (EU) 2015/61 as regards the eligibility conditions for securitisations in the liquidity buffer of credit institutions

(CON/2025/35)

Introduction and legal basis

On 15 July 2025 and 9 September 2025, respectively, the European Central Bank (ECB) received requests from the Council of the European Union and the European Parliament for an opinion on (a) a proposal for a regulation amending Regulation (EU) 2017/2402 laying down a general framework for securitisations and creating a specific framework for simple, transparent and standardised securitisation[1] (hereinafter the 'proposed amendments to the Securitisation Regulation'); and (b) a proposal for a regulation amending Regulation (EU) 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures[2] (hereinafter the 'proposed amendments to the CRR'). In addition, on 17 June 2025 the Commission published a draft proposal for a delegated regulation amending Delegated Regulation (EU) 2015/61 as regards the eligibility conditions for securitisations in the liquidity buffer of credit institutions[3] (hereinafter the 'proposed amendments to the liquidity coverage ratio (LCR) delegated regulation', and together with the proposed amendments to the Securitisation Regulation and the proposed amendments to the CRR, the 'proposed regulations').

The ECB's competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union, since the proposed regulations contain provisions affecting: (a) the basic task of the European System of Central Banks (ESCB) of defining and implementing the monetary policy of the Union pursuant to Article 127(2) of the Treaty; (b) the ESCB's task of contributing to the smooth conduct of policies pursued by the competent authorities relating to the prudential supervision of credit institutions and the stability of the financial system pursuant to Article 127(5) of the Treaty; and (c) the tasks conferred on the ECB pursuant to Article 127(6) of the Treaty concerning policies relating to the prudential

1 COM(2025) 826 final.
2 COM(2025) 825 final.
3 Ares(2025)4808223.

supervision of credit institutions. In accordance with Article 17.5, first sentence, of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

General observations

1. Objectives of the proposed regulations and financial stability considerations

1.1 The ECB welcomes the proposed regulations, which will improve the functioning of the Union securitisation framework. A well-functioning Union securitisation market was already identified as an important pillar of the initial Commission capital markets union (CMU) action plan in 2015, and is an important element of the savings and investments union agenda. The proposed regulations are a step in the right direction to make further progress at Union level to (a) achieve economies of scale in the development of securitisation products, (b) facilitate the expansion of the market, and (c) support the integration of Union markets, all of which would broadly support the savings and investment union. The proposed regulations would also help ensure that the Union securitisation market is able to play a meaningful role in transferring risks away from credit institutions so that they are better positioned to meet additional lending demands from the real economy, while creating opportunities for financial market investors. A well-structured securitisation framework can in principle support economic growth, which can ultimately positively contribute to financial stability. In this regard, the ECB also agrees with the Commission that regulatory reform can only go so far in terms of stimulating the securitisation market's development.

1.2 In response to the global financial crisis, the International Organisation of Securities Commissions and the Basel Committee on Banking Supervision (BCBS) undertook a regulatory overhaul of securitisations, drawing lessons from the crisis, which led to the introduction of risk retention requirements, better disclosure standards, and higher bank capital charges. In 2014, the Basel standards for securitisation were amended to recognise, via the concept of 'simple, transparent and comparable securitisations', that securitisations that were structured responsibly warranted lower capital charges reflecting a lower risk profile[4].

1.3 Sustainable growth of the securitisation market requires simple and standard securitisations and sound prudential requirements that preserve adequate structuring incentives. Any potential changes to the regulatory framework should be assessed against the objectives of transparently transferring risk from originators while maintaining their 'skin in the game', widening the investor base for securitisations and supporting a sustainable and healthy market. The prudential and regulatory framework should encourage the establishment of simple and standard transactions and discourage

4 See Basel Committee on Banking Supervision of the Bank for International Settlements, Basel III Document: Revisions to the securitisation framework, as amended to include the alternative capital treatment for 'simple, transparent and comparable' securitisations, 11 December 2014 (rev. July 2016). This standard has been integrated into the consolidated Basel Framework, available on the Bank for International Settlements' website at www.bis.org.

that of complex transactions with limited benefits for the financing of the economy and higher risks for credit institutions acting as investors and originators.

1.4 Overall, the ECB agrees with the conclusion set out in the 2022 European Supervisory Authorities' joint advice on securitisation[5] that improvement to the consistency and risk-sensitivity of the capital framework for banks might be helpful, but that recalibrating the securitisation prudential framework would not be a solution that would, in itself, ensure the revival of the securitisation market. For example, the difference between the size of the European and US securitisation markets is not driven by regulatory factors, but rather by structural differences between the European and US markets, with government-sponsored enterprises playing a prominent and decisive role in the size of the US securitisation market.

1.5 Attention should be paid to the impact of the proposed amendments concerning synthetic securitisations, a segment that is already driving growth in the Union securitisation market. If not properly managed by originator credit institutions, large synthetic securitisations can create procyclicality due to rollover risk; this might have adverse effects on financial stability if the use of such securitisations by credit institutions was to become significant. Large-scale use of synthetic securitisations may create three main vulnerabilities: (a) they enable banks to lend more to the economy while maintaining the same level of capital or to make dividend payments/share buybacks – both of which leverage up the balance sheet, although the leverage ratio constrains this effect; (b) they need to be rolled over more frequently than traditional securitisations to preserve the risk transfer of the residual portfolio at the maturity of the protection, in case the two do not coincide; and (c) if protection sellers cannot withstand high losses in downturns the actual risk transfer is endangered if the credit protection is not sufficiently collateralised. Should issuance continue in line with current trends or even accelerate, the potential for financial stability risks to build up, and become substantial, could not be excluded[6]. Continued risk monitoring is therefore needed.

1.6 The primary goals of securitisation should be to effectively transfer substantial risk away from originating banks to other parts of the financial system which are well placed to take it according to their risk appetite and investment mandates, and to diversify funding sources, both of which can unlock new lending within the economy. Traditional securitisations, based on true-sale structures, have historically accomplished these objectives well. While synthetic securitisations are increasingly replacing true-sale structures for risk transfer, they lack the funding component and thus contribute far less to new lending and may introduce new financial stability risks. For this reason, the ECB considers that traditional securitisations better achieve the objectives of the proposed regulations.

---

5 Joint Committee advice on the review of the securitisation prudential framework (banking), Response to the Commission's October 2021 call for advice to the JC of the ESAs (JC/2022/66), 12 December 2022.

6 See the European Systemic Risk Board (ESRB) Report, 'Unveiling the impact of STS on-balance-sheet securitisation on EU financial stability', May 2025, available on the ESRB's website at www.esrb.europa.eu.

2. Prudential supervision considerations

2.1 Originator credit institutions generally use securitisation to reduce the amount of capital they are required to maintain from a regulatory perspective or for funding purposes. If not managed adequately, securitisations may also pose severe risks to both originator and investor credit institutions or the banking sector as a whole, as was seen during the global financial crisis. This is why long-term market development requires a genuine transfer of a significant majority of risks outside the banking sector, to a diversified investor base that is able to manage those risks. Supervisors should also have powers that allow them to identify and stop risky behaviour by both originator and investor credit institutions early on.

2.2 Targeted measures to lower regulatory requirements should be strictly limited to securitisation positions of very high structural and credit quality, and should include appropriate safeguards to ensure a robust securitisation market throughout the economic cycle. In this regard, it is welcome that the Commission is seeking a targeted way to support the market by creating a new concept of 'resilient transactions', which would benefit from more favourable treatment, with safeguards. However, the proposed recalibration of the existing requirements appears excessive and complex, and may therefore fall short of achieving the stated objectives of supporting the sustainable and healthy growth of the securitisation market and generating additional lending to households and businesses within the Union.

2.3 The use of simple securitisation products, such as simple, transparent, and standardised (STS) securitisations, could have beneficial impacts on the securitisation market. New transactions should also remain simple enough so that supervisors retain capacity to conduct their tasks and to keep pace with the growth of the market, without either requiring disproportionate resources that would negatively burden the supervised credit institutions or losing track of market developments. This is why the use of simple and standardised products is a necessary step to help the development of the market while also supporting financial stability and attracting new investors. In contrast, while complex securitisations and opaque structures may maximise the profitability of individual transactions, they tie up the resources of originator credit institutions, investors and supervisors, and ultimately provide no additional benefits to the financial sector or the broader economy. For this reason, the ECB proposes specific changes concerning the recalibration of the securitisation prudential framework in this opinion.

3. Monetary policy implementation considerations

3.1 The ECB notes that senior tranches of traditional securitisations are eligible as collateral for Eurosystem monetary policy operations[7], provided that they fulfil the Eurosystem collateral eligibility

---

7 For further information on the proportion of asset-backed securities (ABSs) within Eurosystem eligible marketable assets and Eurosystem mobilised collateral universes, see 'Eurosystem Collateral Data', available on the ECB's website at www.ecb.europa.eu.

criteria[8]. Asset-backed securities (ABSs) have also been purchased under the ECB's asset purchase programme[9] and the pandemic emergency purchase programme[10]. In this regard, the ECB welcomes the overall goal of the proposed regulations, as a functioning (high quality) securitisation market can support the implementation of monetary policy in the euro area by providing additional high quality collateral that Eurosystem counterparties can use to participate in Eurosystem credit operations.

3.2 The ECB cautions that availability of sufficient information is of paramount importance for risk management due diligence assessments and for monitoring ABSs accepted as collateral or purchased for monetary policy purposes.

4. The ECB's competence to supervise compliance with the STS criteria

4.1 The proposed amendments to the Securitisation Regulation entrust the competent authorities responsible for prudential supervision, including the ECB for significant institutions within the Single Supervisory Mechanism, with the responsibility to supervise the application of the STS criteria by originator and sponsor credit institutions when originating or sponsoring STS securitisations.

4.2 While the ECB sees merit in Union-level supervision in relation to the STS criteria, the ECB recalls its previously expressed views that the provisions which contain the STS criteria and provide for the process of ensuring compliance with them relate to the supervision of the securitisation market, and thus supervision of compliance with the STS criteria should fall outside the tasks relating to the prudential supervision of credit institutions[11].

4.3 The ECB acknowledges that the fulfilment of the STS criteria by originator and sponsor credit institutions also impacts the capital requirements for the STS securitisation positions retained by the originator and sponsor credit institutions, as well as the capital requirements of Union credit institutions acting as investors. Yet, the ECB maintains that the supervision of compliance by originator and sponsor credit institutions with the STS criteria is not a traditional prudential task. Conferring on the ECB the supervision of compliance with the STS criteria as a prudential task would

---

8 Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (General Documentation Guideline) (ECB/2014/60) (OJ L 091 2.4.2015, p. 3, ELI: http://data.europa.eu/eli/guideline/2015/510/oj) and Guideline of the European Central Bank of 9 July 2014 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (ECB/2014/31) (OJ L 240, 13.8.2014, p. 28, ELI: http://data.europa.eu/eli/guideline/2014/528/oj).

9 Decision (EU) 2015/5 of the European Central Bank of 19 November 2014 on the implementation of the asset-backed securities purchase programme (ECB/2014/45) (OJ L 1, 6.1.2015, p. 4, ELI: http://data.europa.eu/eli/dec/2015/5/oj).

10 Decision (EU) 2020/440 of the European Central Bank of 24 March 2020 on a temporary pandemic emergency purchase programme (ECB/2020/17) (OJ L 91, 25.3.2020, p. 1, ELI: http://data.europa.eu/eli/dec/2020/440/oj).

11 See paragraph 3.3 of Opinion CON/2016/11 of the European Central Bank of 11 March 2016 on (a) a proposal for a regulation laying down common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation; and (b) a proposal for a regulation amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (OJ C 219, 17.6.2016, p. 2). All ECB opinions are published on EUR-Lex.

thus require an expansive reading of Article 127(6) of the Treaty and Article 4 of Council Regulation (EU) No 1024/2013[12].

4.4 Since the supervision of compliance with the STS criteria is not a traditional prudential task, entrusting it to prudential supervisors may mean that some prudential supervisors, including the ECB, would have to build up additional resources in order to perform it. Conversely, the proposed amendments to the Securitisation Regulation could also lead to supervisory divergence in some Member States and the Union as between the supervision of credit institution and non-credit institution originators and third-party verifiers.

Specific observations

Part I: Proposed amendments to the Securitisation Regulation

5. Simplification of investor due diligence requirements

5.1 Investors in securitisations are required to conduct their own due diligence checks to ensure that they fully understand the risks and the characteristics of the relevant securitisation position. However, overly prescriptive due diligence requirements may deter new investors from entering the market and limit secondary market activity.

5.2 The ECB therefore welcomes the objective of making the due diligence requirements more proportionate and focused on the risk characteristics and structural features that can materially affect the performance of the securitisation, but considers it essential that the Securitisation Regulation provides clearer guidance on how proportionality should be interpreted and applied in practice. In particular, the ECB welcomes the proposal to remove the obligations for institutional investors to check the compliance by sell-side parties established in the Union with risk retention requirements, transparency requirements, and selection and pricing policies for non-performing exposures. The removal of these obligations should reduce the administrative burden for institutional investors and curb the duplication of compliance checks within the Union.

5.3 However, the rationale for making the due diligence requirements more proportionate relies on the assumption that sell-side parties established in the Union comply with their obligations. Thus, the problem of fragmented supervision highlighted in the Joint Committee advice may not be adequately addressed in the proposal for the segment of securitisations originated by non-bank financial institutions. Given that the non-bank segment is expected to grow significantly in the near future, the ECB sees merit in considering centralised or more coordinated supervision at Union level of compliance with the Securitisation Regulation (including compliance with the STS criteria) for all segments. This could also be complemented by a centralised or more coordinated supervision at Union level of third-party verifiers (TPVs) to gather synergies, as the number of TPVs may also

12 Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63, ELI: http://data.europa.eu/eli/reg/2013/1024/oj).

increase if the market develops as expected. In this regard, it appears that market supervisors may be best positioned to supervise compliance with originator-related criteria by all originators.

5.4 Furthermore, the recitals of the proposed amendments to the Securitisation Regulation explain the intention to apply due diligence requirements in a more proportionate manner overall and to permit simplified due diligence for repeated transactions[13]. However, this intention is not reflected in specific amendments to the relevant provisions of the Securitisation Regulation[14]. Rather, the relevant provisions[15] only remove the minimum list of features to be assessed prior to investments. The proposed amendments to the Securitisation Regulation do not materially change the existing overall scope of the due diligence assessment, for example 'all the structural features of the securitisation that can materially impact the performance of the securitisation position', or the standard of due diligence assessment and documentation required, i.e. 'appropriate written procedures that are proportionate to the risk profile of the securitisation position'. The ECB therefore suggests introducing a specific reference to proportionality and simplification of due diligence directly into the relevant provisions[16] and providing further clarity on the concepts of proportionality for lower-risk securitisations and repeated transactions. This should provide a specific legal basis for institutional investors to adjust their existing approach to due diligence under the Securitisation Regulation. Without such clarification, there is a risk of inconsistent interpretation and implementation by different institutional investors, and the intended reduction in due diligence efforts and costs may not be achieved.

5.5 In addition, the proposed removal of the requirement that investors must verify compliance with the requirements for STS securitisations[17] increases reliance on STS notifications and verifications. The ECB therefore agrees that the proposed amendments to the Securitisation Regulation[18] should require that third-party verifiers of compliance with the STS criteria are not only authorised but also appropriately supervised. It is also important that compliance by originators, original lenders and securitisation special purpose entities with the STS criteria continues to be appropriately supervised by the relevant competent authorities.

5.6 Investors should be given time following the investment in which to document and demonstrate compliance with the verification requirements of the due diligence process. In this respect, the ECB welcomes the clarification that institutional investors have a period of 15 working days to document

---

13 See recitals 4 and 8 of the proposed amendments to the Securitisation Regulation.

14 See Article 5 of the Securitisation Regulation.

15 See Article 1, points (3)(b) and (3)(c)(i), of the proposed amendments to the Securitisation Regulation, which amend or delete Article 5(3), points (b) and (c), and Article 5(4), point (a), second subparagraph, of the Securitisation Regulation.

16 See Article 5 of the Securitisation Regulation.

17 See Article 1, point (3)(b)(ii), of the proposed amendments to the Securitisation Regulation, which deletes Article 5(3), point (c), of the Securitisation Regulation.

18 See Article 1, point (14), of the proposed amendments to the Securitisation Regulation, which amends Article 28(1) of the Securitisation Regulation.

their due diligence duties when investing on the secondary market[19]. The ECB also welcomes that this extension of the time afforded to institutional investors to document their due diligence leaves unchanged the requirement that institutional investors must fulfil their due diligence obligations in advance of their investment and to the full extent required by Article 5 of the Securitisation Regulation. These substantive obligations are rightly unchanged by the proposed amendments to the Securitisation Regulation.

5.7 The ECB is, however, sceptical about the new waivers from due diligence requirements proposed for certain securitisation positions that are guaranteed by multilateral development banks[20] or for positions in securitisations where the first-loss tranche representing at least 15 % of the nominal amount of the securitised exposures is either held or guaranteed by the Union or by national promotional banks or institutions[21]. The ECB acknowledges that the risk profile of a securitisation position directly guaranteed by a multilateral development bank might require a different due diligence requirement compared to a similar position without a public guarantee. The ECB considers, however, that this could be dealt with in a proportionate manner under the revised wording of the relevant provisions of the Securitisation Regulation[22]. As regards securitisations with a substantial first-loss position, there is no rationale for waiving compliance with the due diligence requirements for other positions in the same transactions since those positions do not benefit from the guarantee.

5.8 As regards the intention to clarify the sanctioning regime that would be applicable to breaches of due diligence requirements, the ECB agrees that legal certainty for institutional investors is a key aspect in increasing participation in Union securitisation markets. At the same time, an effective sanctioning regime is an essential component of the due diligence requirements themselves. However, if the proposed sanctioning regime for breaches of the due diligence requirements is too harsh, new investors might be disincentivised from participation. The ECB is therefore of the view that a more proportionate sanctioning regime compared to sanctions applicable to the sell-side requirements might be better suited to achieving the objectives of the proposed regulations to widen the investor base in securitisation markets. Furthermore, the imposition of administrative sanctions under the Securitisation Regulation on institutional investors in addition to punitive prudential treatment already available under existing sectoral regulatory regimes could be considered disproportionate.

---

19 See Article 1, point (3)(c)(ii), of the proposed amendments to the Securitisation Regulation, which adds a new Article 5(4), point (g), to the Securitisation Regulation.

20 See Article 1, point (3)(d), of the proposed amendments to the Securitisation Regulation, which inserts a new Article 5(4a) into the Securitisation Regulation.

21 Within the meaning of Article 2, point (3), of Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments (OJ L 169, 1.7.2015, p. 1, ELI: http://data.europa.eu/eli/reg/2015/1017/oj). See Article 1(3), point (d), of the proposed amendments to the Securitisation Regulation, which inserts a new Article 5(4b) into the Securitisation Regulation).

22 See Article 5 of the Securitisation Regulation, as amended by Article 1, point (3), of the proposed amendments to the Securitisation Regulation, including the ECB's proposed amendments.

Regulation (EU) No 575/2013 of the European Parliament and of the Council[23] (hereinafter the 'Capital Requirements Regulation' or 'CRR') already provides that the competent authorities are to impose a proportionate additional risk weight where an institution does not meet certain specific requirements under the Securitisation Regulation[24], [25].

