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WORKING DOCUMENT

From: General Secretariat of the Council
To: Working Party on Financial Services and the Banking Union (Securitisation)
Financial Services Attachés

Subject: Securitisation Review: 3CTs for the CRR and the Securitisation Regulation - WP meeting 04.12.2025

WK 16671/2025 INIT

LIMITE

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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 (Text with EEA relevance)

2025/0825(COD)

Non-versioned [LATEST TEXT]

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CLEAN	Commission Proposal	VS.W- 336294303688- PRV-2	Final PCY Comp Proposal	VS.EC	24 Nov PCY Comp Proposal
Formula					
1	2025/0825 (COD)		2025/0825 (COD)		2025/0825 (COD)
Document Stage					
2	Proposal for a		Proposal for a		Proposal for a
Document Type					
3	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL		REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL		REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
Document Purpose					
4	amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures		amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures		amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures
EEA Relevance					
5	(Text with EEA relevance)		(Text with EEA relevance)		(Text with EEA relevance)
Formula					
6	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
Citation 1					
7	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,		Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,		Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

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Citation 2						
8		Having regard to the proposal from the European Commission,		Having regard to the proposal from the European Commission,		Having regard to the proposal from the European Commission,
Citation 3						
9		After transmission of the draft legislative act to the national parliaments,		After transmission of the draft legislative act to the national parliaments,		After transmission of the draft legislative act to the national parliaments,
Citation 4						
10		Having regard to the opinion of the European Economic and Social Committee ¹ , <u>1. OJ C , , p. .</u>		Having regard to the opinion of the European Economic and Social Committee ¹ , <u>1. OJ C , , p. .</u>		Having regard to the opinion of the European Economic and Social Committee ¹ , <u>1. OJ C , , p. .</u>
Citation 5						
11		Having regard to the opinion of the European Central Bank ¹ , <u>1. OJ C</u>		Having regard to the opinion of the European Central Bank ¹ , <u>1. OJ C</u>		Having regard to the opinion of the European Central Bank ¹ , <u>1. OJ C</u>
Citation 6						
12		Having regard to the opinion of the Committee of the Regions ¹ , <u>1. OJ C , , p. .</u>		Having regard to the opinion of the Committee of the Regions ¹ , <u>1. OJ C , , p. .</u>		Having regard to the opinion of the Committee of the Regions ¹ , <u>1. OJ C , , p. .</u>
Citation 7						
13		Acting in accordance with the ordinary legislative procedure,		Acting in accordance with the ordinary legislative procedure,		Acting in accordance with the ordinary legislative procedure,
Formula						
14		Whereas:		Whereas:		Whereas:
Recital 1						
15		(1) Securitisation transactions are an important part of well-functioning financial markets as they help to diversify credit institutions' funding		(1) Securitisation transactions are an important part of well-functioning financial markets as they help to diversify credit institutions' funding		(1) Securitisation transactions are an important part of well-functioning financial markets as they help to diversify credit institutions' funding

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	sources and enable the release of regulatory capital which can then be reallocated to support additional lending. Furthermore, securitisations provide credit institutions and other market participants with additional investment opportunities with specific risk-return trade-offs. This makes possible both greater portfolio diversification and the redistribution of risk in the wider financial system. It also facilitates the flow of funding to businesses and individuals both within Member States and on a cross-border basis throughout the Union.	sources and enable the release of regulatory capital which can then be reallocated to support additional lending. Furthermore, securitisations provide credit institutions and other market participants with additional investment opportunities with specific risk-return trade-offs. This makes possible both greater portfolio diversification and the redistribution of risk in the wider financial system. It also facilitates the flow of funding to businesses and individuals both within Member States and on a cross-border basis throughout the Union.	sources and enable the release of regulatory capital which can then be reallocated to support additional lending. Furthermore, securitisations provide credit institutions and other market participants with additional investment opportunities with specific risk-return trade-offs. This makes possible both greater portfolio diversification and the redistribution of risk in the wider financial system. It also facilitates the flow of funding to businesses and individuals both within Member States and on a cross-border basis throughout the Union.
Recital 2			
16	(2) The Union needs significant investment to remain resilient and competitive. The securitisation framework can contribute to a more diversified financial system and greater risk-sharing. However, there are material impediments to the issuance of and investment in securitisations. These impediments weigh on the development of the securitisation market. The regulatory capital requirements laid down in Regulation (EU) No 575/2013 of the European Parliament and of the Council ¹ for institutions originating, sponsoring or investing in securitisations are not sufficiently risk sensitive, and they also incorporate an unjustified level of conservatism. The current requirements fail to accurately recognise the good credit performance of Union securitisations and the risk mitigants that have been implemented in the Union's regulatory and supervisory frameworks for securitisation. These frameworks have significantly reduced the agency and model risks embedded in securitisation transactions.	(2) The Union needs significant investment to remain resilient and competitive. The securitisation framework can contribute to a more diversified financial system and greater risk-sharing. However, there are material impediments to the issuance of and investment in securitisations. These impediments weigh on the development of the securitisation market. The regulatory capital requirements laid down in Regulation (EU) No 575/2013 of the European Parliament and of the Council ¹ for institutions originating, sponsoring or investing in securitisations are not sufficiently risk sensitive. The current requirements fail to accurately recognise the good credit performance of Union securitisations and the risk mitigants that have been implemented in the Union's regulatory and supervisory frameworks for securitisation. These frameworks have significantly reduced the agency and model risks embedded in securitisation transactions.	(2) The Union needs significant investment to remain resilient and competitive. The securitisation framework can contribute to a more diversified financial system and greater risk-sharing. However, there are material impediments to the issuance of and investment in securitisations. These impediments weigh on the development of the securitisation market. The regulatory capital requirements laid down in Regulation (EU) No 575/2013 of the European Parliament and of the Council ¹ for institutions originating, sponsoring or investing in securitisations are not sufficiently risk sensitive; <i>and they also incorporate an unjustified level of conservatism.</i> The current requirements fail to accurately recognise the good credit performance of Union securitisations and the risk mitigants that have been implemented in the Union's regulatory and supervisory frameworks for securitisation. These frameworks have significantly reduced the agency and model risks embedded in securitisation transactions.

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	<p>1. 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, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).</p>	<p>1. 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, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).</p>	<p>1. 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, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).</p>
Recital 3			
17	<p>(3) Capital requirements for securitisations under Regulation (EU) No 575/2013 should be amended to increase the risk sensitivity and reduce excessive capitalisation by better aligning the capital treatment with the underlying risks. In addition, targeted amendments should be introduced to mitigate undue discrepancies between the capital requirements under two different approaches: the securitisation internal ratings-based approach (SEC-IRBA) and the securitisation standardised approach (SEC-SA). Such mitigation should increase the participation of smaller and medium-sized credit institutions that make use of the standardised approach.</p>	<p>(3) Capital requirements for securitisations under Regulation (EU) No 575/2013 should be amended to increase the risk sensitivity by better aligning the capital treatment with the underlying risks. In addition, targeted amendments should be introduced to mitigate undue discrepancies between the capital requirements under three different approaches: the securitisation internal ratings-based approach (SEC-IRBA), the securitisation standardised approach (SEC-SA) and the securitisation external ratings-based approach (SEC-ERBA). Such mitigation should help increase the participation of smaller and medium-sized credit institutions.</p>	<p>(3) Capital requirements for securitisations under Regulation (EU) No 575/2013 should be amended to increase the risk sensitivity and reduce excessive capitalisation by better aligning the capital treatment with the underlying risks. In addition, targeted amendments should be introduced to mitigate undue discrepancies between the capital requirements under two<u>three</u> different approaches: the securitisation internal ratings-based approach (SEC-IRBA) and the securitisation standardised approach (SEC-SA) <u>and the securitisation external ratings-based approach (SEC-ERBA)</u>. Such mitigation should <u>help</u> increase the participation of smaller and medium-sized credit institutions that make use of the standardised approach.</p>
Recital 4			
18	<p>(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</p>	<p>(4) Risk weight floors are minimum risk weights that credit institutions must apply to their 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</p>	<p>(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</p>

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	<p>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, 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.</p>	<p>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 for senior positions are calculated based on a specific formula, should replace the existing approach for senior positions 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, 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.</p>	<p>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 <i>for senior positions</i> are calculated based on a specific formula, should replace the existing approach <i>for senior positions</i> 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, 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.</p>
Recital 5			
19	<p>(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</p>	<p>(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 for the senior securitisation positions of mainly 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 <i>be minimal not occur</i>, to prevent undercapitalisation of these positions. Changes to the (p) factor for positions of investors in non-STS securitisations <i>and in non-senior securitisation positions of STS securitisations</i> should <i>be minimal not occur</i>, as those positions do not feature reduced agency and model risks.</p>	<p>(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, <i>and to introduce a cap to the (p) factor, mainly</i> for the senior securitisation positions of <i>mainly</i> 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</p>

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	model risks.		model risks.
Recital 6			
20	(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 are resilient if the securitisation satisfies a set of eligibility criteria at the origination date. 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 compared with positions that do not satisfy the eligibility criteria.	(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.
Recital 7			
21	(7) Because of the changes to the risk weight floor for senior securitisation positions and to the (p) factor under the SEC-IRBA and SEC-SA approaches, the risk weights in the look-up tables under SEC-ERBA should be recalibrated accordingly.	(7) Because of the changes to the risk weight floor for senior securitisation positions and to the (p) factor under the SEC-IRBA and SEC-SA approaches, the risk weights in the look-up tables under SEC-ERBA should be recalibrated accordingly.	(7) Because of the changes to the risk weight floor for senior securitisation positions and to the (p) factor under the SEC-IRBA and SEC-SA approaches, the risk weights in the look-up tables under SEC-ERBA should be recalibrated accordingly.
Recital 8			
22	(8) Changes to the framework for significant risk transfer (SRT) should be introduced to address limitations identified in that framework in relation to the current mechanical tests measuring the significance of the risk transferred through securitisation, specific structural features of securitisation transactions that may be detrimental to complying with the SRT	(8) Changes to the framework for significant risk transfer (SRT) should be introduced to address limitations identified in that framework in relation to the current mechanical tests measuring the significance of the risk transferred through securitisation, specific structural features of securitisation transactions that may be detrimental to complying with the SRT	(8) Changes to the framework for significant risk transfer (SRT) should be introduced to address limitations identified in that framework in relation to the current mechanical tests measuring the significance of the risk transferred through securitisation, specific structural features of securitisation transactions that may be detrimental to complying with the SRT

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	<p>requirements, and processes applied by competent authorities to assess SRT, and to make that framework more consistent and predictable. The predictability of the SRT supervisory assessments should be increased by laying down the main elements of the SRT assessment in Regulation (EU) No 575/2013, including the broad design of the new SRT test. The way in which the technical details of the test should be implemented, the requirements for the structural features of the transactions, and the principles of the assessment process should all be specified in regulatory technical standards developed by the European Banking Authority (EBA).</p>	<p>requirements, and processes applied by competent authorities to assess SRT, and to make that framework more consistent and predictable. The predictability of the SRT supervisory assessments should be increased by laying down the main elements of the SRT assessment in Regulation (EU) No 575/2013, including the broad design of the new SRT test. The way in which the technical details of the test should be implemented, the requirements for the structural features of the transactions, and the principles of the assessment process should all be specified in regulatory technical standards developed by the European Banking Authority (EBA).</p>	<p>requirements, and processes applied by competent authorities to assess SRT, and to make that framework more consistent and predictable. The predictability of the SRT supervisory assessments should be increased by laying down the main elements of the SRT assessment in Regulation (EU) No 575/2013, including the broad design of the new SRT test. The way in which the technical details of the test should be implemented, the requirements for the structural features of the transactions, and the principles of the assessment process should all be specified in regulatory technical standards developed by the European Banking Authority (EBA).</p>
Recital 9			
23	<p>(9) A new principle-based approach test should be introduced to replace the existing mechanical tests, to measure the significance of the risk transferred through securitisation. Given its very limited use, the current permission-based approach, where the SRT is achieved through a permission granted by the competent authority, should be removed and should no longer be allowed. To further streamline the SRT assessment, and to increase transparency and predictability for originators, a new requirement should be introduced for originators to submit a self-assessment to demonstrate that the requirements related to the SRT are met, including in stress conditions. As part of the self-assessment, originators should develop a cash-flow model analysis to provide evidence on the resilience of the SRT.</p>	<p>(9) A new principle-based approach test should be introduced to replace the existing mechanical tests, to measure the significance of the risk transferred through securitisation. Given its very limited use, the current permission-based approach, where the SRT is achieved through a permission granted by the competent authority, should be removed and should no longer be allowed. To further streamline the SRT assessment, and to increase transparency and predictability for originators, a new requirement should be introduced for originators to submit a self-assessment to demonstrate that the requirements related to the SRT are met, including in stress conditions. As part of the self-assessment, originators should develop a cash-flow model analysis to provide evidence on the resilience of the SRT. Competent Supervisors<u>authorities</u> should be provided with the possibility to increase the minimum amount</p>	<p>(9) A new principle-based approach test should be introduced to replace the existing mechanical tests, to measure the significance of the risk transferred through securitisation. Given its very limited use, the current permission-based approach, where the SRT is achieved through a permission granted by the competent authority, should be removed and should no longer be allowed. To further streamline the SRT assessment, and to increase transparency and predictability for originators, a new requirement should be introduced for originators to submit a self-assessment to demonstrate that the requirements related to the SRT are met, including in stress conditions. As part of the self-assessment, originators should develop a cash-flow model analysis to provide evidence on the resilience of the SRT. <u>Competent Supervisors should be provided with the possibility to increase the minimum amount of transferred</u></p>

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		<p>of transferred unexpected losses under the PBA in well justified cases. These cases include structural risks arising from certain special or complex features of the securitisation, or the credit risk transfer leading to a material disproportionate capital relief. However, this possibility should only be used in individual cases and should not lead to any additional obligatory test that will be executed for every transaction. This possibility should be used only under specific circumstances, which will be further specified in the regulatory technical standards developed by the European Banking Authority (EBA).</p>	<p><u><i>unexpected losses under the PBA in well justified cases. These cases include structural risks arising from certain special or complex features of the securitisation, or the credit risk transfer leading to a material disproportionate capital relief. However, this possibility should only be used in individual cases and should not lead to any additional obligatory test that will be executed for every transaction. This possibility should be used only under specific circumstances, which will be further specified in the regulatory technical standards developed by the European Banking Authority (EBA).</i></u></p>
Recital 10			
24	<p>(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.</p>	<p>(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.</p>	<p>(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.</p>
Recital 11			
25	<p>(11) Targeted amendments should be introduced in specific provisions of Regulation (EU) No 575/2013 to improve technical consistency and provide further clarifications on the rationale underlying certain provisions of the current framework. To ensure the consistent interpretation of Article 254(2) by the competent authorities and credit institutions across the Union, it should also be specified that that Article is aimed at avoiding the mandatory use of</p>	<p>(11) Targeted amendments should be introduced in specific provisions of Regulation (EU) No 575/2013 to improve technical consistency and provide further clarifications on the rationale underlying certain provisions of the current framework. To ensure the consistent interpretation of Article 254(2) by the competent authorities and credit institutions across the Union, it should also be specified that that Article is aimed at avoiding the mandatory use of</p>	<p>(11) Targeted amendments should be introduced in specific provisions of Regulation (EU) No 575/2013 to improve technical consistency and provide further clarifications on the rationale underlying certain provisions of the current framework. To ensure the consistent interpretation of Article 254(2) by the competent authorities and credit institutions across the Union, it should also be specified that that Article is aimed at avoiding the mandatory use of</p>

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	SEC-ERBA in relation to transactions for which the rating is capped due to the sovereign ceiling – and not the risk profile of the transactions – is the prevalent driver in determining the risk weights under that approach.	SEC-ERBA in relation to transactions for which the rating is capped due to the sovereign ceiling – and not the risk profile of the transactions – as the prevalent driver in determining the risk weights under that approach.	SEC-ERBA in relation to transactions for which the rating is capped due to the sovereign ceiling – and not the risk profile of the transactions – <i>is as</i> the prevalent driver in determining the risk weights under that approach.
Recital 12			
26	(12) Regulation (EU) No 575/2013 should therefore be amended accordingly.	(12) Regulation (EU) No 575/2013 should therefore be amended accordingly.	(12) Regulation (EU) No 575/2013 should therefore be amended accordingly.
Recital 13			
27	(13) Since the objective of this Regulation cannot be sufficiently achieved by the Member States and, by reason of its scale and effects, can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.	(13) Since the objective of this Regulation cannot be sufficiently achieved by the Member States and, by reason of its scale and effects, can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on the Functioning of the European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.	(13) Since the objective of this Regulation cannot be sufficiently achieved by the Member States and, by reason of its scale and effects, can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on <u>the Functioning of the</u> European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
Recital 14			
28	(14) By 4 years after the entry into force, the Commission, after consulting the EBA, should consider whether a more fundamental change to the risk weight formulae and functions should be introduced in the medium/long-term to make it possible, in a comprehensive manner, to allow for more risk sensitivity, to achieve more proportionate levels of capital non-neutrality, to mitigate cliff effects, and to address the structural limitations of the current framework,	(14) By 4 years after the entry into force, the Commission, after consulting the EBA, should consider whether a more fundamental change to the risk weight formulae and functions should be introduced in the medium/long-term to make it possible, in a comprehensive manner, to allow for more risk sensitivity, to achieve more proportionate levels of capital non-neutrality, to mitigate cliff effects, and to address the structural limitations of the current framework,	(14) By 4 years after the entry into force, the Commission, after consulting the EBA, should consider whether a more fundamental change to the risk weight formulae and functions should be introduced in the medium/long-term to make it possible, in a comprehensive manner, to allow for more risk sensitivity, to achieve more proportionate levels of capital non-neutrality, to mitigate cliff effects, and to address the structural limitations of the current framework,
Formula			

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29		HAVE ADOPTED THIS REGULATION:		HAVE ADOPTED THIS REGULATION:		HAVE ADOPTED THIS REGULATION:
Article 1						
30		Article 1 Amendments to Regulation (EU) No 575/2013		Article 1 Amendments to Regulation (EU) No 575/2013		Article 1 Amendments to Regulation (EU) No 575/2013
Article 1, first paragraph						
31		Regulation (EU) No 575/2013 is amended as follows:		Regulation (EU) No 575/2013 is amended as follows:		Regulation (EU) No 575/2013 is amended as follows:
Article 1, first paragraph, point (1)						
32		(1) in Article 238(2), the following subparagraph is added:		(1) in Article 238(2), the following subparagraph is added:		(1) in Article 238(2), the following subparagraph is added:
Article 1, first paragraph, point (1), amending provision, first paragraph						
33		‘ A positive incentive shall be considered to be present in time call options only when contractual clauses at origination include terms in respect of which it can be expected that such terms have been included in the transaction documentation to increase the advantageousness of exercising the time call option.; ’		‘ A positive incentive shall be considered to be present in time call options only when contractual clauses at origination include terms in respect of which it can be expected that such terms have been included in the transaction documentation to increase the advantageousness of exercising the time call option.; ’		‘ A positive incentive shall be considered to be present in time call options only when contractual clauses at origination include terms in respect of which it can be expected that such terms have been included in the transaction documentation to increase the advantageousness of exercising the time call option.; ’
Article 1, first paragraph, point (2)						
34		(2) Article 242 is amended as follows:		(2) Article 242 is amended as follows:		(2) Article 242 is amended as follows:
Article 1, first paragraph, point (2)(a)						
35		(a) point (6) is replaced by the following:		(a) the following points (21) and (22) are added:		(a) point (6) is replaced by the following <u>points (21) and (22) are added:</u>
Article 1, first paragraph, point (2)(a), amending provision, numbered paragraph (6), first subparagraph						
36		‘ (6) ‘senior securitisation position’ means a ’		‘ ’		‘ (6) ‘senior securitisation position’ means a ’

