

Brussels, 18 November 2025  
(OR. en)

15577/25

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

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**EF 377**  
**ECOFIN 1534**  
**SURE 23**  
**CODEC 1841**  
**ECB**

**COVER NOTE**

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From: The European Economic and Social Committee (EESC)  
To: Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

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Subject: OPINION OF THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (EESC) of 18 September 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)

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# OPINION

European Economic and Social Committee

## Review of the securitisation regulation

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures  
(COM(2025) 825 final – 2025/0825 (COD))

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation  
(COM(2025) 826 final – 2025/0826 (COD))

**ECO/681**

Rapporteur: **Petru Sorin DANDEA**

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**EN**

Advisor	Véronique ORMEZZANO (to Group I) Myriam VANDER STICHELE (to the co-rapporteur)
Legislative procedure	<a href="#">EU Law Tracker 2025/0826 COD</a> <a href="#">EU Law Tracker 2025/0825 COD</a>
Referrals	Council of the European Union, 15/7/2025 European Parliament, 8/9/2025
Legal basis	Articles 114 and 304 of the Treaty on the Functioning of the European Union
European Commission documents	<a href="#">COM(2025) 825 final – 2025/0825 (COD)</a> <a href="#">COM(2025) 826 final – 2025/0826 (COD)</a> <a href="#">Legislative train schedule – Summary of the proposal</a>
Relevant Sustainable Development Goals (SDGs)	<a href="#">Goal 8 – Decent work and economic growth</a>
Section responsible	Economic and Monetary Union and Economic and Social Cohesion
Adopted in section	5/9/2025
Adopted at plenary session	18/9/2025
Plenary session No	599
Outcome of vote (for/against/abstentions)	98/0/0

## 1. RECOMMENDATIONS

The European Economic and Social Committee (EESC):

- 1.1 **calls for** the objectives set out in the European Commission’s proposals<sup>1</sup> to be supported, namely that to revive the securitisation market in a properly targeted and calibrated way, particularly to help fund the EU’s strategic objectives, including investments in the green, digital and social transitions, while expecting but not guaranteeing that banks use the so-called ‘freed-up’ capital for additional and more affordable lending to EU households and businesses, including small and medium-sized enterprises (SMEs); **recommends** that the review of reporting templates include standardised environmental, social and governance (ESG) information;
- 1.2 **urges** that account be taken of the fact that the European supervisory authorities (ESAs)<sup>2</sup> and the EESC (in its 2024 own-initiative opinion)<sup>3</sup> have pointed out that recalibrating prudential requirements would not, by itself, ensure the revival of the securitisation market; **recommends**, in addition to the securitisation package and the Savings and Investment Union (SIU) policy measures, taking additional measures that would address fundamental weaknesses in the existing financing of the real economy and developing the EU equity market in parallel<sup>4</sup>;
- 1.3 **calls** for the right balance to be struck between reducing undue issuance and investment barriers, and the current overall EU prudential securitisation framework introduced after the global financial crisis (GFC), without introducing risks to financial stability, market integrity or investor protection, climate risks, risks from non-bank financial intermediation, contagion risks and concentration of risks; **underscores** the priority of a well-functioning banking sector and capital market institutions (and of improving the employment of capital) over potential minor effects from the proposed legislative amendments; **urges** that any weakening of safeguards for banks or deviations from international standards be avoided to the extent possible, in order to maintain the strength of internationally developed standards to prevent emerging global systemic risks;
- 1.4 **proposes** that the various monitoring, reporting and review clauses in the proposal be harmonised in order to improve the analysis of the impact of the amendments on additional lending by credit institutions to households and businesses, including SMEs<sup>5</sup>; **proposes** a fast-track monitoring mechanism for bank supervisors to annually assess whether ‘freed-up’ capital leads to voluntary, additional and more affordable lending by banks to the real economy, households and SMEs, to increased non-retained securitised assets, to holding securitised assets as collateral to obtain liquidity from the central bank, or to return dividends and stock buybacks to shareholders; **recommends** shortening the assessment and reporting periods to two years for the Commission and the ESAs, and including the results of the fast-track monitoring mechanism in the biennial reports to be published, based on cooperation among the ESAs and the Commission;

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<sup>1</sup> [COM\(2025\) 825 final](#), [COM\(2025\) 826 final](#), and [SWD\(2025\) 825 final](#).