5.9 The possibility for institutional investors to delegate the fulfilment of their due diligence obligations to another institutional investor in accordance with the Securitisation Regulation[26] currently implies that sanctions may be imposed on the investor to which the delegation is made, rather than on the delegating investor. The proposed amendments to the Securitisation Regulation aim to change this approach, so that the legal liability and associated sanctions would remain with the delegating investor, rather than with the investor managing the fulfilment of the due diligence requirements. While the general principle applied to outsourcing arrangements in financial regulation is that the legal liability and duty of compliance remains with the outsourcing entity, rather than with the entity to which delegation is made, the ECB considers that compliance with due diligence is primarily the responsibility of the entity actually conducting the due diligence checks. Furthermore, the proposed change may also disincentivise new investors from entering the securitisation market, which would run counter to the objective of the proposal. Finally, legal liability could only be transferred via delegation to other institutional investors that are themselves subject to the relevant requirements[27]. The ECB would therefore suggest that the relevant provisions of the Securitisation Regulation should not be amended as proposed by the Commission[28], but should only be clarified to the effect that the delegating institutional investor is to ensure that the investor to which the fulfilment of the obligation is delegated has sufficient experience. This should be without prejudice to the additional proportionate risk weights to be imposed on the delegating institutions under the CRR[29].

6. Relaxation of certain risk retention requirements

6.1 The ECB takes note of the proposed exemption from risk retention requirements for securitisations with first loss tranches with a minimum thickness of 15 % of the nominal value of the securitised exposures which are held or guaranteed by specified entities[30], including the Union. Such a tranche is generally deemed to provide sufficient risk coverage and reflects the objectives of the relevant provisions of the Securitisation Regulation[31], which aim to promote transactions supported by public or promotional entities.

---

23 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).

24 See Article 270a of the CRR.

25 See Chapter 2 of the Securitisation Regulation.

26 See Article 5(5) of the Securitisation Regulation.

27 See Article 5(5) of the Securitisation Regulation.

28 See Article 1, point (3)(e), of the proposed amendments to the Securitisation Regulation, which amends Article 5(5) of the Securitisation Regulation.

29 See Article 270a of the CRR.

30 Specified in Article 6(5) of the Securitisation Regulation.

31 See Article 6(5) of the Securitisation Regulation.

6.2 However, certain types of securitisation transactions, such as those involving high-risk exposures or non-performing exposures (NPEs), require additional safeguards to ensure adequate risk coverage. To address these cases, the thickness of the first loss tranche could, for instance, be set at the greater of 15 % of the nominal value of the securitised exposures and a factor of the expected loss amount of the specific transaction's portfolio of securitised exposures, with scope for an evidence-based calibration to enhance accuracy. As an additional safeguard, instead of fully exempting these transactions from risk retention requirements, consideration could be given to requiring a material net economic interest of at least 5 % for the remaining non-guaranteed tranches, achieved via a vertical slice or another method permitted under Article 6(3) of the Securitisation Regulation. These adjustments would strengthen the regulatory framework, ensuring greater robustness while remaining consistent with the intention of the proposed amendment.

6.3 Based on past supervisory experience, the ECB proposes introducing an additional risk-retention compliance option in respect of NPE securitisations that benefit from public guarantee schemes. The effectiveness of these public guarantee schemes[32] in resolving and reducing non-performing loans on banks' balance sheets has been demonstrated in recent years. In particular, the ECB proposes that the retention of not less than 5 % of the nominal value of each tranche sold or transferred to investors, as currently permitted under the Securitisation Regulation[33], should also be deemed compliant with risk retention requirements where one or more tranches are fully guaranteed by eligible entities[34], provided that not less than 5 % of the nominal value of each of the non-guaranteed tranches are retained[35]. This amendment would complement the methods currently used in NPE securitisations under existing guarantee schemes, such as the retention of a first loss tranche, by introducing an alternative compliance route without altering the schemes' prudential integrity. This additional flexibility would support the continued utilisation of these schemes, which have proven effective in facilitating the securitisation and resolution of NPEs, and would further contribute to the broader policy objective of addressing legacy non-performing loans in the Union banking system.

7. Simplification of disclosure requirements

7.1 The ECB supports the objective of simplifying disclosure requirements under the Securitisation Regulation. A targeted approach to reducing the reporting burden and related costs is welcomed, with a focus on eliminating data points that are not essential for current or potential investors and competent authorities. However, this simplification must not compromise data quality, comparability, or the inclusion of information critical for risk management and effective supervision. The reporting burden is not solely determined by the number of data fields to be completed, but also by the complexity and practicality of the compliance requirements. Efforts should be made to ensure that reporting obligations remain proportionate, while preserving access to all necessary information, but

32 See, for example, the Italian Garanzia sulla Cartolarizzazione delle Sofferenze (GACS) and the Greek Hercules Asset Protection Scheme (HAPS).

33 See Article 6(3), point (a), of the Securitisation Regulation.

34 In accordance with Article 6(5) of the Securitisation Regulation.

35 In accordance with Article 6(3), point (a), of the Securitisation Regulation.

also enhancing data quality to ensure usefulness and comparability of data. Consequently, the quantitative objective of reducing reporting requirements by 35 % should be applied flexibly to ensure that essential information, including that needed for risk management and emerging policy priorities, can be retained. The ECB also supports the introduction of a distinction between mandatory and voluntary fields in the revised disclosure templates, as this could contribute to a more proportionate and flexible reporting framework. Nevertheless, the ECB finds it important that the provision of information relevant for risk assessment of securitisation positions should be mandatory in order to ensure that the simplification of reporting requirements remains consistent with the proportionate approach to due diligence.

7.2 The simplification of reporting templates should not preclude the inclusion of data points relevant for the monitoring of climate-related and environmental risks, including those related to physical and transition risks[36]. Currently, such data are scarce, which limits the ability of investors and authorities to assess and manage associated risks. Including in the disclosure templates a limited set of harmonised climate-related indicators, aligned with those used in other Union legal acts, would support a more consistent risk assessment across asset classes[37] and contribute to broader Union climate objectives.

7.3 The ECB supports the proposal to exempt securitisations backed by highly granular underlying exposures from the requirement to report loan-level information while maintaining transparency through pool-level disclosures. However, it remains essential that aggregate data are sufficiently detailed and timely to allow for a meaningful risk assessment of the transaction by investors and authorities. It is important to ensure that the eligibility criteria for such exemptions are clearly and narrowly defined. This would reduce the risk of inconsistent application or strategic structuring of transactions to benefit from reduced reporting requirements and would help maintain the integrity and transparency of the securitisation market.

7.4 The ECB welcomes the proposed introduction of a dedicated disclosure template for private securitisations that builds on the framework established by the ECB Guide on the notification of securitisation transactions[38].This initiative is expected to streamline reporting practices and enhance the consistency and efficiency of information submission for private securitisations.

---

36 The ECB called for enhanced climate change disclosures in March 2023 via the Joint ESAs-ECB Statement on disclosure on climate change for structured finance products, 13 March 2023, available on the ECB's website at www.ecb.europa.eu. This was complemented in October 2024 by the ECB staff response to the ESMA consultation paper on the securitisation disclosure templates under Article 7 of the Securitisation Regulation, also available on the ECB's website at www.ecb.europa.eu, where the ECB specified the fields that could be added to the transparency requirements on securitised products.

37 Climate change disclosure requirements for covered bonds are currently under consideration in the EBA Consultation Paper EBA/CP/2025/07 'Draft Implementing Technical Standards amending Commission Implementing Regulation (EU) 2024/3172, as regards the disclosures on ESG risks, equity exposures and the aggregate exposure to shadow banking entities', 22 May 2025, available on the EBA's website at www.eba.europa.eu.

38 Available on the ECB's website at www.bankingsupervision.europa.eu.

7.5 However, the proposed amendment to the Securitisation Regulation relating to the reporting framework for private securitisations[39] refers to national competent authorities. To ensure clarity and consistency with the supervisory framework of the Union, the ECB recommends the deletion of the term 'national'. This adjustment would explicitly confirm that the term includes the ECB, with regard to the specific tasks conferred on it by Regulation (EU) No 1024/2013.

7.6 The ECB further welcomes the provision requiring private securitisations to be reported to securitisation repositories. This measure represents an important step forward in facilitating access to comprehensive and centralised information for supervisory purposes, which would replace existing ad hoc mechanisms for reporting to competent authorities, thereby simplifying data retrieval and improving the oversight of private securitisation transactions. It will be important to ensure that competent authorities can seamlessly access these repositories, while at the same time maintaining the level of confidentiality required by private transactions.

7.7 The process for the revision of the disclosure templates will be carried out by the securitisation sub-committee of the Joint Committee of the European Supervisory Authorities, under the leadership of the European Banking Authority (EBA). The ECB proposes that this work incorporates data quality considerations and includes a public consultation to ensure alignment with industry practices and expectations.

7.8 The ECB supports the proposal to review the technical standards implementing the reporting requirements at regular intervals. Such periodic reviews are crucial to ensuring that the standards remain fit for purpose and continue to address the evolving needs of market participants and supervisory authorities.

8. Amendments to the STS criteria

8.1 The ECB has concerns about the proposal to amend the homogeneity requirement for STS securitisations backed by loans to small and medium-sized enterprises (SMEs), by accepting a minimum of 70 % of SME exposures, with the remainder of the pool including other types of exposures. This proposal would create incentives for setting up SME ABS transactions backed by a mixed pool of asset loans, which, in the ECB's view, would violate the simplicity requirement for eligibility for the STS label. The simplicity requirement enforces homogenous pools both in terms of asset type and regarding their specific characteristics relating to cash flows, including contractual, credit-risk and prepayment characteristics. This proposal could be also problematic from a Eurosystem monetary policy implementation perspective, as the Eurosystem does not accept ABSs backed by mixed pools as collateral. Nevertheless, the ECB supports access to market-based financing for SMEs. From this perspective, the ECB can agree with the proposal as long as it is complemented by additional restrictions for the remaining pool exposure. Therefore, the ECB suggests that the remaining 30 % of exposures should be restricted to loans to enterprises or

39 See Article 1, point (5)(b), of the proposed amendments to the Securitisation Regulation, which amends Article 7(2) of the Securitisation Regulation.

corporations, to align with the principle of simple and homogenous transactions under the STS label. This approach would still represent an increase in flexibility compared to the current SME homogeneity requirements, albeit a more limited increase than in the Commission's initial proposal, by ensuring that the appropriate safeguards are in place regarding the type of underlying obligors represented in the diverging 30 % of the underlying portfolio. This proposal is also in line with Commission Delegated Regulation (EU) 2019/1851[40] which already limits the possibility of mixing SME exposures to exposures to corporates or to individuals depending on the similarity in underwriting and servicing.

8.2 The ECB is also concerned about the proposal to broaden the eligibility criteria for credit protection agreements under the STS framework to include unfunded guarantees provided by (re)insurance companies. This proposal poses the risk of increasing both concentration and counterparty risk[41].

8.3 Concentration risk would increase under this proposal, as it would give (re)insurance companies a competitive advantage over other private investors in providing credit protection within the STS framework. This advantage could result in (re)insurance companies becoming the dominant providers of credit protection for STS synthetic securitisations across the Union. Such dominance raises concerns about potential procyclical effects, particularly in the light of provisions under the CRR that require providers of unfunded credit protection to meet a minimum credit rating threshold in order to qualify as eligible credit protection providers[42]. If a (re)insurer's credit rating were to fall below this threshold, synthetic securitisations relying on their protection would lose their eligibility under the STS and significant risk transfer (SRT) frameworks. This would lead to the withdrawal of the associated reduction in risk-weighted exposure amounts (RWEAs). This scenario is of particular concern during periods of severe economic downturn, when (re)insurers are more vulnerable to credit rating downgrades. Such downgrades would impose higher capital requirements on originator credit institutions at a time when their financial resilience – and their capacity to extend credit to the real economy – would already be under significant strain.

8.4 The proposed amendments to the Securitisation Regulation would also amplify counterparty risk by deepening existing channels and creating new pathways for contagion between the banking and insurance sectors. During periods of financial stress, originator credit institutions could face a dual threat: credit losses on the securitised loan portfolio; and the potential default of (re)insurers providing credit protection. In such scenarios, funded credit protection offers a critical safeguard against counterparty risk, as it is backed by collateral that ensures the protection remains effective even if the (re)insurer defaults. Conversely, unfunded credit protection, which lacks such collateral, would expose originator credit institutions directly to the credit risk of (re)insurers. This exposure increases

---

40 Commission Delegated Regulation (EU) 2019/1851 of 28 May 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation (OJ L 285, 6.11.2019, p. 1, ELI: http://data.europa.eu/eli/reg_del/2019/1851/oj) and see in particular Article 1 thereof.

41 These risks were underscored in the ESRB report, 'Unveiling the impact of STS on-balance-sheet securitisation on EU financial stability', May 2025, and in the ESRB letters dated 25 July 2025 addressed respectively to the European Parliament (ESRB/2025/0091) and the Council Working Party (ESRB/2025/0092), entitled 'European Commission's proposed amendments to the Securitisation Regulation', available on the ESRB's website at www.esrb.europa.eu.

42 See Article 249 of the CRR.

the likelihood of the protection becoming ineffective precisely when it is most needed – during times of financial distress.

8.5 While the proposed amendments to the Securitisation Regulation include certain safeguards – such as limiting the provision of unfunded guarantees to large and diversified (re)insurance undertakings – these measures fall short of adequately addressing the financial stability risks identified. Moreover, the proposal could introduce new risks. For instance, the minimum size threshold for (re)insurers, set at total assets exceeding EUR 20 billion, may lead to challenges similar to those associated with credit rating thresholds, particularly if a (re)insurer's total assets were to fall below this limit. Additionally, the amendment could exacerbate single-name concentration risk if too few (re)insurers meet the proposed eligibility criteria. Given these concerns, the ECB considers it essential to maintain the current wording of the Securitisation Regulation[43] to safeguard financial stability and avoid introducing risks that could compromise the resilience of the financial system.

8.6 One of the proposed safeguards requires that the (re)insurance company has been assigned to credit quality step 3 or better[44]. The CRR provides for broadly similar eligibility requirements applicable to eligible providers of unfunded credit protection on securitisation positions[45]. However, it appears that there is an internal inconsistency within the relevant provisions of the CRR following the amendments made by Regulation (EU) 2024/1623 of the European Parliament and of the Council[46] to the CRR[47]. The ongoing review of the securitisation framework could provide a good opportunity to address this inconsistency.

9. Amendments to the definition of public securitisation

9.1 The proposed amended definition of public securitisation in the Securitisation Regulation also encompasses securitisations without a prospectus but which are (a) admitted to trading on a trading venue, or (b) marketed to investors with terms and conditions not negotiable among the parties. The definition may therefore also capture transactions which are currently structured to be private securitisations. Making private securitisations – which are often bilateral, bespoke transactions – public may have unintended consequences and undermine existing market functioning in this segment. The ECB therefore recommends maintaining the current definitional scope of public securitisations based on the need to draw up a prospectus, to avoid unintended consequences or disruptions in market functioning. Alternatively, other approaches may be possible to achieve the

43 See Article 26e(8) of the Securitisation Regulation.

44 See Article 1, point (13)(c), of the proposed amendments to the Securitisation Regulation, which amends Article 26e(8) of the Securitisation Regulation.

45 See Article 249(3) of the CRR.

46 Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (OJ L, 2024/1623, 19.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1623/oj).

47 In particular, it appears that Article 249(3) of the CRR is no longer aligned with the amended Article 201(1) of the CRR.

objectives of the proposed amendments to the Securitisation Regulation on transparency and market supervision which would not risk unintended consequences or disruptions in market functioning. Nonetheless, the ECB notes that, for an ABS to be considered eligible as collateral for Eurosystem credit operations, it must comply with the requirements to provide loan-level data in accordance with Guideline (EU) 2015/510 (ECB/2014/60), irrespective of its classification as a public or private securitisation.

Part II: Proposed amendments to the CRR

10. Amendment to the definition of senior securitisation position

10.1 The proposed amended definition of senior securitisation position[48] in the CRR requires the senior securitisation position to be attached above the KIRB or the KA[49] without specifying whether the requirement has to be fulfilled at inception or on an ongoing basis. The latter may lead to a senior securitisation position ceasing to be considered a senior position at some point throughout the life of the securitisation if the portfolio performs worse than expected. The unintended outcome is that the position would be subject to a cliff effect in capital requirements which apply more severe treatment to non-senior tranches, or in liquidity as it would also cease to comply with LCR eligibility criteria even if it retains the relevant rating. The ECB would therefore recommend not modifying the definition.

11. Introduction of the concept of a resilient position

11.1 The ECB welcomes the proposal to differentiate the intensity of regulatory preferential treatments according to the resilience of senior securitisation positions under stress, and to limit the reduction of risk weight floors and favourable LCR treatment to positions that display sufficient safeguards[50], benefiting notably from the advice from the European Supervisory Authorities (ESAs)[51].

11.2 The introduction of the concept of resilient securitisation positions has the effect of increasing the complexity of the prudential framework. However, the new eligibility criteria for senior resilient securitisation positions in the proposed amendments to the CRR[52] are very closely aligned with the STS criteria – with only one exception regarding the minimum level of credit enhancement for the senior tranche of resilient securitisation positions. In practice, based on a sample of existing transactions originated by significant credit institutions that achieved significant risk transfer, the ECB

48 See Article 1, point (2)(a), of the proposed amendments to the CRR, which amends Article 242, point (6), of the CRR.

49 Note under Table 3 in Section 5 of the proposed amendments to the CRR defines (a) 'KIRB' as a capital charge for the underlying exposures in securitisation using the IRB (Internal Ratings Based) framework and (b) 'KA' as a capital charge for the underlying exposures in securitisation, adjusted to reflect adverse performance, using the Standardised framework). For detailed definition of KIRB and KA, see Article 255 and Article 261(2) of the CRR.

50 See in particular Article 1, point (3), of the proposed amendments to the CRR, which adds a new Article 243(3) to the CRR.

51 Joint Committee advice on the review of the securitisation prudential framework (banking), Response to the Commission's October 2021 call for advice to the JC of the ESAs (JC/2022/66), 12 December 2022.

52 See in particular Article 1, point (3), of the proposed amendments to the CRR, which adds a new Article 243(3) to the CRR.

estimates that 60 % of senior tranches in the existing transactions that satisfy the STS criteria would qualify as resilient securitisation positions. This number is expected to increase further once the legislative proposal is finalised. Furthermore, the concept of resilient securitisation positions also improves the risk-sensitivity of the framework. The specific criterion on the minimum level of credit enhancement for senior positions is appropriately justified in the light of the proposed further preferential treatment applicable to resilient senior tranches through the application of a lower absolute risk weight floor, compared to non-resilient ones. Against this background, the ECB would strongly recommend retaining the concept of resilient securitisation positions, while limiting the scope of eligible resilient senior securitisation positions solely to transactions that satisfy the STS criteria (hereinafter 'STS transactions'), and completely excluding senior securitisation positions in non-STS transactions from the differentiated treatment. This would also further reduce the complexity of the proposed amendments to the CRR.

11.3 The proposed amendments to the CRR[53] also require compliance with eligibility criteria for resilient securitisations both at inception and on an ongoing basis. While this has the benefit of ensuring that the transaction meets the minimum criteria throughout its life, the requirements may in practice increase the complexity of the framework for originators, sponsors and investors, as well as prudential supervisors, notably because of the securitised portfolio's amortisation over time which would require regular checks. This could also result in a situation where a transaction would no longer meet eligibility criteria for differentiated capital treatment, which would create cliff effects in the prudential treatment of the transaction and might erode market confidence. In the light of the overarching objective of the proposal, this risk of loss of confidence should be avoided. The ECB therefore proposes that eligibility criteria for resilient senior securitisation positions should be assessed only at origination. In order to allow for the effect of amortisation, it is also suggested that the criterion regarding the minimum level of credit enhancement determining the attachment point of the relevant senior securitisation position should be adjusted to differentiate between the amortisation profiles of different securitisations. This would ensure that the senior tranche remains resilient throughout the life of the securitisation. In particular, the minimum level of credit enhancement at origination for transactions that are amortised on a pro rata basis, even with performance-related triggers, should be increased compared to the minimum level of credit enhancement that is required for transactions that are amortised purely sequentially.

