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WORKING DOCUMENT

From:	Presidency
To:	Working Party on Financial Services and the Banking Union (Securitisation) Financial Services Attachés
Subject:	Securitisation Framework Review: Working Party on Financial Services and the Banking Union (Securitisation) 12.09.2025 - Preliminary draft report on the LCR consultation by the Commission

Delegations will find attached the above-referred preliminary draft report from the Commission relating to the WP meeting agenda item no. 5.

Preliminary draft report on the LCR consultation

DISCLAIMER

This non-paper has been drafted at the request of the Council of the European Union to structure the discussion on the securitisation package. It has not been adopted or endorsed by the European Commission. Any views expressed are those of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission.

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1. Background

This document summarises the answers to the public consultation ([1]) by the European Commission on amendments to the treatment of securitisation exposures under the Commission Delegated Regulation (EU) 2015/61 ([2]) ('Liquidity Coverage Ratio Delegated Regulation' or 'LCR Delegated Regulation') supplementing the Regulation (EU) No 575/2013 ([3]) ('Capital Requirements Regulation' or 'CRR').

This public consultation is part of the broader review proposed by the European Commission on 17 June 2025 ([4]) to revive the securitisation framework in the European Union ('EU').

The summary report cannot, in any circumstances, be regarded as the official position of the European Commission or its services.

2. Respondents to the public consultation

28 respondents from 11 Members states ([5]) and one third country ([6]) provided views on the draft amendments envisaged by the European Commission to the treatment of securitisation exposures under the LCR Delegated Regulation.

The types of respondents can be categorised as business associations (16 respondents), companies and businesses (4 respondents), public authorities (3 respondents), trade unions (3

([1]) Public consultations by the European Commission on amendments to the treatment of securitisation exposures under the Liquidity Coverage Ratio Delegated Regulation (https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14443-Amendments-to-the-treatment-of-securitisation-exposures-under-the-Liquidity-Coverage-Ratio-Delegated-Regulation_en)

([2]) 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, pp. 1–36 (https://eur-lex.europa.eu/eli/reg_del/2015/61/oj/eng)

([3]) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, OJ L 176, 27.6.2013, pp. 1–337 (https://eur-lex.europa.eu/eli/reg/2013/575/oj/eng)

([4]) Commission proposes measures to revive the EU securitisation framework (https://finance.ec.europa.eu/publications/commission-proposes-measures-revive-eu-securitisation-framework_en)

([5]) Austria (1 respondent), Belgium (5 respondents), Germany (3 respondents), Denmark (1 respondent), Estonia (1 respondent), Spain (2 respondents), France (7 respondents), Italy (2 respondents), Luxembourg (2 respondents), Netherland (2 respondents), Sweden (1 respondent).

([6]) United Kingdom (1 respondent).

respondents), academics and research institutions (1 respondent), and other stakeholders (1 respondent).

3. Responses to the public consultation

A large majority of respondents supports the initiative by the Commission to amend the eligibility conditions for securitisations for the liquidity buffer of credit institutions, as part of the wider securitisation package tabled on 17 June 2025. They consider that the LCR recalibration is undeniably necessary, even if it is not a standalone solution to revive securitisations in the EU.

From the respondents' perspective, while keeping high quality financial stability rules and consistency with international standards, the review of LCR eligibility conditions and haircuts for securitisations in the EU will support both the expansion of the market and its liquidity, as the volume of trades will increase.

A majority of respondents covering business associations, companies and businesses deem that the proposed changes on eligibility conditions and haircuts are however insufficient to allow for the effective diversification of liquidity buffers. Diversification in the liquidity buffer is seen as a source of resilience in normal times and during stress episodes.

Respondents mention that streamlining the EU regulatory requirements, including through the removal of EU gold-plating from international standards, could raise investment levels by banks for their liquidity buffer to an estimated range between EUR 150 billion and EUR 250 billion ([7]), representing up to 5% of HQLA in the European Union.