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	position with the attachment point above K_{IRB} or K_A 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;	PUBLIC	position with the attachment point above K_{IRB} or K_A 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;
Article 1, first paragraph, point (2)(a), amending provision, numbered paragraph (6), second subparagraph			
36a		<u>(21)</u> (21) ‘cash advance facilities’ means a liquidity facility that is unconditionally cancellable provided that repayment of draws on the facility are senior to any other claims on the cash flows arising from the underlying exposures and that the conditions of the specification of Article 111(8)(b) have been satisfied.	<u>(21) cash advance facilities’ means a liquidity facility that is unconditionally cancellable provided that repayment of draws on the facility are senior to any other claims on the cash flows arising from the underlying exposures and that the conditions of the specification of Article 111(8)(b) have been satisfied.</u>
Article 1, first paragraph, point (2)(a), amending provision, numbered paragraph (6), third subparagraph			
36b		<u>(22)</u> (22) ‘time call option’ means a contractual option that entitles the originator of a synthetic securitisation to terminate the credit protection by which the transfer of risk is achieved prior to its contractual maturity, on specific dates without any further conditions.”	<u>(22) ‘time call option’ means a contractual option that entitles the originator of a synthetic securitisation to terminate the credit protection by which the transfer of risk is achieved prior to its contractual maturity, on specific dates without any further conditions.”</u>
Article 1, first paragraph, point (2)(aa)			
37	(b) point (18) is deleted;		(b) point (18) is deleted;
Article 1, first paragraph, point (3)			
38	(3) Article 243 is amended as follows:	(3) Article 243 is amended as follows:	(3) Article 243 is amended as follows:

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Article 1, first paragraph, point (3)(a)						
39		(a) the title of the Article is replaced by the following:		(a) the title of the Article is replaced by the following:		(a) the title of the Article is replaced by the following:
Article 1, first paragraph, point (3)(a), amending provision, first paragraph						
40		‘ Article 243		‘ Article 243		‘ Article 243
Article 1, first paragraph, point (3)(a), amending provision, second paragraph						
41		Criteria for differentiated capital treatment		Criteria for differentiated capital treatment		Criteria for differentiated capital treatment
Article 1, first paragraph, point (3)(b)						
42		(b) in paragraph 2, point (b) is amended as follows:		(b) in paragraph 2, point (b) is amended as follows:		(b) in paragraph 2, point (b) is amended as follows:
Article 1, first paragraph, point (3)(b)(1)						
43		(1) point (ii) is replaced by the following:		(1) point (ii) is replaced by the following:		(1) point (ii) is replaced by the following:
Article 1, first paragraph, point (3)(b)(1), amending provision, numbered paragraph (ii)						
44		‘ (ii) 60 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;;		‘ (ii) 60 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;;		‘ (ii) 60 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;;
Article 1, first paragraph, point (3)(b)(2)						
45		(2) point (iii) is deleted;		(2) point (iii) is deleted ; <u>replaced by the following:</u>		(2) point (iii) is deleted;
Article 1, first paragraph, point (3)(b)(2)(a)						
45a				<u>'(iii) 130 % on an individual exposure basis where the exposure is a project finance exposure during the pre-operational phase;'</u>		

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Article 1, first paragraph, point (3)(c)						
46		(c) the following paragraphs 3, 4 and 5 are added:		(c) the following paragraphs 3, 4 and 5 are added:		(c) the following paragraphs 3, 4 and 5 are added:
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3)						
47		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:		3.Senior position in an 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:		3.Senior position in an 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:
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3), point (a)						
48		(a) for a position in an ABCP programme or ABCP transaction:		(a) for a position in an ABCP programme or ABCP transaction:		(a) for a position in an ABCP programme or ABCP transaction:
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3), point (b)						
49		(b) the requirements of the Article 243(1)		(1) the requirements of the Article 243(1)		(b) <u>(1)</u> the requirements of the Article 243(1)
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3), point (c)						
50		(c) at the origination date and on an ongoing basis thereafter, the attachment point of the senior securitisation position is determined as follows:		(2) at the origination date, the attachment point of the senior securitisation position shall comply with:		(c) <u>(2)</u> at the origination date and on an ongoing basis thereafter , the attachment point of the senior securitisation position is determined as follows <u>shall comply with:</u>
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3), point (c), first paragraph						
51		$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or		$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or		$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3), point (c), second paragraph						
52		$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA.		$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA.		$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA.
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3), point (d)						
53		(d) for a position a securitisation other than		(b) for a position in a securitisation other than		(d) <u>(b)</u> for a position <u>in</u> a securitisation other

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		ABCP programme or ABCP transaction:		ABCP programme or ABCP transaction:		than ABCP programme or ABCP transaction:
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3), point (e)						
54		(e) the requirements of the Article 243(2)		(1) the requirements of the Article 243(2)		(e) <u>(1)</u> the requirements of the Article 243(2)
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3), point (f)						
55		(f) at the origination date and on an ongoing basis thereafter, the attachment point of the senior securitisation position is determined as follows:		(2) at the origination date, the attachment point of the senior securitisation position shall comply with:		(f) <u>(2)</u> at the origination date and on an ongoing basis thereafter , the attachment point of the senior securitisation position is determined as follows <u>shall comply with:</u>
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3), point (f), first paragraph						
56		$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or		$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or		$A \geq 1.5 * K_A$, <u>-</u> when using SEC-SA or SEC-ERBA, or
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (3), point (f), second paragraph						
57		$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA.		$A \geq $ 1.1 <u>1.1</u> $ * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA.		$A \geq $ <u>1.1</u> $ * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA.
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4)						
58		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:		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:
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (a)						
59		(a) for an on-balance-sheet securitisation:		(a) for a synthetic securitisation:		(a) for an on-balance-sheet <u>a synthetic</u> securitisation:
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (a)(1)						
60		(1) the requirement of Article 26c(5) of Regulation (EU) 2017/2402 and the requirements		(1) the requirement of Article 26c(5) of Regulation (EU) 2017/2402 and the requirements		(1) the requirement of Article 26c(5) of Regulation (EU) 2017/2402 and the requirements

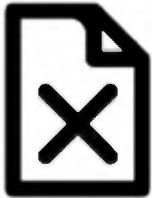
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		of Commission Delegated Regulation (EU) 2024/920;		of Commission Delegated Regulation (EU) 2024/920;		of Commission Delegated Regulation (EU) 2024/920;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (a)(2)						
61		(2) the requirements of Article 26(e)8, 9 and 10 of Regulation (EU) 2017/2402;		(2) the requirements of Article 26e paragraph 8, letters (a), (b) or (c), paragraph 9 and paragraph 10 of Regulation (EU) 2017/2402;		(2) the requirements of Article 26(e)8 , <u>26e paragraph 8, letters (a), (b) or (c), paragraph 9</u> and <u>paragraph 10</u> of Regulation (EU) 2017/2402;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (a)(3)						
62		(3) the attachment point of the senior securitisation position is determined as follows:		(3) at the origination date, the attachment point of the senior securitisation position shall comply with:		(3) <u>at the origination date</u> , the attachment point of the senior securitisation position is determined as follows <u>shall comply with</u> :
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (a)(3), first paragraph						
63		$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or		$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or		$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (a)(3), second paragraph						
64		$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA;		$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA;		$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (a)(4)						
65		(4) the requirement of Article 243(2), point (a) of this Regulation;		(4) the requirement of Article 243(2), point (a) of this Regulation;		(4) the requirement of Article 243(2), point (a) of this Regulation;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (a)(5)						
66		(5) the position is not a position of investor;				(5) the position is not a position of investor;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (b)						
67		(b) for an ABCP programme or ABCP transaction:		(b) for an ABCP programme or ABCP transaction:		(b) for an ABCP programme or ABCP transaction:
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (b)(1)						
68		(1) the requirements of Article 24(17), point (b),		(1) the requirements of Article 24(17), point (b),		(1) the requirements of Article 24(17), point (b),

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	of Regulation (EU) 2017/2402;	of Regulation (EU) 2017/2402;	of Regulation (EU) 2017/2402;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (b)(2)			
69	(2) the attachment point of the senior securitisation position is determined as follows:	(2) at the origination date, the attachment point of the senior securitisation position shall comply with:	(2) <u>at the origination date</u> , the attachment point of the senior securitisation position is determined as follows <u>shall comply with</u> :
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (b)(2), first paragraph			
70	$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or	$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or	$A \geq 1.5 * K_A$, when using SEC-SA or SEC-ERBA, or
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (b)(2), second paragraph			
71	$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA;	$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA;	$A \geq 1.1 * (EL * WAL \text{ of the initial reference securitised portfolio} + UL)$, when using SEC-IRBA;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (b)(3)			
72	(3) the requirements of Article 243(1), point (b) of this Regulation;	(3) the requirements of Article 243(1), point (b) of this Regulation;	(3) the requirements of Article 243(1), point (b) of this Regulation;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (b)(4)			
73	(4) the position is not a position of investor;		(4) the position is not a position of investor;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (c)			
74	(c) for non-ABCP traditional securitisation:	(c) for non-ABCP traditional securitisation:	(c) for non-ABCP traditional securitisation:
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (c)(1)			
75	(1) the requirements of Article 21(4), point (b), and Article 21(5) of Regulation (EU) 2017/2402;	(1) the requirements of Article 21(4), point (b), and Article 21(5) of Regulation (EU) 2017/2402;	(1) the requirements of Article 21(4), point (b), and Article 21(5) of Regulation (EU) 2017/2402;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (c)(2)			
76	(2) the attachment point of the senior securitisation position is determined as follows:	(2) at the origination date, the attachment point of the senior securitisation position shall comply with:	(2) <u>at the origination date</u> , the attachment point of the senior securitisation position is determined as follows <u>shall comply with</u> :
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (c)(2), first paragraph			

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77	A \geq 1.5 * K _A , when using SEC-SA or SEC-ERBA, or	A \geq 1.5 * K _A , when using SEC-SA or SEC-ERBA, or	A \geq 1.5 * K _A , when using SEC-SA or SEC-ERBA, or
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (c)(2), second paragraph			
78	A \geq 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA;	A \geq 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA;	A \geq 1.1 * (EL * WAL of the initial reference securitised portfolio + UL), when using SEC-IRBA;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (4), point (c)(3)			
79	(3) the requirement of Article 243(2), point (a), of this Regulation; the position is not a position of investor.	(3) the requirement of Article 243(2), point (a) of this Regulation	(3) the requirement of Article 243(2), point (a), of this Regulation; the position is not a position of investor.
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (5)			
80	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 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.;	5.For the purposes of paragraphs 3 and 4:	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 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.;
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (5), point (a)			
80a		(a) the WAL (weighted average life) of the	<u>(a) the WAL (weighted average life) of the</u>

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		<p>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 this purpose, the expected maturity of the transaction, shall be determined based on the largest tranche maturity (M_T) of all securitisation positions in the transaction, disregarding the floor and cap mentioned in paragraph 2 of Article 257. 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.</p>	<p><u><i>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 this purpose, the expected maturity of the transaction, shall be determined based on the largest tranche maturity (M_T) of all securitisation positions in the transaction, disregarding the floor and cap mentioned in paragraph 2 of Article 257. 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.</i></u></p>
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (5), point (b)			
80b		<p>(b) the UL means the relation of i) the amount of unexpected losses associated with all the underlying exposures including defaulted underlying exposures in the pool to ii) the exposure value of the underlying exposures both in accordance with Chapter 3;</p>	<p><u><i>(b) the UL means the relation of i) the amount of unexpected losses associated with all the underlying exposures including defaulted underlying exposures in the pool to ii) the exposure value of the underlying exposures both in accordance with Chapter 3;</i></u></p>
Article 1, first paragraph, point (3)(c), amending provision, numbered paragraph (5), point (c)			
80c		<p>(c) the EL means the relation of i) the amount of expected losses associated with all the underlying exposures including defaulted underlying exposures that are still part of the pool to ii) the exposure value of the underlying exposures both</p>	<p><u><i>(c) the EL means the relation of i) the amount of expected losses associated with all the underlying exposures including defaulted underlying exposures that are still part of the pool to ii) the exposure value of the underlying</i></u></p>

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		in accordance with Chapter 3;	<u>exposures both in accordance with Chapter 3;</u>
Article 1, first paragraph, point (4)			
81	(4) Articles 244 and 245 are replaced by the following:	(4) Articles 244 and 245 are replaced by the following:	(4) Articles 244 and 245 are replaced by the following:
Article 1, first paragraph, point (4), amending provision, first paragraph			
82	Article 244	Article 244	Article 244
Article 1, first paragraph, point (4), amending provision, second paragraph			
83	Traditional securitisation	Traditional securitisation	Traditional securitisation
Article 1, first paragraph, point (4), amending provision, numbered paragraph (1)			
84	1. The originator institution of a traditional securitisation may exclude the securitised exposures from its calculation of risk-weighted exposure amounts and, where relevant, expected loss amounts where all of the following conditions are met:	1. The originator institution of a traditional securitisation may exclude the underlying exposures from its calculation of risk-weighted exposure amounts and, where relevant, expected loss amounts where all of the following conditions are met:	1. The originator institution of a traditional securitisation may exclude the securitised <u>underlying</u> exposures from its calculation of risk-weighted exposure amounts and, where relevant, expected loss amounts where all of the following conditions are met:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (1), point (a)			
85	(a) 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);	(a) a significant credit risk associated with the underlying exposures has been transferred to third parties in accordance with paragraphs 2 and 3, or the originator institution applies a 1250 % risk weight to all securitisation positions the institution holds in the securitisation or deducts those securitisation positions from Common Equity Tier 1 items in accordance with Article 36(1), point (k);	(a) a significant credit risk associated with the securitised <u>underlying</u> exposures has been transferred to third parties <u>in accordance with paragraphs 2 and 3</u> , or the originator institution applies a 1250 % risk weight to all securitisation positions that <u>the</u> institution holds in the securitisation or deducts those securitisation positions from Common Equity Tier 1 items in accordance with Article 36(1), point (k);
Article 1, first paragraph, point (4), amending provision, numbered paragraph (1), point (b)			
86	(b) the conditions for the effective risk transfer	(b) the conditions for the effective risk transfer	(b) the conditions for the effective risk transfer

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	on the securitised exposures referred to in paragraph 4 of this Article are met.	on the underlying exposures referred to in paragraph 4 of this Article are met.	on the securitised <u>underlying</u> exposures referred to in paragraph 4 of this Article are met.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), first subparagraph			
87	2.Significant credit risk shall be considered transferred to third parties where after the allocation of the lifetime expected loss of the underlying exposures to the tranches of the securitisation, the share of weighted amounts of unexpected losses of the underlying exposures allocated to the securitisation positions that the originator institution has transferred to third parties is at least 50% of all the weighted amounts of unexpected losses of the underlying exposures allocated to all the securitisation tranches in accordance with the following formula:	2.Significant credit risk shall be considered transferred to third parties where after the allocation of the lifetime expected loss of the underlying exposures to the tranches of the securitisation, the share of unexpected losses of the underlying exposures allocated to the securitisation positions that the originator institution has transferred to third parties is at least 50% of all the unexpected losses of the underlying exposures allocated to all the securitisation tranches in accordance with the following formula:	2.Significant credit risk shall be considered transferred to third parties where after the allocation of the lifetime expected loss of the underlying exposures to the tranches of the securitisation, the share of weighted amounts of unexpected losses of the underlying exposures allocated to the securitisation positions that the originator institution has transferred to third parties is at least 50% of all the weighted amounts of unexpected losses of the underlying exposures allocated to all the securitisation tranches in accordance with the following formula:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), second subparagraph			
88		$\sum_i UL_trans_i / \sum_i UL_i$	++ $\sum_i UL_trans_i / \sum_i UL_i$
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), third subparagraph			
89	where:	where:	where:

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Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), third subparagraph, first indent					
90	- $RWEA_i$ is the risk-weighted exposure amount of tranche i				- <i>$RWEA_i$ is the risk-weighted exposure amount of tranche i</i>
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), third subparagraph, second indent					
91	- UL_i is the amount of unexpected losses allocated to tranche i where the unexpected loss equals the risk-weighted exposure amounts that would be calculated by the originator institution under Chapter 2 or Chapter 3, as applicable, in respect of the underlying exposures as if they had not been securitised multiplied by 8 %.	- UL_i is the amount of unexpected losses allocated to tranche i where the unexpected loss equals the risk-weighted exposure amounts that would be calculated by the originator institution under Chapter 2 or Chapter 3, as applicable, in respect of the underlying exposures as if they had not been securitised multiplied by 8 %.			- UL_i is the amount of unexpected losses allocated to tranche i where the unexpected loss equals the risk-weighted exposure amounts that would be calculated by the originator institution under Chapter 2 or Chapter 3, as applicable, in respect of the underlying exposures as if they had not been securitised multiplied by 8 %.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), third subparagraph, third indent					
92	- UL_{trans_i} is the amount of UL_i allocated to the transferred securitisation positions in tranche i	- UL_{trans_i} is the amount of UL_i allocated to the transferred securitisation positions in tranche i			- UL_{trans_i} is the amount of UL_i allocated to the transferred securitisation positions in tranche i
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), fourth subparagraph					
93	For the purposes of this formula, the risk-weighted exposure amounts that would be calculated under Chapter 3 shall not include the amount of expected losses associated with all the underlying exposures of the securitisation, including defaulted underlying exposures that are still part of the pool.	For the purposes of this formula, the risk-weighted exposure amounts that would be calculated under Chapter 3 shall not include the amount of expected losses associated with all the underlying exposures of the securitisation, including defaulted underlying exposures that are still part of the pool.			For the purposes of this formula, the risk-weighted exposure amounts that would be calculated under Chapter 3 shall not include the amount of expected losses associated with all the underlying exposures of the securitisation, including defaulted underlying exposures that are still part of the pool.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (3)					
94	3.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	3.By way of derogation from paragraph 2, competent authorities may in individual cases require the originator institution to transfer to third parties an 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			3.By way of derogation from paragraph 2, competent authorities may <u>in individual cases</u> require the originator institution on a case-by-case basis to transfer to third parties a <u>weighted</u> 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

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		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 disproportionate capital relief.		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 disproportionate capital relief.		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 disproportionate capital relief.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph						
95		4.In addition to the requirements set out in paragraphs 1, 2, and 3, all of the following conditions for the effective risk transfer shall be met:		4.In addition to the requirements set out in paragraphs 1, 2, and 3, all of the following conditions for the effective risk transfer shall be met:		4.In addition to the requirements set out in paragraphs 1, 2, and 3, all of the following conditions for the effective risk transfer shall be met:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (a)						
96		(a) the transaction documentation reflects the economic substance of the securitisation;		(a) the transaction documentation reflects the economic substance of the securitisation;		(a) the transaction documentation reflects the economic substance of the securitisation;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (b)						
97		(b) the securitisation positions do not constitute payment obligations of the originator institution;		(b) the securitisation positions do not constitute payment obligations of the originator institution;		(b) the securitisation positions do not constitute payment obligations of the originator institution;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (c)						
98		(c) the underlying exposures are placed beyond the reach of the originator institution and its creditors in a manner that meets the requirement set out in Article 20(1) of Regulation (EU) 2017/2402;		(c) the underlying exposures are placed beyond the reach of the originator institution and its creditors in a manner that meets the requirement set out in Article 20(1) of Regulation (EU) 2017/2402;		(c) the underlying exposures are placed beyond the reach of the originator institution and its creditors in a manner that meets the requirement set out in Article 20(1) of Regulation (EU) 2017/2402;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (d)						
99		(d) the originator institution does not retain control over the underlying exposures;		(d) the originator institution does not retain control over the underlying exposures;		(d) the originator institution does not retain control over the underlying exposures;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (e)						