12. Amendment to the risk weight floors

12.1 As a backstop to the risk-sensitive approaches for calculating capital requirements in the CRR, the risk weight floors are an essential component of the prudential treatment of securitisation positions which ensures a minimum capital charge on securitisation positions. Following the global financial

53 See in particular Article 1, point (3), of the proposed amendments to the CRR, which adds a new Article 243(3) to the CRR.

crisis, the risk weight floor was increased through amendment of the CRR by Regulation (EU) 2017/2401 of the European Parliament and of the Council[54] from 7 % to 15 % for securitisation positions other than STS securitisations, and 10 % for securitisation positions consisting of senior tranches of STS securitisations. This increase followed the identification of shortcomings in the pre-crisis rules, which produced excessively low risk weights on senior tranches, and the revision of the securitisation framework by the BCBS. This is why, unlike other elements of the framework like the p factor under the Securitisation Internal Ratings-Based Approach (SEC-IRBA), the risk weight floors are, by design, non-risk sensitive. In addition, the risk weight floors are one of the drivers of the capital non-neutrality of the prudential treatment for securitisations.

12.2 The objective of the risk weight floors is to avoid unduly low risk weights on any securitisation position. Therefore, in view of the need to account for the risks that the securitisation process adds to those of the securitised exposures, in particular model risk and agency risk, the ECB is sceptical about the concept of risk-sensitive risk weight floors. The ECB takes the view that the application of this concept could lead in practice to very low risk weights for certain securitisation positions, well below the 7 % floor that was applicable before the global financial crisis.

12.3 In addition, the proposed amendments to the CRR[55] aim to remove the existing disincentives for securitisation of low-risk weight portfolios. This means that securitisation positions that have low-risk underlying portfolios – for example, mortgages – will benefit from lower capital requirements, and therefore securitisations of such portfolios might increase. While securitisations of low-risk portfolios might attract new and more risk averse investors it needs to be carefully considered whether the level of risk weights of the securitised exposures sufficiently reflects the complexity and level of agency and model risk, or whether it might be necessary to restrict the lower floors to certain asset classes. In this regard, it is worth mentioning that the existing cap on the risk weight of the senior tranche, based on the average risk weight of the underlying exposures[56], which overruns the floor, also allows the securitisation of low risk weight portfolios.

12.4 Against this background, the ECB suggests following more closely the advice from the ESAs, as set out in the Joint Committee advice on the review of the securitisation prudential framework (banking), and to apply a fixed risk weight floor of 7 % for resilient STS transactions[57].

12.5 In addition, the ECB considers that this lower risk weight floor should be applied only to resilient transactions[58] and should only be applicable to originating banks as referred to in Article 2, point

---

54 Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (OJ L 347, 28.12.2017, p. 1, ELI: http://data.europa.eu/eli/reg/2017/2401/oj).

55 See Article 1, points (9), (10), (11), (12), (13) and (14), of the proposed amendments to the CRR, which amend Articles 259, 260, 261, 262, 263 and 263 of the CRR, respectively.

56 See Article 267 of the CRR.

57 See Joint Committee advice on the review of the securitisation prudential framework (banking), Response to the Commission's October 2021 call for advice to the Joint Committee of the ESAs (JC/2022/66), 12 December 2022.

58 Being only limited to STS transactions, as explained in paragraph 11.2 of this Opinion.

(3)(a), of the Securitisation Regulation. Limiting the lower risk floors only in respect of the resilient transactions securitisation positions retained by the originators involved in the origination of the underlying exposures as referred to in the Securitisation Regulation[59] is necessary because it is only in respect of those originators that a reduced agency and model risk compared to investors exists. However, preferential treatment should not apply to other credit institution investors or to any originators that, according to the Securitisation Regulation, 'purchases a third party's exposures on its own account and then securitises them'[60], in order to prevent credit institutions from expanding beyond their core businesses purely for the purpose of securitising the respective exposures in order to benefit from the reduced capital requirements[61].

13. Amendment to the p factor in the calculation of risk weights for securitisation positions

13.1 The p factor is one of the key parameters to determine the level of capital non-neutrality produced by the formula-based approaches of the prudential framework (namely, SEC-IRBA and the securitisation standardised approach (SEC-SA)) which is used to calculate capital charges on securitisation positions. Capital non-neutrality corresponds to the additional capital charge required for holding all the tranches of a given securitisation, compared to the capital charge banks have to hold for the corresponding securitised exposures. It is justified by the additional risks that securitisation involves, the most relevant of these being agency and model risk, accompanied by legal risks and fair-value valuation fluctuations in the case of bonds in traditional securitisations.

13.2 The proposed amendments to the CRR include recalibration of the p factor for all types of securitisations, albeit in a way that provides more regulatory benefits for transactions that are more standardised and safer (i.e. STS and resilient transactions) and for positions retained by originators due to their lower exposure to agency and model risk[62]. While this approach can reduce capital charges on the tranches, the ECB is concerned that this part of the proposal goes beyond the advice provided by the ESAs in the Joint Committee advice on the review of the securitisation prudential framework (banking) that the p factor should not be amended unilaterally, but rather that the entire framework should be revisited at international level.

13.3 However, the Joint Committee advice on the review of the securitisation prudential framework (banking) did not take into account the effect of the amendment of the CRR by Regulation (EU) 2024/1623 to introduce the output floor[63] and the related transitional provisions lowering the p factor for SEC-SA[64]. In order to simplify the regulatory framework, the ECB suggests recalibrating the p

59 See Article 2, point (3)(a), of the Securitisation Regulation.
60 See Article 2, point (3)(b), of the Securitisation Regulation.
61 See also Joint Committee advice on the review of the securitisation prudential framework (banking), p. 68.
62 See Article 1, points (9), (10), (11) and (12), of the proposed amendments to the CRR, which amend Articles 259, 260, 261 and 262 of the CRR, respectively.
63 See Article 92(5) and (6) of the CRR.
64 See Article 465(13) of the CRR.

factor for senior positions held by the originators originating exposures referred to in the relevant provisions of the Securitisation Regulation[65], consistently with the approach recommended above for the risk weight floor. This recalibration would ensure that the originating credit institutions using SEC-IRBA to calculate their capital requirements would not unduly restrict their origination due to output floor constraints without a need for transitional provisions. Accordingly, if the co-legislators accept the ECB's recalibration of p factors as detailed in the following paragraph, the transitional provisions set out in the relevant provisions of the CRR[66] could be deleted.

13.4 In line with the above, the ECB recommends a recalibration of p factors for originators originating exposures referred to in the relevant provisions of the Securitisation Regulation[67] with adjustments that would lead to a lower capital reduction, simplify the proposal and be more risk sensitive both in normal and stressed periods:

- SEC-SA: the p factor should be reduced from 0.5 to 0.3 for senior STS and from 1 to 0.7 for senior non-STS securitisation positions, which is broadly consistent with proposed amendments to the CRR.
- SEC-IRBA: the scaling factor should be reduced from 0.5 to 0.4 for senior STS securitisation positions and from 1 to 0.8 for senior non-STS securitisation positions. For senior STS securitisation positions, the floor to the p factor should be reduced from 0.3 to 0.2. There should be no cap for the p factor in the SEC-IRBA. The ECB suggests these changes to the proposed amendments to the CRR in order to simplify the calculation of the p factor, making it more risk sensitive by removing the cap, while using a more prudent scaling factor.

13.5 The existing calibration should remain unchanged for investor credit institutions as the rationale of the reduced model and agency risk does not apply to them. This will ensure that the investor framework continues to be aligned with the BCBS framework. This alignment is very relevant as one of the main concerns addressed by the calibration and the new hierarchy of approaches in the BCBS framework was the low capital requirements and the cliff effects suffered by investor credit institutions during the global financial crisis.

14. General considerations concerning the proposed changes to the capital treatment of securitisation positions

The ECB's proposed recalibration of the p factor and risk weight floor would address the issue created by the output floor and would facilitate the transitional arrangement on the output floor for securitisation to be ended. This proposed recalibration is also aligned with the hierarchy of approaches set out in the relevant provisions of the CRR[68].

65 See Article 2, point (3)(a), of the Securitisation Regulation.
66 See Article 465(13) of the CRR.
67 See Article 2, point (3)(a), of the Securitisation Regulation.
68 See Article 254 of the CRR.

15. Amendments to the SRT criteria

15.1 To achieve a reduction in RWEAs, securitisation requires a positive SRT assessment from the competent authority, acknowledging that significant risks have been transferred and will not be reassumed by originators during the life of the securitisation.

15.2 The ECB welcomes the Commission's proposal to revise substantially and update the provisions governing SRT, leveraging on the recommendations from the EBA[69] as well as on prudential supervisory experience. The ECB welcomes in particular the proposal to delete from the CRR the permission-based approach for SRT[70], which has never been used by significant institutions. Its deletion would be a useful contribution to the simplification of the regulatory framework.

15.3 The ECB also welcomes the proposal to replace the mechanical tests currently set out in the CRR[71] with a new principle-based test that can be used for all securitisation structures, regardless of the actual number of tranches. The principle-based test will also address deficiencies identified in the previous mechanical tests, in particular regarding the sufficiency of the thickness of the protected tranches.

15.4 In view of past supervisory experience, the ECB also considers that the scope of the portfolios eligible for significant risk transfer should be clarified directly in the CRR in order to explicitly exclude certain types of complex exposures for which the exposure amounts and the exact coverage of credit protection cannot be modelled with sufficient certainty, or which produce excessive volatility over time. This is, for instance, the case for counterparty credit risk for derivatives exposures, for which the coverage of credit risk is difficult to measure at origination due to the market volatility of the exposure value of the exposures that would be securitised. The ECB considers that while the securitisation framework is well suited for plain vanilla credit risk, it does not sufficiently capture the inherent complexity of exposures linked to derivatives.

16. Amendments to the SRT process

16.1 Regarding the SRT assessment process, the ECB generally distinguishes between (a) simple, standardised and repeat deals; and (b) complex and innovative transactions, for which the supervisor should have room to perform a comprehensive assessment of the SRT.

16.2 Accordingly, the ECB has developed a fast-track process for the supervisory assessment of SRT, which aims to substantially reduce the time for assessment in the case of sufficiently simple securitisations that meet certain requirements and also leverages the benefits of product

---

69 EBA Report on significant risk transfer in securitisation under Articles 244(6) and 245(6) of the Capital Requirements Regulation (EBA/Rep/2020/32), available on the EBA's website at www.eba.europa.eu.

70 See Articles 244(3) and 245(3) of the CRR.

71 See Articles 244(2) and 245(2) of the CRR.

standardisation and harmonised templates. Competent authorities already have the option to apply such a fast-track process under the version of the CRR currently in force based on the principle of proportionality and in line with the established practice of risk-based supervision. Furthermore, it is unclear what value would be added by high-level principles for a fast-track simplified assessment process to be specified in regulatory technical standards that would be developed and adopted pursuant to the proposed amendments to the CRR[72], which would come on top of the general principle of a fast-track SRT assessment already set out in the CRR.

16.3 For complex transactions, an in-depth supervisory review of securitisations with difficult features is needed to assess SRT robustness, which would enhance the financial resilience of supervised banks. Therefore, the ECB welcomes that the proposed changes preserve supervisory flexibility, and the competence for the supervisor to run a comprehensive review in respect of complex and innovative transactions.

16.4 It is particularly important that the proposed changes also maintain the possibility for the competent authority to, on a case-by-case basis, require the originator to transfer a share of the weighted amounts of unexpected losses of the underlying exposures that is higher than the 50 % required under the principle-based test, or to object to the SRT, when the competent authority deems the credit risk transferred to be insufficient to address certain special or complex features of the securitisation, or to lead to non-commensurate reduction in RWEAs. In order to assess whether an individual SRT securitisation leads to non-commensurate reduction in RWEAs, the ECB intends to use the 'commensurateness test', which is set out in the ECB guide on options and discretions[73] and has been used consistently to assess SRT for securitisations originated by significant institutions over the years. The ECB therefore proposes clarifying the respective provisions of the CRR to continue referring to commensurateness.

16.5 The ECB welcomes the mandate granted to the EBA to develop draft regulatory technical standards concerning traditional securitisations under the proposed amendments to the CRR[74]. In particular, the ECB considers that it is crucial to specify in such regulatory technical standards the calculation of the lifetime expected losses of the underlying exposures and their allocation to securitisations tranches, as well as the allocation of the unexpected losses of the securitised exposures to the securitisation tranches. Furthermore, the mandate given to the EBA to specify in technical standards high-level principles for the process for the review and assessment of SRT will facilitate an appropriate balance between the objective of ensuring a level-playing field for all originators – including, in particular, where several entities of the same banking groups established in different Member States are involved – and the necessary flexibility for competent authorities to design their

---

72 See Article 1, point (4), of the proposed amendments to the CRR, which inserts a new Article 244(7), point (e), into the CRR.

73 Available on the ECB's website at www.bankingsupervision.europa.eu.

74 See Article 1, point (4), of the proposed amendments to the CRR, which inserts a new Article 244(7) into the CRR.

supervisory processes. On the other hand, consistently with paragraph 16.2 the ECB suggests removing the high-level principles on the fast-track SRT assessment from the mandate in the proposed amendments to the CRR[75].

16.6 Lastly, the ECB considers that, in view of the recent efforts to simplify the regulatory framework and to streamline notifications and reporting requirements, the obligation for competent authorities to systematically notify all SRT securitisations to the EBA each year should be removed. This information can be retrieved by the EBA from supervisory reporting templates (namely, templates Corep C14.00 and C14.01, which are part of the harmonised reporting framework), and this notification obligation should therefore be removed to avoid duplications and overlaps.

Part III: Proposed amendments to the liquidity coverage ratio (LCR) delegated regulation

17. Amendments to the treatment of securitisation positions as liquid assets

17.1 The ECB welcomes that the proposed amendments to Commission Delegated Regulation (EU) 2015/61[76] (hereinafter the 'LCR delegated regulation') continue to allow senior tranches of STS traditional securitisations to be eligible as Level 2B high-quality liquid assets (HQLA) for the liquidity buffer in the context of the LCR, also in view of the broader benefits provided by securitisations for the purposes of risk management, and in terms of diversification.

17.2 The ECB supports the proposal to remove the requirement for securitisations eligible to the liquidity buffer to have a remaining weighted average life of five years[77]. The ECB considers this requirement to be an unwarranted constraint that is also not reflected in the Basel LCR standard.

17.3 The ECB also agrees with the proposal to align the homogeneity and eligibility criteria for the underlying portfolio of senior tranches of STS traditional securitisations eligible for the liquidity buffer with the requirements set out under the Securitisation Regulation[78] and further specified in Delegated Regulation (EU) 2019/1851[79]. The ECB notes that this proposal will contribute to a broader alignment of the LCR treatment of securitisations with other areas of the Union prudential framework for securitisations. In addition, this proposal will simplify the HQLA-eligibility criteria and allow credit institutions to include in the LCR liquidity buffer other types of securitisations that are of sufficient

75 See Article 1, point (4), of the proposed amendments to the CRR, which inserts a new Article 244(7), point (e), into the CRR.

76 Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (OJ L 11, 17.1.2015, p. 1, ELI: http://data.europa.eu/eli/reg_del/2015/61/oj).

77 See Article 1, point (1)(c), of the proposed amendments to the LCR delegated regulation, which deletes Article 13(12) of the LCR delegated regulation.

78 See Articles 20(8) and 24(15) of the Securitisation Regulation.

79 See Article 1, point (1)(b), of the proposed amendments to the LCR delegated regulation, which replaces Article 13(2), point (g), of the LCR delegated regulation.

high liquidity and credit quality and that rigorously comply with the other asset-specific requirements under the LCR delegated regulation.

17.4 Under the proposed amendments to the LCR delegated regulation, senior tranches of STS traditional securitisations with credit quality steps 2 to 7 would become HQLA-eligible[80]. On the one hand, the ECB welcomes the proposed restoration of the HQLA eligibility of securitisations with credit quality steps 2 to 4[81]. On the other hand, the ECB is concerned about making securitisations with credit quality steps 5 to 7, which are equivalent to a credit rating of A+ to A-, eligible for use in the liquidity buffer. The latter extension constitutes a further deviation from international standards without factual evidence that such securitisation positions have a proven record as a reliable source of liquidity, especially during stressed market conditions. Even though it is suggested that a higher haircut of 50 % should be applied to those assets to account for potential higher liquidity risks, it is still unclear to what extent such assets constitute a reliable source of liquidity during periods of stress more generally.

17.5 The ECB has reservations about the proposals (a) to lower the haircuts for senior tranches of STS resilient traditional securitisations from 25 % to 15 %, and (b) to lower the haircut for HQLA-eligible securitisations backed by commercial loans or loans for personal consumption from 35 % to 25 %[82]. More generally, the introduction of lower haircuts is premature as securitisations have still not been sufficiently tested during actual stress events that are fully consistent with the scenarios referred to in the LCR delegated regulation[83]. A 15 % haircut for senior tranches of resilient traditional securitisations would be below the 25 % percentage envisaged for Level 2B securitisations under the Basel standard[84]. Moreover, applying the same 15 % haircut as applicable to Level 2A assets does

---

80 See Article 1, point (1)(a), of the proposed amendments to the LCR delegated regulation, which replace Article 13(2), point (a), of the LCR delegated regulation.

81 With respect to securitisation positions with credit quality steps 2 to 4, this amendment is understood to align the HQLA-eligibility of securitisations with the increased granularity of credit quality steps and the standardised scale categorising the creditworthiness of securitisation exposures under the amendments to the CRR made by Regulation (EU) 2017/2401, and the related amendment to Commission Implementing Regulation (EU) 2016/1801 of 11 October 2016 on laying down implementing technical standards with regard to the mapping of credit assessments of external credit assessment institutions for securitisation in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 275, 12.10.2016, pp. 27, ELI: http://data.europa.eu/eli/reg_impl/2016/1801/oj) made by Commission Implementing Regulation (EU) 2022/2365 of 2 December 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2016/1801 as regards the mapping tables correspondence of credit assessments of external credit assessment institutions for securitisation in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 312, 5.12.2022, p. 101, ELI: http://data.europa.eu/eli/reg_impl/2022/2365/oj).

82 See Article 1, point (1)(d), of the proposed amendments to the LCR delegated regulation, which replaces Article 13(14) of the LCR delegated regulation.

83 See Article 5 of the LCR delegated regulation. This point is also reflected in the Joint Committee advice on the review of the securitisation prudential framework (banking), according to which no LCR stress period in the banking system has been observed in recent years, including the period spanning the COVID-19 pandemic.

84 While a haircut of 25 % for securitisations backed by commercial loans or loans for personal consumption would not be a deviation from the Basel LCR standard per se, the latter restricts Level 2B HQLA to residential mortgage-backed securities (i.e. the LCR delegated regulation already deviates from the Basel LCR standard on this issue).

not seem commensurate with the expected lower level of liquidity of senior tranches of resilient traditional securitisations compared to Level 2A assets.

17.6 The ECB is also of the view that any effective upgrade in the LCR treatment of securitisations that would result from making securitisations with credit quality steps 5 to 7 HQLA-eligible and applying lower haircuts should be subject to a prior impact assessment by the EBA confirming that the relevant securitisation positions have sufficient market liquidity. In that regard, while the ECB welcomes the proposed explicit mandate for the EBA to regularly monitor the liquidity of securitisations going forward[85], the ECB considers a prior impact assessment by the EBA to be a prerequisite before deciding on an effective upgrade of the LCR treatment of securitisations.

