



Council of the European Union  
General Secretariat

**Brussels, 08 October 2025**

---

---

**Interinstitutional files:**

**2025/0825 (COD)**

**2025/0826 (COD)**

---

---

**WK 13224/2025 INIT**

**LIMITE**

**EF**

**ECOFIN**

**SURE**

**CODEC**

*This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.*

## **WORKING DOCUMENT**

From:	General Secretariat of the Council
To:	Working Party on Financial Services and the Banking Union (Securitisation) Financial Services Attachés
Subject:	Securitisation Framework Review - WP meeting 15.10.2025: Presidency discussion paper on amendments to CRR

Delegations will find attached the above-referred working paper from the Presidency for discussion under agenda item no. 2.

# Presidency discussion paper on amendments to CRR – Working party 14 and 15 October 2025

## Introduction

Date: 7. October 2025

This note presents the PCY's outline of a compromise on the structure of the prudential framework for the capital treatment of securitisations. The outline seeks to balance the aim to achieve a more risk sensitive framework against MS concerns for the added complexity that naturally follows. The outline is based on the input received from MS at the previous WP in September, the received 3CT, and bilateral meetings with Member States.

It is the aim of this WP to determine both whether the proposed framework indeed represents a balanced compromise, and which levels of RW floors and p-factors are preferred.

### **Topics of discussion on the amendments to CRR**

The PCY invites MS to comment on the following topics and elaborate further in the written procedure.

1. Overall approach on the prudential framework
2. The levels of RW-floors for senior positions
3. The levels of the p-factor

PUBLIC

## 1. Overall approach on the prudential framework

### *Resilience*

A large majority of MS have expressed general support for the new concept of resilience, albeit a few MS still believe the increased risk sensitivity does not outweigh the added complexity. Furthermore, most MS preferred not to limit the scope of resilience to only STS-transactions.

Therefore, the **PCY proposes to maintain the resilience as a concept** and applicable to both STS and non-STS in line with COM proposal.

Concerns have been raised that the requirement for ongoing compliance with the resilience criteria can lead to cliff effects with sudden increases in capital requirements. The potential cliff effects make capital management more cumbersome and may affect demand negatively. There is a large majority of MS arguing that the thickness criterion provides sufficient safeguards against deteriorating credit of the underlying assets.

Therefore, the **PCY proposes that compliance with the resilience criteria, including the thickness criterion, apply only at origination**. The thickness criterion for resilient positions is based on the relation of the attachment point to the capital requirements of the underlying exposures similar to the proposed definition of senior tranches. However, the **PCY proposes that the attachment point should be used solely in relation to the thickness criterion for resilient positions**, and not in relation to the definition of senior tranches. This means that the proposed senior definition based on the attachment point is removed.

Instead, the **PCY proposes to retain the existing definition of senior tranches**. Consequently, the attachment point for the senior tranche will only be relevant for the thickness criterion for resilience. Maintaining the existing definition of senior tranches addresses concerns about potential cliff effects, which could arise if senior tranches do not continuously meet the attachment point-based eligibility criterion introduced in the senior tranche definition proposed by COM. Furthermore, retaining the existing definition of senior tranches prevents situations where a transaction would have no senior tranche eligible for preferential treatment which is an issue that has been raised by some MS.

### *Distinction between originator/sponsor and investor*

MS views on the distinction between originator/sponsor and investor for differentiating capital treatment are more divergent. No clear majority is in favour of either maintaining the distinction as in COM proposal or removing it altogether. In addition, several MS prefer limiting the cases in which the distinction between originator/sponsor and investor differentiates capital treatment.

On this premise, the **PCY proposes to maintain the distinction but limit its use** to differentiate capital treatment to only the securitisation positions where the argument for different capital requirements for originator/sponsor and investor is strongest: (1) where agency risks and information asymmetry for investors are greater, and (2) where the positions have a higher risk, in which case investment by banks should be disincentivised to limit interconnectedness within the banking sector.

Therefore, **the PCY proposes a framework for capital treatment that does not differentiate between originator/sponsor and investor for positions that are either STS or resilient.**

Following this, the distinction between originator/sponsor and investor will only differentiate capital treatment in the cases proposed by COM, where positions are neither STS nor resilient, as these positions neither meet the criteria set out in article 243 in CRR nor the STS safeguards for investors described in SECR.