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100		(e) the securitisation documentation does not contain terms or conditions that require the originator institution to alter the underlying exposures to improve the average quality of the pool or increase the yield payable to holders of positions or otherwise enhance the positions in the securitisation in response to a deterioration in the credit quality of the underlying exposures;		(e) the securitisation documentation does not contain terms or conditions that require the originator institution to alter the underlying exposures to improve the average quality of the pool or increase the yield payable to holders of positions or otherwise enhance the positions in the securitisation in response to a deterioration in the credit quality of the underlying exposures;		(e) the securitisation documentation does not contain terms or conditions that require the originator institution to alter the underlying exposures to improve the average quality of the pool or increase the yield payable to holders of positions or otherwise enhance the positions in the securitisation in response to a deterioration in the credit quality of the underlying exposures;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (f)						
101		(f) where applicable, the transaction documentation makes it clear that the originator or the sponsor may only purchase or repurchase securitisation positions or repurchase, restructure or substitute the underlying exposures beyond their contractual obligations where such arrangements are executed in accordance with prevailing market conditions and the parties to them act in their own interest as free and independent parties (arm's length);		(f) where applicable, the transaction documentation makes it clear that the originator or the sponsor may only purchase or repurchase securitisation positions or repurchase, restructure or substitute the underlying exposures beyond their contractual obligations where such arrangements are executed in accordance with prevailing market conditions and the parties to them act in their own interest as free and independent parties (arm's length);		(f) where applicable, the transaction documentation makes it clear that the originator or the sponsor may only purchase or repurchase securitisation positions or repurchase, restructure or substitute the underlying exposures beyond their contractual obligations where such arrangements are executed in accordance with prevailing market conditions and the parties to them act in their own interest as free and independent parties (arm's length);
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (g)						
102		(g) the securitisation transaction does not exhibit any structural features that prevent or significantly undermine the effective transfer of credit risk to third parties on a sustainable basis or, where any of those features is present, the transaction exhibits adequate safeguards;		(g) the securitisation transaction does not exhibit any structural features that prevent or significantly undermine the effective transfer of credit risk to third parties on a sustainable basis or, where any of those features is present, the transaction exhibits adequate safeguards;		(g) the securitisation transaction does not exhibit any structural features that prevent or significantly undermine the effective transfer of credit risk to third parties on a sustainable basis or, where any of those features is present, the transaction exhibits adequate safeguards;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (h)						
103		(h) where there is a clean-up call option, that option shall also meet all of the following conditions:		(h) where there is a clean-up call option, that option shall meet all of the following conditions:		(h) where there is a clean-up call option, that option shall also meet all of the following conditions:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (h)(1)						
104		(1) that option can be exercised at the discretion		(1) that option can be exercised at the discretion		(1) that option can be exercised at the discretion

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	of the originator institution;	of the originator institution;	of the originator institution;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (h)(2)			
105	(2) that option may only be exercised when 10 % or less of the original value of the underlying exposures remains unamortised;	(2) that option may only be exercised when 10 % or less of the original exposure value of the underlying exposures remains unamortised;	(2) that option may only be exercised when 10 % or less of the original <i>exposure</i> value of the underlying exposures remains unamortised;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (h)(3)			
106	(3) that option is not structured to avoid allocating losses to credit enhancement positions or other positions held by investors in the securitisation and is not otherwise structured to provide credit enhancement;	(3) that option is not structured to avoid allocating losses to securitisation positions held by investors and is not otherwise structured to provide credit enhancement;	(3) that option is not structured to avoid allocating losses to credit enhancement positions <i>or other</i> <u>securitisation</u> positions held by investors in the securitisation and is not otherwise structured to provide credit enhancement;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), first subparagraph, point (i)			
107	(i) the originator institution has received an opinion from a qualified legal counsel confirming that the securitisation complies with the conditions set out in point (c) of this paragraph.	(i) the originator institution has received an opinion from a qualified legal counsel confirming that the securitisation complies with the conditions set out in point (c) of this paragraph.	(i) the originator institution has received an opinion from a qualified legal counsel confirming that the securitisation complies with the conditions set out in point (c) of this paragraph.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), second subparagraph			
108	For the purposes of point (d), it shall be considered that control is retained over the underlying exposures where the originator has the right to repurchase from the transferee the previously transferred exposures in order to realise their benefits or if it is otherwise required to re-assume transferred risk. The originator institution's retention of servicing rights or obligations in respect of the underlying exposures shall not of itself constitute control of the exposures.	For the purposes of point (d), it shall be considered that control is retained over the underlying exposures where the originator has the right to repurchase from the transferee the previously transferred exposures in order to realise their benefits or if it is otherwise required to re-assume transferred risk. The originator institution's retention of servicing rights or obligations in respect of the underlying exposures shall not of itself constitute control of the exposures.	For the purposes of point (d), it shall be considered that control is retained over the underlying exposures where the originator has the right to repurchase from the transferee the previously transferred exposures in order to realise their benefits or if it is otherwise required to re-assume transferred risk. The originator institution's retention of servicing rights or obligations in respect of the underlying exposures shall not of itself constitute control of the exposures.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (5)			
109	5.The conditions for significant credit risk	5.The conditions for significant credit risk	5.The conditions for significant credit risk

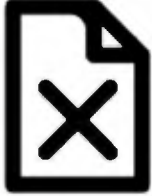
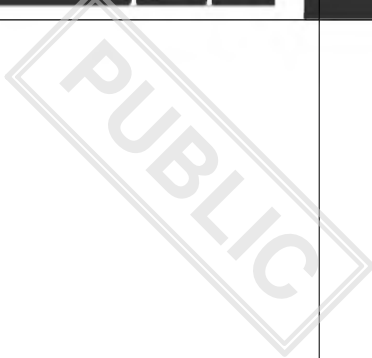
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	transfer referred to in paragraphs 2 and 3 shall be met at the time of origination of the securitisation covering the lifetime of the transaction in both base-case and stress-case conditions, provided that no structural changes are made to the transaction after origination. The requirements referred to in paragraph 4 shall be met on an ongoing basis. The originator institution shall submit a self-assessment to the competent authority to demonstrate the fulfilment of the conditions for effective and, where applicable, significant credit risk transfer referred to in paragraphs 1 to 4.	transfer referred to in paragraphs 2 and 3 shall be met at the time of origination of the securitisation covering the lifetime of the transaction in both base-case and stress-case conditions, provided that no structural changes are made to the transaction after origination. The requirements referred to in paragraph 4 shall be met on an ongoing basis. The originator institution shall submit a self-assessment to the competent authority to demonstrate the fulfilment of the conditions for effective and, where applicable, significant credit risk transfer referred to in paragraphs 1 to 4.	transfer referred to in paragraphs 2 and 3 shall be met at the time of origination of the securitisation covering the lifetime of the transaction in both base-case and stress-case conditions, provided that no structural changes are made to the transaction after origination. The requirements referred to in paragraph 4 shall be met on an ongoing basis. The originator institution shall submit a self-assessment to the competent authority to demonstrate the fulfilment of the conditions for effective and, where applicable, significant credit risk transfer referred to in paragraphs 1 to 4.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (6)			
110	6.For certain transactions that do not exhibit problematic features, competent authorities may apply a fast-track simplified assessment process.	6.For certain transactions that do not exhibit problematic features, competent authorities may apply a fast-track simplified assessment process.	6.For certain transactions that do not exhibit problematic features, competent authorities may apply a fast-track simplified assessment process.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph			
111	7.The EBA shall develop regulatory technical standards to specify:	7.The EBA shall develop regulatory technical standards to specify:	7.The EBA shall develop regulatory technical standards to specify:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph, point (a)			
112	(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:	(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), with respect to:	(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), <i>in particular</i> <u>with respect to:</u>
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph, point (a)(1)			
113	(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);	(1) the calculation of the lifetime expected losses of the underlying exposures and their allocation to the tranches of the securitisation for the purposes of paragraph 2 of this Article and Article 245(2);	(1) the calculation of the lifetime expected losses of the underlying exposures and their allocation <u>to the tranches of the securitisation</u> for the purposes of paragraph <u>2</u> of this Article and Article 245(2);
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph, point (a)(2)			

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114	(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);	(2) the allocation of the unexpected losses of the securitised exposures to the securitisation tranches for the purposes of paragraph 2 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 <u>2</u> of this Article and Article 245(2);
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph, point (a)(3)			
115	(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);	(3) the calculation of the unexpected losses in relation to the allocation of the unexpected losses of the securitised exposures to the securitisation tranches for the purposes of paragraph 2 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 <u>for the purposes</u> of paragraph <u>2</u> of this Article and Article 245(2);
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph, point (b)			
116	(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;	(b) the structural features and safeguards referred to in Article 244(4), point (g) and Article 245(4), point (f), respectively, in particular the following: - coverage of the legal clauses for the early termination of securitisations; - amortisation structure; - call options; - other early termination clauses; - excess spread; - cost of protection; - credit events.	(b) the structural features and safeguards referred to in Article 244(4), point (g) and Article 245(4), point (f), respectively, in particular the <u>following</u> : <u>- coverage of the legal clauses for the early termination of securitisations;</u> <u>- amortisation structure;</u> <u>- call options;</u> <u>- other early termination clauses;</u> <u>- excess spread;</u> <u>- cost of protection;</u> <u>- credit events.</u>
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph, point (c)			
117	(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;	(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;	(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;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph, point (d)			
118	(d) the conditions for the competent authorities to apply Article 244(2) and (3) and Article	(d) the conditions for the competent authorities to apply Article 244(2) and (3) and Article	(d) the conditions for the competent authorities to apply Article 244(2) and (3) and Article

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		245(2) and (3) in relation to securitisation transactions and originator institutions;		245(2) and (3) in relation to securitisation transactions and originator institutions;		245(2) and (3) in relation to securitisation transactions and originator institutions;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph, point (e)						
119		(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);		(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);		(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);
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph, point (f)						
120		(f) the necessary adjustments for the application of Article 244 and 245 to NPE securitisations.		(f) the necessary adjustments for the application of Article 244 and 245 to NPE securitisations.		(f) the necessary adjustments for the application of Article 244 and 245 to NPE securitisations.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), first subparagraph, point (g)						
120a				(g) the notification framework referred to in paragraph 1, point (c), in particular on (key) information and documentation prior to and after issuance of the transaction		<u><i>(g) the notification framework referred to in paragraph 1, point (c), in particular on (key) information and documentation prior to and after issuance of the transaction</i></u>
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), second subparagraph						
121		The EBA shall submit those draft regulatory technical standards to the Commission by [18 months after the date of entry into force].		The EBA shall submit those draft regulatory technical standards to the Commission by [18 months after the date of entry into force].		The EBA shall submit those draft regulatory technical standards to the Commission by [18 months after the date of entry into force].
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7), third subparagraph						
122		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.		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.		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.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (8)						

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123		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.		8.By 31 March of each year, competent authorities shall notify to the EBA all the securitisations assessed in accordance with 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 the structural features and safeguards referred to in Article 244(4), point (g) and Article 245(4), point (f). The information shall at least provide a breakdown on the thickness and nominal 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.		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 <u>6</u> in the previous year. The notification shall convey all the information needed to calculate the ratio under paragraph 2 and on relevant <u>the</u> structural features <u>and safeguards referred to in Article 244(4), point (g) and Article 245(4), point (f)</u> . The information shall at least provide a breakdown on the size , thickness and <u>nominal</u> 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.
Article 1, first paragraph, point (4), amending provision, eleventh paragraph						
124		Article 245		Article 245		Article 245
Article 1, first paragraph, point (4), amending provision, twelfth paragraph						
125		Synthetic securitisation		Synthetic securitisation		Synthetic securitisation
Article 1, first paragraph, point (4), amending provision, numbered paragraph (1)						
126		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:		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 all of the following conditions are met:		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 <u>all</u> of the following conditions is <u>are</u> met:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (1), point (a)						
127		(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		(a) significant credit risk associated with the securitised exposures has been transferred to third parties in accordance with paragraphs 2 and 3, or the originator institution applies a 1250 %		(a) significant credit risk associated with the securitised exposures has been transferred to third parties <u>in accordance with paragraphs 2 and 3</u> , or the originator institution applies a 1250

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	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);	risk weight to all securitisation positions the institution retains in the securitisation or deducts those securitisation positions from Common Equity Tier 1 items in accordance with Article 36(1), point (k);	% risk weight to all securitisation positions that <u>the</u> institution holds <u>retains</u> in the securitisation or deducts those securitisation positions from Common Equity Tier 1 items in accordance with Article 36(1), point (k);
Article 1, first paragraph, point (4), amending provision, numbered paragraph (1), point (b)			
128	(b) the conditions for the effective risk transfer on the securitised exposures referred to in paragraph 4 of this Article are met.	(b) the conditions for the effective risk transfer on the securitised exposures referred to in paragraph 4 of this Article are met.	(b) the conditions for the effective risk transfer on the securitised exposures referred to in paragraph 4 of this Article are met.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), first subparagraph			
129	2. Significant credit risk shall be considered transferred to third parties where after the allocation of the lifetime expected loss of the underlying exposures to the tranches of the securitisation the share of weighted amounts of unexpected losses of the underlying exposures allocated to the securitisation positions that the originator institution has transferred to third parties is at least 50% of all the weighted amounts of unexpected losses of the underlying exposures allocated to all the securitisation tranches in accordance with the following formula:	2. Significant credit risk shall be considered transferred to third parties where after the allocation of the lifetime expected loss of the underlying exposures to the tranches of the securitisation the share of unexpected losses of the underlying exposures allocated to the securitisation positions that the originator institution has transferred to third parties is at least 50% of all the unexpected losses of the underlying exposures allocated to all the securitisation tranches in accordance with the following formula:	2. Significant credit risk shall be considered transferred to third parties where after the allocation of the lifetime expected loss of the underlying exposures to the tranches of the securitisation the share of weighted amounts of unexpected losses of the underlying exposures allocated to the securitisation positions that the originator institution has transferred to third parties is at least 50% of all the weighted amounts of unexpected losses of the underlying exposures allocated to all the securitisation tranches in accordance with the following formula:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), second subparagraph			
130		$\sum_i UL_{trans_i} / \sum_i UL_i$	+-H $\sum_i UL_{trans_i} / \sum_i UL_i$

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Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), third subparagraph			
131	where:	where:	where:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), third subparagraph, first indent			
132	- $RWEA_i$ is the risk-weighted exposure amount of tranche i		<i>- $RWEA_i$ is the risk-weighted exposure amount of tranche i</i>
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), third subparagraph, second indent			
133	- UL_i is the amount of unexpected losses allocated to tranche i where the unexpected loss equals the risk-weighted exposure amounts that would be calculated by the originator institution under Chapter 2 or Chapter 3, as applicable, in respect of the underlying exposures as if they had not been securitised multiplied by 8 %.	- UL_i is the amount of unexpected losses allocated to tranche i where the unexpected loss equals the risk-weighted exposure amounts that would be calculated by the originator institution under Chapter 2 or Chapter 3, as applicable, in respect of the underlying exposures as if they had not been securitised multiplied by 8 %.	- UL_i is the amount of unexpected losses allocated to tranche i where the unexpected loss equals the risk-weighted exposure amounts that would be calculated by the originator institution under Chapter 2 or Chapter 3, as applicable, in respect of the underlying exposures as if they had not been securitised multiplied by 8 %.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), third subparagraph, third indent			
134	- UL_{trans_i} is the amount of UL_i allocated to the transferred securitisation positions in tranche i	- UL_{trans_i} is the amount of UL_i allocated to the transferred securitisation positions in tranche i	- UL_{trans_i} is the amount of UL_i allocated to the transferred securitisation positions in tranche i
Article 1, first paragraph, point (4), amending provision, numbered paragraph (2), fourth subparagraph			
135	For the purposes of this formula, the risk-	For the purposes of this formula, the risk-	For the purposes of this formula, the risk-

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	weighted exposure amounts that would be calculated under Chapter 3 shall not include the amount of expected losses associated with all the underlying exposures of the securitisation, including defaulted underlying exposures that are still part of the pool.	weighted exposure amounts that would be calculated under Chapter 3 shall not include the amount of expected losses associated with all the underlying exposures of the securitisation, including defaulted underlying exposures that are still part of the pool.	weighted exposure amounts that would be calculated under Chapter 3 shall not include the amount of expected losses associated with all the underlying exposures of the securitisation, including defaulted underlying exposures that are still part of the pool.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (3)			
136	3.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.	3.By way of derogation from paragraph 2, competent authorities may in individual cases require the originator institution to transfer to third parties an 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.	3.By way of derogation from paragraph 2, competent authorities may <u>in individual cases</u> require the originator institution on a case-by-case basis to transfer to third parties a <u>weighted</u> 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.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4)			
137	4.In addition to the requirements set out in paragraphs 1, 2, and 3, all of the following conditions for the effective risk transfer shall be met:	4.In addition to the requirements set out in paragraphs 1, 2, and 3, all of the following conditions for the effective risk transfer shall be met:	4.In addition to the requirements set out in paragraphs 1, 2, and 3, all of the following conditions for the effective risk transfer shall be met:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (a)			
138	(a) the transaction documentation reflects the	(a) the transaction documentation reflects the	(a) the transaction documentation reflects the

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		economic substance of the securitisation;		economic substance of the securitisation;		economic substance of the securitisation;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (b)						
139		(b) the credit protection by virtue of which credit risk is transferred complies with Article 249;		(b) the credit protection by virtue of which credit risk is transferred complies with Article 249;		(b) the credit protection by virtue of which credit risk is transferred complies with Article 249;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (c)						
140		(c) the securitisation documentation does not contain terms or conditions that:		(c) the securitisation documentation does not contain terms or conditions that:		(c) the securitisation documentation does not contain terms or conditions that:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (c)(1)						
141		(1) impose significant materiality thresholds below which credit protection is deemed not to be triggered if a credit event occurs;		(1) impose significant materiality thresholds below which credit protection is deemed not to be triggered if a credit event occurs;		(1) impose significant materiality thresholds below which credit protection is deemed not to be triggered if a credit event occurs;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (c)(2)						
142		(2) allow for the termination of the protection due to deterioration of the credit quality of the underlying exposures;		(2) allow for the termination of the protection due to deterioration of the credit quality of the underlying exposures;		(2) allow for the termination of the protection due to deterioration of the credit quality of the underlying exposures;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (c)(3)						
143		(3) require the originator institution to alter the composition of the underlying exposures to improve the average quality of the pool; or		(3) require the originator institution to alter the composition of the underlying exposures to improve the average quality of the pool; or		(3) require the originator institution to alter the composition of the underlying exposures to improve the average quality of the pool; or
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (c)(4)						
144		(4) increase the institution's cost of credit protection or the yield payable to holders of positions in the securitisation in response to a deterioration in the credit quality of the underlying pool;		(4) increase the institution's cost of credit protection or the yield payable to holders of positions in the securitisation in response to a deterioration in the credit quality of the underlying pool;		(4) increase the institution's cost of credit protection or the yield payable to holders of positions in the securitisation in response to a deterioration in the credit quality of the underlying pool;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (d)						
145		(d) the credit protection is enforceable in all relevant jurisdictions;		(d) the credit protection is enforceable in all relevant jurisdictions;		(d) the credit protection is enforceable in all relevant jurisdictions;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (e)						