On the other side, a handful of respondents of public authorities ask to further assess the impact of the amendments proposed. One respondent regrets that the amendments envisaged by the Commission are limited to traditional securitisations and may incentivise banks to invest in STS securitisations issued by other banks.

a. Regulatory reforms in the EU and changes in market practices after the global financial crisis

Respondents supporting the amendments to the LCR Delegated Regulation recall that the decade following the 2008 global financial crisis ('GFC') saw a wide range of regulatory initiatives in the EU securitisation market. These initiatives were linked to efforts to create an EU Capital Markets Union to improve the financing of the EU economy. These regulatory initiatives culminated with the adoption of Regulation (EU) 2017/2402 ([8]) ('Securitisation Regulation').

They point out that the integration of the euro area internal market for financial services remains crucial. It is key to stimulate, in an iterative way, supply and demand for securitisation transactions in a prudent and sustainable way, implying reviewing the prudential treatment of securitisation for banks and insurance companies.

Beyond regulatory initiatives, respondents mention that market practices also evolved after the GFC. Before the GFC, while the market was booming, originators did not retain own securitisation issuances. After the GFC, the drying-up of interbank money markets changed this market practice.

([7]) Association for financial markets in Europe (AFME), Myth busting – liquidity in ABS (https://www.afme.eu/Portals/0/DispatchFeaturedImages/LCR.pdf?ver=gtvkHYrQtWHWu2nyHvBHBg%3d%3d)

([8]) 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, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, OJ L 347, 28.12.2017, pp. 35–80 (https://eur-lex.europa.eu/eli/reg/2017/2402/oj/eng)

The share of new issuances retained by originators reached 34% in the second quarter of 2021 ([9]), also influenced by the Eurosystem monetary policy conditions and by the asset-backed securities purchase programme ('ABSPP') set up by the European Central Bank ('ECB'), recognising securitisations (incl. securitisations issued and retained by the bank positing the collateral) as eligible collateral.

One stakeholder mentions that even if EU banks retain own-issued securitisation transactions in their balance sheet, to be mobilised in monetary policy operations, this pool of collateral is not intended to be sold to investors on capital markets and is not contributing to the 'free float' available to private investors, in itself an important element of the liquidity of securitisations.

One respondent regrets that the ABSPP and the presence of the ECB as central market participant during several years de facto excluded private investors from the asset-backed securities (ABS) primary market, as the spread became too tight for profitable investment in the ABS asset class by private market participants, also considering high due diligence costs. At the end of the ABSPP by the Eurosystem, given the reduced base of private investors (in the order of 20), the size of transactions was significantly impacted. Progressively, some investors are coming back, and ABS transactions size has started to normalize.

One respondent mentions that a downward trend of retention of own-issued securitisation transactions by banks is expected, in line with the gradual phase-out of ECB refinancing operations, which would also incentivise the return of banks as securitisation issuers and the stimulation of the liquidity of the EU securitisation market, in order to support the financing need of banks' balance sheets.

Respondents point out that the underlying assets of securitisations in the EU moved over time towards a slightly more diversified product base. The share of Residential Mortgage-Backed Securities (RMBS) in total EU securitisation decreased from 68% in 2017 to 61% in the second quarter of 2021, while the shares of securitisations backed by loans to small and medium-sized enterprises (SMEs) and other ABSs increased from 9% to 12% and from 21% to 26% respectively over the same period ([10]).

The improvement of the overall credit quality of European securitisations in recent years is also mentioned. The share of securitisations with an investment grade rating ([11]) increased from 93% of total securitisation in 2014 to 96% in 2019 ([12]). During the same period, the share of securitised instruments with an "AAA" and "AA" credit rating increased by 7 percentage points and 22 percentage points respectively while instruments with a "A" and "BBB" credit rating decreased by 20 percentage points and 6 percentage points respectively, in the same period. The one-year default rate of EU ABSs has been zero, since 2012.

One respondent considers that the investor base for securitisations remains structurally weak in the EU, given that banks and insurance companies are crowded out by the respective regulatory constraints. The respondent also mentions that investment funds are subject to limits in the size of their individual investment tickets. Eliminating those barriers and broadening the investor base is a necessary pre-requisite to develop a more deep and liquid market for securitisations.