STS and resilience requirements mitigate the need for higher capital requirements for investors in various ways. The thickness requirement for resilient positions ensures a high level of credit enhancement, implying that the risk of losses for the holder of the resilient position is limited regardless of whether the holder is originator, sponsor or investor to the position. This line of argument has also been raised by some MS. In addition, the criteria set out in CRR article 243(1)(b) and 243(2)(a), which positions must comply with to qualify as resilient, imply general safeguards against concentration risk. Furthermore, safeguards for investors regarding amortisation schemes for both traditional securitisations (article 243(4)(c)(1) CRR), ABCP-transactions (article 243(4)(b)(1) CRR) and synthetic securitisations (article 243(4)(a)(1) CRR) likewise contribute to limit agency risk for investors, diminishing the importance of differential capital treatment between originator/sponsor and investor.

The comprehensive STS criteria set out in SECR ensure that investors can gain in-depth knowledge of the transactions and corresponding risks. Furthermore, to qualify for preferential treatment STS positions must also comply with the criteria set out in CRR article 243(1)(2) which, in addition to the above-mentioned safeguards against credit risk, also comprise safeguards regarding the riskiness of the underlying exposures (CRR articles 243(1)(a) and (2)(b)). These safeguards, together with the criteria in SECR, mitigate agency and model risk along with information asymmetry placing originator/sponsor and investor on similar footing. Where resilience ensures that the positions are safer for investors, the STS-criteria in CRR and SECR safeguards against high-risk positions and ensures that investors gain an in-depth knowledge of the characteristics of the positions, arguably to an extent similar to that of originators. In both cases the necessity of applying differential capital treatment to originator/sponsor and investor is reduced.

On the other hand, for positions that are neither STS nor resilient, the difference in risk these may pose to originator/sponsor and investor respectively is less effectively mitigated. While the general SECR requirements on risk retention, transparency and due diligence still

apply, these cases/positions are precisely where differentiated capital treatment between the originator/sponsor and investor is most warranted. Additionally, these positions are the positions that inherently are more high-risk and where investment by banks should be disincentivised to reduce risk and interconnectedness in the banking sector.

#### *Formula-based RW-floor*

Views on the formula-based RW-floor incorporating a floor-to-the-floor mechanism are divergent. However, a small majority of MS prefer the dynamic floor, which is broadly perceived as more risk sensitive than the current fixed framework. The key advantage of the dynamic RW-floor lies in its ability to differentiate between securitisations based on the riskiness of the underlying exposures. It enables a lower RW floor for securitisations with low-risk underlying exposures without requiring the same (low) RW-floor to be applied to securitisations with high-risk underlying exposures. Concretely, the dynamic floor sets thresholds for excessively low RW outcomes, calibrated to the underlying risk profile of the securitisation. To achieve an overall balance in the PCY compromise on the prudential framework, the **PCY proposes adopting the formula-based RW floor for senior tranches, as outlined by COM.**

#### *SEC-ERBA*

Regarding SEC-ERBA one MS have raised concerns that the proposed amendments may not accommodate specific well-functioning business models, such as auto-ABS. Additionally, some MS argue that introducing model parameters in SEC-ERBA together with the distinction between originator/sponsor and investor is at odds with an external rating-based approach. Based on this and in alignment with the general removal of the distinction between originator/sponsor and investor for STS transactions, the **PCY proposes not to distinguish between originator/sponsor and investors for STS positions when applying SEC-ERBA** to determine risk weights for securitisation positions. Along the same lines, the **PCY proposes to maintain the distinction between originator/sponsor and investor for non-STs positions when applying SEC-ERBA.**

Applying the concept of resilience in the SEC-ERBA approach may appear counterintuitive because credit rating agencies take credit enhancement into account when determining the rating for securitisation positions. The thickness criterion, which is the core element of resilience, captures the level of credit enhancement of a senior tranche, which is already reflected in the CQS. Hence, differentiating capital treatment based on the concept of resilience and connected thickness criterion for positions with a credit rating may seem redundant.