<sup>2</sup> Joint Committee of the ESAs, [Joint Committee advice on the review of the securitisation prudential framework](#), 12 December 2022.

<sup>3</sup> OJ C, C/2025/763, 11.2.2025, ELI: <http://data.europa.eu/eli/C/2025/763/oj>.

<sup>4</sup> EESC opinion on [Communication on a Savings and Investments Union](#), July 2025, (not yet published in the Official Journal).

<sup>5</sup> See articles listed in point 2.15.

**recommends** that any legislative review assess whether further measures and conditionalities are needed, given the pressing need to expand alternative financing;

- 1.5 **calls** on the co-legislators to support the Commission’s proposals for more coherent, consistent and harmonised supervision, with sufficient resources, as a pragmatic interim solution to the challenge of introducing more centralised supervision, which is favoured by the EESC<sup>6</sup>;
- 1.6 **requests** that certain proposals in the package be fine-tuned, especially those that could undermine its effectiveness, for instance by: (1) reviewing some calibration and definition inconsistencies, including on ‘resilient positions’; (2) ensuring that the technical proposals to make the risk weight floors ‘risk-sensitive’ avoid modelling risk and arbitrage between internal rating-based (IRB) banks and standardised approach (SA) based banks; (3) further examining the proposed calibration for non-senior simple, transparent and standardised (STS) securitisations and non-STS exposures for insurance investors; and (4) reversing the waiver (non-retention requirement) for securitisations when a first loss tranche is guaranteed by public entities;
- 1.7 **calls for** additional measures to preserve the long-term relationship between lenders and borrowers at every stage in the loan securitisation process. This includes the loan origination phase, the duration of the servicing of the loan, and at times when payment restructuring would provide due financial relief, with a view to keeping the borrowing rights of household and SME clients under a strict regulatory and supervisory framework; **urges** transparency in all relationships throughout the securitisation process, and discourages both moving origination to unregulated (or loosely regulated) non-banks, such as private credit, and moving securitisation processes to jurisdictions that allow aggressive tax planning.

## 2. EXPLANATORY NOTES

### *Arguments in support of recommendation 1.1*

- 2.1 This opinion covers proposals COM(2025) 825 final and COM(2025) 826 final, which are part of the Commission Communication on a SIU<sup>7</sup>.
- 2.2 A well-functioning European securitisation market can help increase the amount of financing available to the real economy and can, if properly calibrated, contribute to higher economic growth and facilitate the funding of the EU’s strategic objectives, including investments in the green, digital and social transition, as stated by the European Commission in its proposal. The revival of securitisation as an investment tool could fit the risk management of various investors and thereby contribute to a more dynamic financial market.
- 2.3 The EESC also notes, as expressed in the proposals’ explanatory memorandums, that banks are expected to use the capital that may be added to their balance sheet (‘freed up’) for additional and more affordable lending to households and businesses, including to SMEs. However, as lending

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<sup>6</sup> OJ C, C/2025/763, 11.2.2025, ELI: <http://data.europa.eu/eli/C/2025/763/oj>.

<sup>7</sup> [COM\(2025\) 124 final](#).

operations are under the control of banks, there are no guarantees that the additional financial volumes generated by securitisation will be directed to SMEs.