([9]) European Systemic Risk Board (ESRB), Monitoring systemic risks in the EU securitisation market, July 2022 (https://www.esrb.europa.eu/pub/pdf/reports/esrb.report_securisation.20220701~27958382b5.en.pdf)

([10]) European Systemic Risk Board (ESRB), Monitoring systemic risks in the EU securitisation market, July 2022 (https://www.esrb.europa.eu/pub/pdf/reports/esrb.report_securisation.20220701~27958382b5.en.pdf)

([11]) An investment grade signals a relatively low risk of default, meaning a rating of BBB or higher.

([12]) European Systemic Risk Board (ESRB), Monitoring systemic risks in the EU securitisation market, July 2022 (https://www.esrb.europa.eu/pub/pdf/reports/esrb.report_securisation.20220701~27958382b5.en.pdf)

Therefore, the respondent considers that the progressive replenishment of the EU securitisation market and the elasticity of the market will be staggered and take time.

One respondent mentions that the level of liquidity of securitisation in the EU market is also due to the 'buy and hold' investment strategy of market participants. From that perspective the fact that most investors in the EU look at securitisations as a 'buy and hold' instrument should be seen as a factor of financial stability, showing that market participants in securitisations are long term investors. The respondent mentions that this investment strategy is in contrast with the situation prevailing before the GFC, where significant proportion of securitization tranches were held by Money Market Funds (MMF) exposed to a maturity transformation risk, and vulnerable to redemptions and fire sales. The respondent also mentions that Regulation (EU) 2017/1131 on money market funds ([13]), contributing to the EU answer to the GFC, has imposed a much stricter management of maturity transformation by MMF, shifting the investor base for securitisations toward long term credit investors.

One respondent points out that the liquidity of markets fluctuates over time, and should be analysed also based on the nature, number and diversity of market players. Different types of market players have different mandates, and consequently different behaviours in stress periods. Stimulating diversification as regards the type of market participants active in the securitisation market will provide resilience to EU capital markets, in the long term, to the benefit of all stakeholders. From that perspective, it would be beneficial to have long-term investors such as insurers and pension funds, irrespective of short-term volatility conditions, but also opportunistic investors that can step in if they see value, such as hedge funds.

b. Securitisations behaved positively during recent stress episodes

Respondents underline that the characteristics of securitisations in the EU are no more comparable to the one that suffered significant distress during the GFC. From their perspective, the way securitisations behaved during the recent stress episodes, which are inherently different from be GFC because there are not two identical idiosyncratic and system-wide stress situations, highlights the benefits brought by policy reforms implemented in the EU after the GFC, the introduction of the STS label and the way capital markets practices have changed.

Even if they acknowledge that reforms of the EU framework avoid the re-emergence of harmful past market practices and contribute to financial stability, respondents regret that the recognition of securitisations for the liquidity buffer of banks does not recognize the safeguards introduced in the EU (retention requirements, disclosure, supervision of rating agencies, etc.) in the aftermath of the GFC, although they bring a significant positive impact on market confidence and hence liquidity.

The initial intended feature of the calibration of eligibility conditions for securitisations for the liquidity buffer was to disincentivise banks to invest in such exposures, inspired by the losses incurred by some banks having invested in US sub-prime securitisations. 15 years later, given the highly prudent framework developed in the EU and based on international standards, such disincentive conditions are considered not appropriate anymore.

Many answers refer to the UK-Gilt turmoil observed between September 2022 and October 2022, considered as one of the largest liquidity turmoils since the GFC, with an unprecedented number of securitisations sold on capital markets. During this stress event, bid-offer spreads on "AAA" and "BBB" rated RMBS and collateralised loan obligations (CLO) bonds remained relatively stable

([13]) Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, OJ L 169, 30.6.2017, pp. 8–45 (https://eur-lex.europa.eu/eli/reg/2017/1131/oj/eng)

at 0.5%-1% and 2%-3% respectively through the fire sale episode ([14]), with trading reaching EUR 6.9 billion, roughly equivalent to the quarterly volume observed in Q1 and Q2-2022. Floating rate remuneration for RMBS and CLOs suffered far smaller drops in cash price in the sell-off than the fixed rate bonds such as most debt securities eligible for the liquidity buffer.