Therefore, the **PCY proposes not to include the concept of resilience** under SEC-ERBA to determine risk weights for securitisation positions. Instead, the capital treatment is

determined solely by the CQS of the position. On this premise, and with the aim to simplify SEC-ERBA to achieve a more balanced compromise between risk sensitivity and complexity, the **PCY proposes to adjust the RW of the existing tables in CRR article 264 (STS)**, which do not differentiate capital treatment between originator/sponsor and investor or on the basis of resilience. Additionally, the **PCY proposes to adjust the existing tables in CRR article 263 (non-STS), but to include separate capital treatment for investors** in line with COM proposal. Concretely, the proposed reductions in RW under SEC-ERBA will only benefit originator/sponsor as no changes to RW for investor are envisaged in COM proposal.

The proposed tables by COM include both model parameters and differentiation in capital treatment on the account of both resilience and distinction between originator/sponsor and investor. The model parameters for the highest CQS in SEC-ERBA proposed by COM aim at avoiding further use of SEC-ERBA instead of SEC-IRBA and SEC-SA by ensuring that the assigned RW in SEC-ERBA cannot be lower than the output when applying SEC-SA or SEC-IRBA. However, selecting sufficiently high fixed RW for the highest CQS in SEC-ERBA alleviate this and contribute to maintaining the hierarchy of approaches.

The PCY considers that the uncertainty of the added risk sensitivity questions whether COMs proposed amendments to SEC-ERBA outweigh the added complexity. Retaining and adjusting the existing tables in SEC-ERBA will contribute to a simpler framework and address some of the issues raised by MS concerning specific true sale business models.

The PCY proposed adjustment of the existing tables in SEC-ERBA is illustrated in Annex A together with the tables proposed by COM. The tables proposed by the PCY in Annex A set out RW (when applying SEC-ERBA) that are aligned with the levels of RW-floors and p-factors proposed by the PCY under SEC-IRBA and SEC-SA, as presented below.

It should be noted that there may be a need for some minor recalibration of the risk weights under SEC-ERBA, to prevent undue inconsistencies with changes under SEC-SA and SEC-IRBA approaches.

## 2. Level of RW-floors for senior positions

The **PCY proposes the following RW-floors for senior positions**. Removing the distinction between originator/sponsor and investor for STS and resilient positions means that the distinction is obsolete in the case of the RW-floors. This results in a simpler framework with fewer categories to differentiate capital treatment compared to COM proposal.

*Table 1: Proposed RW-floors for senior positions*

Different 'types' of securitisations			Existing	Proposed	
STS/Non-STS	Resilient/Non-resilient	Originator-sponsor/investor	RW-Floor	RW-floor formula	RW-floor-to-floor
STS	Resilient	Originator-sponsor and investor	10%	10% * Kirb/KA*12,5	6% <del>5%</del>
	Non-resilient	Originator-sponsor and investor	10%	10% * Kirb/KA*12,5	8% <del>7%</del>
Non-STS	Resilient	Originator-sponsor Investor	15%	15% * Kirb/KA*12,5	10% <del>10%</del> <del>12%</del>
	Non-resilient	Originator-sponsor and investor	15%	15% * Kirb/KA*12,5	12% <del>12%</del>
= Collapsed cells					

\*Proposed RW floor-to-the-floors by COM are displayed in strikethrough

The lowest floor-to-the-floors have been slightly increased to address concerns from a group of MS who consider the levels proposed by COM to be too low for certain positions. Given that resilience, also for non-STS positions, grants further credit enhancement to all holders of the resilient senior position in addition to safeguards regarding concentration risk and amortization schemes, as described above, the PCY proposes to extend the RW-floor for originator/sponsor to investor as well.

For easy comparison Annex B comprise tables for RW-floors and p-factors compared to existing levels for both COM proposal and the tables presented in this non-paper as part of the outline of the PCY compromise framework for prudential treatment.



### 3. Level of p-factors

The **PCY proposes the following levels of p-factor for senior and non-senior positions**. Removing the distinction between originator/sponsor and investor for STS and resilient positions leads to a simpler framework with fewer distinct categories for differentiated capital treatment. **Additionally, the PCY proposes to remove the cap to the P-factor in SEC-IRBA** for both senior and non-senior positions, which is the preferred approach by the majority of MS.