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146		(e) where applicable, the transaction documentation makes it clear that the originator or the sponsor may only purchase or repurchase securitisation positions or repurchase, restructure or substitute the underlying exposures beyond their contractual obligations where such arrangements are executed in accordance with prevailing market conditions and the parties to them act in their own interest as free and independent parties (arm's length);		(e) where applicable, the transaction documentation makes it clear that the originator or the sponsor may only purchase or repurchase securitisation positions or repurchase, restructure or substitute the underlying exposures beyond their contractual obligations where such arrangements are executed in accordance with prevailing market conditions and the parties to them act in their own interest as free and independent parties (arm's length);		(e) where applicable, the transaction documentation makes it clear that the originator or the sponsor may only purchase or repurchase securitisation positions or repurchase, restructure or substitute the underlying exposures beyond their contractual obligations where such arrangements are executed in accordance with prevailing market conditions and the parties to them act in their own interest as free and independent parties (arm's length);
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (f)						
147		(f) the securitisation transaction does not exhibit any structural features that prevent or significantly undermine the effective transfer of credit risk to third parties on a sustainable basis or, where any of those features is present, the transaction exhibits adequate safeguards;		(f) the securitisation transaction does not exhibit any structural features that prevent or significantly undermine the effective transfer of credit risk to third parties on a sustainable basis or, where any of those features is present, the transaction exhibits adequate safeguards;		(f) the securitisation transaction does not exhibit any structural features that prevent or significantly undermine the effective transfer of credit risk to third parties on a sustainable basis or, where any of those features is present, the transaction exhibits adequate safeguards;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (g)						
148		(g) where there is a clean-up call option, that option meets all the following conditions:		(g) where there is a clean-up call option, that option meets all of the following conditions:		(g) where there is a clean-up call option, that option meets all <i>of</i> the following conditions:
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (g)(1)						
149		(1) that option may be exercised at the discretion of the originator institution;		(1) that option may be exercised at the discretion of the originator institution;		(1) that option may be exercised at the discretion of the originator institution;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (g)(2)						
150		(2) that option may only be exercised when 10 % or less of the original value of the underlying exposures remains unamortised;		(2) that option may only be exercised when 10 % or less of the original exposure value of the underlying exposures remains unamortised;		(2) that option may only be exercised when 10 % or less of the original <i>exposure</i> value of the underlying exposures remains unamortised;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (g)(3)						
151		(3) that option is not structured to avoid allocating losses to credit enhancement positions or other positions held by investors in the		(3) that option is not structured to avoid allocating losses to securitisation positions held by investors and is not otherwise structured to		(3) that option is not structured to avoid allocating losses to <i>credit enhancement positions or other securitisation</i> positions held by investors

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	securitisation and is not otherwise structured to provide credit enhancement;	provide credit enhancement;	<i>in-the-securitisation</i> and is not otherwise structured to provide credit enhancement;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (h)			
152	(h) where there is a time call option, the option is only exercisable after a period measured from the closing date of a transaction corresponding to the initial weighted average life of the securitised exposures, or after a period measured from the end of the replenishment period of a transaction corresponding to the weighted average life at the end of that replenishment period;	(h) where there is a time call option, the option is only exercisable after a period measured from the closing date of a transaction corresponding to the initial weighted average life of the securitised exposures, or after a period measured from the end of the replenishment period of a transaction corresponding to the weighted average life at the end of that replenishment period;	(h) where there is a time call option, the option is only exercisable after a period measured from the closing date of a transaction corresponding to the initial weighted average life of the securitised exposures, or after a period measured from the end of the replenishment period of a transaction corresponding to the weighted average life at the end of that replenishment period;
Article 1, first paragraph, point (4), amending provision, numbered paragraph (4), point (i)			
153	(i) the originator institution has received an opinion from a qualified legal counsel confirming that the securitisation complies with the conditions set out in point (d) of this paragraph.	(i) the originator institution has received an opinion from a qualified legal counsel confirming that the securitisation complies with the conditions set out in point (d) of this paragraph.	(i) the originator institution has received an opinion from a qualified legal counsel confirming that the securitisation complies with the conditions set out in point (d) of this paragraph.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (5)			
154	5.The conditions for significant credit risk transfer referred to in paragraphs 2 and 3 shall be met at the time of origination of the securitisation covering the lifetime of the transaction in both base-case and stress-case conditions, provided that no structural changes are made to the transaction after origination. The requirements referred to in paragraph 4 shall be met on an ongoing basis. The originator institution shall submit a self-assessment to the competent authority to demonstrate the fulfilment of the conditions for effective and, where applicable, significant credit risk transfer referred to in paragraphs 1 to 4.	5.The conditions for significant credit risk transfer referred to in paragraphs 2 and 3 shall be met at the time of origination of the securitisation covering the lifetime of the transaction in both base-case and stress-case conditions, provided that no structural changes are made to the transaction after origination. The requirements referred to in paragraph 4 shall be met on an ongoing basis. The originator institution shall submit a self-assessment to the competent authority to demonstrate the fulfilment of the conditions for effective and, where applicable, significant credit risk transfer referred to in paragraphs 1 to 4.	5.The conditions for significant credit risk transfer referred to in paragraphs 2 and 3 shall be met at the time of origination of the securitisation covering the lifetime of the transaction in both base-case and stress-case conditions, provided that no structural changes are made to the transaction after origination. The requirements referred to in paragraph 4 shall be met on an ongoing basis. The originator institution shall submit a self-assessment to the competent authority to demonstrate the fulfilment of the conditions for effective and, where applicable, significant credit risk transfer referred to in paragraphs 1 to 4.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (6)			

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155		6.For certain transactions that do not exhibit problematic features, competent authorities may apply a fast-track simplified assessment process.		6.For certain transactions that do not exhibit problematic features, competent authorities may apply a fast-track simplified assessment process.		6.For certain transactions that do not exhibit problematic features, competent authorities may apply a fast-track simplified assessment process.
Article 1, first paragraph, point (4), amending provision, numbered paragraph (7)						
156		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.;		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 the structural features and safeguards referred to in Article 244(4), point (g) and Article 245(4), point (f). The information shall at least provide a breakdown on the thickness and nominal 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.;		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 <u>the</u> structural features <u>and safeguards referred to in Article 244(4), point (g) and Article 245(4), point (f).</u> The information shall at least provide a breakdown on the size -thickness and <u>nominal</u> 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.;
Article 1, first paragraph, point (5)						
157		(5) Article 248(1) is amended as follows:		(5) Article 248(1) is amended as follows:		(5) Article 248(1) is amended as follows:
Article 1, first paragraph, point (5)(a)						
158		(a) point (b) is replaced by the following:		(a) point (b) is replaced by the following:		(a) point (b) is replaced by the following:
Article 1, first paragraph, point (5)(a), amending provision, numbered paragraph (b)						
159		(b) the exposure value of an off-balance sheet securitisation position shall be its nominal value less any relevant specific credit risk adjustments on the securitisation position in accordance with		(b) the exposure value of an off-balance sheet securitisation position shall be its nominal value less any relevant specific credit risk adjustments on the securitisation position in accordance with		(b) the exposure value of an off-balance sheet securitisation position shall be its nominal value less any relevant specific credit risk adjustments on the securitisation position in accordance with

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	Article 110, multiplied by the relevant conversion factor as set out in this point (b). The conversion factor shall be 100 %, except in the case of cash advance facilities. To determine the exposure value of the undrawn portion of the cash advance facilities, a conversion factor of 0 % may be applied to the nominal amount of a liquidity facility that is unconditionally cancellable provided that repayment of draws on the facility are senior to any other claims on the cash flows arising from the underlying exposures;;	Article 110, multiplied by the relevant conversion factor as set out in this point (b). The conversion factor shall be 100 %, except in the case of cash advance facilities as defined in Article 242. To determine the exposure value of the undrawn portion of the cash advance facilities, a conversion factor of 10 % may be applied to the nominal amount of a liquidity facility;	Article 110, multiplied by the relevant conversion factor as set out in this point (b). The conversion factor shall be 100 %, except in the case of cash advance facilities <u>as defined in Article 242</u> . To determine the exposure value of the undrawn portion of the cash advance facilities, a conversion factor of 0 10 % may be applied to the nominal amount of a liquidity facility that is unconditionally cancellable provided that repayment of draws on the facility are senior to any other claims on the cash flows arising from the underlying exposures;; ;
Article 1, first paragraph, point (5)(b)			
160	(b) point (d) is replaced by the following:	(b) point (d) is replaced by the following:	(b) point (d) is replaced by the following:
Article 1, first paragraph, point (5)(b), amending provision, numbered paragraph (d), first subparagraph			
161	(d) an originator institution may deduct from the exposure value of a securitisation position which is assigned a 1 250 % risk weight in accordance with Sub-Section 3, or which is deducted from Common Equity Tier 1 in accordance with Article 36(1), point (k), the amount of the specific credit risk adjustments on the underlying exposures in accordance with Article 110, and any non-refundable purchase price discounts connected with such underlying exposures to the extent that such discounts have caused the reduction of own funds.	(d) an originator institution may deduct from the exposure value of a securitisation position which is assigned a 1 250 % risk weight in accordance with Sub-Section 3, or which is deducted from Common Equity Tier 1 in accordance with Article 36(1), point (k), the amount of the specific credit risk adjustments on the underlying exposures in accordance with Article 110, and any non-refundable purchase price discounts connected with such underlying exposures to the extent that such discounts have caused the reduction of own funds.	(d) an originator institution may deduct from the exposure value of a securitisation position which is assigned a 1 250 % risk weight in accordance with Sub-Section 3, or which is deducted from Common Equity Tier 1 in accordance with Article 36(1), point (k), the amount of the specific credit risk adjustments on the underlying exposures in accordance with Article 110, and any non-refundable purchase price discounts connected with such underlying exposures to the extent that such discounts have caused the reduction of own funds.
Article 1, first paragraph, point (5)(b), amending provision, numbered paragraph (d), second subparagraph			
162	The amount of the specific credit risk adjustments may be deducted in accordance with	The amount of the specific credit risk adjustments may be deducted in accordance with	The amount of the specific credit risk adjustments may be deducted in accordance with

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		the first subparagraph of point (d) from the exposure value of a securitisation position which is assigned a risk weight lower than 1250 %, provided the position has an attachment point lower than K_{IRB} or K_A . In that case, securitisation position shall be considered as two securitisation positions for the purposes of this point (d): the position with A equal to K_{IRB} or K_A and the junior position with A below K_{IRB} or K_A and D equal to K_{IRB} or K_A , and the specific credit risk adjustments may be deducted only from the exposure value of the securitisation position which is the junior position with A below K_{IRB} or K_A and D equal to K_{IRB} or K_A ;		the first subparagraph of point (d) from the exposure value of a securitisation position which is assigned a risk weight lower than 1250 %, provided the position has an attachment point lower than K_{IRB} in case the risk weight is based on SEC-IRBA or K_A in all other cases. If the risk weight is lower than 1250 %, the securitisation position shall be considered as two securitisation positions for the purposes of this point (d): the position with A as defined in Article 256 equal to K_{IRB} or K_A and the junior position with A below K_{IRB} or K_A and D as defined in Article 256 equal to K_{IRB} or K_A , and the specific credit risk adjustments may be deducted only from the exposure value of the securitisation position which is the junior position with A below K_{IRB} or K_A and D equal to K_{IRB} or K_A ;		the first subparagraph of point (d) from the exposure value of a securitisation position which is assigned a risk weight lower than 1250 %, provided the position has an attachment point lower than K_{IRB} <u>in case the risk weight is based on SEC-IRBA</u> or K_A . In that case in all other cases. <u>If the risk weight is lower than 1250 %, the</u> securitisation position shall be considered as two securitisation positions for the purposes of this point (d): the position with A <u>as defined in Article 256</u> equal to K_{IRB} or K_A and the junior position with A below K_{IRB} or K_A and D <u>as defined in Article 256</u> equal to K_{IRB} or K_A , and the specific credit risk adjustments may be deducted only from the exposure value of the securitisation position which is the junior position with A below K_{IRB} or K_A and D equal to K_{IRB} or K_A ;
Article 1, first paragraph, point (5)(c)						
163	(c) point (e) is replaced by the following:	(c) point (e) is replaced by the following:	(c) point (e) is replaced by the following:	(c) point (e) is replaced by the following:	(c) point (e) is replaced by the following:	(c) point (e) is replaced by the following:
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (e)						
164	(e) the exposure value of a contractually designated synthetic excess spread shall include, as applicable, the following:	(e) the exposure value of a contractually designated synthetic excess spread shall include, as applicable, the following:	(e) the exposure value of a contractually designated synthetic excess spread shall include, as applicable, the following:	(e) the exposure value of a contractually designated synthetic excess spread shall include, as applicable, the following:	(e) the exposure value of a contractually designated synthetic excess spread shall include, as applicable, the following:	(e) the exposure value of a contractually designated synthetic excess spread shall include, as applicable, the following:
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (e), point (1)						
165	(1) any income from the securitised exposures already recognised by the originator institution in its income statement under the applicable accounting framework that the originator institution has contractually designated to the	(1) any income from the securitised exposures already recognised by the originator institution in its income statement under the applicable accounting framework that the originator institution has contractually designated to the	(1) any income from the securitised exposures already recognised by the originator institution in its income statement under the applicable accounting framework that the originator institution has contractually designated to the	(1) any income from the securitised exposures already recognised by the originator institution in its income statement under the applicable accounting framework that the originator institution has contractually designated to the	(1) any income from the securitised exposures already recognised by the originator institution in its income statement under the applicable accounting framework that the originator institution has contractually designated to the	(1) any income from the securitised exposures already recognised by the originator institution in its income statement under the applicable accounting framework that the originator institution has contractually designated to the

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		transaction as synthetic excess spread and that is still available to absorb losses;		transaction as synthetic excess spread and that is still available to absorb losses;		transaction as synthetic excess spread and that is still available to absorb losses;
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (e), point (2)						
166		(2) any synthetic excess spread that is contractually designated by the originator institution in any previous periods and that is still available to absorb losses;		(2) any synthetic excess spread that is contractually designated by the originator institution in any previous periods and that is still available to absorb losses;		(2) any synthetic excess spread that is contractually designated by the originator institution in any previous periods and that is still available to absorb losses;
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (e), point (3)						
167		(3) any synthetic excess spread that is contractually designated by the originator institution for the current contractual period and that is still available to absorb losses;		(3) any synthetic excess spread that is contractually designated by the originator institution for the current contractual period and that is still available to absorb losses;		(3) any synthetic excess spread that is contractually designated by the originator institution for the current contractual period and that is still available to absorb losses;
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (e), point (4)						
168		(4) any synthetic excess spread contractually designated by the originator institution for future contractual periods.		(4) any synthetic excess spread contractually designated by the originator institution for future contractual periods.		(4) any synthetic excess spread contractually designated by the originator institution for future contractual periods.
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (e), first paragraph						
169		For the purposes of this point (e), any amount that is provided as collateral or credit enhancement in relation to the synthetic securitisation and that is already subject to an own funds requirement in accordance with this Chapter shall not be included in the exposure value.;		For the purposes of this point (e), any amount that is provided as collateral or credit enhancement in relation to the synthetic securitisation and that is already subject to an own funds requirement in accordance with this Chapter shall not be included in the exposure value.;		For the purposes of this point (e), any amount that is provided as collateral or credit enhancement in relation to the synthetic securitisation and that is already subject to an own funds requirement in accordance with this Chapter shall not be included in the exposure value.;
Article 1, first paragraph, point (5)(d)						
170		(d) the second, third and fourth subparagraphs are deleted.		(d) the second, third and fourth subparagraphs are deleted.		(d) the second, third and fourth subparagraphs are deleted.
Article 1, first paragraph, point (5a)						

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170a				<u>(5a) Article 249 is amended as follows:</u>		
Article 1, first paragraph, point (5a)(a), first subparagraph						
170b				<u>(a) paragraph 3 is replaced by the following:</u>		
Article 1, first paragraph, point (5a)(a), second subparagraph						
170c				<u>' (3) By way of derogation from paragraph 2 of this Article, the eligible providers of unfunded credit protection listed in point (fa) of Article 201(1), 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>		
Article 1, first paragraph, point (6)						
171	(6) Article 254 is amended as follows:			(6) Article 254 is amended as follows:		(6) Article 254 is amended as follows:
Article 1, first paragraph, point (6)(a)						
172	(a) in paragraph 1, point (c) is replaced by the following:			(a) in paragraph 1, point (c) is replaced by the following:		(a) in paragraph 1, point (c) is replaced by the following:
Article 1, first paragraph, point (6)(a), amending provision, numbered paragraph (c)						
173	(c) where the SEC-SA may not be used, in accordance with paragraphs 2 and 4 of this article, an institution shall use the SEC-ERBA in accordance with Articles 263 and 264 for rated positions or positions in respect of which an inferred rating may be used.;			(c) where the SEC-SA may not be used, in accordance with paragraphs 2 and 4 of this article, an institution shall use the SEC-ERBA in accordance with Articles 263 and 264 for rated positions or positions in respect of which an inferred rating may be used.;		(c) where the SEC-SA may not be used, in accordance with paragraphs 2 and 4 of this article, an institution shall use the SEC-ERBA in accordance with Articles 263 and 264 for rated positions or positions in respect of which an inferred rating may be used.;
Article 1, first paragraph, point (6)(b)						
174	(b) paragraph 5 is replaced by the following:			(b) paragraph 5 is replaced by the following:		(b) paragraph 5 is replaced by the following:
Article 1, first paragraph, point (6)(b), amending provision, numbered paragraph (5)						