More generally, respondents argue that securitisations are typically floating rate notes and hence are less impacted by monetary rate moves. As such, investors are not incentivised to buy or sell in periods of monetary policy adjustments to the same extent, compared to bonds which are generally fixed rate instruments.

Stakeholders mention that 75% of securitisations are floating rate instruments in the EU ([15]). As such, even if securitisations constitute less than 3% of the EU bond market, they represent more than 20% of all floating rate bonds. These characteristics are seen as contributing to the resilience and market liquidity of securitisations and to the diversification in the liquidity buffer of credit institutions.

c. The liquidity of securitisations vs. the liquidity of covered bonds

Several respondents mention that the market liquidity of securitisations in the EU improved over years and that market data ([16]) tend to show that the liquidity of investment grade securitisations is equivalent and sometime better than the liquidity for covered bonds, in particular post-2016. They regret that, in the consultation paper published by the Commission, the suggested haircuts are still considerably and unjustifiably higher for securitisations than those applied to covered bonds.

Respondents advocate for a better alignment of the treatment of senior tranches in securitisations with that of Level 2A covered bonds with a preferential 15% haircut which would apply to securitisations that are resilient, with a credit rating from "AAA" to "AA" and with an issue size larger than EUR 250 million.

Respondents consider that the absence of direct exposure for securitisations to banks' credit spreads makes them safer in systemic crises than covered bonds.

Alternatively, one stakeholder mentions that the current securitization market may be not so liquid as the other HQLA assets such as covered bonds, but that enhanced LCR eligibility will contribute to market liquidity through enhanced demand.

d. Requirement to qualify as STS for eligibility to the liquidity buffer

Respondents gathering business associations, companies and businesses regret that the EU requirement for securitisations eligible for the liquidity buffer of credit institutions continue to gold-plate international standards set by the Basel Committee, without this being reflected in the applicable haircuts.

([14]) TwentyFour, ABS liquidity is there when you need it most (https://www.twentyfouram.com/insights/abs-liquidity-is-there-when-you-need-it-most)

([15]) Association for financial markets in Europe (AFME), Myth busting – liquidity in ABS (https://www.afme.eu/Portals/0/DispatchFeaturedImages/LCR.pdf?ver=gtvkHYrQtWHWu2nyHvBHBg%3d%3d)

([16]) Association for financial markets in Europe (AFME), Comparing CB, ABS and Corporate Bond Liquidity (https://www.afme.eu/publications/reports/details/comparing-cb-abs-and--corporate-bond-liquidity#:~:text=This%20study%20examines%20the%20relative%20liquidity%20of%20Asset,half%20the%20bid-ask%20spread%20divided%20by%20the%20mid-price.)

Respondents particularly target the absence of the requirement in the Basel standard for securitisations to comply with the simple, transparent and comparable ('STC') label ([17]) in order to be eligible as HQLA. They also complain that the EU STS label for securitisations to be eligible for the liquidity buffer is much more onerous in terms of eligibility requirements than the Basel STC equivalent. Respondents consider that, if not removed, the EU specific requirement for securitisations to be STS to be eligible as HQLA should be balanced with lower haircuts.

Respondents recognize the scarcity of data and analysis available about the difference in terms of liquidity between STS and non-STS securitisations, also due to the recent introduction, from 2019, of the STS label and the ongoing build-up of this segment of the securitisation market. They mention that the few data analyses ([18]) point out the low difference in liquidity between STS and non-STS segments, which would justify the restoration of the eligibility of non-STS securitisations for the liquidity buffer of credit institutions, as was the case before the application of Commission Delegated Regulation (EU) 2018/1620 ([19]) in April 2020. Indeed, market analysis suggests that the most liquid non-STS are more liquid than the most liquid STS securitisations.