- 2.4 As mentioned in the Commission's SWD(2025) 825 final, the initiative to review the securitisation framework does not seek to achieve a specific target for the size of the growth of securitisation, nor introduce particular conditions for banks.
- 2.5 It remains to be seen whether the amendments related to STS securitisation requirements (Articles 20, 26(b), 26(c) and 26(e))<sup>8</sup>, whereby the threshold of 100% of the underlying pool of exposures consisting of SME loans is lowered to 70%, would allow small and medium-sized banks to have more flexible access to the securitisation markets with less granular portfolios, such as project loans.
- 2.6 The EESC specifically stated in its own-initiative opinion<sup>9</sup> that securitisation can play a positive role in funding the green transition, for instance by increasing loans for climate-resilient renovation of property. However, the current framework imposes only a limited obligation on originators of securitisation transactions to make sustainability disclosures. Extending the existing ESG disclosure requirements for all securitisation issuers and a wider range of securitised assets, in addition to the rules incorporated in the EU Green Bond Regulation, or introducing a dedicated well-defined framework for 'green securitisation', may add value for investors. The review of reporting templates should introduce standardised ESG information to that effect.

*Arguments in support of recommendation 1.2*

- 2.7 A Joint Committee report of the ESAs<sup>10</sup> mentions that focusing only on the prudential framework, the assumptions of barriers to entry for both issuers and investors or the distort incentives across capital market instruments and players does not allow the interlinked and complex nature of the factors at play, including the role of the due diligence and transparency requirements, to be taken into account. The prudential framework in itself is therefore far from being the only factor hindering the growth of a securitisation market. Addressing the various obstacles on the investment side – especially insurance – and market liquidity side should reduce barriers to entry.
- 2.8 In its own-initiative opinion<sup>11</sup>, the EESC also expressed reservations, stating that recalibrating prudential requirements would not, by itself, ensure the revival of the securitisation market.
- 2.9 Europe needs to address fundamental weaknesses in the existing financing of the real economy, especially via equity. The tax model for the debt versus equity financing of companies could be an example to follow in this regard.

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<sup>8</sup> [COM\(2025\) 826 final](#).

<sup>9</sup> OJ C, C/2025/763, 11.2.2025, ELI: <http://data.europa.eu/eli/C/2025/763/oj>.

<sup>10</sup> Joint Committee of the ESAs, *Joint Committee advice on the review of the securitisation prudential framework*, 12 December 2022.

<sup>11</sup> OJ C, C/2025/763, 11.2.2025, ELI: <http://data.europa.eu/eli/C/2025/763/oj>.

- 2.10 The EESC believes that the EU financial sector holds untapped potential due to its fragmentation. After ten years of discussions on the Banking Union and the Capital Markets Union, progress is rather disappointing. While securitisation can contribute to cross-border funding and risk-taking (including from non-EU investors which currently represent the large majority of investors), the roadmap should not lose sight of broader obstacles to the single market for finance.

*Arguments in support of recommendation 1.3*

- 2.11 The EESC insists on efforts to avoid weakening the safeguards for banks and, especially in the current geopolitical context, avoid undermining the strength of internationally developed standards, which could increase global systemic risks.
- 2.12 The EESC would like to point out that the securitisation of sub-prime mortgages was a key driver of the GFC. Many of those securitised assets received the highest possible ratings from rating agencies, fuelling excessive risk-taking by some banks and investors. Securitisation can be risky if there is little knowledge about the quality of the assets included in the securitised products. Investors need to know the quality of the underlying assets in a securitised product so they can accurately assess the risks they are taking on.
- 2.13 This excessive risk-taking behaviour by banks and investors led to reforms introducing safeguards that have significantly reduced agency and model risk, and now make it possible to reduce the capital non-neutrality that was introduced after the GFC precisely to account for the then-prevailing agency and model risk. The EESC recognises the steps taken by the European Commission to assess the capital requirements for insurance operators operating under the standard formula.
- 2.14 The current overall securitisation rules after the reforms – especially in the prudential field – are considered sufficient and broadly satisfactory. The Commission’s approach should maintain the overall securitisation framework and high standards of transparency, investor protection and supervision when reducing undue prudential and administrative costs for issuers and investors.