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175	<p>5. Without prejudice to paragraph 1, points (b) and (c), of this Article, an institution may apply the Internal Assessment Approach to calculate risk-weighted exposure amounts in relation to an unrated position in an ABCP programme or ABCP transaction in accordance with Article 266, provided that the conditions set out in Article 265 are met. Where an institution has received permission to apply the Internal Assessment Approach in accordance with Article 265(2), and a specific position in an ABCP programme or ABCP transaction falls within the scope of application covered by such permission, the institution shall apply that approach to calculate the risk-weighted exposure amount of that position.;</p>	<p>5. Without prejudice to paragraph 1, points (b) and (c), of this Article, an institution may apply the Internal Assessment Approach to calculate risk-weighted exposure amounts in relation to an unrated position in an ABCP programme or ABCP transaction in accordance with Article 266, provided that the conditions set out in Article 265 are met. Where an institution has received permission to apply the Internal Assessment Approach in accordance with Article 265(2), and a specific position in an ABCP programme or ABCP transaction falls within the scope of application covered by such permission, the institution shall apply that approach to calculate the risk-weighted exposure amount of that position.;</p>	<p>5. Without prejudice to paragraph 1, points (b) and (c), of this Article, an institution may apply the Internal Assessment Approach to calculate risk-weighted exposure amounts in relation to an unrated position in an ABCP programme or ABCP transaction in accordance with Article 266, provided that the conditions set out in Article 265 are met. Where an institution has received permission to apply the Internal Assessment Approach in accordance with Article 265(2), and a specific position in an ABCP programme or ABCP transaction falls within the scope of application covered by such permission, the institution shall apply that approach to calculate the risk-weighted exposure amount of that position.;</p>
Article 1, first paragraph, point (7)			
176	(7) in Article 255, paragraph 6 is replaced by the following:	(7) in Article 255, paragraph 6 is replaced by the following:	(7) in Article 255, paragraph 6 is replaced by the following:
Article 1, first paragraph, point (7), amending provision, numbered paragraph (6), first subparagraph			
177	<p>6. Where an institution applies the SEC-SA under Sub-Section 3, that institution shall calculate KSA by multiplying the risk-weighted exposure amounts in respect of the non-defaulted exposures that would be calculated under Chapter 2 as if they had not been securitised by 8 %, divided by the sum of the exposure values of the non-defaulted underlying exposures. KSA shall be expressed in decimal form between zero and one.</p>	<p>6. Where an institution applies the SEC-SA under Sub-Section 3, that institution shall calculate K_{SA} by multiplying the risk-weighted exposure amounts in respect of the non-defaulted exposures that would be calculated under Chapter 2 as if they had not been securitised by 8 %, divided by the sum of the exposure values of the non-defaulted underlying exposures. K_{SA} shall be expressed in decimal form between zero and one.</p>	<p>6. Where an institution applies the SEC-SA under Sub-Section 3, that institution shall calculate $K_{SA}K_{SA}$ by multiplying the risk-weighted exposure amounts in respect of the non-defaulted exposures that would be calculated under Chapter 2 as if they had not been securitised by 8 %, divided by the sum of the exposure values of the non-defaulted underlying exposures. $K_{SA}K_{SA}$ shall be expressed in decimal form between zero and one.</p>

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Article 1, first paragraph, point (7), amending provision, numbered paragraph (6), second subparagraph					
178	For the purposes of this paragraph, non-defaulted exposures shall exclude underlying exposures that are in default as referred to in Article 261(2).		For the purposes of this paragraph, non-defaulted exposures shall exclude underlying exposures that are in default as referred to in Article 261(2).		For the purposes of this paragraph, non-defaulted exposures shall exclude underlying exposures that are in default as referred to in Article 261(2).
Article 1, first paragraph, point (7), amending provision, numbered paragraph (6), third subparagraph					
179	For the purposes of this paragraph, institutions shall calculate the exposure value of the underlying exposures gross of any specific credit risk adjustments and additional value adjustments in accordance with Articles 34 and 110 and other own funds reductions.;		For the purposes of this paragraph, institutions shall calculate the exposure value of the underlying exposures gross of any specific credit risk adjustments and additional value adjustments in accordance with Articles 34 and 110 and other own funds reductions.;		For the purposes of this paragraph, institutions shall calculate the exposure value of the underlying exposures gross of any specific credit risk adjustments and additional value adjustments in accordance with Articles 34 and 110 and other own funds reductions.;
Article 1, first paragraph, point (8)					
180	(8) In Article 256, the following paragraph is added:		(8) In Article 256, the following paragraph is added:		(8) In Article 256, the following paragraph is added:
Article 1, first paragraph, point (8), amending provision, numbered paragraph (7)					
181	7.The outstanding balance of the pool of underlying exposures in the securitisation shall, for the purpose of the paragraph 1 and 2, be reduced by the amount of losses already allocated to the tranches in respect of the defaulted exposures that are included in the securitised portfolio.;		7.The outstanding balance of the pool of underlying exposures in the securitisation shall, for the purpose of the paragraph 1 and 2, be reduced by the amount of losses already allocated to the tranches in respect of the defaulted exposures that are still included in the securitised portfolio and not yet subject to final work-out.;		7.The outstanding balance of the pool of underlying exposures in the securitisation shall, for the purpose of the paragraph 1 and 2, be reduced by the amount of losses already allocated to the tranches in respect of the defaulted exposures that are <i>still</i> included in the securitised portfolio <i>and not yet subject to final work-out.</i> ;
Article 1, first paragraph, point (9)					
182	(9) Article 259 is amended as follows:		(9) Article 259 is amended as follows:		(9) Article 259 is amended as follows:
Article 1, first paragraph, point (9)(a)					

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183	(a) the introductory wording is replaced by the following:	(a) the introductory wording is replaced by the following:	(a) the introductory wording is replaced by the following:
Article 1, first paragraph, point (9)(a), amending provision, first paragraph			
184	‘ Under the SEC-IRBA, 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:’	‘ Under the SEC-IRBA, 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:’	‘ Under the SEC-IRBA, 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:’
Article 1, first paragraph, point (9)(b)			
185	(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:	(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:	(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:
Article 1, first paragraph, point (9)(b), amending provision, first paragraph			
186	‘ Where:	‘ Where:	‘ Where:
Article 1, first paragraph, point (9)(b), amending provision, first paragraph, first paragraph			
187	$p = \min (1, \max [0.3; 0.7 *(A + B*(1/N) + C*K_{IRB} + D*LG D + E*MT)])$ for an originator or sponsor exposure to a senior securitisation position, or	$p = \max [0.3; 0.7 *(A + B*(1/N) + C*K_{IRB} + D*LG D + E*MT)]$ for a senior securitisation position of originator or sponsor , or	$p = \min (1, \max [0.3; 0.7 *(A + B*(1/N) + C*K_{IRB} + D*LG D + E*MT)])$ for an originator or sponsor exposure to a senior securitisation position <u>of originator or sponsor</u> , or
Article 1, first paragraph, point (9)(b), amending provision, first paragraph, second paragraph			
188	$p = \min (1, \max [0.3; 1 *(A + B*(1/N) + C*K_{IRB} + D*LG D + E*MT)])$ for other exposures.;	$p = \max [0.3; 1 *(A + B*(1/N) + C*K_{IRB} + D*LG D + E*MT)]$ for other positions.;	$p = \min (1, \max [0.3; 1 *(A + B*(1/N) + C*K_{IRB} + D*LG D + E*MT)])$ for other exposures <u>positions</u> .;
Article 1, first paragraph, point (9)(c)			

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189		(c) the following paragraphs 1a and 1b are inserted:		(c) the following paragraphs 1a, 1b and 1c are inserted:		(c) the following paragraphs 1a, <u>1b and 1c</u> and 1b are inserted:
Article 1, first paragraph, point (9)(c), amending provision, numbered paragraph (1a)						
190		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:		1a. The risk-weight <u>risk weight</u> for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows:		1a. The risk-weighted exposure amount <u>risk-weight</u> for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows:
Article 1, first paragraph, point (9)(c), amending provision, numbered paragraph (1a), first paragraph						
191		Floor = max (12%; 15% *K _{IRB} *12.5)		Floor = max (13%; 15% *K _{IRB} *12.5)		Floor = max (12% <u>13%</u> ; 15% *K _{IRB} *12.5)
Article 1, first paragraph, point (9)(c), amending provision, numbered paragraph (1b)						
192		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:		1b. The risk-weight <u>risk weight</u> 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:		1b. The risk-weighted exposure amount <u>risk-weight</u> 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:
Article 1, first paragraph, point (9)(c), amending provision, numbered paragraph (1b), first paragraph						
193		Floor = max (10%; 15% * K _{IRB} *12.5).;		Floor = max (10%; 12% * K _{IRB} *12.5).		Floor = max (10%; 15% <u>12%</u> * K _{IRB} *12.5).;
Article 1, first paragraph, point (9)(c), amending provision, numbered paragraph (1ba)						
193a				(1c) The risk weights <u>weight</u> for a non-senior securitisation position shall be subject to a floor of 15%. In addition, the risk weights <u>weight</u> shall be no lower than the risk weight applicable to the senior tranche of the same securitisation.;		<u>(1c) The risk weights for a non-senior securitisation position shall be subject to a floor of 15%. In addition, the risk weights shall be no lower than the risk weight applicable to the senior tranche of the same securitisation.;</u>
Article 1, first paragraph, point (9)(d)						

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194		(d) paragraph 7 is replaced by the following:		(d) paragraph 7 is replaced by the following:		(d) paragraph 7 is replaced by the following:
Article 1, first paragraph, point (9)(d), amending provision, numbered paragraph (7)						
195		7. Where the position is backed by a mixed pool and the institution is able to calculate K_{IRB} on at least 95 % of the underlying exposure amounts in accordance with Article 258(1), point (a), the institution shall calculate the capital charge for the pool of underlying exposures as:		7. Where the position is backed by a mixed pool and the institution is able to calculate K_{IRB} on at least 95 % of the underlying exposure amounts in accordance with Article 258(1), point (a), the institution shall calculate the capital charge for the pool of underlying exposures as:		7. Where the position is backed by a mixed pool and the institution is able to calculate K_{IRB} on at least 95 % of the underlying exposure amounts in accordance with Article 258(1), point (a), the institution shall calculate the capital charge for the pool of underlying exposures as:
Article 1, first paragraph, point (9)(d), amending provision, numbered paragraph (7), first paragraph						
196		$\square \cdot \square_{\square\square\square} + (1 - \square)\square_A;$		$\square \cdot \square_{\square\square\square} + (1 - \square)\square_A;$		$\square \cdot \square_{\square\square\square} + (1 - \square)\square_A;$
Article 1, first paragraph, point (10)						
197		(10) Article 260 is replaced by the following:		(10) Article 260 is replaced by the following:		(10) Article 260 is replaced by the following:
Article 1, first paragraph, point (10), amending provision, first paragraph						
198		Article 260		Article 260		Article 260
Article 1, first paragraph, point (10), amending provision, second paragraph						
199		Treatment of STS securitisations under the SEC-IRBA		Treatment of STS securitisations under the SEC-IRBA		Treatment of STS securitisations under the SEC-IRBA
Article 1, first paragraph, point (10), amending provision, numbered paragraph (1)						
200		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:		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:		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:
Article 1, first paragraph, point (10), amending provision, numbered paragraph (1), first paragraph						
201		$p = \min(0.5, \max[0.2; 0.3*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T])$ for a senior		$p = \max[0.2; 0.3*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]$ for a senior securitisation		$p = \min(0.5, \max[0.2; 0.3*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T])$ for a senior

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	securitisation position of originator or sponsor	position of originator, sponsor or investor	securitisation position of originator- or , sponsor <u>or investor</u>
Article 1, first paragraph, point (10), amending provision, numbered paragraph (1), second paragraph			
202	$p = \min(0.5, \max[0.2; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T])]$ for a non-senior originator or sponsor position	$p = \max[0.3; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)]$ for a non-senior securitisation position of originator, sponsor or investor	$p = \min(\del{0.5}, \max[\del{0.2}; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)])$ for a non-senior <u>securitisation position of</u> originator- or , sponsor <u>position or investor</u>
Article 1, first paragraph, point (10), amending provision, numbered paragraph (1), third paragraph			
203	$p = \min(0.5, \max[0.3; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)])$ for other positions		$p = \min(\del{0.5}, \max[\del{0.3}; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*M_T)])$ for other positions
Article 1, first paragraph, point (10), amending provision, numbered paragraph (1), fourth paragraph			
204	The risk-weight floor for a senior securitisation position = $\max(7\%; 10\% *K_{IRB} *12.5)$.	The risk-weight <u>risk weight</u> floor for a senior securitisation position = $\max(8\%; 9\% *K_{IRB} *12.5)$.	The risk-weight floor for a senior securitisation position = $\max(\del{7\%}; \del{10\%} \del{8\%}; \del{9\%} *K_{IRB} *12.5)$.
Article 1, first paragraph, point (10), amending provision, numbered paragraph (1), fourth paragraph a			
204a		The risk-weight <u>risk weight</u> for a non-senior securitisation position shall be subject to a floor of 15%. In addition, the risk weights <u>weight</u> shall be no lower than the risk weight applicable to the senior tranche of the same securitisation.	<u>The risk-weight for a non-senior securitisation position shall be subject to a floor of 15%. In addition, the risk weights shall be no lower than the risk weight applicable to the senior tranche of the same securitisation.</u>
Article 1, first paragraph, point (10), amending provision, numbered paragraph (2)			
205	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:	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:	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:
Article 1, first paragraph, point (10), amending provision, numbered paragraph (2), first paragraph			
206	$p = \min(0.5, \max[0.2; 0.3*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*MT)])$ for a senior securitisation position of originator, sponsor or	$p = \max[0.2; 0.3*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*MT)]$ for a senior securitisation position of originator, sponsor or investor	$p = \min(\del{0.5}, \max[0.2; 0.3*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*MT)])$ for a senior securitisation position of originator, sponsor or

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	investor		investor
Article 1, first paragraph, point (10), amending provision, numbered paragraph (2), second paragraph			
207	$p = \min (0.5, \max [0.2; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*MT)])$ for a non-senior originator or sponsor position		<i>$p = \min (0.5, \max [0.2; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*MT)])$ for a non-senior originator or sponsor position</i>
Article 1, first paragraph, point (10), amending provision, numbered paragraph (2), third paragraph			
208	$p = \min (0.5, \max [0.3; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*MT)])$ for other positions		<i>$p = \min (0.5, \max [0.3; 0.5*(A + B*(1/N) + C*K_{IRB} + D*LGD + E*MT)])$ for other positions</i>
Article 1, first paragraph, point (10), amending provision, numbered paragraph (2), fourth paragraph			
209	The risk weight floor for a senior securitisation position = $\max (5\%; 10\% * K_{IRB} * 12.5);$	The risk weight floor for a senior securitisation position = $\max (6\%; 7\% * K_{IRB} * 12.5);$	The risk weight floor for a senior securitisation position = $\max (\del{5\%}; \del{10\%} \underline{6\%}; \underline{7\%} * K_{IRB} * 12.5);$
Article 1, first paragraph, point (11)			
210	(11) Article 261 is amended as follows:	(11) Article 261 is amended as follows:	(11) Article 261 is amended as follows:
Article 1, first paragraph, point (11)(a)			
211	(a) paragraph 1 is amended as follows:	(a) paragraph 1 is amended as follows:	(a) paragraph 1 is amended as follows:
Article 1, first paragraph, point (11)(a)(1)			
212	(1) the introductory wording is replaced by the following:	(1) the introductory wording is replaced by the following:	(1) the introductory wording is replaced by the following:
Article 1, first paragraph, point (11)(a)(1), amending provision, first paragraph			
213	‘ 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:’	‘ 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:’	‘ 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:’

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Article 1, first paragraph, point (11)(a)(2)						
214		(2) 'p = 1 for a securitisation exposure that is not a re-securitisation exposure' is replaced by the following:		(2) 'p = 1 for a securitisation exposure that is not a re-securitisation exposure' is replaced by the following:		(2) 'p = 1 for a securitisation exposure that is not a re-securitisation exposure' is replaced by the following:
Article 1, first paragraph, point (11)(a)(2), amending provision, first paragraph						
215		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.;		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.;		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.;
Article 1, first paragraph, point (11)(b)						
216		(b) the following paragraphs 1a and 1b are inserted:		(b) the following paragraphs 1a, 1b, 1c and 1d <u>and 1c</u> are inserted:		(b) the following paragraphs 1a, <u>1b, 1c and 1d</u> and 1b are inserted:
Article 1, first paragraph, point (11)(b), amending provision, numbered paragraph (1a)						
217		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:		1a. The risk weight for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows:		1a. The risk-weighted exposure amount <u>risk weight</u> for a senior securitisation position calculated in accordance with paragraph 1 shall be subject to a floor calculated as follows:
Article 1, first paragraph, point (11)(b), amending provision, numbered paragraph (1a), first paragraph						
218		Floor = max (12%; 15% *K _A *12.5).		Floor = max (13%; 15% *K _A *12.5).		Floor = max (12% <u>13%</u> ; 15% *K _A *12.5).
Article 1, first paragraph, point (11)(b), amending provision, numbered paragraph (1b)						
219		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:		1b. The risk-weight <u>risk weight</u> 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:		1b. The risk-weighted exposure amount <u>risk-weight</u> 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:

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						follows:
Article 1, first paragraph, point (11)(b), amending provision, numbered paragraph (1b), first paragraph						
220		Floor = max (10%; 15% * K _A *12.5);		Floor = max (10%; 12% * K _A *12.5).		Floor = max (10%; 15% 12% * K _A *12.5);
Article 1, first paragraph, point (11)(b), amending provision, numbered paragraph (1ba)						
220a				1c. The risk-weight risk weight for a non-senior securitisation position shall be subject to a floor of 15%. In addition, the risk weights weight shall be no lower than the risk weight applicable to the senior tranche of the same securitisation;		<u>1c. The risk-weight for a non-senior securitisation position shall be subject to a floor of 15%. In addition, the risk weights shall be no lower than the risk weight applicable to the senior tranche of the same securitisation;</u>
Article 1, first paragraph, point (11)(b), amending provision, numbered paragraph (1bb)						
220b				(1d) For the purpose of this article, K_A is calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation.		<u>(1d) For the purpose of this article, K_A is calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation.</u>
Article 1, first paragraph, point (11)(c)						
221		(c) In paragraph 2, the following sub-paragraph is added:		(c) In paragraph 2, the following sub-paragraph is added:		(c) In paragraph 2, the following sub-paragraph is added:
Article 1, first paragraph, point (11)(c), amending provision, first paragraph						
222		For the purpose of this paragraph, the nominal amount of the underlying exposures in default is the accounting value of the exposures in default minus any amounts by which the tranches have already been written down to absorb the losses on those exposures in default, or losses which have been absorbed by excess spread.;		For the purpose of this paragraph, the nominal amount of the underlying exposures in default is the accounting value of the exposures in default minus any amounts by which the tranches have already been written down to absorb the losses on those exposures in default, or losses which have been absorbed by excess spread.;		For the purpose of this paragraph, the nominal amount of the underlying exposures in default is the accounting value of the exposures in default minus any amounts by which the tranches have already been written down to absorb the losses on those exposures in default, or losses which have been absorbed by excess spread.;

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Article 1, first paragraph, point (11)(d)						
222a				<u>(d) The following paragraph 2a is inserted:</u>		
Article 1, first paragraph, point (11)(ca)(i)						
222b				<u>'(2a) For the purpose of the calculation of the floor for a senior securitisation position in paragraph 1(a) and paragraph 1(b), K_A shall be calculated for the pool of the underlying exposures at the origination of securitisation.'</u>		
Article 1, first paragraph, point (12)						
223	(12)	Article 262 is replaced by the following:	(12)	Article 262 is replaced by the following:	(12)	Article 262 is replaced by the following:
Article 1, first paragraph, point (12), amending provision, first paragraph						
224	'	Article 262	'	Article 262	'	Article 262
Article 1, first paragraph, point (12), amending provision, second paragraph						
225	Treatment of STS securitisations under the SEC-SA		Treatment of STS securitisations under the SEC-SA		Treatment of STS securitisations under the SEC-SA	
Article 1, first paragraph, point (12), amending provision, numbered paragraph (1)						
226	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:		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:		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:	
Article 1, first paragraph, point (12), amending provision, numbered paragraph (1), first paragraph						
227	p = 0.3 for a senior securitisation position of originator or sponsor		p = 0.3 for a senior securitisation position of originator, sponsor or investor		p = 0.3 for a senior securitisation position of originator or , sponsor <u>or investor</u>	
Article 1, first paragraph, point (12), amending provision, numbered paragraph (1), second paragraph						
228	p = 0.5 for other securitisation exposures		p = 0.5 for other securitisation positions		p = 0.5 for other securitisation exposures <u>positions</u>	