Where the ECB recommends that the proposed regulations are amended, specific drafting proposals are set out in a separate technical working document accompanied by an explanatory text to this effect. The technical working document is available in English on EUR-Lex.

Done at Frankfurt am Main, 11 November 2025.

The President of the ECB

Christine LAGARDE

85 See Article 1, point (1)(e), of the proposed amendments to the LCR delegated regulation, which adds a new Article 13(15) to the LCR delegated regulation.

Technical working document (1/3)

produced in connection with ECB Opinion [CON/2025/35] on (a) a proposal for a regulation amending Regulation (EU) 2017/2402 laying down a general framework for securitisations and creating specific framework for simple, transparent and standardised securitisation, (b) a proposal for a regulation amending Regulation (EU) 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures, and (c) a draft proposal for a delegated regulation amending Delegated Regulation (EU) 2015/61 as regards the eligibility conditions for securitisations in the liquidity buffer of credit institutions[86]

Drafting proposals in relation to the proposed amendments to Regulation (EU) 2017/2402 (the Securitisation Regulation)

Text proposed by the Commission	**Amendments proposed by the ECB**[87]
Amendment 1 Recital 10 of the proposed regulation	
‘(10) Transactions where the first loss tranche is either held or guaranteed by the Union, national promotional banks or institutions within the meaning of point (3) of Article 2 of Regulation (EU) 2015/1017 of the European Parliament and of the Council[22] inherently possess characteristics that mitigate the need to carry out the full due diligence and fulfil the risk retention requirement. These transactions carry an assurance by the guarantor, who carries out due diligence processes before affording such a guarantee. This assessment removes the need for the institutional investors to perform a full due diligence assessment under Regulation (EU) 2017/2402. Furthermore, the essence of a guarantee is the assumption of risk by the guarantor. Therefore, it is appropriate to lift the risk retention requirement. These changes are	‘(10) Transactions where the first loss tranche is either held or guaranteed by the Union, national promotional banks or institutions within the meaning of point (3) of Article 2 of Regulation (EU) 2015/1017 of the European Parliament and of the Council[22] inherently possess characteristics that mitigate the need to carry out the full due diligence and fulfil the risk retention requirement. These transactions carry an assurance by the guarantor, who carries out due diligence processes before affording such a guarantee. This assessment removes the need for the institutional investors to perform a full due diligence assessment under Regulation (EU) 2017/2402. Furthermore, the essence of a guarantee is the assumption of risk by the guarantor. Therefore, it is appropriate to lift the risk retention requirement. These changes are

86 This technical working document is produced in English only and communicated to the consulting Union institution(s) after adoption of the opinion. It is also published on EUR-Lex alongside the opinion itself.

87 Bold in the body of the text indicates where the ECB proposes inserting new text. Strikethrough in the body of the text indicates where the ECB proposes deleting text.

Text proposed by the Commission	Amendments proposed by the ECB[87]
expected to crowd in private investment in derisked structures with a public guarantee.'	expected to crowd in private investment in derisked structures with a public guarantee. **By extension, securitisations of non-performing exposures that benefit from public guarantee schemes should be considered to comply with the risk retention requirement where the originator, sponsor, or original lender retains a vertical slice of all the tranches and one or more tranches are fully guaranteed by eligible public entities.**'
Explanation *The proposed amendments to the recitals of the proposed regulation explain the insertion of a new paragraph 5b in Article 6 of the Securitisation Regulation, which establishes an additional compliance route for NPE securitisations benefiting from public guarantee schemes. Based on prudential supervisory experience, public guarantee schemes have proven effective in facilitating the resolution and reduction of non-performing loans on banks' balance sheets in recent years. The new paragraph allows compliance with the risk retention requirement via a vertical slice on the remaining tranches, when one or more tranches are fully guaranteed by eligible public entities. This enhances flexibility, supports the resolution of NPEs, and aligns with the prudential framework.* *See paragraph 6 of the ECB Opinion and the explanation for Amendment 9.*	
Amendment 2 Recital 13 of the proposed regulation	

Text proposed by the Commission	Amendments proposed by the ECB[87]
'(13) The current reporting templates [23] both for public and private securitisations are too costly and burdensome. The burden on entities when complying with their reporting obligations should be therefore reduced, without undermining the goal of providing transparency to the market. The reporting templates should be streamlined to reduce the number of mandatory data fields. The revision of the template should aim to bring a reduction of at least 35% of mandatory data fields. The conversion of certain mandatory fields into voluntary fields could add further flexibility, but appropriate attention should be given to ensure that that does not compromise data quality or usability.'	'(13) The current reporting templates [23] both for public and private securitisations are too costly and burdensome. The burden on entities when complying with their reporting obligations should be therefore reduced, without undermining the goal of providing transparency to the market. The reporting templates should be streamlined to reduce the number of mandatory data fields. The revision of the template should aim to bring a reduction of **approximately** ~~at least~~ 35% of mandatory data fields. The conversion of certain mandatory fields into voluntary fields could add further flexibility, but appropriate attention should be given to ensure that that does not compromise data quality or usability. **Furthermore, streamlining should not preclude the possibility of including additional fields where necessary to address emerging policy priorities, including data relevant to the monitoring of climate-related and environmental risks.**'
Explanation *While the ECB supports the objective of simplifying disclosure requirements under the Securitisation Regulation, this objective should be balanced with the aim of ensuring data comparability and the availability of information critical for risk management and effective supervision. This simplification initiative should also be efficient, considering the data requirements from other Union legal acts.* *See paragraph 7 of the ECB Opinion and the explanation for Amendment 11.*	
Amendment 3 Article 1, point (2), of the proposed regulation (Article 2, points (32, (33) and (34), of the Securitisation Regulation (new))	
'(2) in Article 2, the following points (32) and (33) are added: "(32) 'public securitisation' means a securitisation that meets any of the following criteria:	'(2) in Article 2, the following points (32)**,** ~~and~~ (33) **and (34)** are added: "(32) 'public securitisation' means a securitisation **for which** ~~that meets any of the following criteria:~~

Text proposed by the Commission	Amendments proposed by the ECB[87]
(a) a prospectus has to be drawn up for that securitisation pursuant to Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council; (b) the securitisation is marketed with notes constituting securitisation positions admitted to trading on a Union trading venue as defined in Article 4(1), point (24) of Directive 2014/65/EU of the European Parliament and of the Council[30]; (c) the securitisation is marketed to investors and the terms and conditions are not negotiable among the parties. (33) 'private securitisation' means a securitisation that does not meet any of the criteria laid down in point (32).'"	~~(a)~~ a prospectus has to be drawn up ~~for that securitisation~~ pursuant to Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council.~~;~~ ~~(b) the securitisation is marketed with notes constituting securitisation positions admitted to trading on a Union trading venue as defined in Article 4(1), point (24) of Directive 2014/65/EU of the European Parliament and of the Council[30]; (c) the securitisation is marketed to investors and the terms and conditions are not negotiable among the parties~~. (33) 'private securitisation' means a securitisation that does not meet ~~any of~~ the criteria laid down in point (32). **(34) 'repeat transaction' means a transaction:** **(a) established by the same originator or original lender;** **(b) where the pool of underlying exposures is of the same asset type, taking into account the specific characteristics relating to the cash flows of the asset type, including their contractual and prepayment characteristics;** **(d) where the overall credit risk of the pool of underlying exposures is the same or lower; and** **(e) having the same overall structural features as in an earlier securitisation transaction.";'**
Explanation *The purpose of the proposed amendment to Article 2, points (32) and (33), of the Securitisation Regulation is to maintain the current parameters of public and private securitisations for the purposes of transparency requirements under Article 7 of the Securitisation Regulation. It is preferable, for market functioning purposes, to avoid expanding the definition of public securitisations beyond those for which a prospectus is drawn up, in order to avoid disrupting market functioning and other unintended side effects.* *See paragraph 9 of the ECB Opinion.*	

Text proposed by the Commission	Amendments proposed by the ECB[87]
The purpose of the proposed point (34) is to ensure legal certainty for institutional investors and supervisors in relation to what qualifies as a 'repeat transaction' for the purposes of permitting investors to perform due diligence of more limited scope and intensity in order to comply with Article 5 of the Securitisation Regulation. *See paragraph 5.4 of the ECB Opinion and the explanations for Amendments 4 to 6.*	
Amendment 4 Article 1, point (3)(a), of the proposed regulation (Amending Article 5(1) of the Securitisation Regulation)	
'(a) paragraph 1 is amended as follows: (i) point (c) is deleted; (ii) points (e) and (f) are replaced by the following: "(e) if established in a third country, the originator, sponsor or SSPE designated in accordance with Article 7(2) has made available the information required by Article 7(1) in accordance with the frequency and modalities provided for in that paragraph; (f) if established in a third country, in the case of non-performing exposures, the originator, sponsor or original lender has applied sound standards in the selection and pricing of the exposures."'	'(a) paragraph 1 is amended as follows: (i) point (c) is deleted; (ii) points (e) and (f) are replaced by the following: "(e) if established in a third country, the originator, sponsor or SSPE designated in accordance with Article 7(2) has made available the information required by Article 7(1) in accordance with the frequency and modalities provided for in that paragraph; (f) if established in a third country, in the case of non-performing exposures, the originator, sponsor or original lender has applied sound standards in the selection and pricing of the exposures."; **(iii) the following subparagraph is added:** "**Points (a), (b) and (f) shall not apply in the case of repeat transactions. In such cases, the institutional investor may rely on the original verifications performed previously.";**'
Explanation *The ECB proposes to align the text of Article 5(1) of the Securitisation Regulation with the intention expressed in recital 8 of the proposed regulation by expressly outlining which elements of the verification part of the due diligence assessment do not need to be conducted for repeat transactions. This would provide legal certainty to competent authorities and institutional investors conducting due diligence checks, thereby achieving the objective of alleviating the burden on investors in repeat securitisation transactions.* *See paragraph 5.4 of the ECB Opinion and the explanation for Amendment 3.*	

Text proposed by the Commission	Amendments proposed by the ECB[87]
Amendment 5 Article 1, point (3)(b), of the proposed regulation (Article 5(3) of the Securitisation Regulation)	
‘(b) paragraph 3 is amended as follows: (i) point (b) is replaced by the following: “(b) all the structural features of the securitisation that can materially impact the performance of the securitisation position;”; (ii) point (c) is deleted;’	‘(b) paragraph 3 is amended as follows: (i) **the introductory text to paragraph 3 is replaced by the following:** **“3. Prior to holding a securitisation position, an institutional investor, other than the originator, sponsor or original lender, shall carry out a proportionate due diligence assessment which enables it to assess the risks involved. That assessment shall consider at least all of the following:**”; **(ii)** point (b) is replaced by the following: “(b) all the structural features of the securitisation that can materially impact the performance of the securitisation position;”; **(iii)** point (c) is deleted; **(iv) the following final subparagraph is added:** **“When considering the proportionality of the due diligence assessment under this paragraph 3, its appropriate scope and depth may be reduced by factors such as the credit risk and relative seniority of the securitisation position and related credit enhancement, and whether the securitisation position relates to a repeat transaction.”**;’
Explanation *The ECB proposes to align the text of Article 5 of the Securitisation Regulation with the intentions expressed in recitals 4, 6 and 8 of the proposed regulation by introducing an explicit reference to the proportionality of the due diligence assessment and to provisions alleviating the burden for investments in repeat securitisations directly in Article 5(3). This is to provide legal certainty to competent authorities and institutional investors that conduct due diligence checks. Without such clarification, there is a risk of inconsistent interpretation and implementation by different institutional investors, and the intended*	

Text proposed by the Commission	Amendments proposed by the ECB[87]
reduction in due diligence efforts and costs may not be achieved. In addition, examples of factors that would influence the proportionality of due diligence are taken from recital 6 of the proposed regulation, also to increase legal certainty. A reference to 'credit risk' has been added since senior tranches in different transactions may have very different risk profiles depending on the type of underlying asset and despite high credit enhancement. *See paragraph 5.4 of the ECB Opinion and the explanation for Amendment 3.*	

Text proposed by the Commission	Amendments proposed by the ECB[87]
Amendment 6 Article 1, point (3)(c), of the proposed regulation (Article 5(4) of the Securitisation Regulation)	
‘(c) paragraph 4 is amended as follows: (i) in point (a), the second subparagraph is deleted; (ii) the following point (g) is added: “(g) in the case of secondary market investments, document the due diligence assessment and verifications within a reasonable period of time which in any case shall not exceed 15 calendar days after the investment.”;’	‘(c) paragraph 4 is amended as follows: (i) in point (a), the second subparagraph is deleted; (ii) **point (e) is replaced by the following:** **“(e) be able to demonstrate to its competent authorities, upon request, that it has a comprehensive and thorough understanding of the securitisation position and its underlying exposures and that it has implemented written policies and procedures for the risk management of the securitisation position proportionate to its risk profile and for maintaining records of the verifications and due diligence in accordance with paragraphs 1 and 2 and of any other relevant information;”;** **(iii)** the following point (g) is added: “(g) in the case of secondary market investments, document the due diligence assessment and verifications within a reasonable period of time which in any case shall not exceed 15 calendar days after the investment.”; **(iv) the following final subparagraph is added:** **“When considering the proportionality of the obligations under points (a), (b), (d) and (e) under this paragraph, an institutional investor may take into account the risk of the securitisation position and factors such as the seniority of the securitisation position and related credit enhancement and whether the securitisation position relates to a repeat transaction.**”;’
Explanation	

Text proposed by the Commission	Amendments proposed by the ECB[87]
The ECB proposes to align the text of Article 5 of the Securitisation Regulation with the intentions expressed in recitals 4, 6 and 8 of the proposed regulation by explicitly referring to the proportionality of the due diligence assessment as well as to provisions alleviating the burden for investments in repeat securitisations directly in the relevant points of Article 5(4). The aim is to provide legal certainty to competent authorities and institutional investors carrying out due diligence assessments. Without such clarification, there is a risk of inconsistent interpretation and implementation by different institutional investors, and the intended reduction in due diligence efforts and costs may not be achieved. In addition, examples of factors that would influence the proportionality of a due diligence assessment drawn from recital 6 are included to further enhance legal certainty. *See paragraphs 5.4 and 5.6 of the ECB Opinion and the explanation for Amendment 3.*	
Amendment 7 Article 1, point (3)(d), of the proposed regulation (Article 5(4a) and (4b) of the Securitisation Regulation (new))	
‘(d) the following paragraphs 4a and 4b are inserted: “(4a) Paragraphs 1 to 4 shall not apply to institutional investors that hold a securitisation position where such securitisation position is guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) No 575/2013. For the purposes of the first subparagraph, the guarantee shall meet the conditions of Article 213 and 215 of Regulation (EU) No 575/2013. (4b) Paragraphs 1 and 4 shall not apply to institutional investors that hold a securitisation position where the first loss tranche representing at least 15% of the nominal value of the securitised exposures is either held or guaranteed by the Union or by national promotional banks or institutions within the meaning of point (3) of Article 2 of Regulation (EU) 2015/1017 of the European Parliament and of the Council.”;’	~~‘(d) the following paragraphs 4a and 4b are inserted:~~ ~~“(4a) Paragraphs 1 to 4 shall not apply to institutional investors that hold a securitisation position where such securitisation position is guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) No 575/2013.~~ ~~For the purposes of the first subparagraph, the guarantee shall meet the conditions of Article 213 and 215 of Regulation (EU) No 575/2013.~~ ~~(4b) Paragraphs 1 and 4 shall not apply to institutional investors that hold a securitisation position where the first loss tranche representing at least 15% of the nominal value of the securitised exposures is either held or guaranteed by the Union or by national promotional banks or institutions within the meaning of point (3) of Article 2 of Regulation (EU) 2015/1017 of the European Parliament and of the Council.”;’~~
Explanation	

Text proposed by the Commission	Amendments proposed by the ECB[87]
More proportionate due diligence requirements will already be applied when institutional investors invest in securitisation positions that are guaranteed by multilateral development banks, as clarified in relation to Amendments 4 to 6. There is therefore no need to introduce a new paragraph 4a. *Similarly, there is no rationale for waiving due diligence requirements in the cases covered in paragraph 4b, as the credit protection provided by public guarantees would benefit only the originator and not institutional investors. Paragraph 4b should therefore not be added.* *See paragraphs 5.4 and 5.7 of the ECB Opinion and the explanations for Amendments 4 to 6.*	
Amendment 8 Article 1, point (3)(e), of the proposed regulation (Article 5(5) of the Securitisation Regulation)	
‘(e) paragraph 5 is replaced by the following: “(5) Without prejudice to paragraphs 1 to 4 of this Article, where an institutional investor has given another institutional investor authority to make investment management decisions that might expose it to a securitisation, the delegating institutional investor may instruct the delegated institutional investor to fulfil its obligations under this Article in respect of any exposure to a securitisation arising from those decisions. The delegating institutional investor’s liability under this Article shall not be affected by the fact that the institutional investor has delegated functions.”’	‘(e) paragraph 5 is replaced by the following: “(5) Without prejudice to paragraphs 1 to 4 of this Article, where an institutional investor has given another institutional investor authority to make investment management decisions that might expose it to a securitisation, **the institutional investor may instruct that managing party to fulfil its obligations under this Article in respect of any exposure to a securitisation arising from those decisions. Member States shall ensure that, where an institutional investor is instructed under this paragraph to fulfil the obligations of another institutional investor and fails to do so, any sanction under Articles 32 and 33 may be imposed on the managing party and not on the institutional investor who is exposed to the securitisation. Before instructing the managing party to fulfil its obligations under this Article, the institutional investor shall ensure that the managing party has prior experience in conducting due diligence obligations for its own account or on account of other parties**.”;’
Explanation *The ECB acknowledges that the general principle for outsourcing arrangements in financial regulation is that the legal liability and duty of compliance remain with the outsourcing entity, rather than with the entity*	

Text proposed by the Commission	Amendments proposed by the ECB[87]
to which the fulfilment of obligations is delegated. However, the ECB considers that compliance with due diligence obligations is primarily the responsibility of the entity actually conducting the due diligence checks. Furthermore, the proposed change may also disincentivise new investors from entering the securitisation market, which would run counter to the objective of the proposal. The ECB would therefore recommend that Article 5(5) should not be amended as proposed by the Commission. However, this Article could still be clarified in order to require the delegating institutional investor to ensure that the institutional investor to which the fulfilment of obligations is delegated has sufficient experience. *See paragraph 5.9 of the ECB Opinion.*	
Amendment 9 Article 1, point (4)(c), of the proposed regulation (Article 6(5b) of the Securitisation Regulation (new))	
No text	**‘(c) paragraph 5b is inserted:** **“(5b) By way of derogation from the fifth sentence of paragraph 1, for non-performing exposure securitisations where one or more tranches are either held by, or fully, unconditionally and irrevocably guaranteed by, one of the entities listed under points (a) to (f) of paragraph 5, the requirement to retain a material net economic interest of not less than 5 %, as set out in paragraph 1, shall also be deemed to be fulfilled where the retention of not less than 5 % of the nominal value of each of the remaining tranches sold or transferred to investors is achieved in accordance with paragraph 3, point (a).”;’**
Explanation *The purpose of the proposed paragraph 5b is to introduce a new compliance route for NPE securitisations benefiting from public guarantee schemes. While these securitisations already comply with risk retention requirements through existing methods (e.g. retention of a first loss tranche), the amendment would allow compliance with the risk retention requirement via a vertical slice on the remaining non-guaranteed tranches where one or more tranches are fully guaranteed by eligible public entities. This enhances flexibility, supports the resolution of NPEs, and aligns with the prudential framework.* *See paragraphs 6.2 and 6.3 of the ECB Opinion and the explanation for Amendment 1.*	