Some respondents consider that the elimination of non-STS securitisations from the liquidity buffer is unfair, considering that many of the major requirements under the Securitisation Regulation apply to both STS and non-STS securitisations.

e. Haircuts applied to securitisations eligible as HQLA

A majority of respondents appreciates the proposed amendments for streamlining and strengthening homogeneity and granularity in rules, through the discontinuation of the EU-specific 35% haircut category for ABS backed by commercial loans or loans for personal consumption purposes and the further alignment with the Securitisation Regulation and the CRR, in order to remove unnecessary complexity in the EU framework.

Nevertheless, a significant number of respondents mentions that the level of the haircut applied to securitisations eligible for the liquidity buffer would remain excessively high and seen as a major disincentivising criteria for treasury functions of banks when deciding to invest in HQLA. Respondents fear that the objective of the securitisation package to revive the EU market would not be achieved if the level of haircut for securitisations is not further reduced.

One stakeholder considers that haircuts are too high and do not reflect the effective low risk by senior tranches of securitisations, that benefit from the protection received from junior and mezzanine tranches in securitisations and from the high-quality requirements for loan origination that apply to banks in the EU. This resilience was confirmed by the robustness of EU securitisations with very low default rates, including for high yield tranches, during the GFC. Since 2010, default rates have been further reduced with the reforms conducted by the EU.

Some respondents mention that in the context of monetary policy operations, the ECB applies much lower haircuts to securitisations posted by banks as collateral than the one specified for the eligibility as HQLA. They advocate for further alignment between the haircut applied to

([17]) Basel standard on the revision to the securitisation framework (https://www.bis.org/bcbs/publ/d374.pdf)

([18]) Association for financial markets in Europe (AFME), Comparing CB, ABS and Corporate Bond Liquidity (https://www.afme.eu/publications/reports/details/comparing-cb-abs-and--corporate-bond-liquidity#:~:text=This%20study%20examines%20the%20relative%20liquidity%20of%20Asset,half%20the%20bid-ask%20spread%20divided%20by%20the%20mid-price.)

([19]) Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 amending Delegated Regulation (EU) 2015/61 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 271, 30.10.2018, pp. 10–24 (https://eur-lex.europa.eu/eli/reg_del/2018/1620/oj/eng#:~:text=Commission%20Delegated%20Regulation%20%28EU%29%202018%2F1620%20of%2013%20July,for%20credit%20institutions%20%28Text%20with%20EEA%20relevance.%29%20C%2F2018%2F4404)

securitisations as HQLA, in the context of the 'theoretical' LCR prudential metric for banking supervision and the 'actual' monetary policy operations by the ECB. From their perspective, this would permit to align regulatory liquidity ratios with actual liquidity risk management and avoid misalignments of incentives.

One stakeholder points out the risk for the EU to be stuck in a 'chicken an egg dilemma' where good market liquidity for securitisations depends on further involvement by market participants, whereas the restrictive eligibility conditions for the liquidity buffer, that consider the limited liquidity of this market segment, are seen as a constraint by banks and other market participants to further enter the market.

Respondents fear that the argument of an insufficient secondary market liquidity justifying punitive prudential treatment under the LCR could lead to a reform with limited ambition: impeding the development of a robust secondary market, with low investor appetite and reducing issuance volumes.

A liquid secondary market is considered as a key to attract new classes of investors.

f. Assignation of securitisations to the Level 2B HQLA

Respondents regret the perspective by the Commission to maintain all securitisations exclusively within the Level 2B category for the liquidity buffer.

Respondents consider that the assignation of securitisations to Level 2B HQLA sends a 'stigma' to the market, hindering a broader acceptance. For stakeholders this perpetuates a perception of lower quality when compared to other HQLA instruments, even if haircuts are relaxed.