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Article 1, first paragraph, point (12), amending provision, numbered paragraph (1), third paragraph					
229	risk weight floor for a senior securitisation position = max (7%; 10% * K _A *12.5).		The risk weight floor for a senior securitisation position = max (8%; 9% * K _A *12.5).		<u>The risk weight floor for a senior securitisation position = max (7%; 10%8%; 9% * K_A*12.5).</u>
Article 1, first paragraph, point (12), amending provision, numbered paragraph (1), third paragraph a					
229a			The risk-weight <u>risk weight</u> for a non-senior securitisation position shall be subject to a floor of 15%. In addition, the risk weights <u>weight</u> shall be no lower than the risk weight applicable to the senior tranche of the same securitisation.		<u>The risk-weight for a non-senior securitisation position shall be subject to a floor of 15%. In addition, the risk weights shall be no lower than the risk weight applicable to the senior tranche of the same securitisation.</u>
Article 1, first paragraph, point (12), amending provision, numbered paragraph (2)					
230	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:		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:		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:
Article 1, first paragraph, point (12), amending provision, numbered paragraph (2), first paragraph					
231	p = 0.3 for a senior securitisation position of originator, sponsor or investor		p = 0.3 for a senior securitisation position of originator, sponsor or investor		p = 0.3 for a senior securitisation position of originator, sponsor or investor
Article 1, first paragraph, point (12), amending provision, numbered paragraph (2), second paragraph					
232	p = 0.5 for other securitisation exposures				p = 0.5 for other securitisation exposures
Article 1, first paragraph, point (12), amending provision, numbered paragraph (2a)					
233	risk weight floor for a senior securitisation position = max (5%; 10% * K _A *12.5).;		The risk weight floor for a senior securitisation position = max (6%; 7% * K _A *12.5). The risk-weight <u>risk weight</u> for a non-senior securitisation position shall be subject to a floor of 15%. In addition, the risk weights <u>weight</u> shall be no lower than the risk weight applicable to the senior tranche of the same securitisation.		<u>The risk weight floor for a senior securitisation position = max (5%; 10%6%; 7% * K_A*12.5).</u> <u>The risk-weight for a non-senior securitisation position shall be subject to a floor of 15%. In addition, the risk weights shall be no lower than the risk weight applicable to the senior tranche of the same securitisation.</u>

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Article 1, first paragraph, point (12), amending provision, numbered paragraph (3)					
233a			3.For the purpose of <u>the calculation of the floor for a senior securitisation position according to</u> this article, K_A shall be calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation.;		<u>3.For the purpose of this article, K_A shall be calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation.;</u>
Article 1, first paragraph, point (13)					
234	(13) Article 263 is amended as follows:		(13) Article 263 is amended as follows:		(13) Article 263 is amended as follows:
Article 1, first paragraph, point (13)(a)					
235	(a) paragraph 2 is replaced by the following:		(a) paragraph 2 is replaced by the following:		(a) paragraph 2 is replaced by the following:
Article 1, first paragraph, point (13)(a), amending provision, numbered paragraph (2)					
236	‘ 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:		‘ 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:		‘ 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:
Article 1, first paragraph, point (13)(a), amending provision, numbered paragraph (2), first paragraph					
237	Table 1		Table 1		Table 1
Article 1, first paragraph, point (13)(a), amending provision, numbered paragraph (2), Table					
238	Table		Table		Table
Article 1, first paragraph, point (13)(a), amending provision, numbered paragraph (2), second paragraph					
239					
Article 1, first paragraph, point (13)(b)					

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240	(b) the following paragraphs 2a and 2b are inserted:	the following paragraphs 2a and 2b are inserted:	(b) the following paragraphs 2a and 2b are inserted:
Article 1, first paragraph, point (13)(b), amending provision, numbered paragraph (2a)			
241	‘ 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:	‘ 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 in the table 1 shall be calculated as follow:	‘ 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 <u>in the table 1</u> shall be calculated as follow:
Article 1, first paragraph, point (13)(b), amending provision, numbered paragraph (2a), first paragraph			
242	Max (10 %; 15% *K _A *12.5)	Min (15%; Max[10%; 12% *K _A *12.5])	Max (10 %; <u>Min (15%; Max[10%; 12%</u> *K _A *12.5)
Article 1, first paragraph, point (13)(b), amending provision, numbered paragraph (2b)			
243	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.;	2b For the purpose of this article, K _A shall be calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation. Where an institution is not able to calculate 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.;	2b- <u>For the purpose of this article, K_A shall be calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation.</u> Where an institution is not able to use <u>calculate</u> 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.;
Article 1, first paragraph, point (13)(c)			
244	(c) paragraph 3 is replaced by the following:	(c) paragraph 3 is replaced by the following:	(c) paragraph 3 is replaced by the following:
Article 1, first paragraph, point (13)(c), amending provision, numbered paragraph (3)			
245	‘ 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	‘ 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	‘ 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

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	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 thickness for non-senior tranches in accordance with paragraph 5 of this Article:	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 thickness for non-senior tranches in accordance with paragraph 5 of this Article:	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 thickness for non-senior tranches in accordance with paragraph 5 of this Article:
Article 1, first paragraph, point (13)(c), amending provision, numbered paragraph (3), first paragraph			
246	Table 2	Table 2	Table 2
Article 1, first paragraph, point (13)(c), amending provision, numbered paragraph (3), Table			
247	Table	Table	Table
Article 1, first paragraph, point (13)(c), amending provision, numbered paragraph (3), second paragraph			
248	,	,	,
Article 1, first paragraph, point (13)(d)			
249	(d) the following paragraphs 3a and 3b are inserted:	the following paragraphs 3a and 3b are inserted:	(d) the following paragraphs 3a and 3b are inserted:
Article 1, first paragraph, point (13)(d), amending provision, numbered paragraph (3a)			
250	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:	3a. For a position by originator or sponsor in senior tranche with CQS1 with any tranche maturity, or a position by investor in senior tranche with CQS1 with tranche maturity of 1 year, or a position in senior tranche with CQS2 with tranche maturity of 1 year, in a securitisation that complies with the criteria set out in Article 243(4), the risk weight in the Table 2 shall be calculated as follows:	3a- For in a position by originator or sponsor in senior tranche with CQS1 <u>with any tranche maturity, or a position by investor in senior tranche with CQS1 with tranche maturity of 1 year, or a position in senior tranche with</u> CQS2 CQS2 with tranche maturity of 1 year, in a securitisation that complies with the criteria set out in Article 243(4), the risk weight <u>in the Table 2</u> shall be calculated as follows:
Article 1, first paragraph, point (13)(d), amending provision, numbered paragraph (3a), first paragraph			
251	Max (10 %; 15% * K_A *12.5)	Min (15%; Max [10%; 12% * K_A *12.5])	<u>Min (15%; Max [10%; 12%</u> Max (10 %; 15% * K_A *12.5])

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Article 1, first paragraph, point (13)(d), amending provision, numbered paragraph (3b)						
252		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.;		<u>3b.</u> For the purpose of this article, K_A is shall be calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation. Where an institution is not able to calculate the formula set out in the Table 2 or under paragraph 3a, because it is not able to calculate K_A , a risk weight of 15 % shall apply to the relevant exposure.;		<u>3b.</u> For the purpose of this article, K_A is <u>calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation.</u> Where an institution is not able to use <u>calculate</u> 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.;
Article 1, first paragraph, point (14)						
253		(14) Article 264 is amended as follows:		(14) Article 264 is amended as follows:		(14) Article 264 is amended as follows:
Article 1, first paragraph, point (14)(a)						
254		(a) paragraph 2 is replaced by the following:		(a) paragraph 2 is replaced by the following:		(a) paragraph 2 is replaced by the following:
Article 1, first paragraph, point (14)(a), amending provision, numbered paragraph (2)						
255		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:		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:		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:
Article 1, first paragraph, point (14)(a), amending provision, numbered paragraph (2), first paragraph						
256		Table 3		Table 3		Table 3
Article 1, first paragraph, point (14)(a), amending provision, numbered paragraph (2), Table						
257		Table		Table		Table
Article 1, first paragraph, point (14)(a), amending provision, numbered paragraph (2), second paragraph						
258						

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Article 1, first paragraph, point (14)(b)						
259		(b) the following paragraphs 2a and 2b are inserted:		(b) the following paragraphs 2a and 2b are inserted:		(b) the following paragraphs 2a and 2b are inserted:
Article 1, first paragraph, point (14)(b), amending provision, numbered paragraph (2a)						
260		‘ 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:		‘ <u>2a.</u> 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 in the Table 3 shall be calculated as follows:		‘ 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 <u>in the Table 3</u> shall be calculated as follows:
Article 1, first paragraph, point (14)(b), amending provision, numbered paragraph (2a), first paragraph						
261		Max (5%; 10% * K _A *12.5)		Min (10%; Max [6%; 7% *K _A *12.5])		<u>Min (10%; Max [6%; 7% *Max (5%; 10%* K_A*12.5)</u>
Article 1, first paragraph, point (14)(b), amending provision, numbered paragraph (2b)						
262		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 weight of 10 % shall apply to the relevant exposures.;		2b. For the purpose of this article, K _A is <u>shall be</u> calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation. Where an institution is not able to calculate the formula set out in Table 3 or under the paragraph 2a, because it is not able to calculate K _A , a risk weight of 10 % shall apply to the relevant exposures.;		2b- <u>For the purpose of this article, K_A is calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation.</u> Where an institution is not able to use <u>calculate</u> the formula set out in Table 3 or under the paragraph 2a, because it is not able to calculate K _A , a risk weight of 10 % shall apply to the relevant exposures.;
Article 1, first paragraph, point (14)(c)						
263		(c) paragraph 3 is replaced by the following:		(c) paragraph 3 is replaced by the following:		(c) paragraph 3 is replaced by the following:
Article 1, first paragraph, point (14)(c), amending provision, numbered paragraph (3)						
264		‘ 3.For exposures with long-term credit		‘ 3.For exposures with long-term credit		‘ 3.For exposures with long-term credit

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		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):		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):		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):
Article 1, first paragraph, point (14)(c), amending provision, numbered paragraph (3), first paragraph						
265		Table 4		Table 4		Table 4
Article 1, first paragraph, point (14)(c), amending provision, numbered paragraph (3), Table						
266		Table		Table		Table
Article 1, first paragraph, point (14)(c), amending provision, numbered paragraph (3), second paragraph						
267		,		,		,
Article 1, first paragraph, point (14)(d)						
268		(d) the following paragraphs 3a and 3b is added:		(d) the following paragraphs 3a, 3b and 3c are added:		(d) the following paragraphs 3a, <u>3b and 3c are</u> and 3b is added:
Article 1, first paragraph, point (14)(d), amending provision, numbered paragraph (3a)						
269		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:		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 in the Table 4 shall be calculated as follows:		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 <u>in the Table 4</u> shall be calculated as follows:
Article 1, first paragraph, point (14)(d), amending provision, numbered paragraph (3a), first paragraph						
270		Max (5 %; 10% * K_A *12.5)		Min (10%; Max [6%; 7% * K_A *12.5])		<u>Min (10%; Max [6%; 7%</u> Max (5 %; 10% * K_A *12.5)
Article 1, first paragraph, point (14)(d), amending provision, numbered paragraph (3b)						

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271	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.;	3b. For the purpose of this article, K_A is shall be calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation. Where an institution is not able to calculate the formula set out in Table 4 or under the paragraphs 3a, because it is not able to calculate K_A , a risk weight of 10 % shall apply to the relevant exposures.	3b: When For the purpose of this article, K_A is calculated in accordance with the Article 261 for the pool of the underlying exposures at the origination of securitisation. Where an institution is not able to use calculate the formula set out in Table 4 or under the paragraphs 3a, because it is not able to calculate K_A , a risk weight of 10 % shall apply to the relevant exposure exposures.
Article 1, first paragraph, point (14)(d), amending provision, numbered paragraph (3ba)			
271a		3c. For a position in senior tranche with CQS1 with any tranche maturity, or CQS 2 with tranche maturity of 1 year, in securitisation of auto or equipment loans and leases, and ABCP securitisations of trade receivables, the risk weight in the Table 4 shall be 6%.	<u>3c For a position in senior tranche with COS1 with any tranche maturity, or COS 2 with tranche maturity of 1 year, in securitisation of auto or equipment loans and leases, and ABCP securitisations of trade receivables, the risk weight in the Table 4 shall be 6%.</u>
Article 1, first paragraph, point (15)			
272	(15) Article 268 is amended as follows:	(15) Article 268 is amended as follows:	(15) Article 268 is amended as follows:
Article 1, first paragraph, point (15)(a)			
273	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:
Article 1, first paragraph, point (15)(a), amending provision, numbered paragraph (1), first subparagraph			
274	1. An institution may apply a maximum capital requirement for the securitisation position it holds equal to the capital requirements that would be calculated under Chapter 2 or 3 in respect of the underlying exposures had they not been securitised.	1. An institution may apply a maximum capital requirement for the securitisation position it holds equal to the capital requirements that would be calculated under Chapter 2 or 3 in respect of the underlying exposures had they not been securitised.	1. An institution may apply a maximum capital requirement for the securitisation position it holds equal to the capital requirements that would be calculated under Chapter 2 or 3 in respect of the underlying exposures had they not been securitised.
Article 1, first paragraph, point (15)(a), amending provision, numbered paragraph (1), second subparagraph			

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275		For the purposes of this Article, the IRB Approach capital requirement shall include the amount of the expected losses associated with those exposures calculated under Chapter 3 and that of unexpected losses. For originator institutions, the expected losses shall be net of any specific credit risk adjustments on the underlying exposures.;		For the purposes of this Article, the IRB Approach capital requirement shall include the amount of the expected losses associated with those exposures calculated under Chapter 3 and that of unexpected losses. For originator institutions, the expected losses shall be net of any specific credit risk adjustments on the underlying exposures.;		For the purposes of this Article, the IRB Approach capital requirement shall include the amount of the expected losses associated with those exposures calculated under Chapter 3 and that of unexpected losses. For originator institutions, the expected losses shall be net of any specific credit risk adjustments on the underlying exposures.;
Article 1, first paragraph, point (15)(b)						
276		(b) paragraph 3 is replaced by the following:		(b) paragraph 3 is replaced by the following:		(b) paragraph 3 is replaced by the following:
Article 1, first paragraph, point (15)(b), amending provision, numbered paragraph (3), first subparagraph						
277		3.The maximum capital requirement shall be the result of multiplying the amount calculated in accordance with paragraphs 1 or 2 by the largest proportion of interest that the institution holds in the relevant tranches (V), expressed as a percentage and calculated as follows:		3.The maximum capital requirement shall be the result of multiplying the amount calculated in accordance with paragraphs 1 or 2 by the largest proportion of interest that the institution holds in the relevant tranches (V), expressed as a percentage and calculated as follows:		3.The maximum capital requirement shall be the result of multiplying the amount calculated in accordance with paragraphs 1 or 2 by the largest proportion of interest that the institution holds in the relevant tranches (V), expressed as a percentage and calculated as follows:
Article 1, first paragraph, point (15)(b), amending provision, numbered paragraph (3), first subparagraph, point (a)						
278		(a) for an institution that has one or more securitisation positions in a single tranche, V shall be equal to the ratio of the nominal amount of the securitisation positions that the institution holds in that given tranche to the nominal amount of the tranche;		(a) for an institution that has one or more securitisation positions in a single tranche, V shall be equal to the ratio of the nominal amount of the securitisation positions that the institution holds in that given tranche to the nominal amount of the tranche;		(a) for an institution that has one or more securitisation positions in a single tranche, V shall be equal to the ratio of the nominal amount of the securitisation positions that the institution holds in that given tranche to the nominal amount of the tranche;
Article 1, first paragraph, point (15)(b), amending provision, numbered paragraph (3), first subparagraph, point (b)						
279		(b) for an institution that has securitisation positions in different tranches, V shall be equal to the maximum proportion of interest across tranches.		(b) for an institution that has securitisation positions in different tranches, V shall be equal to the maximum proportion of interest across tranches.		(b) for an institution that has securitisation positions in different tranches, V shall be equal to the maximum proportion of interest across tranches.

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Article 1, first paragraph, point (15)(b), amending provision, numbered paragraph (3), second subparagraph					
280	For the purposes of point (b), the proportion of interest for each of the different tranches shall be calculated as set out in point (a).		For the purposes of point (b), the proportion of interest for each of the different tranches shall be calculated as set out in point (a).		For the purposes of point (b), the proportion of interest for each of the different tranches shall be calculated as set out in point (a).
Article 1, first paragraph, point (15)(b), amending provision, numbered paragraph (3), third subparagraph					
281	By way of derogation from the first and second subparagraphs, institutions may disregard the interest of any tranche whose securitisation positions held by the institution are assigned a 1250 % risk weight in accordance with Subsection 3 or are deducted from Common Equity Tier 1 in accordance with Article 36(1), point (k). In that case, the maximum capital requirements shall be the sum of the amount calculated in accordance with paragraphs 1 or 2, net of the exposure values of the securitisation positions which were disregarded in the determination of V, multiplied by V plus the sum of the exposure values of the securitisation positions which were disregarded in the determination of V.;		By way of derogation from the first and second subparagraphs, institutions may disregard the interest of any tranche whose securitisation positions held by the institution are assigned a 1250 % risk weight in accordance with Subsection 3 or are deducted from Common Equity Tier 1 in accordance with Article 36(1), point (k). In that case, the maximum capital requirements shall be the sum of the amount calculated in accordance with paragraphs 1 or 2, net of the exposure values of the securitisation positions which were disregarded in the determination of V, multiplied by V plus the sum of the exposure values of the securitisation positions which were disregarded in the determination of V.;		By way of derogation from the first and second subparagraphs, institutions may disregard the interest of any tranche whose securitisation positions held by the institution are assigned a 1250 % risk weight in accordance with Subsection 3 or are deducted from Common Equity Tier 1 in accordance with Article 36(1), point (k). In that case, the maximum capital requirements shall be the sum of the amount calculated in accordance with paragraphs 1 or 2, net of the exposure values of the securitisation positions which were disregarded in the determination of V, multiplied by V plus the sum of the exposure values of the securitisation positions which were disregarded in the determination of V.;
Article 1, first paragraph, point (16)					
282	(16) in Article 270, paragraphs 2, 3 and 4 are deleted;		(16) in Article 270, paragraphs 2, 3 and 4 are deleted;		(16) in Article 270, paragraphs 2, 3 and 4 are deleted;
Article 1, first paragraph, point (16a)					
282a			<u>(16a) Article 500a is amended as follows:</u>		
Article 1, first paragraph, point (16a)(a), first subparagraph					
282b			<u>(a) in paragraph 1, the introductory wording is replaced by the following:</u>		
Article 1, first paragraph, point (16a)(a), second subparagraph					

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282c				<u>'By way of derogation from Article 114(2), until 31 December 2026, for exposures to the central governments and central banks of Member States, where those exposures are denominated and funded in the domestic currency of another a non-euro Member State, except euro, the following apply: ,</u>		
Article 1, first paragraph, point (16a)(b)						
282d				<u>(b) paragraph 3 is replaced by the following:</u>		
Article 1, first paragraph, point (16a)(c)						
282e				<u>'3. By way of derogation from point (ii) of point (a) of Article 150(1a), after receiving the prior permission of the competent authorities and subject to the conditions laid down in Article 150, institutions may also apply the Standardised Approach to exposures to cen-tral governments and central banks, where those exposures are assigned a 0 % risk weight under paragraph 4 of this Article. '</u>		
Article 1, first paragraph, point (16a)(d)						
282f				<u>(c) the following paragraphs 4 and 5 are added:</u>		
Article 1, first paragraph, point (16a)(e)						
282g				<u>'4. By way of derogation from Article 114(2), until 31 December 2034, for exposures to the central governments and central banks of non-euro Member States, where those expo-sures are denominated and funded in euro, the following apply:</u>		
Article 1, first paragraph, point (16a)(f)						
282h				<u>(a) until 31 December 2030, the risk weight</u>		