#### *Level of p-factors for senior positions*

For senior positions the proposed p-factors for STS transactions will not differ between originator/sponsor and investor. The PCY proposes to expand the capital treatment for originator/sponsor to investor for the reasons stated above in relation to STS mitigating agency and model risk as well as information asymmetry. On that basis, investors in senior STS positions should benefit from the same reductions as originators irrespective of whether the position qualifies as resilient.

Table 2: Proposed p-factors for senior positions

Senior		COM proposal		PCY Proposal	
		Originator/Sponsor	Investor	Originator/Sponsor	Investor
STS	SEC-IRBA	Formula; scaling 0,3; floor 0,2; cap 0,5	Formula; scaling 0,3; floor 0,2; cap 0,5	Formula; scaling 0,3; floor 0,2	
			Formula; scaling 0,5; floor 0,3; cap 0,5		
	SEC-SA	0,3	0,3	0,3	
			0,5		
Non-STS	SEC-IRBA	Formula; scaling 0,7; floor 0,3; cap 1	Formula; scaling 1; floor 0,3; cap 1	Formula; scaling 0,7; floor 0,3	Formula; scaling 1; floor 0,3
	SEC-SA	0,6	1	0,6	1

= Resilient positions

= Collapsed cells

#### *Level of p-factors for non-senior positions*

The **PCY proposes the following p-factors for non-senior positions**. Similarly to the proposed p-factors and categories for differential treatment for senior positions, the table features a simpler framework with fewer categories. In the COM proposal, the distinction between originator/sponsor and investor is used to restrict the proposed capital reductions for non-senior STS using SEC-IRBA to only originators. However, as STS mitigates agency and model risk along with information asymmetry, the PCY proposes to grant the reductions to investor as well, i.e. extending the capital treatment of originators to investors in case of p-factors for non-senior STS positions.



Table 3: Proposed p-factors for non-senior positions

Non-senior		COM proposal		PCY proposal	
		Originator/Sponsor	Investor	Originator/Sponsor	Investor
STS	SEC-IRBA	Formula; scaling 0,5; floor 0,2; cap 0,5	Formula; scaling 0,5; floor 0,3; cap 0,5	Formula; scaling 0,5; floor 0,2	
	SEC-SA	0,5		0,5	
Non-STs	SEC-IRBA	Formula; scaling 1; floor 0,3; cap 1		Formula; scaling 1; floor 0,3	
	SEC-SA	1		1	

= Collapsed cells

Notably, the proposed categories and levels of the p-factors for non-senior positions would result in a framework without differentiation in capital treatment between originator/sponsor and investor, thus maintaining status quo apart from a slight reduction of the floor for STS positions in SEC-IRBA. This follows from the proposed reductions to p-factors for non-senior positions in the COM proposal which are limited to STS positions. As no reductions are envisaged for non-STs positions, where the PCY proposes to maintain the distinction between originator/sponsor and investor to differentiate capital treatment, the distinction would be rendered obsolete in the case of p-factors.

The framework for the prudential treatment of securitisation positions presented in this note is the PCY view on how the framework should be structured to strike a balance between simplicity and risk sensitivity that both appeals to and aligns with the preferences of the majority of MS.

#### Overall approach on the prudential framework

**Q1: MS are invited to provide their views on the proposed outline of a balanced compromise on the prudential framework for the capital treatment of securitisations**

## Annex A – RW-tables in SEC-ERBA in PCY and COM proposal

### PCY proposal on RW-tables for non-STs

Table 1 in CRR article 263(2) (Short-term credit assessment, non-STs)

Credit Quality Step	1	2	3	All other ratings
Risk weight	Senior tranche: 12% (15%) Non-senior tranche: 15% (15%)	50%	100%	1 250 %

\* Existing RW are displayed in parentheses and in red font when new RW are proposed

Table 2 in CRR article 263(3) (long-term credit assessment, non-STs)