Text proposed by the Commission	Amendments proposed by the ECB[87]
Amendment 10 Article 1, point (5)(b), of the proposed regulation (Article 7(2), third subparagraph, of the Securitisation Regulation)	
‘(b) in paragraph 2, the third subparagraph is replaced by the following: “Private securitisations shall be subject to a distinct reporting framework that acknowledges their unique characteristics, differing from public securitisation, in a dedicated and simplified reporting template. That dedicated and simplified reporting template shall ensure that essential information relevant to national competent authorities is adequately reported, without imposing the full extent of reporting obligations applicable to public securitisations. Private securitisations shall fulfil their obligations under this subparagraph as of [date set in the fourth subparagraphs of paragraphs 3 and 4 of this Article.].”’	‘(b) in paragraph 2, the third subparagraph is replaced by the following: “Private securitisations shall be subject to a distinct reporting framework that acknowledges their unique characteristics, differing from public securitisation, in a dedicated and simplified reporting template. That dedicated and simplified reporting template shall ensure that essential information relevant to ~~**national**~~ competent authorities is adequately reported, without imposing the full extent of reporting obligations applicable to public securitisations. Private securitisations shall fulfil their obligations under this subparagraph as of [date set in the fourth subparagraphs of paragraphs 3 and 4 of this Article.].”;’
Explanation *The choice of the term ‘competent authorities’ instead of ‘national competent authorities’ would indicate that that the ECB is also included in its capacity as a competent authority, as designated in Article 29 of the Securitisation Regulation.* *See paragraph 7.5 of the ECB Opinion.*	
Amendment 11 Article 1, point (5)(c), of the proposed regulation (Article 7(3) of the Securitisation Regulation)	
‘3. The ESAs shall develop, through the Joint Committee of the European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, draft regulatory technical standards in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 to specify the	‘3. The ESAs shall develop, through the Joint Committee of the European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, draft regulatory technical standards in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 to specify the information that the originator, sponsor and SSPE shall provide to

Text proposed by the Commission	Amendments proposed by the ECB[87]
information that the originator, sponsor and SSPE shall provide to comply with paragraph 1, first subparagraph, points (a) and (e), and paragraph 2 taking into account: (a) the usefulness of information for the holder of the securitisation position and for supervisors; (b) whether the securitisation is public or private; (c) whether the securitisation position is of a short-term nature; (d) in the case of an ABCP transaction, whether that transaction is fully supported by a sponsor. […].'	comply with paragraph 1, first subparagraph, points (a) and (e), and paragraph 2 taking into account: (a) the usefulness **and comparability** of information for the holder of the securitisation position and for supervisors; (b) whether the securitisation is public or private; (c) whether the securitisation position is of a short-term nature; (d) in the case of an ABCP transaction, whether that transaction is fully supported by a sponsor**;** **(e) the data requirements under other Union legal acts that are relevant for monitoring climate change and environmental risks.** […]'
<u>*Explanation*</u> *While the ECB supports the objective of simplifying disclosure requirements under the Securitisation Regulation, this objective should be balanced against the need to ensure data comparability and the availability of information essential for risk management and effective supervision. This simplification initiative should also be efficient considering the data requirements under other Union legal acts that are relevant for monitoring climate change and environmental risks.* *See paragraph 7 of the ECB Opinion.*	
Amendment 12 Article 1, point (8)(a), of the proposed regulation (Article 20(8) of the Securitisation Regulation)	
'(a) in paragraph 8, the following subparagraph is added: "A pool of underlying exposures shall be deemed to comply with the first subparagraph where at least 70% of the exposures in the pool at origination consists of exposures to SMEs.";'	'(a) in paragraph 8, the following subparagraph is added: "A pool of underlying exposures shall be deemed to comply with the first subparagraph where at least 70% of the exposures in the pool at origination consists of exposures to SMEs**, and the remaining exposures in the pool are to other types of enterprises or corporations**.";'
<u>*Explanation*</u>	

Text proposed by the Commission	Amendments proposed by the ECB[87]
The wording used in the proposed regulation may result in STS SME ABS containing pools with a mix of asset types. In the ECB's view, this would breach the STS label's simplicity requirement, which requires homogenous pools in terms of asset type, considering their specific characteristics relating to the cash flows including contractual, credit-risk and prepayment characteristics. In order to ensure STS transactions remain simple and homogenous, the ECB would therefore propose to refine the proposal by restricting the remaining pool exposures consist of exposures to other types of entreprises or corporations. This approach would preserve the flexibility to include loans to different types of corporate obligors, while preventing the inclusion of exposures belonging to unrelated asset types. *See paragraph 8.1 of the ECB Opinion.*	

Text proposed by the Commission	Amendments proposed by the ECB[87]
Amendment 13 Article 1, point (13)(c), of the proposed regulation (Article 26e(8) of the Securitisation Regulation)	

Text proposed by the Commission	Amendments proposed by the ECB[87]
‘paragraph 8 is amended as follows: (i) the following point (aa) is inserted: ‘(aa) a guarantee meeting the requirements set out in Part Three, Title II, Chapter 4 of Regulation (EU) No 575/2013, by which the credit risk is transferred to an insurance or reinsurance undertaking that meets all of the following criteria: (i) the undertaking uses an internal model approved in accordance with Articles 112 and 113 of Directive 2009/138/EC for the calculation of capital requirements for such guarantees; (ii) the undertaking complies with its Solvency Capital Requirement and its Minimum Capital Requirement referred to in Articles 100 and 128 of Directive 2009/138/EC, respectively, and has been assigned to credit quality step 3 or better; (iii) the undertaking effectively operates business activities in at least two classes of non-life insurance within the meaning of Annex I to Directive 2009/138/EC; (iv) the assets under management by the insurance or reinsurance undertaking exceed 20 billion euro; (ii) point (c) is replaced by the following: (c) another credit protection not referred to in points (a), (aa) and (b) of this paragraph in the form of a guarantee, a credit derivative or a credit linked note that meets the requirements set out in Article 249 of Regulation (EU) No 575/2013, provided that the obligations of the investor are secured by collateral meeting the requirements laid down in paragraphs 9 and 10 of this Article.’;	~~‘paragraph 8 is amended as follows:~~ ~~(i) the following point (aa) is inserted:~~ ~~‘(aa) a guarantee meeting the requirements set out in Part Three, Title II, Chapter 4 of Regulation (EU) No 575/2013, by which the credit risk is transferred to an insurance or reinsurance undertaking that meets all of the following criteria:~~ ~~(i) the undertaking uses an internal model approved in accordance with Articles 112 and 113 of Directive 2009/138/EC for the calculation of capital requirements for such guarantees;~~ ~~(ii) the undertaking complies with its Solvency Capital Requirement and its Minimum Capital Requirement referred to in Articles 100 and 128 of Directive 2009/138/EC, respectively, and has been assigned to credit quality step 3 or better;~~ ~~(iii) the undertaking effectively operates business activities in at least two classes of non-life insurance within the meaning of Annex I to Directive 2009/138/EC;~~ ~~(iv) the assets under management by the insurance or reinsurance undertaking exceed 20 billion euro;~~ ~~(ii) point (c) is replaced by the following:~~ ~~(c) another credit protection not referred to in points (a), (aa) and (b) of this paragraph in the form of a guarantee, a credit derivative or a credit linked note that meets the requirements set out in Article 249 of Regulation (EU) No 575/2013, provided that the obligations of the investor are secured by collateral meeting the requirements laid down in paragraphs 9 and 10 of this Article.’;~~
Explanation	

Text proposed by the Commission	Amendments proposed by the ECB[87]
The ECB proposes to retain the current wording of Article 26e(8) of the Securitisation Regulation. The Commission's proposed amendments would broaden the eligibility criteria for credit protection agreements under the STS framework to include unfunded guarantees offered by (re)insurance companies. The ECB considers that this poses financial stability risks, as it could increase both (a) concentration risk and (b) counterparty risk. *See paragraphs 8.2 and 8.3 of the ECB Opinion.*	
Amendment 14 Article 1, point (15), of the proposed regulation (Article 29 of the Securitisation Regulation)	
'Article 29 is amended as follows: (a) the following paragraph 4a is inserted: "4a. Competent authorities responsible for the supervision of originators, sponsors and SSPEs in accordance with Directive 2013/36/EU, including the ECB with regard to specific tasks conferred on it by Regulation (EU) No 1024/2013, shall supervise compliance by originators, sponsors and SSPEs with the obligations set out in Articles 18 to 27 of this Regulation."; (b) in paragraph 5, the first sentence is replaced by the following: "For entities supervised by competent authorities other than the ones referred to in paragraph 4a, Member States shall designate one or more competent authorities to supervise the compliance of originators, sponsors and SSPEs with Articles 18 to 27, and the compliance of third parties with Article 28.";'	~~'Article 29 is amended as follows:~~ ~~(a) the following paragraph 4a is inserted: '4a. Competent authorities responsible for the supervision of originators, sponsors and SSPEs in accordance with Directive 2013/36/EU, including the ECB with regard to specific tasks conferred on it by Regulation (EU) No 1024/2013, shall supervise compliance by originators, sponsors and SSPEs with the obligations set out in Articles 18 to 27 of this Regulation.';~~ (b) ~~in paragraph 5, the first sentence is replaced by the following: 'For entities supervised by competent authorities other than the ones referred to in paragraph 4a, Member States shall designate one or more competent authorities to supervise the compliance of originators, sponsors and SSPEs with Articles 18 to 27, and the compliance of third parties with Article 28.';~~
Explanation	

Text proposed by the Commission	Amendments proposed by the ECB[87]
The ECB considers that the supervision of the compliance by originator and sponsor credit institutions with the STS criteria is not a traditional prudential task and that conferring on the ECB the supervision of the STS criteria as a prudential task would thus require an expansive reading of Article 127(6) of the Treaty and Article 4 of Regulation (EU) No 1024/2013. Furthermore, the proposal could also lead to supervisory divergence in some Member States and within the Union between supervision of bank and non-bank originators and third-party verifiers. The ECB therefore proposes to delete this change of competence. *See paragraph 4 of the ECB Opinion.*	
Amendment 15 Article 1, point (17), of the proposed regulation (Article 32(1) of the Securitisation Regulation)	
'in Article 32(1), first subparagraph, the following point (i) is added: "(i) an institutional investor, other than the originator, sponsor or original lender, has failed to meet the requirements provided for in Article 5.";'	'~~in~~ Article 32(1)~~,~~ **is amended as follows:** **(a) in the** first subparagraph, the following point (i) is added: "(i) an institutional investor, other than the originator, sponsor or original lender, has failed to meet the requirements provided for in Article 5."; **(b) the following subparagraph is added:** **"When laying down rules establishing administrative sanctions, Member States shall take into account the sanctions and additional capital requirements implemented in accordance with sectoral regulation in order to avoid duplications in the sanctioning regime for the same infringement."**;'
Explanation *The duplication of sanctions, when they are already in the sectoral regulation, should be reconsidered, taking into account proportionality considerations.* *See paragraph 5.8 of the ECB Opinion.*	
Amendment 16 Article 1, point (20), of the proposed regulation (Article 46 of the Securitisation Regulation)	
'(20) Article 46 is replaced by the following:	'(20) Article 46 is replaced by the following:

Text proposed by the Commission	Amendments proposed by the ECB[87]
"Article 46 Review By …[PO please insert the date: 5 years after date of entry into force], the Commission shall present a report to the European Parliament and the Council on the functioning of this Regulation, accompanied, where appropriate, by a legislative proposal. That report shall consider in particular the findings of the reports referred to in Article 44, and shall assess: (a) the effects of this Regulation on the functioning and the development of the market for securitisations in the Union; (b) the contribution of securitisation to: (i) to funding EU companies and economy, in particular on access to credit for SMEs and investments; (ii) the interconnectedness between financial institutions and the stability of the financial sector; (c) whether in the area of STS securitisations, an equivalence regime could be introduced for third country originators, sponsors and SSPEs, including in relation to due-diligence requirements, taking into consideration international developments in the area of securitisation, in particular initiatives on simple, transparent and comparable securitisations; (d) the implementation of the requirements set out in Article 22(4) and Article 26d(4) and whether those requirements may be extended to securitisation where the underlying exposures are not residential loans or auto loans or leases, with a view to mainstreaming environmental, social and governance disclosures."'	"Article 46 Review By …[PO please insert the date: ~~5~~**4** years after date of entry into force], the Commission shall present a report to the European Parliament and the Council on the functioning of this Regulation, accompanied, where appropriate, by a legislative proposal. That report shall consider in particular the findings of the reports referred to in Article 44 **and Article 31**, and shall assess: (a) the effects of this Regulation on the functioning and the development of the market for securitisations in the Union; (b) the contribution of securitisation to: (i) to funding EU companies and economy, in particular on access to credit for SMEs and investments; ~~(ii) the interconnectedness between financial institutions and the stability of the financial sector;~~ **(ii) the build-up of risks to the financial stability of the banking sector and the financial sector as a whole, which could arise from the growth of issuances of synthetic securitisations, taking into account interconnectedness between financial institutions;** (c) whether in the area of STS securitisations, an equivalence regime could be introduced for third country originators, sponsors and SSPEs, including in relation to due-diligence requirements, taking into consideration international developments in the area of securitisation, in particular initiatives on simple, transparent and comparable securitisations; (d) the implementation of the requirements set out in Article 22(4) and Article 26d(4) and whether those requirements may be extended to

Text proposed by the Commission	Amendments proposed by the ECB[87]
	securitisation where the underlying exposures are not residential loans or auto loans or leases, with a view to mainstreaming environmental, social and governance disclosures~~.~~**;** **(e) the introduction of new macroprudential and supervisory tools that may be required to ensure that the risks under point (b)(ii) are adequately managed and mitigated.".**'
Explanation *The ECB proposes to broaden and clarify the required scope of the Commission's report to capture all relevant potential risks to financial stability – also including recommendations as to possible additional tools to mitigate those risks – stemming from the development of Union securitisation markets, from the use of significant risk transfer securitisations, and, in particular, from growth of the synthetic securitisation market segment.* *The ECB also proposes to align the timing of this report closely with that of the report due under Article 506d, point (1), of Regulation (EU) 575/2013.* *See paragraphs 1.5 of the ECB Opinion.*	

Technical working document (2/3)

produced in connection with ECB Opinion [CON/2025/35] on (a) a proposal for a regulation amending Regulation (EU) 2017/2402 laying down a general framework for securitisations and creating specific framework for simple, transparent and standardised securitisation, (b) a proposal for a regulation amending Regulation (EU) 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures, and (c) a draft proposal for a delegated regulation amending Delegated Regulation (EU) 2015/61 as regards the eligibility conditions for securitisations in the liquidity buffer of credit institutions[88]

Drafting proposals in relation to the proposed amendments to Regulation (EU) No 575/2013 (the CRR)

Text proposed by the Commission	Amendments proposed by the ECB[89]
Amendment 1 Recital 4 of the proposed regulation	
'(4) Risk weight floors are minimum risk weights that credit institutions must apply to their senior securitisation exposures, even where the capital calculations suggest a lower risk weight could be applied. Risk weight floors for senior positions of securitisations should be made more risk sensitive, making it possible to reflect the riskiness of the underlying pool of exposures of each specific securitisation. Senior securitisation positions of securitisation of low-risk portfolios should be allowed to benefit from lower risk weight floors than senior securitisation positions in securitisations of higher-risk portfolios. This new approach, which would mean that risk weight floors are calculated based on a specific formula, should replace the existing approach where risk weight floors are set at flat levels, irrespective of the credit quality of the underlying pool of exposures. The new formula should make it possible to reflect the simple,	~~'(4) Risk weight floors are minimum risk weights that credit institutions must apply to their senior securitisation exposures, even where the capital calculations suggest a lower risk weight could be applied. Risk weight floors for senior positions of securitisations should be made more risk sensitive, making it possible to reflect the riskiness of the underlying pool of exposures of each specific securitisation. Senior securitisation positions of securitisation of low-risk portfolios should be allowed to benefit from lower risk weight floors than senior securitisation positions in securitisations of higher-risk portfolios. This new approach, which would mean that risk weight floors are calculated based on a specific formula, should replace the existing approach where risk weight floors are set at flat levels, irrespective of the credit quality of the underlying pool of exposures. The new formula should make it possible to reflect the simple,~~

88 This technical working document is produced in English only and communicated to the consulting Union institution(s) after adoption of the opinion. It is also published on EUR-Lex alongside the opinion itself.

89 Bold in the body of the text indicates where the ECB proposes inserting new text. Strikethrough in the body of the text indicates where the ECB proposes deleting text.

transparent and standardised (STS) or non-STS status of a securitisation. To avoid excessive reductions of the capital requirements, a minimum threshold to the risk weight floors should be introduced.'	~~transparent and standardised (STS) or non-STS status of a securitisation. To avoid excessive reductions of the capital requirements, a minimum threshold to the risk weight floors should be introduced.~~'
Explanation *The ECB does not support the added complexity that risk-sensitive risk weight floors entail. Additionally, risk weight floors act as a backstop to the formulaic approaches that already include portfolio risk parameters as inputs. Having the same risk parameters as the inputs of the risk weight floor will harm their function as backstops. Additionally, the existing cap on the risk weight of the senior securitisation positions in Article 267 of the CRR overruns the risk weight floors, thus already mitigating undue effects for low-risk portfolios.* *See paragraph 12 of the ECB Opinion.*	
Amendment 2 Recital 5 of the proposed regulation	
'(5) To provide for more risk sensitivity in the securitisation framework, while maintaining a prudent regulatory treatment, it is necessary to adjust, under the SEC-IRBA approach, the formula for the (p) factor to reduce the floor and to reduce the scaling factor, and to introduce a cap to the (p) factor, mainly for the senior securitisation positions of originator/sponsor credit institutions. For the same reason, under the SEC-SA approach, it is necessary to reduce the (p) factor, for senior securitisation positions. Changes to the (p) factor for non-senior securitisation positions should be minimal, to prevent undercapitalisation of these positions. Changes to the (p) factor for positions of investors in non-STS securitisations and in non-senior securitisation positions of STS securitisations should be minimal, as those positions do not feature reduced agency and model risks.'	'(5) To provide for more risk sensitivity in the securitisation framework, while maintaining a prudent regulatory treatment, it is necessary to adjust, under the SEC-IRBA approach, the formula for the (p) factor to reduce the floor and to reduce the scaling factor~~, and to introduce a cap to the (p) factor, mainly~~ for the senior securitisation positions of originator~~/sponsor~~ credit institutions **which are directly or indirectly involved in the original agreement which created the obligations or potential obligations of the debtors giving rise to the exposures being securitised. This adjustment ensures that only the abovementioned originators fall within the measure's scope of application, in respect of which reduced agency and model risks can be assumed, unlike in the case of investors. As a consequence, this would also exclude any originator that purchases and then securitises a third party's exposures on its own account. This exclusion is justified in order to avoid credit institutions expanding beyond their core businesses solely for the purpose of securitising the respective exposures with the**

	intention of benefiting from the reduction under the measure. For the same reason, under the SEC-SA approach, it is necessary to reduce the (p) factor, for senior securitisation positions. Changes to the (p) factor for non-senior securitisation positions should ~~be minimal~~ **not occur**, to prevent undercapitalisation of these positions. Changes to the (p) factor for positions of investors ~~in non-STS securitisations and in non-senior securitisation positions of STS securitisations~~ should ~~be minimal~~ **not occur**, as those positions do not feature reduced agency and model risks.'
Explanation *The ECB does not support a cap on the p factor as this would reduce the risk sensitivity of the SEC-IRBA formula, and would not support a reduction of the p factor for investing institutions, sponsor institutions and originator institutions purchasing third parties' exposures on their own account and then securitising them. This would not be justified by a reduced agency and model risk, which is the main rationale embedded in the non-neutrality in capital requirements that the p factor governs.* *See paragraph 13 of the ECB Opinion.*	
Amendment 3 Recital 6 of the proposed regulation	
'(6) Senior securitisation positions are resilient if the securitisation satisfies a set of eligibility criteria at the origination date and on an ongoing basis thereafter. This set of eligibility criteria ensures the protection of the senior securitisation position and mitigates agency and model risks. Such resilient securitisation positions should benefit from additional reductions to the risk weight floors and to the (p) factor, compared with positions that do not satisfy the eligibility criteria. Positions of credit institution investors in senior securitisation positions of non-STS securitisations should not be allowed to benefit from those further reductions, as they are not characterised by reduced agency and model risk.'	'(6) Senior securitisation positions **in STS securitisations** are resilient **where they have sufficient credit enhancement from subordinated tranches** ~~if securitisation satisfies a set of eligibility criteria~~ at the origination date ~~and on an ongoing basis thereafter~~. This **requirement, along with the STS eligibility criteria,** ~~set of eligibility criteria~~ ensures the protection of the senior securitisation position and **further** mitigates agency and model risks. Such resilient securitisation positions **ensure more robust loss-absorbing capacity.** ~~should benefit from additional reductions to the risk weight floors and to the (p) factor, compared with positions that do not satisfy the eligibility criteria.~~ **Only p**~~P~~ositions of **originator** credit institutions ~~investors~~ **which are**

	a), directly or indirectly involved in the original agreement which created the obligations or potential obligations of the debtors giving rise to the exposures being securitised and, which are b), in senior securitisation positions of ~~non-~~STS securitisations, should ~~not~~ be allowed to benefit from those further reductions, as they are ~~not~~ characterised by reduced agency and model risk.'