*Arguments in support of recommendation 1.4*

- 2.15 The EESC proposes that the various monitoring, impact evaluation, reporting and review clauses be streamlined, harmonised and fast-tracked in the amended preamble paragraph (14) and Article 506d(1) and (2) of COM(2025) 825 final; Articles 44(a) and 46(b) of COM(2025) 826 final; amended Article 13 and addition to paragraph 15 of draft Commission Delegated Regulation amending Delegated Regulation (EU) 2015/61; and in SWD(2025) 825 final, p. 77-78. Given the pressing need to expand alternative sources of financing, it is extremely important to monitor the use of ‘freed-up’ capital to benefit the economy and all businesses and households across the EU. The Commission itself recognises the limits of the proposal, as it mentions in its explanatory memorandum only an assumption (but not a guaranteed consequence) that banks will use the resultant capital relief for additional lending.
- 2.16 For the EESC proposal to work as intended: (i) all the monitoring, assessment and review requirements in the above-mentioned articles should streamline the various guidelines and

indicators to assess and report on the contribution of the amended securitisation framework to the funding of the EU economy and additional lending by credit institutions to EU companies, including SMEs and households; (ii) the assessment and public reporting periods should be shortened to two years, given that the above-mentioned articles now require various periods of two, three, four and five years; (iii) the Commission, the Joint Committee of the ESAs, the European Banking Authority, the European Central Bank (ECB) and the European Insurance and Occupational Pensions Authority should cooperate and coordinate to produce the biennial reports.

- 2.17 The Committee also proposes a fast-track assessment mechanism for bank supervisors to annually assess the application of ‘freed-up’ capital. The results of this fast-track mechanism should be included in the above-mentioned biennial reports. In past years, banks have not experienced a shortage of capital, and the ECB reports that there has been no funding gap in recent years characterised by subdued growth and investments<sup>12</sup>. The Commission impact assessment<sup>13</sup> has identified that over 40% of traditional securitisation transactions have been used as collateral for obtaining liquidity from the ECB. It is therefore important to focus the reform, and its monitoring, on developing the non-retained securitisation market. The EESC believes that a careful assessment is needed of potential adverse effects when the capital released by the wider use of securitisation is returned to shareholders via dividends and share buybacks, or used for speculative purposes, rather than for financing the real economy, or SMEs in particular. The Committee trusts that the ECB and national supervisors already supervise dividend and buyback policies in relation to capital adequacy and credit expansion. It also recognises that given the situation of current financial markets, stable dividend policies help maintain investor confidence, reduce the cost of capital and raise new equity that may allow for lending growth.
- 2.18 The EESC believes that any legislative review proposed by the Commission based on the monitoring and evaluations included in the biennial reports must consider additional measures and conditionalities to address the full range of factors beyond low supply and low demand for securitisation.

*Arguments in support of recommendation 1.5*

- 2.19 In light of the above, the Committee favours centralised supervision of securitisation transactions by the ESAs, as it would bring advantages in terms of building expertise, access to data and market monitoring, as well as economies of scale. The fact that the majority of securitisation transactions are by nature cross-border (i.e. involving pooling of risks and selling these to investors across Member States) offers an additional argument in favour of centralised supervision. This should encourage supervisors to work together more closely, including by collecting and exchanging relevant data and risk assessments<sup>14</sup>. The EESC therefore supports, as a pragmatic first step, the Commission’s proposal on supervision.

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<sup>12</sup> ECB, *SAFE report*, July 2025 *OECD Economic Outlook*, June 2025, p. 72, 75, 77, 78.

<sup>13</sup> [SWD\(2025\) 825 final](#), p. 11.

<sup>14</sup> OJ C, C/2025/763, 11.2.2025, ELI: <http://data.europa.eu/eli/C/2025/763/oj>, point 3.3.