Credit Quality Step	Senior tranche, position of originator		Senior tranche, position of investor		Non-senior (thin) tranche	
	Tranche maturity (M <sub>T</sub> )		Tranche maturity (M <sub>T</sub> )		Tranche maturity (M <sub>T</sub> )	
	1 year	5 years	1 year	5 year	1 year	5 years
1	12% (15%)	15% (20%)	15%	20%	15%	70%
2	12% (15%)	18% (30%)	15%	30%	15%	90%
3	17% (25%)	24% (40%)	25%	40%	30%	120%
4	18% (30%)	29% (45%)	30%	45%	40%	140%
5	24% (40%)	34% (50%)	40%	50%	60%	160%
6	34% (50%)	45% (65%)	50%	65%	80%	180%
7	40% (60%)	46% (70%)	60%	70%	120%	210%
8	51% (75%)	62% (90%)	75%	90%	170%	260%
9	62% (90%)	73% (105%)	90%	105%	220%	310%
10	80% (120%)	96% (140%)	120%	140%	330%	420%
11	124% (140%)	140% (160%)	140%	160%	470%	580%
12	140% (160%)	160% (180%)	160%	180%	620%	760%
13	176% (200%)	201% (225%)	200%	225%	750%	860%
14	230% (250%)	256% (280%)	250%	280%	900%	950%
15	286% (310%)	312% (340%)	310%	340%	1 050 %	1 050 %
16	348% (380%)	388% (420%)	380%	420%	1 130 %	1 130 %
17	424% (460%)	465% (505%)	460%	505%	1 250 %	1 250 %
All other	1 250 %	1 250 %	1250%	1250%	1 250 %	1 250 %

\* Existing RW are displayed in parentheses and in red font when new RW are proposed

## COM proposal on RW-tables for non-STs

Table 1 in CRR article 263(2) (Short-term credit assessment, non-STs)

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Max (12%; 15% * $K_A$ *12.5) (15%)	50%	100%	1250%
	Senior tranche, resilient, originator: Max (10%; 15% * $K_A$ *12.5) (15%)			
	No $K_A$ , i.e. not able to use the formula: 15% (15%)			
	Non-senior tranche: 15% (15%)			

\* Existing RW are displayed in parentheses and in red font when new RW are proposed

Table 2 in CRR article 263(3) (long-term credit assessment, non-STs)

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

\* Existing RW are displayed in parentheses and in red font when new RW are proposed

\*\* If an institution is not able to calculate  $K_A$ , i.e. not able to use the formula, a RW of 15% apply

## PCY proposal on RW-tables for STS

Table 3 in CRR article 264(2) (Short-term credit assessment, STS)

Credit Quality Step	1	2	3	All other ratings
Risk weight	Senior tranche: 8% (10%) Non-senior tranche: 10% (10%)	30%	60%	1 250 %

\* Existing RW are displayed in parentheses and in red font when new RW are proposed

Table 4 in CRR article 264(3) (long-term credit assessment, STS)

Credit Quality Step	Senior tranche		Non-senior (thin) tranche	
	Tranche maturity (M <sub>T</sub> )		Tranche maturity (M <sub>T</sub> )	
	1 year	5 years	1 year	5 years
1	8% (10%)	10% (10%)	15%	40%
2	8% (10%)	12% (15%)	15%	55%
3	10% (15%)	14% (20%)	15%	70%
4	10% (15%)	16% (25%)	25%	80%
5	12% (20%)	20% (30%)	35%	95%
6	20% (30%)	28% (40%)	60%	135%
7	23% (35%)	28% (40%)	95%	170%
8	31% (45%)	38% (55%)	150%	225%
9	38% (55%)	45% (65%)	180%	255%
10	47% (70%)	58% (85%)	270%	345%
11	106% (120%)	118% (135%)	405%	500%
12	118% (135%)	138% (155%)	535%	655%
13	150% (170%)	174% (195%)	645%	740%
14	207% (225%)	229% (250%)	810%	855%
15	258% (280%)	280% (305%)	945%	945%
16	311% (340%)	351% (380%)	1 015 %	1 015 %
17	383% (415%)	419% (455%)	1 250 %	1 250 %
All other	1 250 %	1 250 %	1 250 %	1 250 %

\* Existing RW are displayed in parentheses and in red font when new RW are proposed

## COM proposal on RW-tables for STS

Table 3 in CRR article 264(2) (Short-term credit assessment, STS)