They mention that market participants other than banks consider the HQLA eligibility of assets when investing. Indeed, eligibility as HQLA reflects the capacity for market participants to find banks as counterparties when willing to sell of exchange the asset.

g. Maximum holding threshold for securitisations in the liquidity buffer

One stakeholder mentions that allowing for an increased share of securitisations in HQLA portfolios, beyond the 15% maximum holding threshold ([20]), would increase diversification in the liquidity buffer. The respondent regrets this maximum holding threshold, which allegedly contributes to the discrimination of securitisations versus covered bonds.

Some respondents suggest upgrading senior tranches of resilient STS tranches to Level 1 HQLA with a corresponding 7% haircut. Senior tranches of non-resilient STS securitisations with a credit rating "AA-" or better could be upgraded to Level 2A HQLA with a 15% haircut. Other senior tranches of STS securitisations with a credit rating from "A-" to "A+" could be assigned to Level 2B HQLA with a 30% haircut.

Some respondents suggest introducing a new 15% maximum holding threshold for securitisations qualifying as Level 1B and Level 2A HQLA. Moreover, senior tranches of non-STS transactions qualifying as resilient could be eligible for Level 2B HQLA subject to a 25% haircut, a minimum issuance size of EUR 250 million and a credit "AA-" or better credit rating.

For securitisations with eligibility extended down to "A-", stakeholders believe that the jump to the 50% haircut contributes to create cliff risk that would be better smoothed through a gradual

([20]) Article 17 of the Delegated Regulation (EU) 2015/61 specifies the requirements for the composition of the liquidity buffer of credit institutions by asset level.

increase in haircuts that could be fixed at 35% for STS traditional securitisations with a credit rating at "A+", 42% with a credit rating at "A", and to 50% with a credit rating at "A-".

h. Minimum credit quality

Stakeholders consider that it is justifiable that the Commission proposes to restore the minimum credit quality steps (CQS) for securitisations eligible as HQLA, with the extension of eligibility from CQS1 to CQS4 (equivalent to "AAA" to "AA-" credit rating) and further to "A-" credit rating (CQS 5 to 7), though with a more prudent haircut.

Some respondents on the other side raise concerns about extending the eligibility to securitisations with credit quality CQS 5 to CQS 7, as it would open the door to riskier transactions which might not be sufficiently liquid and might raise procyclical effects in time of stress.

One respondent mentions that under the ABSPP non-conventional monetary policy operation by the ECB, ABS with a minimum second-best credit rating of "A-" were accepted. Moreover, as part of the temporary measures to enhance collateral availability, ABS with a minimum second-best credit rating of "BBB" were accepted as collateral by the Eurosystem.

i. Maximum remaining weighted average life

Stakeholders welcome the discontinuation of the EU-specific 'gold-plating' of international standard requirements, restricting securitisation eligibility to transactions with an average remaining weighted life (WAL) of five years or less.

One respondent considers that shorter term exposures are more liquid in all cases, especially in times of stress and would prefer not to remove this EU-specific gold-plating of global standards.

One respondent mentions that no binding maximum or minimum maturity was defined for securitisations in the context of the ABSPP monetary policy operations, by the Eurosystem.

j. Homogeneity criteria for the underlying portfolio

A vast majority of respondents welcome the further use of the discretion specified under paragraph LCR30.44 of the Basel standard ([21]) for the recognition as HQLA of STS securitisations other than RMBS and ABS backed by commercial loans, auto-loans and loans for personal consumption, contributing to further aligning the perimeter for STS securitisations under the Securitisation Regulation and the conditions for eligibility for the liquidity buffer.

For public STS, RMBS account for around 44% of the total outstanding amount, followed by automobile loans and leases ABS (23%), consumer loans ABS (17%) and corporate loans ABS (15%). Leases and credit card receivables ABS together account for 2% of the total outstanding amount ([22]). The impact of the alignment envisaged by the Commission under the consultation paper is expected to have a relatively limited impact, considering the bulk of ABS qualifying as STS is already eligible for the liquidity buffer.

The appetite by banks for diversified securitisations positions in their liquidity buffer is confirmed by the holding of only 38% of RMBS and 62% of ABS backed by commercial loans, auto-loans and loans for personal consumption.