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		<p><u>applied to the exposure values shall be 0 % of the risk weight assigned to those exposures in accordance with Article 114(2);</u></p> <p><u>(b) in 2031, the risk weight applied to the exposure values shall be 20 % of the risk weight assigned to those exposures in accordance with Article 114(2);</u></p> <p><u>(c) in 2032, the risk weight applied to the exposure values shall be 40 % of the risk weight assigned to those exposures in accordance with Article 114(2);</u></p> <p><u>(d) in 2033, the risk weight applied to the exposure values shall be 60 % of the risk weight assigned to those exposures in accordance with Article 114(2);</u></p> <p><u>(e) in 2034, the risk weight applied to the exposure values shall be 80 % of the risk weight assigned to those exposures in accordance with Article 114(2).</u></p>	
Article 1, first paragraph, point (16a)(g)			
282i		<p><u>5. By way of derogation from Articles 395(1) and 493(4), competent authorities may allow institutions to incur exposures referred to in paragraph 4 of this Article, up to the following limits:</u></p>	
Article 1, first paragraph, point (16a)(h)			
282j		<p><u>(a) 100 % of the institution's Tier 1 capital until 31 December 2031;</u></p> <p><u>(b) 80 % of the institution's Tier 1 capital</u></p>	

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				<u>between 1 January and 31 December 2032;</u>		
				<u>(c) 60 % of the institution's Tier 1 capital between 1 January and 31 December 2033;</u>		
				<u>(d) 40 % of the institution's Tier 1 capital between 1 January and 31 December 2034;</u>		
Article 1, first paragraph, point (16a)(i)						
	282k			<u>The limits referred to in points (a), (b), (c) and (d) of the first subparagraph of this paragraph shall apply to exposure values after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403. '</u>		
Article 1, first paragraph, point (17)						
	283	(17) Article 506b is deleted;		(17) Article 506b is deleted;		(17) Article 506b is deleted;
Article 1, first paragraph, point (18)						
	284	(18) Article 506d is replaced by the following:		(18) Article 506d is replaced by the following:		(18) Article 506d is replaced by the following:
Article 1, first paragraph, point (18), amending provision, first paragraph						
	285	' Article 506d		' Article 506d		' Article 506d
Article 1, first paragraph, point (18), amending provision, second paragraph						
	286	Prudential treatment of securitisation		Prudential treatment of securitisation		Prudential treatment of securitisation
Article 1, first paragraph, point (18), amending provision, numbered paragraph (1), first subparagraph						
	287	1.By [4 years after the date of entry into force], the Commission, after having consulted the EBA, shall assess the overall situation and dynamics of the Union securitisation market, and report on the appropriateness and effectiveness of the Union prudential securitisation framework, including on the financing of the real economy, differentiating		1.By [4 5 years after the date of entry into force], the Commission, after having consulted the EBA, shall assess the overall situation and dynamics of the Union securitisation market, and report on the appropriateness and effectiveness of the Union prudential securitisation framework, including on the financing of the real economy, differentiating		1.By [4 years after the date of entry into force], the Commission, after having consulted the EBA, shall assess the overall situation and dynamics of the Union securitisation market, and report on the appropriateness and effectiveness of the Union prudential securitisation framework, including on the financing of the real economy, differentiating

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	between different types of securitisations, including between synthetic, traditional and NPE securitisations, between originators and investors, between STS and non-STS transactions, and between different methods for calculation of risk-weighted exposure amounts.	between different types of securitisations, including between synthetic, traditional and NPE securitisations, between originators and investors, between STS and non-STS transactions, and between different methods for calculation of risk-weighted exposure amounts.	between different types of securitisations, including between synthetic, traditional and NPE securitisations, between originators and investors, between STS and non-STS transactions, and between different methods for calculation of risk-weighted exposure amounts.
Article 1, first paragraph, point (18), amending provision, numbered paragraph (1), second subparagraph			
288	As part of the review, the Commission shall assess the impact on financial stability. The Commission shall also monitor the use of the transitional arrangement referred to in Article 465(13) and assess the extent to which the application of the output floor to securitisation exposures would affect the capital reduction obtained by originator institutions in transactions for which a significant risk transfer has been recognised, would excessively reduce the risk sensitivity and would affect the economic viability of new securitisation transactions.	As part of the review, the Commission shall assess the impact on financial stability. The Commission shall also monitor the use of the transitional arrangement referred to in Article 465(13) and assess the extent to which the application of the output floor to securitisation exposures would affect the capital reduction obtained by originator institutions in transactions for which a significant risk transfer has been recognised, would excessively reduce the risk sensitivity and would affect the economic viability of new securitisation transactions.	As part of the review, the Commission shall assess the impact on financial stability. The Commission shall also monitor the use of the transitional arrangement referred to in Article 465(13) and assess the extent to which the application of the output floor to securitisation exposures would affect the capital reduction obtained by originator institutions in transactions for which a significant risk transfer has been recognised, would excessively reduce the risk sensitivity and would affect the economic viability of new securitisation transactions.
Article 1, first paragraph, point (18), amending provision, numbered paragraph (1), third subparagraph			
289	In particular, the Commission shall consider whether a more fundamental change to the risk-weight formulas and functions would make it possible to achieve more risk sensitivity, achieve more proportionate levels of capital non-neutrality, mitigate cliff effects and address structural limitations of the current framework, taking into account the historic credit performance of securitisation transactions in the Union and the reduced model and agency risks of the securitisation framework.	In particular, the Commission shall consider whether a more fundamental change to the risk-weight formulas and functions would make it possible to achieve more risk sensitivity, achieve more proportionate levels of capital non-neutrality, mitigate cliff effects and address structural limitations of the current framework, taking into account the historic credit performance of securitisation transactions in the Union and the reduced model and agency risks of the securitisation framework.	In particular, the Commission shall consider whether a more fundamental change to the risk-weight formulas and functions would make it possible to achieve more risk sensitivity, achieve more proportionate levels of capital non-neutrality, mitigate cliff effects and address structural limitations of the current framework, taking into account the historic credit performance of securitisation transactions in the Union and the reduced model and agency risks of the securitisation framework.
Article 1, first paragraph, point (18), amending provision, numbered paragraph (1), fourth subparagraph			
290	The Commission shall submit that report to the	The Commission shall submit that report to the	The Commission shall submit that report to the

	CLEAN	Commission Proposal	VS.W. 336294303688- PRV-2	Final PCY Comp Proposal	VS.EC	24 Nov PCY Comp Proposal
		European Parliament and the Council, together with a legislative proposal, where appropriate.		European Parliament and the Council, together with a legislative proposal, where appropriate.		European Parliament and the Council, together with a legislative proposal, where appropriate.
Article 1, first paragraph, point (18), amending provision, numbered paragraph (2)						
291		2.The EBA shall submit a report to the Commission, by [2 years after entry into force], to monitor the developments and dynamics of the Union securitisation market resulting from the amended prudential framework, focusing on the role of the credit institutions as originators of SRT transactions and as investors. The analysis shall differentiate between different types of securitisations, including between synthetic, traditional and NPE securitisations, and between STS and non-STs transactions. The report shall also analyse the impact of the amended prudential framework on additional lending by credit institutions to households and businesses, including SMEs.		2.The EBA shall submit a report to the Commission, by [2 years after entry into force], to monitor the developments and dynamics of the Union securitisation market resulting from the amended prudential framework, focusing on the role of the credit institutions as originators of SRT transactions and as investors. The analysis shall differentiate between different types of securitisations, including between synthetic, traditional and NPE securitisations, and between STS and non-STs transactions. The report shall also analyse the impact of the amended prudential framework on additional lending by credit institutions to households and businesses, including SMEs.		2.The EBA shall submit a report to the Commission, by [2 years after entry into force], to monitor the developments and dynamics of the Union securitisation market resulting from the amended prudential framework, focusing on the role of the credit institutions as originators of SRT transactions and as investors. The analysis shall differentiate between different types of securitisations, including between synthetic, traditional and NPE securitisations, and between STS and non-STs transactions. The report shall also analyse the impact of the amended prudential framework on additional lending by credit institutions to households and businesses, including SMEs.
Article 2						
292		Article 2		Article 2		Article 2
Article 2, first paragraph						
293		This Regulation shall enter into force on the [...] day following that of its publication in the Official Journal of the European Union.		This Regulation shall enter into force on the [...] day following that of its publication in the Official Journal of the European Union.		This Regulation shall enter into force on the [...] day following that of its publication in the Official Journal of the European Union.
Article 2, second paragraph						
294		This Regulation shall be binding in its entirety and directly applicable in all Member States.		This Regulation shall be binding in its entirety and directly applicable in all Member States.		This Regulation shall be binding in its entirety and directly applicable in all Member States.
Formula						

	CLEAN	Commission Proposal	VS.W. 336294303688- PRV-2	Final PCY Comp Proposal	VS.EC	24 Nov PCY Comp Proposal
295		Done at Strasbourg,		Done at Strasbourg,		Done at Strasbourg,
Formula						
296		For the European Parliament		For the European Parliament		For the European Parliament
Formula						
297		The President		The President		The President
Formula						
298		For the Council		For the Council		For the Council
Formula						
299		The President		The President		The President

Commission Proposal Table

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

Final PCY Comp Proposal Table

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Min (15%; Max [13%; 15% *K _A *12.5]) Non-senior tranche: 15 %	50 %	100 %	1250 %

24 Nov PCY Comp Proposal Table

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Max (12% <u>Min (15%; Max (13%; 15% * K4KA</u> *12.5])-Non-senior tranche: 15 %	50 %	100 %	1250 %

Commission Proposal Table

Credit quality step	Senior tranche, position of originator or sponsor		Senior tranche, position of investor		Non-senior (thin) tranche	
	Tranche maturity (MT)		Tranche maturity (MT)		Tranche maturity (MT)	
	1 year	5 year	1 year	5 year	5 year	1 year
1	Max (12 % ; 15% *KA*12.5)		Max (12 %; 15% *KA*12.5)		20 %	70 %
2	Max (12 % ; 15% *KA*12.5)			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 %	62 %	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 %

Final PCY Comp Proposal Table

Credit quality step	Senior tranche, position of originator or sponsor		Senior tranche, position of investor		Non-senior (thin) tranche		
	Tranche maturity (MT)		Tranche maturity (MT)		Tranche maturity (MT)		
	1 year	5 year	1 year	5 year	1 year	5 year	
1	Min (15%; Max [13%; 15% *K _A *12.5])		Min (15%; Max [13%; 15% *K _A *12.5])		20 %	15 %	70 %
2	Min (15%; Max [13%; 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 %	62 %	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 %	

24 Nov PCY Comp Proposal Table

Credit quality step	Senior tranche, position of originator or sponsor		Senior tranche, position of investor		Non-senior (thin) tranche		
	Tranche maturity (MT)		Tranche maturity (MT)		Tranche maturity (MT)		
	1 year	5 year	1 year	5 year	5 1 year	1 5 year	
1	<u>Min (15%; Max [13%Max (12 %; 15% *KAKA*12.5D)</u>		<u>Min (15%; Max [13%Max (12 %; 15% *KAKA*12.5D)</u>		20 %	15 %	70 %
2	<u>Min (15%; Max [13%Max (12 %; 15% *KAKA*12.5D)</u>		<u>*KAKA*12.5D)</u>		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 %	62 %	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 %	

Commission Proposal Table

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

Final PCY Comp Proposal Table

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Min (10%; Max [8%; 9% *K _A *12.5]) Non-senior tranche: 10%	30 %	60 %	1250 %

24 Nov PCY Comp Proposal Table

Credit quality step	1	2	3	All other ratings
Risk weight	Senior tranche: Max (7%; 10% <u>Min (10%; Max /8%; 9% *KAKA</u> *12.5]) Non-senior tranche: -10%	30 %	60 %	1250 %

Commission Proposal Table

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 (MT)		Tranche maturity (MT)		Tranche maturity (MT)	
	1 year	5 year	1 year	5 year	1 year	5 year
1	Max (7 %; 10%*KA*12.5)		Max (7 %; 10%*KA*12.5)		15 %	40 %
2	Max (7 %; 10% *KA* 12.5)	10 %	Max (7%; 10% * KA *12.5)	15 %	15 %	55 %
3	10 %	12 %	15 %	20 %	15 %	70 %
4	10 %	16 %	15 %	25 %	25 %	80 %
5	12 %	20 %	20 %	30 %	35 %	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 %

Final PCY Comp Proposal Table

Credit quality step	Senior tranche (position of originator, sponsor, or investor)		Non-senior (thin) tranche	
	Tranche maturity (MT)		Tranche maturity (MT)	
	1 year	5 year	1 year	5 year
1	Min (10%, Max [8%; 9% *K _A *12.5])		15 %	40 %
2	Min (10%, Max [8%; 9% *K _A *12.5])		10 %	55 %
3	10 %		12 %	70 %
4	10 %		16 %	80 %
5	12 %		20 %	95 %
6	20 %		28 %	135 %
7	23 %		28 %	170 %
8	31 %		38 %	225 %
9	38 %		45 %	255 %
10	47 %		58 %	345 %
11	106 %		118 %	500 %
12	118 %		138 %	655 %
13	150 %		174 %	740 %
14	207 %		229 %	855 %
15	258 %		280 %	945 %
16.	311 %		351 %	1015 %
17	383 %		419 %	1250 %
All other	1250 %		1250 %	1250 %

24 Nov PCY Comp Proposal Table

Credit quality step	Senior tranche (position of originator or sponsor, or <i>of investor in a securitisation compliant with Article 243(3)</i>)		<i>Senior tranche (other positions of investor)</i>		Non-senior (thin) tranche	
	Tranche maturity (MT)		<i>Tranche maturity (MT)</i>		Tranche maturity (MT)	
	1 year	5 year	<i>1 year</i>	<i>5 year</i>	1 year	5 year
1	<u>Min (10%, Max [8%; 9% *KA</u> Max (7%; 10% *KA <u>KA*12.5]</u>)		Max (7%; 10% *KA*12.5)		15 %	40 %
2	<u>Min (10%, Max [8%; 9% *KA</u> Max (7%; 10% *KA <u>*12.5]</u>)	10 %	Max (7%; 10% * KA *12.5)	15 %	15 %	55 %
3	10 %	12 %	15 %	20 %	15 %	70 %
4	10 %	16 %	15 %	25 %	25 %	80 %
5	12 %	20 %	20 %	30 %	35 %	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 %

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 (Text with EEA relevance)

2025/0826(COD)
Non-versioned [LATEST TEXT]
01-12-2025 at 16h41

	CLEAN	Commission Proposal	VS.EC	24 Nov PCY Comp Proposal	VS.AUX3	Final PCY Comp Proposal
Formula						
1		2025/0826 (COD)		2025/0826 (COD)		2025/0826 (COD)
Document Stage						
2		Proposal for a		Proposal for a		Proposal for a
Document Type						
3		REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL		REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL		REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
Document Purpose						
4		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		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		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
EEA Relevance						
5		(Text with EEA relevance)		(Text with EEA relevance)		(Text with EEA relevance)
Formula						
6		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
Citation 1						

	CLEAN	Commission Proposal	VS.EC	24 Nov PCY Comp Proposal	VS.AUX3	Final PCY Comp Proposal
7		Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,		Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,		Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,
Citation 2						
8		Having regard to the proposal from the European Commission,		Having regard to the proposal from the European Commission,		Having regard to the proposal from the European Commission,
Citation 3						
9		After transmission of the draft legislative act to the national parliaments,		After transmission of the draft legislative act to the national parliaments,		After transmission of the draft legislative act to the national parliaments,
Citation 4						
10		Having regard to the opinion of the European Central Bank,		Having regard to the opinion of the European Central Bank,		Having regard to the opinion of the European Central Bank,
Citation 5						
11		Having regard to the opinion of the European Economic and Social Committee,		Having regard to the opinion of the European Economic and Social Committee,		Having regard to the opinion of the European Economic and Social Committee,
Citation 6						
12		Acting in accordance with the ordinary legislative procedure,		Acting in accordance with the ordinary legislative procedure,		Acting in accordance with the ordinary legislative procedure,
Formula						
13		Whereas:		Whereas:		Whereas:
Recital 1						
14		(1) Securitisation can boost investment by allowing banks to transfer risks to those that are able to bear them and thereby free up their capital, which they could use for additional lending to households and businesses, including small and medium-sized enterprises (SMEs). Regulation (EU) 2017/2402 of the European Parliament and of the Council ¹ , covering both simple, transparent and standardised (STS) and non-STS		(1) Securitisation can boost investment by allowing banks to transfer risks to those that are able to bear them and thereby free up their capital, which they could use for additional lending to households and businesses, including small and medium-sized enterprises (SMEs). Regulation (EU) 2017/2402 of the European Parliament and of the Council ¹ , covering both simple, transparent and standardised (STS) and non-STS		(1) Securitisation can boost investment by allowing banks to transfer risks to those that are able to bear them and thereby free up their capital, which they could use for additional lending to households and businesses, including small and medium-sized enterprises (SMEs). Regulation (EU) 2017/2402 of the European Parliament and of the Council ¹ , covering both simple, transparent and standardised (STS) and non-STS

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	<p>securitisations, has strengthened market transparency, safety, and standardisation. At the same time, that Regulation should be further simplified to more fully exploit the benefits that securitisations can offer.</p> <p>1. 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, p. 35, ELI: http://data.europa.eu/eli/reg/2017/2402/oj).</p>	<p>securitisations, has strengthened market transparency, safety, and standardisation. At the same time, that Regulation should be further simplified to more fully exploit the benefits that securitisations can offer.</p> <p>1. 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, p. 35, ELI: http://data.europa.eu/eli/reg/2017/2402/oj).</p>	<p>securitisations, has strengthened market transparency, safety, and standardisation. At the same time, that Regulation should be further simplified to more fully exploit the benefits that securitisations can offer.</p> <p>1. 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, p. 35, ELI: http://data.europa.eu/eli/reg/2017/2402/oj).</p>
Recital 2			
15	<p>(2) It is important that financial institutions employ their capital where it is most needed to reach the Union's economic goals and funding the real economy. In addition to the flexibility provided for by the existing rules, targeted changes to Regulation (EU) 2017/2402 would ensure that the Union securitisation framework better supports investments in the economy and facilitates lending to businesses.</p>	<p>(2) It is important that financial institutions <i>employ/</i>deploy their capital where it is most needed to reach the Union's economic goals and funding the real economy. In addition to the flexibility provided for by the existing rules, targeted changes to Regulation (EU) 2017/2402 would ensure that the Union securitisation framework better supports investments in the economy and facilitates lending to businesses.</p>	<p>(2) It is important that financial institutions deploy their capital where it is most needed to reach the Union's economic goals and funding the real economy. In addition to the flexibility provided for by the existing rules, targeted changes to Regulation (EU) 2017/2402 would ensure that the Union securitisation framework better supports investments in the economy and facilitates lending to businesses.</p>
Recital 3			
16	<p>(3) To enhance transparency and to ensure consistent regulatory treatment aiming at reducing costs for issuers, a definition of public and of private securitisation should be introduced. The scope of public securitisations should cover transactions where the underlying notes are admitted to trading on regulated markets, Multilateral Trading Facilities (MTFs), Organised Trading Facilities (OTFs), or any other trading venue in the Union, and transactions marketed to investors under non-changeable terms and</p>	<p>(3) <i>To enhance transparency and to ensure consistent regulatory treatment aiming at reducing costs for issuers, a definition of public and of private securitisation should be introduced. The scope of public securitisations should cover transactions where the underlying notes are admitted to trading on regulated markets, Multilateral Trading Facilities (MTFs), Organised Trading Facilities (OTFs), or any other trading venue in the Union, and transactions marketed to investors under non-</i></p>	<p><i>deleted</i></p>