Explanation

The ECB supports the concept of resilient positions but only for senior positions in STS securitisations. Additionally, regarding the eligibility criteria for resilient securitisations, the ECB proposes that these should be assessed at origination only. Furthermore, the ECB only supports the reduction of risk weight floors for resilient positions held by originators under Article 2, point (3)(a), of the Securitisation Regulation.

See paragraph 11 of the ECB Opinion.

Amendment 4

Recital 10 of the proposed regulation

'(10) To increase the efficiency of the SRT supervisory assessments, the principles of SRT supervisory assessments should be harmonised at Union level. The EBA should specify such principles in the regulatory technical standards, which should also include high-level principles for a fast-track process for qualifying securitisations.'	'(10) To increase the efficiency of the SRT supervisory assessments, the principles of SRT supervisory assessments should be harmonised at Union level. The EBA should specify such principles in the regulatory technical standards~~, which should also include high-level principles for a fast-track process for qualifying securitisations~~.'

Explanation

The ECB does not support specifying the fast-track process in the EBA regulatory technical standards, as this would reduce flexibility in the implementation and eventual update of that which is already in place.

See paragraphs 16.2 and 16.5 of the ECB Opinion and Amendment 9.

Amendment 5

Article 1, point (2)(a), of the proposed regulation

(Article 242, point (6), of the CRR)

'(2) Article 242 is amended as follows:	'(2) Article 242 is amended as follows:
(a) point (6) is replaced by the following:	~~(a) point (6) is replaced by the following:~~
"(6) 'senior securitisation position' means a position with the attachment point above KIRB or KA and backed or secured by a first claim on the whole of	~~"(6) 'senior securitisation position' means a position with the attachment point above KIRB or KA and backed or secured by a first claim on the whole of~~

the underlying exposures, disregarding for these purposes amounts due under interest rate or currency derivative contracts, fees or other similar payments, and irrespective of any difference in maturity with one or more other senior tranches with which that position shares losses on a pro-rata basis;";'	~~the underlying exposures, disregarding for these purposes amounts due under interest rate or currency derivative contracts, fees or other similar payments, and irrespective of any difference in maturity with one or more other senior tranches with which that position shares losses on a pro-rata basis;";'~~
Explanation *The ECB recommends not modifying the definition of 'senior securitisation position'. The proposed amended definition requires the senior securitisation position to attach above Kirb or Ka without specifying whether the requirement must be fulfilled at inception or on an ongoing basis, which may lead to situations where the securitisation does not have a senior tranche as such. As an alternative, although not optimal, the requirement should be fulfilled at origination only.* *See paragraph 10 of the ECB Opinion.*	
Amendment 6 Article 1, point (3)(c), of the proposed regulation (Article 243(3) of the CRR (new))	
'(3) Article 243 is amended as follows: […] (c) the following paragraphs 3, 4 and 5 are added: "3. Senior position in a STS securitisation shall be eligible for the treatment set out in Article 260(2), Article 262(2), Article 264(2a) and Article 264(3a) where the following requirements are met: (a) for a position in an ABCP programme or ABCP transaction: (b) the requirements of the Article 243(1) (c) at the origination date and on an ongoing basis thereafter, the attachment point of the senior securitisation position is determined as follows: A >= 1.5 * KA, when using SEC-SA or SEC-ERBA, or A >= 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA. (d) for a position a securitisation other than ABCP programme or ABCP transaction: (e) the requirements of the Article 243(2)	'(3) Article 243 is amended as follows: […] (c) the following paragraphs 3 **and**~~,~~ 4 ~~and 5~~ are added: "3. Senior position in a STS securitisation shall be eligible for the treatment set out in Article 260(2), Article 262(2), Article 264(2~~a~~) and Article 264(3~~a~~) where the following requirements are met: (a) for a position in an ~~ABCP programme or~~ ABCP transaction: ~~(b)~~ **(i)** the requirements of the Article 243(1) ~~(c)~~ **(ii)** at the origination date ~~and on an ongoing basis thereafter~~, the attachment point **(A)** of the senior securitisation position is determined as follows: **(1) if the securitisation features a sequential amortisation of the tranches;** A >= ~~1.5 * KA, when using SEC-SA or SEC-ERBA, or~~

(f) at the origination date and on an ongoing basis thereafter, the attachment point of the senior securitisation position is determined as follows: A >= 1.5 * K_A, when using SEC-SA or SEC-ERBA, or A >= 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA. […]";'	~~A >= 1.1 *~~ (EL * WAL of the initial reference securitised portfolio + UL~~), when using SEC-IRBA.~~ **(2) otherwise, A >= 1.4 * (EL * WAL of the initial reference securitised portfolio + UL);** (~~d) (~~**b)** for a position a securitisation other than ABCP programme or ABCP transaction: ~~(e)~~ **(i)** the requirements of the Article 243(2); ~~(f)~~ **(ii)** at the origination date ~~and on an ongoing basis thereafter~~, the attachment point of the senior securitisation position is determined as follows: **(1) if the securitisation features a sequential amortisation of the tranches;** A >= ~~1.5 * KA, when using SEC-SA or SEC-ERBA, or~~ ~~A >= 1.1 *~~ (EL * WAL of the initial reference securitised portfolio + UL~~), when using SEC-IRBA.~~ **(2) otherwise, A >= 1.4 * (EL * WAL of the initial reference securitised portfolio + UL).** […]";'
Explanation *In order to avoid cliff effects in the calculation of the capital requirement for resilient senior tranches, when they are not in compliance at some point in time during the life of the securitisation, the requirement should be fulfilled at origination. This should be done in a manner that ensures that the senior tranche will remain resilient (above one year EL * WAL + UL) throughout the life of the transaction. During the life of the transaction, the attachment point of the senior tranche tends to rise when there is sequential amortisation of the tranches in place. If not, the opposite occurs. Therefore, a more stringent requirement should apply where there is no sequential amortisation of the tranches.* *See paragraph 11 of the ECB Opinion and Amendment 3.*	
Amendment 7 Article 1, point (3)(c), of the proposed regulation (Article 243(4) of the CRR (new))	
'(3) Article 243 is amended as follows:	'(3) Article 243 is amended as follows:

[…]	[…]
(c) the following paragraphs 3, 4 and 5 are added:	(c) the following paragraphs 3 **and** ~~,~~ 4 ~~and 5~~ are added:
"[…]	"[…]
4. A senior securitisation position in a non-STS securitisation shall be eligible for the treatment set out in Article 259(1b), Article 261(1b), Article 263(2a) and Article 263(3a) where the following requirements are met, at the origination date and on an ongoing basis thereafter:	~~4. A senior securitisation position in a non-STS securitisation shall be eligible for the treatment set out in Article 259(1b), Article 261(1b), Article 263(2a) and Article 263(3a) where the following requirements are met, at the origination date and on an ongoing basis thereafter:~~
(a) for an on-balance-sheet securitisation:	~~(a) for an on-balance-sheet securitisation:~~
(1) the requirement of Article 26c(5) of Regulation (EU) 2017/2402 and the requirements of Commission Delegated Regulation (EU) 2024/920;	~~(1) the requirement of Article 26c(5) of Regulation (EU) 2017/2402 and the requirements of Commission Delegated Regulation (EU) 2024/920;~~
(2) the requirements of Article 26(e)8, 9 and 10 of Regulation (EU) 2017/2402;	~~(2) the requirements of Article 26(e)8, 9 and 10 of Regulation (EU) 2017/2402;~~
(3) the attachment point of the senior securitisation position is determined as follows: A >= 1.5 * K_A, when using SEC-SA or SEC-ERBA, or	~~(3) the attachment point of the senior securitisation position is determined as follows: A >= 1.5 * K_A, when using SEC-SA or SEC-ERBA, or~~
A >= 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA;	~~A >= 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA;~~
(4) the requirement of Article 243(2), point (a) of this Regulation;	~~(4) the requirement of Article 243(2), point (a) of this Regulation;~~
(5) the position is not a position of investor;	~~(5) the position is not a position of investor;~~
(b) for an ABCP programme or ABCP transaction:	~~(b) for an ABCP programme or ABCP transaction:~~
(1) the requirements of Article 24(17), point (b), of Regulation (EU) 2017/2402;	~~(1) the requirements of Article 24(17), point (b), of Regulation (EU) 2017/2402;~~
(2) the attachment point of the senior securitisation position is determined as follows: A >= 1.5 * K_A, when using SEC-SA or SEC-ERBA, or	~~(2) the attachment point of the senior securitisation position is determined as follows: A >= 1.5 * K_A, when using SEC-SA or SEC-ERBA, or~~
A >= 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA;	~~A >= 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA;~~
(3) the requirements of Article 243(1), point (b) of this Regulation;	

(4) the position is not a position of investor; (c) for non-ABCP traditional securitisation: (1) the requirements of Article 21(4), point (b), and Article 21(5) of Regulation (EU) 2017/2402; (2) the attachment point of the senior securitisation position is determined as follows: A >= 1.5 * K_A, when using SEC-SA or SEC-ERBA, or A >= 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA; (3) the requirement of Article 243(2), point (a), of this Regulation; the position is not a position of investor.";'	~~(3) the requirements of Article 243(1), point (b) of this Regulation;~~ ~~(4) the position is not a position of investor;~~ ~~(c) for non-ABCP traditional securitisation:~~ ~~(1) the requirements of Article 21(4), point (b), and Article 21(5) of Regulation (EU) 2017/2402;~~ ~~(2) the attachment point of the senior securitisation position is determined as follows:~~ ~~A >= 1.5 * K_A, when using SEC-SA or SEC-ERBA, or~~ ~~A >= 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA;~~ ~~(3) the requirement of Article 243(2), point (a), of this Regulation; the position is not a position of investor.";'~~
Explanation *The ECB does not support improving the prudential treatment of non-STS securitisations.* *See paragraph 11 of the ECB Opinion and Amendment 3.*	
Amendment 8 Article 1, point (3)(c), of the proposed regulation (Article 243(5) of the CRR (new))	
'(3) Article 243 is amended as follows: […] (c) the following paragraphs 3, 4 and 5 are added: "[…] 5. For the purposes of paragraphs 3 and 4, the WAL (weighted average life) of the initial reference portfolio shall be calculated by time-weighting, until the expected maturity of the transaction, only the repayments of principal amounts from the securitised exposures, without taking into account any payments relating to fees or interest to be paid by the obligors of the securitised exposures, and, in case of synthetic securitisations, without taking into account any prepayment assumptions. For a	'(3) Article 243 is amended as follows: […] (c) the following paragraphs 3 **and** ~~,~~ 4 ~~and 5~~ are added: "[…] ~~5~~4. For the purposes of paragraph~~s~~ 3: ~~and 4~~, **a) EL represents the 'one-year expected loss'. For institutions not using the IRB Approach referred to in Article 143, the calculation of the 'one-year expected loss' should be performed in accordance with the risk provisioning under the applicable accounting framework;**

transaction with a replenishment period, the WAL shall be the sum of the remaining replenishment period plus the remaining weighted average life of the reference portfolio measured from the end of that replenishment period. The WAL shall be no greater than five years.";'	b) the WAL (weighted average life) of the initial reference portfolio shall be calculated by time-weighting, until the expected maturity of the transaction, only the repayments of principal amounts from the securitised exposures, without taking into account any payments relating to fees or interest to be paid by the obligors of the securitised exposures, and, in case of synthetic securitisations, without taking into account any prepayment assumptions. For a transaction with a replenishment period, the WAL shall be the sum of the remaining replenishment period plus the remaining weighted average life of the reference portfolio measured from the end of that replenishment period. The WAL shall be no greater than five years.";'
Explanation *The concept of expected loss (EL) used in the formula under the new Article 243(3) CRR should be defined.* *See paragraph 11 of the ECB Opinion and Amendments 3 and 6.*	
Amendment 9 Article 1, point (4), of the proposed regulation (Article 244(3) of the CRR)	
'By way of derogation from paragraph 2, competent authorities may require the originator institution on a case-by-case basis to transfer to third parties a weighted amount of unexpected losses larger than the 50% referred to in that paragraph, or object to the significant credit risk transfer. The measures referred to in this paragraph may be imposed to address failings in the management of systems and controls or other internal governance failures of the originator institution, including remedial action plans not yet completed following supervisory examinations, or where the competent authority deems the credit risk transferred under paragraph 2 as insufficient to address certain	'By way of derogation from paragraph 2, competent authorities may require the originator institution on a case-by-case basis to transfer to third parties a weighted amount of unexpected losses larger than the 50% referred to in that paragraph, or object to the significant credit risk transfer. The measures referred to in this paragraph may be imposed to address failings in the management of systems and controls or other internal governance failures of the originator institution, including remedial action plans not yet completed following supervisory examinations, or where the competent authority deems the credit risk transferred under paragraph 2 as insufficient to address certain special or

special or complex features of the securitisation, or leading to disproportionate capital relief.'	complex features of the securitisation, or leading to ~~disproportionate~~ capital relief **not justified by a commensurate transfer of credit risk to third parties**.'
Explanation *It is important that the competent authorities maintain the possibility, on a case-by-case basis, to require the originator to transfer a share of the weighted amounts of unexpected losses of the underlying exposures that is higher than the 50 % required under the principle-based test, or to object to the SRT, when the competent authority deems that the transaction leads to a non-commensurate reduction in RWEAs.* *See paragraph 16.4 of the ECB Opinion.*	
Amendment 10 Article 1, point (4), of the proposed regulation (Article 244(7) of the CRR (new))	
'(4) Articles 244 and 245 are replaced by the following: "[…] 7. The EBA shall develop regulatory technical standards to specify: (a) the conditions for the fulfilment of the significant credit risk transfer requirement referred to in paragraph 2 of this Article and Article 245(2), in particular: (1) the calculation of the lifetime expected losses of the underlying exposures and their allocation for the purposes of paragraph of this Article and Article 245(2); (2) the allocation of the unexpected losses of the securitised exposures to the securitisation tranches for the purposes of paragraph of this Article and Article 245(2); (3) the calculation of the weighted amounts of unexpected losses in relation to the allocation of the unexpected losses of the securitised exposures to the securitisation tranches of paragraph of this Article and Article 245(2);	'(4) Articles 244 and 245 are replaced by the following: "[…] 7. The EBA shall develop regulatory technical standards to specify: (a) the conditions for the fulfilment of the significant credit risk transfer requirement referred to in paragraph 2 of this Article and Article 245(2), in particular: (1) the calculation of the lifetime expected losses of the underlying exposures and their allocation for the purposes of paragraph of this Article and Article 245(2); (2) the allocation of the unexpected losses of the securitised exposures to the securitisation tranches for the purposes of paragraph of this Article and Article 245(2); (3) the calculation of the weighted amounts of unexpected losses in relation to the allocation of the unexpected losses of the securitised exposures to the securitisation tranches of paragraph of this Article and Article 245(2);

(b) the structural features and safeguards referred to in Article 244(4), point (g) and Article 245(4), point (f), respectively, in particular the coverage of the legal clauses for the early termination of securitisations; (c) the minimum requirements for the self-assessment by the originator institution referred to in Article 244(5) and Article 245(5), including the specification of the scenarios to be applied; (d) the conditions for the competent authorities to apply Article 244(2) and (3) and Article 245(2) and (3) in relation to securitisation transactions and originator institutions; (e) the high level principles for the process for the review and assessment of the conditions for the fulfilment of the credit risk transfer requirement in accordance with Article 244(1) to (4) and Article 245(1) to (4), and the high level principles for certain securitisations to qualify for a fast-track simplified assessment process referred to in Article 244(6) and Article 245(6); (f) the necessary adjustments for the application of Article 244 and 245 to NPE securitisations. The EBA shall submit those draft regulatory technical standards to the Commission by [18 months after the date of entry into force]. Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.";'	(b) the structural features and safeguards referred to in Article 244(4), point (g) and Article 245(4), point (f), respectively, in particular the coverage of the legal clauses for the early termination of securitisations; (c) the minimum requirements for the self-assessment by the originator institution referred to in Article 244(5) and Article 245(5), including the specification of the scenarios to be applied; (d) the conditions for the competent authorities to apply Article 244(2) and (3) and Article 245(2) and (3) in relation to securitisation transactions and originator institutions; (e) the high level principles for the process for the review and assessment of the conditions for the fulfilment of the credit risk transfer requirement in accordance with Article 244(1) to (4) and Article 245(1) to (4~~), and the high level principles for certain securitisations to qualify for a fast-track simplified assessment process referred to in Article 244(6) and Article 245(6~~); (f) the necessary adjustments for the application of Article 244 and 245 to NPE securitisations. The EBA shall submit those draft regulatory technical standards to the Commission by [18 months after the date of entry into force]. Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.";'
Explanation *The ECB considers that it may introduce a fast-track process that is already based on the current text of the CRR, following the risk-based approach. However, the ECB does not support specifying the fast-track process in the EBA regulatory technical standard, as this would reduce flexibility in the implementation and eventual update of the process already in place and used by the ECB.* *See paragraph 16 of the ECB Opinion and Amendment 4.*	
Amendment 11 Article 1, point (4), of the proposed regulation	