*Arguments in support of recommendation 1.6*

- 2.20 The EESC believes that the Commission's proposal remains reasonably prudent, with reporting and due diligence expectations which continue to largely exceed what exists for other financial instruments. However, the actual lowering of risk weight floors to make the floors 'risk-sensitive' should not be turned into a function of risk modelling (which would make it susceptible to model risk). As the Commission has previously stated, calibration is meant to achieve 'ambitious results in terms of reduction of the capital requirements'<sup>15</sup>. The EESC underlines, however, that those ambitions should reinforce efforts to ensure close monitoring from a micro and macro-prudential point of view.
- 2.21 The EESC also sees an opportunity for the co-legislators to fine-tune those proposals that could undermine the effectiveness of the package, such as the definition of resilient positions, some calibration inconsistencies between resilient and non-resilient and STS and non-STS, and other specific criteria (e.g. definition of minimum thickness, access for insurers). This fine-tuning should ensure that securitisation is made accessible to a broader range of asset classes (including high quality assets), a broader range of issuers (including small and medium-sized banks using the SA), and a broader range of investors (including insurance and funds). A further assessment of non-senior STS exposures on the capital requirements for insurance operators operating under the standard formula could be necessary to meet the Commission's objectives.
- 2.22 The reference in the proposal that a securitisation position guaranteed by a multilateral development bank or other public entity corresponds to a risk weight of 0% could have potential repercussions for public finances. The mere fact that a multilateral development bank fully guarantees a senior tranche does not mean that the position is 'low-risk' system-wide, as shown by the examples of Fannie Mae and Freddie Mac in the US. The non-retention waiver for securitisations guaranteed by public entities should therefore be removed.

*Arguments in support of recommendation 1.7*

- 2.23 During the GFC there were problems with restructuring loans. Clients, especially households and SMEs, were left in the dark without knowing whom to address. The EESC points out that the securitisation package needs to introduce additional measures to preserve the relationship between lenders and borrowers throughout the lending period, including when payment restructuring might provide duly regulated financial relief. When dealing with new securitisation-related regulation, co-legislators should show prudence and introduce additional measures to ensure all relationships throughout the securitisation process are transparent, especially when credit exposures are moved from the regulated sector to an unregulated (or loosely regulated) sphere, including private credit and other non-bank financial intermediaries (NBFIs). This would require a regulatory and supervisory framework for NBFIs.

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[COM\(2025\) 825 final](#).

### 3. PROPOSED AMENDMENTS TO THE LEGISLATIVE PROPOSAL OF THE EUROPEAN COMMISSION

#### Amendment 1

COM(2025) 826 final, amendment to Article 44.

Text proposed by the European Commission	EESC amendment
<p>Article 44 is amended as follows:</p> <p>(a) in the first subparagraph, point (e) is <i>replaced by the following</i>:  <i>‘(e) the contribution of securitisation to funding Union companies and to the economy of the Union.’;</i></p> <p>(b) the second subparagraph is deleted;</p>	<p>Article 44 is amended as follows:</p> <p>(a) in the first subparagraph, point (e) is <i>not amended</i>;</p> <p>(b) the second subparagraph is <i>not</i> deleted;</p> <p>(c) <i>in the first subparagraph, point (f) is added as follows: ‘(f) the contribution of securitisation to funding Union companies, especially SMEs, households and to the economy of the Union’;</i></p>

Reason
<p>The transparency of the whole securitisation process and the tax regulatory framework has to be maintained. Deleting the requirement (because supervisors do not have the data) to assess whether the geographical location of special securitisation purpose entities is chosen for favourable tax or regulatory regimes can result in a blind spot for supervision, undue competition and regulatory arbitrage, aggressive tax planning and potential financial (stability) risks. It would instead be advisable to close the data gap by ensuring cooperation with tax authorities and experts. The assessment and monitoring indicators have to be consistent to assess the contribution of the EU securitisation framework to funding Union companies, especially SMEs, households, and to the economy of the Union.</p>

Brussels, 18 September 2025.

*The President of the European Economic and Social Committee*  
 Oliver RÖPKE