Some respondents consider that the STS requirements for securitisations eligible for the liquidity buffer already imply that senior tranches of STS traditional securitisations comply with the

([21]) Basel consolidated framework (https://www.bis.org/basel_framework/)

([22]) European Securities and Markets Authority (ESMA), The EU securitisation market – an overview (https://www.esma.europa.eu/sites/default/files/2023-09/ESMA50-524821-2908_TRV_risk_analysis_-_EU_securitisation_markets_overview.pdf)

homogeneity requirements under Articles 20(8) and 24(15) of the Securitisation Regulation. As such, paragraph (g) of Article 13(2) of the LCR Delegated Regulation could be removed, with no redrafting needed.

k. Collective Investment Undertakings (CIUs) backed by securitisations

One stakeholder suggests amending paragraphs (e) and (g) of Article 15(2) of the LCR Delegated Regulation on CIUs backed by securitisations that are eligible for the liquidity buffer of credit institutions.

l. Asset-Backed Commercial Papers eligible for the liquidity buffer

Some respondents ask for making asset-backed commercial paper (ABCP) positions eligible for the liquidity buffer. From their perspective ABCPs offer a strong protection to investors and their liquidity is good. They mention that multi-seller ABCP programs in the EU are fully supported by liquidity lines provided by banks.

Nevertheless, respondents regret that some ABCP fail to qualify as STS, thereby impeding their capacity to be eligible as HQLA if the framework remains unchanged.

m. Environmentally sound securitisations

One respondent suggests taking the opportunity of the review of the LCR Delegated Regulation to further consider in the eligibility conditions and haircuts for HQLA the objectives of the global transition towards a green economy.

n. Links with other proposals under the securitisation package

i. Resilient securitisation transactions under the CRR

Several respondents consider that the recognition as HQLA of resilient securitisations is only possible in conjunction with amendments to the CRR proposal by co-legislators. They welcome the preferential haircut for resilient securitisation transactions eligible for the liquidity buffer but consider that the requirement for such securitisations to verify the resilience qualification during the life of the transaction should be amended during the legislative procedure on the Proposal for a Regulation amending the CRR ([23]) as it could generate undesirable volatility regarding the eligibility of such transactions in the liquidity buffer. At this stage, the conditions to be qualified as a resilient securitisation transaction are considered as very hard to meet.

One market participant regrets that securitisations issued by non-bank financial institutions cannot qualify as resilient and asks for equivalence for securitisations issued by non-CRR institutions to be qualified as resilient and to be recognised as HQLA.

A handful of respondents reject the introduction of the concept of resilient transactions with specific eligibility conditions that would contribute to complexify the prudential framework for banks.

A vast majority of respondents are supportive to lower haircuts for resilient transactions. They consider that STS transactions meeting additional requirements for 'resilience', combining two 'best in class' labels, as well as the requirements relating to rating and senior tranche issue size, should benefit from a preferential 10% haircut, below the 15% haircut specified by the Commission in the consultation document.

([23]) 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 (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52025PC0825)

Some respondents are opposed to lowering the haircut to 15% for senior tranches of STS traditional securitisations qualifying as resilient. They prefer to wait for evidence on the liquidity of this subsegment of transactions before relaxing the haircut.

ii. Homogeneity requirement for STS securitisations of SME loans under the Securitisation Regulation

Some respondents underline that the reduction from 100% to 70% of the homogeneity requirement for the underlying exposures of STS securitisations of SME loans, under Articles 20(8) and Article 26b(8) of the proposal for amending the Securitisation Regulation ([24]), could lead to the eligibility as HQLA of securitisation positions with mixed pools of heterogeneous and less standardised assets. This could make it more difficult to find buyers in times of stress, as the composition of the underlying portfolio may be more difficult to verify, compared to the current STS securitisations.

Respondents suggest waiting for the conclusion of the agreement between co-legislators on the proposal by the Commission to amend the Securitisation Regulation, before confirming the eligibility of such transactions for the liquidity buffer of banks.

([24]) 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 (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52025PC0826)