(Article 244(8) of the CRR (new))	
'(4) Articles 244 and 245 are replaced by the following: "[…] 8. By 31 March of each year, competent authorities shall notify to the EBA all the securitisations assessed in accordance with paragraphs 1 to 7 in the previous year. The notification shall convey all the information needed to calculate the ratio under paragraph 2 and on relevant structural features. The information shall at least provide a breakdown on the size, thickness and amounts of tranches, portfolio LGD, EL, LTEL and UL, WAL of the underlying exposures and risk weights of the tranches, and information on whether the measures referred to in paragraph 3 were applied.";'	'(4) Articles 244 and 245 are replaced by the following: "[…] ~~'8. By 31 March of each year, competent authorities shall notify to the EBA all the securitisations assessed in accordance with paragraphs 1 to 7 in the previous year. The notification shall convey all the information needed to calculate the ratio under paragraph 2 and on relevant structural features. The information shall at least provide a breakdown on the size, thickness and amounts of tranches, portfolio LGD, EL, LTEL and UL, WAL of the underlying exposures and risk weights of the tranches, and information on whether the measures referred to in paragraph 3 were applied.";'~~
Explanation *To simplify the regulatory framework, streamline the reporting and notification requirements, and avoid overlapping obligations, this notification requirement from the competent authorities to the EBA should be deleted. The relevant information should already be available to EBA via supervisory reporting, therefore making a separate notification from the competent authority unnecessary.* *See paragraph 16.6 of the ECB Opinion.*	
Amendment 12 Article 1, point (4), of the proposed regulation (Article 245(1) of the CRR)	
'(4) Articles 244 and 245 are replaced by the following: "[…] *Article 245* *Synthetic securitisation* 1. The originator institution of a synthetic securitisation may calculate risk-weighted exposure amounts, and, where relevant, expected loss amounts with respect to the underlying exposures in accordance with Articles 251 and 252, where either of the following conditions is met:	'(4) Articles 244 and 245 are replaced by the following: "[…] *Article 245* *Synthetic securitisation* 1. The originator institution of a synthetic securitisation may calculate risk-weighted exposure amounts, and, where relevant, expected loss amounts with respect to the underlying exposures **that do not give rise to risk-weighted exposure amounts for counterparty credit risk as specified in Part Three, Title II, Chapter 6 of**

(a) significant credit risk associated with the securitised exposures has been transferred to third parties, or the originator institution applies a 1250 % risk weight to all securitisation positions that institution holds in the securitisation or deducts those securitisation positions from Common Equity Tier 1 items in accordance with Article 36(1), point (k); (b) the conditions for the effective risk transfer on the securitised exposures referred to in paragraph 4 of this Article are met. […]";'	**this Regulation,** in accordance with Articles 251 and 252, where either of the following conditions is met: (a) significant credit risk associated with the securitised exposures has been transferred to third parties, or the originator institution applies a 1250 % risk weight to all securitisation positions that institution holds in the securitisation or deducts those securitisation positions from Common Equity Tier 1 items in accordance with Article 36(1), point (k); (b) the conditions for the effective risk transfer on the securitised exposures referred to in paragraph 4 of this Article are met. […]";'
Explanation *This amendment aims to ensure the simplicity of securitisation transactions eligible for capital relief by excluding certain types of complex exposures for which the exposure amounts and the exact coverage of credit protection cannot be modelled with sufficient certainty, or which produce excessive volatility over time – namely, when counterparty credit risk for derivatives exposures is securitised. This amendment is only relevant for synthetic securitisation, since it would be operationally too complex to securitise counterparty credit risk through a traditional securitisation.* *See paragraph 15.4 of the ECB Opinion.*	
Amendment 13 Article 1, point (4), of the proposed regulation (Article 245(3) of the CRR)	
'By way of derogation from paragraph 2, competent authorities may require the originator institution on a case-by-case basis to transfer to third parties a weighted amount of unexpected losses larger than the 50 % referred to in that paragraph, or object to the significant risk transfer. Competent authorities may impose the measures referred to in this paragraph where necessary to address failings in the management of systems and controls or other internal governance failures of the originator institution, including remedial action plans not yet completed following supervisory examinations, or where the competent authority deems the credit	'By way of derogation from paragraph 2, competent authorities may require the originator institution on a case-by-case basis to transfer to third parties a weighted amount of unexpected losses larger than the 50 % referred to in that paragraph, or object to the significant risk transfer. Competent authorities may impose the measures referred to in this paragraph where necessary to address failings in the management of systems and controls or other internal governance failures of the originator institution, including remedial action plans not yet completed following supervisory examinations, or where the competent authority deems the credit

risk transferred under paragraph 2 as insufficient to address certain special or complex features of the securitisation, or leading to a disproportionate capital relief.'	risk transferred under paragraph 2 as insufficient to address certain special or complex features of the securitisation, or leading to a ~~disproportionate~~ capital relief **not justified by a commensurate transfer of credit risk to third parties**.'
Explanation *It is important that the competent authorities maintain the possibility, on a case-by-case basis, to require the originator to transfer a share of the weighted amounts of unexpected losses of the underlying exposures that is higher than the 50 % required under the principle-based test, or to object to the SRT, when the competent authority deems that the transaction leads to a non-commensurate reduction in RWEAs.* *See paragraph 16.4 of the ECB Opinion.*	
Amendment 14 Article 1, point (4), of the proposed regulation (Article 245(7) of the CRR (new))	
'(4) Articles 244 and 245 are replaced by the following: "[…] 7. By 31 March of each year, competent authorities shall notify to the EBA all the securitisations for which a self-assessment has been received in accordance with the paragraphs 1 to 6 in the previous year. The notification shall convey all the information needed to calculate the ratio under paragraph 2 and on relevant structural features. The information shall at least provide a breakdown on the size, thickness and amounts of tranches, portfolio LGD, EL, LTEL and UL, WAL of the underlying exposures and risk weights of the tranches, and information on whether the measures referred to in paragraph 3 were applied.";'	'(4) Articles 244 and 245 are replaced by the following: "[…] ~~'7. By 31 March of each year, competent authorities shall notify to the EBA all the securitisations for which a self-assessment has been received in accordance with the paragraphs 1 to 6 in the previous year. The notification shall convey all the information needed to calculate the ratio under paragraph 2 and on relevant structural features. The information shall at least provide a breakdown on the size, thickness and amounts of tranches, portfolio LGD, EL, LTEL and UL, WAL of the underlying exposures and risk weights of the tranches, and information on whether the measures referred to in paragraph 3 were applied.";'~~
Explanation *To simplify the regulatory framework, streamline the reporting and notification requirements, and avoid overlapping obligations, this notification requirement from the competent authorities to EBA should be*	

deleted. The relevant information should already be available to EBA via supervisory reporting, therefore making a separate notification from the competent authority unnecessary. *See paragraph 16.6 of the ECB Opinion.*	
Amendment 15 Article 1, point (5a), of the proposed regulation (new) (Article 249(3) of the CRR)	
No text	**'(5a) in Article 249, paragraph 3 is replaced by the following:** **"3. By way of derogation from paragraph 2, the eligible providers of unfunded credit protection listed in Article 201(1), point (fa), shall have been assigned a credit assessment by a recognised ECAI which was credit quality step 2 or above at the time the credit protection was first recognised and is currently credit quality step 3 or above.";'**
<u>*Explanation*</u> *Article 249(3) of the CRR sets out eligibility requirements applicable to eligible providers of protection on securitisation positions, namely that eligible providers of unfunded credit protection listed in Article 201(1), point (g), of the CRR, must have been assigned a credit assessment by a recognised ECAI which was credit quality step 2 or above at the time the credit protection was first recognised and is currently credit quality step 3 or above. However, it appears that the current reference to Article 201(1), point (g), of the CRR is no longer correct following the amendment by Regulation (EU) 2024/1623, since point (g) now refers to cases where the credit protection is not provided to a securitisation position. Therefore, the cross-reference in Article 249(3) should be amended to refer to Article 201(1), point (fa), instead of point (g), to correct the cross-reference, as point (fa) is similar in scope to the previous point (g). In addition to addressing this inconsistency, this change would also ensure that counterparty credit risk remains limited for all synthetic securitisations.* *See paragraph 8.6 of the ECB Opinion.*	
Amendment 16 Article 1, point (9)(b), of the proposed regulation (Article 259(1) of the CRR)	
'(9) Article 259 is amended as follows: […] (b) The text "where: p = max [0,3; (A + B*(1/N) + C*K_{IRB} + D * LGD + E*M_T)]" is replaced by the following:	'(9) Article 259 is amended as follows: […] (b) The text 'where: p = max [0,3; (A + B*(1/N) + C*K_{IRB} + D * LGD + E*M_T)] is replaced by the following:

'Where: p = min (1, max [0.3; 0.7 *(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for an originator or sponsor exposure to a senior securitisation position, or p = min (1, max [0.3; 1 *(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for other exposures.";'	'Where: p = ~~min (1,~~ max [0.3; 0.~~7~~**8** *(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]~~)~~ for an originator **as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402** ~~or sponsor~~ exposure to a senior securitisation position, or p = ~~min (1,~~ max [0.3; 1 *(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]~~)~~ for other exposures.";'
Explanation *The ECB does not support any reduction of the p factor for subordinated tranches and for securitisation positions of investors.* *See paragraph 13 of the ECB Opinion and Amendment 2.*	
Amendment 17 Article 1, point (9)(c), of the proposed regulation (Articles 259(1a) and (1b) of the CRR (new))	
'(9) Article 259 is amended as follows: […] (c) the following paragraphs 1a and 1b are inserted: "1a. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows: Floor = max (12%; 15% *K_{IRB}*12.5) 1b. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 that complies with the criteria referred to in Article 243(4) shall be subject to a floor calculated as follows: Floor = max (10%; 15% * K_{IRB}*12.5).";'	'(9) Article 259 is amended as follows: […] ~~(c) the following paragraphs 1a and 1b are inserted:~~ ~~'1a. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows:~~ ~~Floor = max (12%; 15% *K_{IRB}*12.5)~~ ~~1b. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 that complies with the criteria referred to in Article 243(4) shall be subject to a floor calculated as follows:~~ ~~Floor = max (10%; 15% * K_{IRB}*12.5).";'~~
Explanation *The ECB does not support any reduction of the floor for non-STS securitisations.* *See paragraph 12 of the ECB Opinion and Amendment 1.*	
Amendment 18 Article 1, point (10), of the proposed regulation (Article 260(1) of the CRR)	

'(10) Article 260 is replaced by the following: *"Article 260* *Treatment of STS securitisations under the SEC-IRBA* 1. Under the SEC-IRBA, the risk weight for a position in an STS securitisation shall be calculated in accordance with Article 259, subject to the following modifications: p = min (0.5, max [0.2; 0.3*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for a senior securitisation position of originator or sponsor p = min (0.5, max [0.2; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for a non-senior originator or sponsor position p = min (0.5, max [0.3; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for other positions The risk-weight floor for a senior securitisation position = max (7%; 10% *K_{IRB}*12.5).'"	'(10) Article 260 is replaced by the following: *"Article 260* *Treatment of STS securitisations under the SEC-IRBA* 1. Under the SEC-IRBA, the risk weight for a position in an STS securitisation shall be calculated in accordance with Article 259, subject to the following modifications: p = ~~min (0.5,~~ max [0.2; 0.3~~4~~*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]~~)~~ for a senior securitisation position of originator **as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402** ~~or sponsor~~ ~~p = min (0.5, max [0.2; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for a non-senior originator or sponsor position~~ p = ~~min (0.5,~~ max [0.3; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]~~)~~ for other positions ~~The risk-weight floor for a senior securitisation position = max (7%; 10% *K_{IRB}*12.5).~~ **The risk weight floor for a senior securitisation position = 10%";**'
Explanation *The ECB does not support a risk weight floor formula, and only supports reduction of the risk weight floor and p factor for originators.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	
Amendment 19 Article 1, point (10), of the proposed regulation (Article 260(2) of the CRR (new))	
'(10) Article 260 is replaced by the following: "[…] 2. Under the SEC-IRBA, the risk weight for a position in an STS securitisation compliant with the criteria laid down in the Article 243(3) shall be calculated in accordance with Article 259, subject to the following modifications:	'(10) Article 260 is replaced by the following: "[…] '2. Under the SEC-IRBA, the risk weight **floor** for a position in an STS securitisation compliant with the criteria laid down in the Article 243(3) shall be **7%** ~~calculated in accordance with Article 259, subject to the following modifications:~~

p = min (0.5, max [0.2; 0.3*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for a senior securitisation position of originator, sponsor or investor p = min (0.5, max [0.2; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for a non-senior originator or sponsor position p = min (0.5, max [0.3; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for other positions The risk weight floor for a senior securitisation position = max (5%; 10% * K_{IRB}*12.5).";'	~~p = min (0.5, max [0.2; 0.3*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)])~~ for a senior securitisation position of originator **as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402** ~~**or**, sponsor or investor~~ ~~p = min (0.5, max [0.2; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for a non-senior originator or sponsor position~~ ~~p = min (0.5, max [0.3; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]) for other positions~~ ~~The risk weight floor for a senior securitisation position = max (5%; 10% * K_{IRB}*12.5).~~';'
Explanation *The ECB does not support a risk weight floor formula and only supports reduction of the risk weight floor and p factor for originators.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	
Amendment 20 Article 1, point (11)(a), of the proposed regulation (Article 261(1) of the CRR, introductory sentence and part of the formula determining (p))	
'(11) Article 261 is amended as follows: (a) paragraph 1 is amended as follows: (1) the introductory wording is replaced by the following: "Under the SEC-SA, the risk-weighted exposure amount for a securitisation position shall be calculated by multiplying the exposure value of the position calculated in accordance with Article 248 by the applicable risk weight determined as follows:" (2) "p = 1 for a securitisation exposure that is not a re-securitisation exposure" is replaced by the following: "For a securitisation position that is not a re-securitisation exposure, p = 0.6 for a senior securitisation position of originator or sponsor; 1 for other securitisation position".;'	'(11) Article 261 is amended as follows: (a) paragraph 1 is amended as follows: (1) the introductory wording is replaced by the following: "Under the SEC-SA, the risk-weighted exposure amount for a securitisation position shall be calculated by multiplying the exposure value of the position calculated in accordance with Article 248 by the applicable risk weight determined as follows**, in all cases subject to a floor of 15 %**:" (2) 'p = 1 for a securitisation exposure that is not a re-securitisation exposure' is replaced by the following: "For a securitisation position that is not a re-securitisation exposure, p = 0.~~6~~**7** for a senior securitisation position of originator **as referred to in Article 2, point (3)(a), of Regulation (EU)**

	2017/2402 ~~or sponsor~~; 1 for other securitisation position”.;’
Explanation *The ECB does not support any reduction of the floor for non-STS securitisations. Furthermore, the ECB does not support any reduction of the p factor for subordinated tranches or for securitisation positions of investors.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	
Amendment 21 Article 1, point (11)(b), of the proposed regulation (Article 261(1a) and (1b) of the CRR (new))	
‘(11) Article 261 is amended as follows: […] (b) the following paragraphs 1a and 1b are inserted: “1a. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows: Floor = max (12%; 15% *K_A*12.5). 1b. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 that complies with the criteria set out in Article 243(4) shall be subject to a floor calculated as follows: Floor = max (10%; 15% * K_A*12.5).”;’	‘(11) Article 261 is amended as follows: […] ~~(b) the following paragraphs 1a and 1b are inserted:~~ ~~“1a. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows:~~ ~~Floor = max (12%; 15% *K_A*12.5).~~ ~~1b. The risk-weighted exposure amount for a senior securitisation position calculated in accordance with paragraph 1 that complies with the criteria set out in Article 243(4) shall be subject to a floor calculated as follows:~~ ~~Floor = max (10%; 15% * K_A*12.5).”;’~~
Explanation *The ECB does not support an introduction of risk weight floor formula.* *See paragraph 12 of the ECB Opinion and Amendment 1.*	
Amendment 22 Article 1, point (12), of the proposed regulation (Article 262 of the CRR)	
‘(12) Article 262 is replaced by the following: “*Article 262* **Treatment of STS securitisations under the SEC-SA**	‘(12) Article 262 is replaced by the following: *“Article 262* **Treatment of STS securitisations under the SEC-SA**

1. Under the SEC-SA the risk weight for a position in an STS securitisation shall be calculated in accordance with Article 261, subject to the following modifications: p = 0.3 for a senior securitisation position of originator or sponsor p = 0.5 for other securitisation exposures risk weight floor for a senior securitisation position = max (7%; 10% * K_A*12.5). 2. Under the SEC-SA the risk weight for a position in an STS securitisation that complies with the criteria set out in Article 243(3) shall be calculated in accordance with Article 261, subject to the following modifications: p = 0.3 for a senior securitisation position of originator, sponsor or investor p = 0.5 for other securitisation exposures risk weight floor for a senior securitisation position = max (5%; 10% * K_A*12.5).";'	1. Under the SEC-SA the risk weight for a position in an STS securitisation shall be calculated in accordance with Article 261, subject to the following modifications: p = 0.3 for a senior securitisation position of originator **as referred to in Article 2, point (3)(a), of the Regulation (EU) 2017/2402** ~~or sponsor~~ p = 0.5 for other **senior** securitisation **positions** ~~exposures~~ risk weight floor for a senior securitisation position = **10%** ~~max (7%; 10% * K_A*12.5).~~ 2. Under the SEC-SA the risk weight **floor** for a position in an STS securitisation that complies with the criteria set out in Article 243(3) shall be **7%** ~~calculated in accordance with Article 261, subject to the following modifications:~~ ~~p = 0.3~~ for a senior securitisation position of originator **as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402 ~~or~~**, ~~sponsor or investor~~ ~~p = 0.5 for other securitisation exposures~~ ~~risk weight floor for a senior securitisation position = max (5%; 10% * K_A*12.5).";'~~
Explanation *The ECB does not support an introduction of risk weight floor formula and only supports a reduction of the risk weight floor and the p factor for specific originators.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	
Amendment 23 Article 1, point (13)(a), of the proposed regulation (Article 263(2) of the CRR)	
'(13) Article 263 is amended as follows: (a) paragraph 2 is replaced by the following: "2. For exposures with short-term credit assessments or where a rating based on a short-term credit assessment may be inferred in accordance with paragraph 7, the following risk weights shall apply:	'(13) Article 263 is amended as follows: ~~(a) paragraph 2 is replaced by the following:~~ ~~"2. For exposures with short-term credit assessments or where a rating based on a short-term credit assessment may be inferred in accordance with paragraph 7, the following risk weights shall apply:~~

Table 1 [please see below]";''	~~Table 1" [please see below];'~~
Explanation *The ECB does not support any change, in line with the position on SEC-SA set out above. The ECB does not support any reduction of the floor for non-STS securitisations. Furthermore, the ECB does not support any reduction of the p factor for subordinated tranches and for securitisation positions of investors. For this reason, the ECB does not support any change in the SEC-ERBA look-up table for non-STS securitisations. Thus, Article 1, point (13)(a), of the proposed regulation, including Table 1, should be deleted from the proposed amendments to the CRR.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	

Table 1 proposed by the Commission

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Max (12%; 15% *K_A* 12.5) Non-senior tranche: 15%	50%	100%	1250%

Table 1 amendments proposed by the ECB

~~Credit quality step~~	~~1~~	~~2~~	~~3~~	~~All other ratings~~
~~Risk weight~~	~~Senior tranche:~~ ~~Max (12%; 15% *K_A* 12.5)~~ ~~Non-senior tranche:~~ ~~15%~~	~~50%~~	~~100%~~	~~1250%~~