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Max (7%; 10%* $K_A$ *12.5) (10%) Senior tranche, resilient: Max (5%; 10%* $K_A$ *12.5) (10%) No $K_A$ , i.e. not able to use the formula: 10% (10%) Non-senior tranche: 10% (10%)	30%	60%	1250%

\* Existing RW are displayed in parentheses and in red font when new RW are proposed

Table 4 in CRR article 264(3) (long-term credit assessment, STS)

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

\* Existing RW are displayed in parentheses and in red font when new RW are proposed

\*\* If an institution is not able to calculate  $K_A$ , i.e. not able to use the formula, a RW of 10% apply

## Annex B - Levels of RW-floors and p-factors in COM and PCY proposal in comparison with existing levels

### RW-floors

#### Proposed RW-floors by **COM** compared to existing RW-floors

Different 'types' of securitisations			Existing	Proposed	
STS/Non-STS	Resilient/Non-resilient	Originator-sponsor/Investor	RW-Floor	RW-floor formula	RW-floor-to-floor
STS	Resilient	Originator-sponsor and investor	10%	$10\% * Kirb/KA * 12,5$	5%
	Non-resilient	Originator-sponsor and investor	10%	$10\% * Kirb/KA * 12,5$	7%
Non-STS	Resilient	Originator-sponsor	15%	$15\% * Kirb/KA * 12,5$	10%
		Investor			12%
	Non-resilient	Originator-sponsor and investor	15%	$15\% * Kirb/KA * 12,5$	12%

#### Proposed RW-floors by the **PCY** compared to existing RW-floors

Different 'types' of securitisations			Existing	Proposed	
STS/Non-STS	Resilient/Non-resilient		RW-Floor	RW-floor formula	RW-floor-to-floor
STS	Resilient		10%	$10\% * Kirb/KA * 12,5$	6%
	Non-resilient		10%	$10\% * Kirb/KA * 12,5$	8%
Non-STS	Resilient		15%	$15\% * Kirb/KA * 12,5$	10%
	Non-resilient		15%	$15\% * Kirb/KA * 12,5$	12%



## P-factors for senior positions

*Proposed p-factors by **COM** compared to existing p-factors*

Senior		Existing	Proposed	
			Originator/Sponsor	Investor
STS	SEC-IRBA	Formula; scaling 0,5; floor 0,3	Formula; scaling 0,3; floor 0,2; cap 0,5	Formula; scaling 0,3; floor 0,2; cap 0,5
	SEC-SA	0,5	0,3	0,3
				0,5
Non-STS	SEC-IRBA	Formula; scaling 1; floor 0,3	Formula; scaling 0,7; floor 0,3; cap 1	Formula; scaling 1; floor 0,3; cap 1
	SEC-SA	1	0,6	1

= Resilient positions

*Proposed p-factors by the **PCY** compared to existing p-factors*

Senior		Existing	Proposed	
			Originator/Sponsor	Investor
STS	SEC-IRBA	Formula; scaling 0,5; floor 0,3	Formula; scaling 0,3; floor 0,2	
	SEC-SA	0,5	0,3	
Non-STS	SEC-IRBA	Formula; scaling 1; floor 0,3	Formula; scaling 0,7; floor 0,3	Formula; scaling 1; floor 0,3
	SEC-SA	1	0,6	1

## P-factors for non-senior positions

*Proposed p-factors by **COM** compared to existing p-factors*

Non-senior		Existing	Proposed	
			Originator/Sponsor	Investor
STS	SEC-IRBA	Formula; scaling 0,5; floor 0,3	Formula; scaling 0,5; floor 0,2; cap 0,5	Formula; scaling 0,5; floor 0,3; cap 0,5
	SEC-SA	0,5	0,5	
Non-STS	SEC-IRBA	Formula; scaling 1; floor 0,3	Formula; scaling 1; floor 0,3; cap 1	
	SEC-SA	1	1	

*Proposed p-factors by the **PCY** compared to existing p-factors*

Non-senior		Existing	Proposed
STS	SEC-IRBA	Formula; scaling 0,5; floor 0,3	Formula; scaling 0,5; floor 0,2
	SEC-SA	0,5	0,5
Non-STS	SEC-IRBA	Formula; scaling 1; floor 0,3	Formula; scaling 1; floor 0,3
	SEC-SA	1	1