Text proposed by the Commission	Amendments proposed by the ECB
Amendment 22 Article 1, point (13)(b), of the proposed regulation (Article 263(2a) and (2b) of the CRR (new))	
‘(13) Article 263 is amended as follows: […] (b) the following paragraphs 2a and 2b are inserted: “2a. For a position in senior tranche with CQS1 in a securitisation that complies with the criteria set out in Article 243(4), the risk weight shall be calculated as follow: Max (10 %; 15% *K_A*12.5) 2b. Where an institution is not able to use the formula set out in the Table 1 or under paragraph 2a, because it is not able to calculate K_A, a risk weight of 15 % shall apply to the relevant exposure.”;’	‘(13) Article 263 is amended as follows: […] ~~(b) the following paragraphs 2a and 2b are inserted:~~ ~~“2a. For a position in senior tranche with CQS1 in a securitisation that complies with the criteria set out in Article 243(4), the risk weight shall be calculated as follow: Max (10 %; 15% *K_A*12.5)~~ ~~2b. Where an institution is not able to use the formula set out in the Table 1 or under paragraph 2a, because it is not able to calculate K_A, a risk weight of 15 % shall apply to the relevant exposure.”;’~~
Explanation *The ECB does not support any change, in line with the position on SEC-SA set out above. The ECB does not support any reduction of the floor for non-STS securitisations. Furthermore, the ECB does not support any reduction of the p factor for subordinated tranches and for securitisation positions of investors.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	
Amendment 25 Article 1, point (13)(c), of the proposed regulation (Article 263(3) of the CRR)	
‘(13) Article 263 is amended as follows: […] (c) paragraph 3 is replaced by the following: “3. For exposures with long-term credit assessments or when a rating based on a long-term credit assessment may be inferred in accordance with paragraph 7, the risk weights set out in Table 2 shall apply, adjusted as applicable for tranche maturity (M_T) in accordance with Article 257 and paragraph 4 of this Article and for tranche	‘(13) Article 263 is amended as follows: […] (c) paragraph 3 is replaced by the following: “3. For exposures with long-term credit assessments or when a rating based on a long-term credit assessment may be inferred in accordance with paragraph 7, the risk weights set out in Table 2 shall apply, adjusted as applicable for tranche maturity (M_T) in accordance with Article 257 and paragraph 4 of this Article and for tranche

Text proposed by the Commission	Amendments proposed by the ECB
thickness for non-senior tranches in accordance with paragraph 5 of this Article: Table 2 [please see below]";'	thickness for non-senior tranches in accordance with paragraph 5 of this Article: Table 2 [please see below]";'
Explanation *SEC-ERBA look-up tables should be amended in order to be consistent with the amended floors for originators as referred to in Article 2, point (3)(a), of the Securitisation Regulation.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	

Table 2 proposed by the Commission

Credit quality step	Senior tranche, position of originator or sponsor		Senior tranche, position of investor		Non-senior (thin) tranche	
	Tranche maturity (M_T)		Tranche maturity (M_T)		Tranche maturity (M_T)	
	1 year	5 year	1 year	5 year	5 year	1 year
1	Max (12%; 15% *K_A* 12.5)		Max (12%; 15% *K_A* 12.5)	20%	15%	70%
2	Max (12%; 15% *K_A* 12.5)	18%		30%	15%	90%
3	17%	24%	25%	40%	30%	120%
4	18%	29%	30%	45%	40%	140%
5	24%	34%	40%	50%	60%	160%
6	34%	45%	50%	65%	80%	180%
7	40%	46%	60%	70%	120%	210%
8	51%	52%	75%	90%	170%	260%
9	62%	73%	90%	105%	220%	310%
10	80%	96%	120%	140%	330%	420%
11	124%	140%	140%	160%	470%	580%
12	140%	160%	160%	180%	620%	760%
13	176%	201%	200%	225%	750%	860%
14	230%	256%	250%	280%	900%	950%
15	286%	312%	310%	340%	1050%	1050%
16	348%	388%	380%	420%	1130%	1130%
17	424%	465%	460%	505%	1250%	1250%
All other	1250%	1250%	1250%	1250%	1250%	1250%

Table 2 amendments proposed by the ECB

Credit quality step	Senior tranche, position of originator **as referred to in**	Senior tranche, **rest of** position**s** ~~of investor~~	Non-senior (thin) tranche

	Article 2, point (3)(a), of Regulation (EU) 2017/2402 ~~or sponsor~~					
	Tranche maturity (M_T)		Tranche maturity (M_T)		Tranche maturity (M_T)	
	1 year	5 year	1 year	5 year	5 year	1 year
1	~~Max (12%; 15% *K_A* 12.5)~~ **15%**		~~Max (12%; 15% *K_A* 12.5)~~ **15%**	20%	15%	70%
2	~~Max (12%; 15% *K_A* 12.5)~~ **15%**	18%		30%	15%	90%
3	17%	24%	25%	40%	30%	120%
4	18%	29%	30%	45%	40%	140%
5	24%	34%	40%	50%	60%	160%
6	34%	45%	50%	65%	80%	180%
7	40%	46%	60%	70%	120%	210%
8	51%	52%	75%	90%	170%	260%
9	62%	73%	90%	105%	220%	310%
10	80%	96%	120%	140%	330%	420%
11	124%	140%	140%	160%	470%	580%
12	140%	160%	160%	180%	620%	760%
13	176%	201%	200%	225%	750%	860%
14	230%	256%	250%	280%	900%	950%
15	286%	312%	310%	340%	1050%	1050%
16	348%	388%	380%	420%	1130%	1130%
17	424%	465%	460%	505%	1250%	1250%
All other	1250%	1250%	1250%	1250%	1250%	1250%

Text proposed by the Commission	**Amendments proposed by the ECB**
Amendment 26 Article 1, point (13)(d), of the proposed regulation (Article 263(3a) and (3b) of the CRR (new))	
‘(13) Article 263 is amended as follows: […] (d) the following paragraphs 3a and 3b are inserted: “3a. For in position by originator or sponsor in senior tranche with CQS1, or CQS2 with tranche maturity of 1 year, in a securitisation that complies with the criteria set out in Article 243(4), the risk weight shall be calculated as follows:	‘(13) Article 263 is amended as follows: […] ~~(d) the following paragraphs 3a and 3b are inserted:~~ ~~“3a. For in position by originator or sponsor in senior tranche with CQS1, or CQS2 with tranche maturity of 1 year, in a securitisation that complies with the criteria set out in Article 243(4), the risk weight shall be calculated as follows:~~

Text proposed by the Commission	Amendments proposed by the ECB
Max (10 %; 15% *K_A*12.5) 3b. Where an institution is not able to use the formula set out in the Table 2 or under the paragraph 3a, because it is not able to calculate K_A, a risk weight of 15 % shall apply to the relevant exposure.";'	~~Max (10 %; 15% *K_A*12.5)~~ ~~3b. Where an institution is not able to use the formula set out in the Table 2 or under the paragraph 3a, because it is not able to calculate K_A, a risk weight of 15 % shall apply to the relevant exposure.";'~~
Explanation *In line with the position on SEC-SA set out above, the ECB does not support any reduction of the floor for non-STS securitisations. Furthermore, the ECB does not support any reduction of the p factor for subordinated tranches and for securitisation positions of investors.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	
Amendment 27 Article 1, point (14)(a), of the proposed regulation (Article 264(2) of the CRR)	
'(14) Article 264 is amended as follows: (a) paragraph 2 is replaced by the following: "2. For exposures with short-term credit assessments or where a rating based on a short-term credit assessment may be inferred in accordance with Article 263(7), the following risk weights shall apply: Table 3 [please see below]";'	'(14) Article 264 is amended as follows: (a) paragraph 2 is replaced by the following: "2. For exposures with short-term credit assessments or where a rating based on a short-term credit assessment may be inferred in accordance with Article 263(7), the following risk weights shall apply: Table 3";' [please see below]
Explanation *SEC-ERBA look-up tables should be amended to ensure consistency with the amended floors for originators as referred to in Article, point 2(3)(a), of the Securitisation Regulation and the rest of the amendments affecting SEC-SA.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	

Table 3 proposed by the Commission

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Max (7%; 10%*K_A*12.5)	30%	60%	1250%

	Non-senior tranche: 10%			

Table 3 amendments proposed by the ECB

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche **originator as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402 that complies with the criteria set out in Article 243(3): 7%** ~~Max (7%; 10%*K_A*12.5)~~	30%	60%	1250%
	~~Non-senior tranche~~ **Other**: 10%			

Text proposed by the Commission	**Amendments proposed by the ECB**
Amendment 28 Article 1, point (14)(b), of the proposed regulation (Article 264(2a) and (2b) of the CRR (new))	
‘(14) Article 264 is amended as follows: […] (b) the following paragraphs 2a and 2b are inserted: “2a. For a position in senior tranche with CQS1 in a securitisation that complies with the criteria set out in Article 243(3), the risk weight shall be calculated as follows: Max (5%; 10%* K_A*12.5) 2b. Where an institution is not able to use the formula set out in Table 3 or under the paragraph 2a, because it is not able to calculate K_A, a risk	‘(14) Article 264 is amended as follows: […] ~~(b) the following paragraphs 2a and 2b are inserted:~~ ~~“2a. For a position in senior tranche with CQS1 in a securitisation that complies with the criteria set out in Article 243(3), the risk weight shall be calculated as follows:~~ ~~Max (5%; 10%* K_A*12.5)~~ ~~2b. Where an institution is not able to use the formula set out in Table 3 or under the paragraph 2a, because it is not able to calculate K_A, a risk~~

Text proposed by the Commission	Amendments proposed by the ECB
weight of 10 % shall apply to the relevant exposures.";'	~~weight of 10 % shall apply to the relevant exposures.";'~~
Explanation *The ECB does not support a risk weight floor formula and only supports a reduction of the risk weight floor and the p factor for originators as referred to in Article 2, point (3)(a), of the Securitisation Regulation.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	
Amendment 29 Article 1, point (14)(c), of the proposed regulation (Article 264(3) of the CRR)	
'(14) Article 264 is amended as follows: […] (c) paragraph 3 is replaced by the following: "3. For exposures with long-term credit assessments or where a rating based on a long-term credit assessment may be inferred in accordance with Article 263(7), risk weights shall be determined in accordance with Table 4, adjusted for tranche maturity (M_T) in accordance with Article 257 and Article 263(4) and for tranche thickness for non-senior tranches in accordance with Article 263(5): Table 4 [please see below]";'	'(14) Article 264 is amended as follows: […] (c) paragraph 3 is replaced by the following: "3. For exposures with long-term credit assessments or where a rating based on a long-term credit assessment may be inferred in accordance with Article 263(7), risk weights shall be determined in accordance with Table 4, adjusted for tranche maturity (M_T) in accordance with Article 257 and Article 263(4) and for tranche thickness for non-senior tranches in accordance with Article 263(5): Table 4 [please see below]";'
Explanation *SEC-ERBA look-up tables should be amended in order to be consistent with the amended floors and the rest of amendments affecting SEC-SA floors for originators as referred to in Article 2, point (3)(a), of the Securitisation Regulation.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	

Table 4 proposed by the Commission

Credit quality step	Senior tranche (position of originator or sponsor, or of investor in a securitisation	Senior tranche (other positions of investor)	Non-senior (thin) tranche

	compliant with Article 243(3))					
	Tranche maturity (M_T)		Tranche maturity (M_T)		Tranche maturity (M_T)	
	1 year	5 year	1 year	5 year	1 year	5 year
1	Max (7%; 10%*K_A*12.5)		Max (7%; 10%*K_A*12.5)		15%	40%
2	Max (7%; 10%*K_A*12.5)	10%	Max (7%; 10%*K_A*12.5)	15%	15%	55%
3	10%	12%	15%	20%	15%	70%
4	10%	16%	15%	25%	25%	80%
5	12%	20%	20%	30%	25%	95%
6	20%	28%	30%	40%	60%	135%
7	23%	28%	35%	40%	95%	170%
8	31%	38%	45%	55%	150%	225%
9	38%	45%	55%	65%	180%	255%
10	47%	58%	70%	85%	270%	345%
11	106%	118%	120%	135%	405%	500%
12	118%	138%	135%	155%	535%	655%
13	150%	174%	170%	195%	645%	740%
14	207%	229%	225%	250%	810%	855%
15	258%	280%	280%	305%	945%	945%
16	311%	351%	340%	380%	1015%	1015%
17	383%	419%	415%	455%	1250%	1250%
All other	1250%	1250%	1250%	1250%	1250%	1250%

Table 4 amendments proposed by the ECB

Credit quality step	Senior tranche (position of originator **as referred to in Article 2, point (3)(a), of Regulation (EU) 2017/2402** ~~or sponsor, or of investor in a~~	Senior tranche ~~(other positions of investor)~~ **(other positions)**	Non-senior (thin) tranche

	~~securitisation compliant with Article 243(3)~~)					
	Tranche maturity (M_T)		Tranche maturity (M_T)		Tranche maturity (M_T)	
	1 year	5 year	1 year	5 year	1 year	5 year
1	~~Max (7%; 10%*K_A*12.5)~~ **7% if compliant with Article 243(3) , otherwise 10%**		~~Max (7%; 10%*K_A*12.5)~~ **10%**		15%	40%
2	~~Max (7%; 10%*K_A*12.5)~~ **7% if compliant with Article 243(3) , otherwise 10%**	10%	~~Max (7%; 10%*K_A*12.5)~~ **10%**	15%	15%	55%
3	10%	12%	15%	20%	15%	70%
4	10%	16%	15%	25%	25%	80%
5	12%	20%	20%	30%	25%	95%
6	20%	28%	30%	40%	60%	135%
7	23%	28%	35%	40%	95%	170%
8	31%	38%	45%	55%	150%	225%
9	38%	45%	55%	65%	180%	255%
10	47%	58%	70%	85%	270%	345%
11	106%	118%	120%	135%	405%	500%
12	118%	138%	135%	155%	535%	655%
13	150%	174%	170%	195%	645%	740%
14	207%	229%	225%	250%	810%	855%
15	258%	280%	280%	305%	945%	945%
16	311%	351%	340%	380%	1015%	1015%
17	383%	419%	415%	455%	1250%	1250%
All other	1250%	1250%	1250%	1250%	1250%	1250%

Text proposed by the Commission	Amendments proposed by the ECB
Amendment 30 Article 1, point (14)(d), of the proposed regulation (Article 264(3a) and (3b) of the CRR (new))	
'(14) Article 264 is amended as follows: […] (d) the following paragraphs 3a and 3b are inserted: "3a. For a position in senior tranche with CQS1, or CQS 2 with tranche maturity of 1 year, in a securitisation that complies with the criteria set out in Article 243(3), the risk weight shall be calculated as follows: Max (5 %; 10% *K_A *12.5) 3b. When an institution is not able to use the formula set out in Table 4, because it is not able to calculate K_A, a risk weight of 10 % shall apply to the relevant exposure.";'	'(14) Article 264 is amended as follows: […] ~~(d) the following paragraphs 3a and 3b are inserted:~~ ~~"3a. For a position in senior tranche with CQS1, or CQS 2 with tranche maturity of 1 year, in a securitisation that complies with the criteria set out in Article 243(3), the risk weight shall be calculated as follows:~~ ~~Max (5 %; 10% *K_A *12.5)~~ ~~3b. When an institution is not able to use the formula set out in Table 4, because it is not able to calculate K_A, a risk weight of 10 % shall apply to the relevant exposure.";'~~
Explanation *This amendment aligns with the ECB's stance on SEC-SA set out above. The ECB does not support a risk weight floor formula and only supports a reduction of the risk weight floor and the p factor for originators as referred to in Article 2, point (3)(a), of the Securitisation Regulation.* *See paragraphs 12 and 13 of the ECB Opinion and Amendments 1 and 2.*	
Amendment 31 Article 1, point (16a), of the proposed regulation (new) (Article 465(13) of the CRR)	
No text	**'(16a) in Article 465, paragraph 13 is deleted;'**
Explanation *This amendment aims to remove the transitional arrangement for the calculation of floored risk-weighted exposure amounts on certain securitisation positions under the output floor. Due to the recalibration of the p factor for SEC-SA, this transitional arrangement is no longer needed.* *See paragraphs 13 and 14 of the ECB Opinion.*	

Technical working document (3/3)

produced in connection with ECB Opinion [CON/2025/35] on (a) a proposal for a regulation amending Regulation (EU) 2017/2402 laying down a general framework for securitisations and creating specific framework for simple, transparent and standardised securitisation, (b) a proposal for a regulation amending Regulation (EU) 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures, and (c) a draft proposal for a delegated regulation amending Delegated Regulation (EU) 2015/61 as regards the eligibility conditions for securitisations in the liquidity buffer of credit institutions[90]

Drafting proposals in relation to the proposed amendments to Delegated Regulation (EU) 2015/61 (the LCR delegated regulation)

Text proposed by the Commission	Amendments proposed by the ECB[91]
Amendment 1 Article 1, point (1)(a), of the proposed regulation (Article 13(2), point (a), of the LCR delegated regulation)	
'(a) the position has been assigned a credit assessment of credit quality from step 1 to step 7 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;'	'(a) the position has been assigned a credit assessment of credit quality from step 1 to step ~~7~~**4** by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;'
Explanation *While the ECB supports the proposed restoration of the HQLA eligibility of securitisations with credit quality steps 2 to 4, the ECB is concerned about making securitisations with credit quality steps 5 to 7, equivalent to a rating of A+ to A-, eligible for use in the liquidity buffer. The latter extension constitutes a further deviation from international standards without factual evidence that such securitisation positions have a proven record as a reliable source of liquidity, especially during stressed market conditions. The ECB therefore suggests limiting the proposed extension of HQLA-eligible securitisations to those exposures that have been assigned a credit quality between credit quality steps 2 and 4.* *See paragraphs 17.4 and 17.6 of the ECB Opinion.*	
Amendment 2 Article 1, point (1)(d), of the proposed regulation (Article 13(14) of the LCR delegated regulation)	

90 This technical working document is produced in English only and communicated to the consulting Union institution(s) after adoption of the opinion. It is also published on EUR-Lex alongside the opinion itself.

91 Bold in the body of the text indicates where the ECB proposes inserting new text. Strikethrough in the body of the text indicates where the ECB proposes deleting text.

‘14. The market value of level 2B securitisations shall be subject to:	‘14. The market value of level 2B securitisations shall be subject to:
(a) a minimum haircut of 15 % where all of the following conditions are met:	~~(a) a minimum haircut of 15 % where all of the following conditions are met:~~
(1) the position has been assigned a credit assessment of credit quality from step 1 to step 4 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;	~~(1) the position has been assigned a credit assessment of credit quality from step 1 to step 4 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;~~
(2) the position complies with the requirements laid down in Article 243(3) of Regulation (EU) No 575/2013;	~~(2) the position complies with the requirements laid down in Article 243(3) of Regulation (EU) No 575/2013;~~
(3) the issue size of the tranche is at least EUR 250 million (or the equivalent amount in domestic currency);	~~(3) the issue size of the tranche is at least EUR 250 million (or the equivalent amount in domestic currency);~~
(b) a minimum haircut of 25 % where the position has been assigned a credit assessment of credit quality from step 1 to step 4 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;	~~(b) a minimum haircut of 25 % where the position has been assigned a credit assessment of credit quality from step 1 to step 4 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;~~
(c) a minimum haircut of 50% where the position has been assigned a credit assessment of credit quality from step 5 to step 7 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;’	~~(c) a minimum haircut of 50% where the position has been assigned a credit assessment of credit quality from step 5 to step 7 by a nominated ECAI in accordance with Article 264 of Regulation (EU) No 575/2013 or the equivalent credit quality step in the event of a short-term credit assessment;~~
	(a) a minimum haircut of 25 % for securitisations that comply with the requirements under this article and that are backed by residential loans secured

Text proposed by the Commission	Amendments proposed by the ECB[91]
	by a first ranking mortgage or fully guaranteed residential loans; **(b) a minimum haircut of 35 % for securitisations that comply with the requirements under this article and that are not referred to under point (a);'**
Explanation *The ECB does not consider the application of lower haircuts appropriate as securitisations have not yet been sufficiently tested over the past decade, embedding also stress events that are consistent with the scenarios referred to in Article 5 of the LCR delegated regulation. The ECB therefore suggests (a) maintaining the 25 % haircut for securitisations that are backed by residential loans secured by first ranking mortgages or fully guaranteed residential loans, and (b) applying the existing 35 % haircut to all other securitisation positions, in both cases only provided that they meet all the other criteria for HQLA-eligible securitisation positions referred to in Article 13 of the LCR delegated regulation.* *See paragraphs 17.5 and 17.6 of the ECB Opinion.*	