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	conditions where the package is offered on a "take-it-or-leave-it" basis and investors have no direct contact with the originators or sponsor and can therefore not directly receive necessary information to conduct due diligence without the originator or sponsor disclosing any commercially sensitive information to the market. Defining those types of transactions as public, by virtue of their accessibility to a broad range of investors, should ensure that such transactions are subject to the appropriate transparency requirements and regulatory scrutiny and contribute to better market oversight and functioning.	changeable terms and conditions where the package is offered on a "take-it-or-leave-it" basis and investors have no direct contact with the originators or sponsor and can therefore not directly receive necessary information to conduct due diligence without the originator or sponsor disclosing any commercially sensitive information to the market. Defining those types of transactions as public, by virtue of their accessibility to a broad range of investors, should ensure that such transactions are subject to the appropriate transparency requirements and regulatory scrutiny and contribute to better market oversight and functioning.	
Recital 4			
17	(4) Due diligence requirements should be proportionate to the risk profile of securitisation positions. Investor due diligence should therefore be focused on the risks characteristics and structural features that can materially affect the performance of the securitisation, avoiding duplicative, overly burdensome or generic obligations that may not be meaningful across different types of securitisation. For the same reason, due diligence obligations should be streamlined, thus reducing unnecessary costs for investors — particularly in lower-risk securitisations — and fostering more proportionate and risk-sensitive investor behaviour in the securitisation market.	(4) Due diligence requirements should be proportionate to the risk profile of securitisation positions. Investor due diligence should therefore be focused on the risks characteristics and structural features that can materially affect the performance of the securitisation, avoiding duplicative, overly burdensome or generic obligations that may not be meaningful across different types of securitisation. For the same reason, due diligence obligations should be streamlined, thus reducing unnecessary costs for investors — particularly in lower-risk securitisations — and fostering more proportionate and risk-sensitive investor behaviour in the securitisation market.	(4) Due diligence requirements should be proportionate to the risk profile of securitisation positions. Investor due diligence should therefore be focused on the risks characteristics and structural features that can materially affect the performance of the securitisation, avoiding duplicative, overly burdensome or generic obligations that may not be meaningful across different types of securitisation. For the same reason, due diligence obligations should be streamlined, thus reducing unnecessary costs for investors — particularly in lower-risk securitisations — and fostering more proportionate and risk-sensitive investor behaviour in the securitisation market.
Recital 4a			
17a			<u>(4a) The due diligence requirements applicable to securitisations issued by third-country entities currently oblige such issuers to comply with the Union's disclosure requirements, in particular</u>

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			<p><i><u>the use of the standardised disclosure templates laid down in the delegated acts under Regulation (EU) 2017/2402. This obligation creates unnecessary barriers to investment, as it requires third-country issuers to replicate the Union's regime even where equivalent or substantially similar information is already provided under their domestic framework. To avoid limiting investment opportunities for EU investors and to support the development of a strong investor base for securitisations within the Union, the requirements should be adjusted so that EU investors, as part of their due diligence, verify that third-country issuers provide information which is substantively equivalent to the transparency standards set out in Regulation (EU) 2017/2402, without mandating formal adherence to the Union's disclosure templates.</u></i></p>
Recital 5			
18	<p>(5) Originators, original lenders, sponsors or securitisation special purpose entities (SSPEs) (the 'sell-side entities') that are established in the Union are already subject to supervision in the Union and can be sanctioned in case they breach their obligations under Regulation (EU) 2017/2402. It is therefore appropriate that investors are no longer required to verify whether Union sell-side entities, where those entities are responsible on behalf of the sell-side parties in the transaction, comply with due diligence requirements set in Regulation (EU) 2017/2402. Investors should, however, still verify whether have complied with their obligations for which third countries' sell-side entities are responsible under Regulation (EU) 2017/2402.</p>	<p>(5) Originators, original lenders, sponsors or securitisation special purpose entities (SSPEs) (the 'sell-side entities') that are established in the Union are already subject to supervision in the Union and can be sanctioned in case they breach their obligations under Regulation (EU) 2017/2402. It is therefore appropriate that investors are no longer required to verify <i>whether</i> <u>Union compliance of</u> sell-side entities, <i>where those entities are responsible on behalf of the sell-side parties in the transaction</i> <u>that are established within the Union, -comply with due diligence with certain</u> requirements <i>set in of this</i> regulation <i>-(EU) 2017/2402</i>. Investors should, however, still verify whether <i>have complied with their obligations for which third countries' transactions that involve</i> sell-side entities <i>are responsible under</i> <u>established</u></p>	<p>(5) Originators, original lenders, sponsors or securitisation special purpose entities (SSPEs) (the 'sell-side entities') that are established in the Union are already subject to supervision in the Union and can be sanctioned in case they breach their obligations under Regulation (EU) 2017/2402. It is therefore appropriate that investors are no longer required to verify compliance of sell-side entities, that are established within the Union, with certain requirements of this regulation. Investors should, however, still verify whether transactions that involve sell-side entities established in third countries, comply with requirements corresponding to those of Regulation (EU) 2017/2402.</p>

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		<u><i>in third countries, comply with requirements corresponding to those of</i></u> Regulation (EU) 2017/2402.	
Recital 6			
19	(6) Senior tranches, typically benefiting from substantial credit enhancement and posing lower risk, should require a less extensive due diligence review than junior or mezzanine tranches, which bear higher risk and greater exposure to losses. That proportional approach supports more efficient allocation of resources by investors and avoids excessive burdens for low-risk investments.	(6) Senior tranches, typically benefiting from substantial credit enhancement and posing lower risk, should require a less extensive due diligence review than junior or mezzanine tranches, which bear higher risk and greater exposure to losses. That proportional approach supports more efficient allocation of resources by investors and avoids excessive burdens for low-risk investments.	(6) Senior tranches, typically benefiting from substantial credit enhancement and posing lower risk, should require a less extensive due diligence review than junior or mezzanine tranches, which bear higher risk and greater exposure to losses. That proportional approach supports more efficient allocation of resources by investors and avoids excessive burdens for low-risk investments.
Recital 7			
20	(7) Since compliance with the STS requirements is already subject to separate regulatory oversight and notification, the obligation for investors to verify compliance with those requirements is redundant. Moreover, verifying compliance with the STS criteria is not relevant for all types of investors. The corresponding requirement should therefore be deleted.	(7) Since <u>Where</u> compliance with the STS requirements is already subject to separate regulatory oversight and notification, the obligation for <u>the assessment of a third party verifier, it is redundant to oblige investors to further verify the STS requirements. Therefore, the requirement on</u> investors to verify compliance with those requirements is redundant. Moreover, verifying <u>the STS criteria should be removed where a securitisation has received a positive assessment of STS compliance from a third party authorised and supervised under Article 28. However, a positive assessment of compliance with the STS criteria is not relevant for all types of</u> should not absolve investors. The corresponding requirement should therefore be deleted of their responsibility to assess the risk and features of each securitisation position they invest in. note on substance:	(7) Where compliance with the STS requirements is already subject to the assessment of a third party verifier, it is redundant to oblige investors to further verify the STS requirements. Therefore, the requirement on investors to verify compliance with the STS criteria should be removed where a securitisation has received a positive assessment of STS compliance from a third party authorised and supervised under Article 28. However, a positive assessment of compliance with the STS criteria should not absolve investors of their responsibility to assess the risk and features of each securitisation position they invest in.

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		Substance is the same, recital is just redrafted.	
Recital 8			
21	(8) Investors should be allowed to conduct simplified due diligence to investments in repeat transactions where key risk characteristics are already well understood. For those purposes, investment in repeat transactions should be considered as investment in securitisation positions issued by the same originator, backed by the same type of underlying assets, exhibiting the same structural features, and offering the same or lower level of credit risk compared to previous investments. That change should ensure consistency in due diligence practices while facilitating investor participation in well-known and transparent structures.	(8) Investors should be allowed to conduct simplified due diligence to investments in repeat transactions where key risk characteristics are already well understood. For those purposes, investment in repeat transactions should be considered as investment in securitisation positions issued by the same originator, backed by the same type of underlying assets, exhibiting the same structural features, and offering the same or lower level of credit risk compared to previous investments. That change should ensure consistency in due diligence practices while facilitating investor participation in well-known and transparent structures. note on substance: The deleted part is mentioned directly in the article, it is thus redundant.	(8) Investors should be allowed to conduct simplified due diligence to investments in repeat transactions where key risk characteristics are already well understood. That change should ensure consistency in due diligence practices while facilitating investor participation in well-known and transparent structures.
Recital 9			
22	(9) Multilateral development banks can play a significant role in facilitating investor access to securitisation markets, enhancing liquidity, and supporting the objectives of the Savings and Investments Union. Where a securitisation position is fully, unconditionally and irrevocably guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) 575/2013 of the European Parliament and of the Council ¹ , the credit risk arising from the securitisation position is effectively transferred from the pool of underlying assets to the guarantor, resulting in a 0% risk weight of such exposure. In addition, such securitisation position	(9) Multilateral development banks can play a significant role in facilitating investor access to securitisation markets, enhancing liquidity, and supporting the objectives of the Savings and Investments Union. Where a securitisation position is fully, unconditionally and irrevocably guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) 575/2013 of the European Parliament and of the Council ¹ , the credit risk arising from the securitisation position is effectively transferred from the pool of underlying assets to the guarantor, resulting in a 0% risk weight of such exposure. In addition, such securitisation position	(9) Multilateral development banks can play a significant role in facilitating investor access to securitisation markets, enhancing liquidity, and supporting the objectives of the Savings and Investments Union. Where a securitisation position is fully, unconditionally and irrevocably guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) 575/2013 of the European Parliament and of the Council ¹ , the credit risk arising from the securitisation position is effectively transferred from the pool of underlying assets to the guarantor, resulting in a 0% risk weight of such exposure. In addition, such securitisation position

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	<p>is categorised as Level 1 asset under Article 10(1), point (g), of Commission Delegated Regulation (EU) 2015/61². In such cases, it is appropriate to exempt institutional investors, except the entity providing the guarantee, from their due diligence requirements in full under Regulation (EU) 2017/2402.</p> <p>1. 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 648/201 (OJ L 176, 27.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).</p> <p>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, p. 1, ELI: http://data.europa.eu/eli/reg_del/2015/61/oj).</p>	<p>is categorised as Level 1 asset under Article 10(1), point (g), of Commission Delegated Regulation (EU) 2015/61². In such cases, it is appropriate to exempt institutional investors, except the entity providing the guarantee, from their due diligence requirements in full under Regulation (EU) 2017/2402.</p> <p>1. 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 648/201 (OJ L 176, 27.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).</p> <p>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, p. 1, ELI: http://data.europa.eu/eli/reg_del/2015/61/oj).</p>	<p>is categorised as Level 1 asset under Article 10(1), point (g), of Commission Delegated Regulation (EU) 2015/61². In such cases, it is appropriate to exempt institutional investors, except the entity providing the guarantee, from their due diligence requirements in full under Regulation (EU) 2017/2402.</p> <p>1. 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 648/201 (OJ L 176, 27.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).</p> <p>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, p. 1, ELI: http://data.europa.eu/eli/reg_del/2015/61/oj).</p>
Recital 10			
23	<p>(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 Council¹ 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 expected to</p>	<p>(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 Council¹ 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 expected to</p>	<p>(10) <u>Transactions where the first loss tranche is either held or guaranteed by central governments or central banks, regional governments, local authorities and public sector entities, 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, multilateral development banks and the Union inherently possess characteristics that mitigate the need to fulfil the risk retention requirement. These transactions carry an assurance by the guarantor, who carries out due diligence processes before affording such a guarantee. Furthermore, the essence of a guarantee is the assumption of risk by the guarantor, which assumes the junior risk on behalf of public policy objectives, by designing programs where it</u></p>

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	<p>crowd in private investment in derisked structures with a public guarantee.</p> <p>1. 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).</p>	<p><i>crowd in private investment in derisked structures with a public guarantee.</i></p> <p><i>1. 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).</i></p>	<p><u>defines the asset eligibility and ensures ongoing oversight over the life of the transaction.</u> <u>Therefore, it is appropriate to lift the risk retention requirement. These changes are expected to crowd in private investment in derisked structures with a public guarantee.</u></p> <p>Note on substance: Revised recital inserted.</p>
Recital 11			
24	<p>(11) An institutional investor that delegates the authority to make investment management decisions to another institutional investor should be able to instruct the delegate to perform the due diligence obligations set out in Regulation (EU) 2017/2402. However, such delegation should not transfer legal responsibility. The delegating institutional investor should remain ultimately responsible for ensuring compliance with the due diligence requirements. That specification is intended to reflect established regulatory practice and to ensure that obligations are fulfilled effectively while maintaining clear lines of accountability.</p>	<p>(11) An institutional investor that delegates the authority to make investment management decisions to another institutional investor should be able to instruct the delegate to perform the due diligence obligations set out in Regulation (EU) 2017/2402. However, such delegation should not transfer legal responsibility. The delegating institutional investor should remain ultimately responsible for ensuring <u>for</u> compliance with the due diligence requirements. <u>The delegating institutional investor should, therefore, assess and monitor the effectiveness of the delegate's performance of the delegated due diligence tasks.</u> That specification is intended to reflect established regulatory practice and to ensure that obligations are fulfilled effectively while maintaining clear lines of accountability.</p> <p>Note on substance: No change in substance.</p>	<p>(11) An institutional investor that delegates the authority to make investment management decisions to another institutional investor should be able to instruct the delegate to perform the due diligence obligations set out in Regulation (EU) 2017/2402. However, such delegation should not transfer legal responsibility for compliance with the due diligence requirements. <u>In such cases,</u> the delegating institutional investor should, therefore, assess and monitor the effectiveness of the delegate's <u>performance of ability to perform</u> the delegated due diligence tasks. That specification is intended to reflect established regulatory practice and to ensure that obligations are fulfilled effectively while maintaining clear lines of accountability.</p>
Recital 12			
25	<p>(12) The disclosure requirements should consider the granularity of the underlying pool of exposures, i.e. how many loans are in the</p>	<p>(12) The disclosure requirements should consider the granularity of the underlying pool of exposures, <i>i.e. how many loans are in the</i></p>	<p>(12) The disclosure requirements should consider the granularity of the underlying pool of exposures. In addition, it is important to consider</p>

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	<p>underlying pool. In addition, it is important to consider the average maturity of the underlying exposures. Loan level disclosure for highly-granular pools of very short-term exposures can be particularly costly and entails a considerable burden for issuers, often without offering significant benefits in terms of additional information to investors. Therefore, disclosure requirements for securitisations of credit card exposures and certain types of consumer loans should not need to encompass reporting at the level of each individual underlying exposure. However, competent authorities should still have the possibility to ask for additional information to ensure that they have a complete overview of the market, including on the exposures that constitute the underlying pool, in carrying out their duties under Regulation (EU) 2017/2402.</p>	<p>underlying pool. In addition, it is important to consider the average maturity of the underlying exposures. Loan level disclosure for highly-granular pools of very short-term exposures can be particularly costly and entails a considerable burden for issuers, often without offering significant benefits in terms of additional information to investors. Therefore, disclosure requirements for securitisations of credit card highly-granular pools of short-term exposures and certain types of consumer loans should not need to encompass reporting at the level of each individual underlying exposure. However, competent authorities should still have the possibility to ask for additional information to ensure that they have a complete overview of the market, including on the exposures that constitute the underlying pool, in carrying out their duties under Regulation (EU) 2017/2402.</p>	<p>the maturity of the underlying exposures. Loan level disclosure for highly-granular pools of short-term exposures can be particularly costly and entails a considerable burden for issuers, often without offering significant benefits in terms of additional information to investors. Therefore, disclosure requirements for securitisations of highly-granular pools of short-term exposures should not need to encompass reporting at the level of each individual underlying exposure. However, competent authorities should still have the possibility to ask for additional information to ensure that they have a complete overview of the market, including on the exposures that constitute the underlying pool, in carrying out their duties under Regulation (EU) 2017/2402.</p>
Recital 13			
26	<p>(13) The current reporting templates¹ 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.</p>	<p>(13) The current reporting templates¹ 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 target a burden 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.</p>	<p>(13) The current reporting templates¹ 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 target a burden reduction of at least 35%. 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.</p> <p>¹ I. Commission Delegated Regulation (EU) 2020/1224 of 16</p>

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	1. Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE and Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (OJ L 289, 3.9.2020, p. 1, ELI: http://data.europa.eu/eli/reg_del/2020/1224/oj).	1. Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE and Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (OJ L 289, 3.9.2020, p. 1, ELI: http://data.europa.eu/eli/reg_del/2020/1224/oj).	October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE and Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (OJ L 289, 3.9.2020, p. 1, ELI: http://data.europa.eu/eli/reg_del/2020/1224/oj).
Recital 14			
27	(14) The reporting framework should account for the specific characteristics of private securitisations. A dedicated and simplified reporting template for private securitisations should be developed. In specifying the details of reporting requirements, the information required to be reported should be aligned as closely as possible with other well-established templates, in particular with the guide on the notification of securitisation transactions developed by the European Central Bank in accordance with Article 6(5), point (a), of Council Regulation (EU) No 1024/2013 ¹ . Any future changes to the European Central Bank guide should be assessed and the reporting templates may need to be reviewed, where appropriate. To allow for basic visibility for supervisors over the private market, private securitisations should report to repositories. Private securitisations should not need to report the same amount of information as public securitisations. Requiring private transactions to report to securitisation repositories, using a simplified template, would improve supervisory oversight and market monitoring. However, to maintain the	(14) The reporting framework should account for the specific characteristics of private securitisations. A dedicated and simplified reporting template for private securitisations should be developed. In specifying the details of reporting requirements, the information required to be reported should be aligned as closely as possible with other well-established templates, in particular with the guide on the notification of securitisation transactions developed by the European Central Bank in accordance with Article 6(5), point (a), of Council Regulation (EU) No 1024/2013 ¹ . Any future changes to the European Central Bank guide should be assessed and the reporting templates may need to be reviewed, where appropriate. To allow for basic visibility for supervisors over the private market, private securitisations should report to <u>securitisation</u> repositories. Private securitisations should not need to report the same amount of information as public securitisations. Requiring private transactions to report to securitisation repositories, using a simplified template, would improve supervisory oversight and market monitoring. However, to maintain the	(14) The reporting framework should account for the specific characteristics of private securitisations. A dedicated and simplified reporting template for private securitisations should be developed. In specifying the details of reporting requirements, the information required to be reported should be aligned as closely as possible with other well-established templates, in particular with the guide on the notification of securitisation transactions developed by the European Central Bank in accordance with Article 6(5), point (a), of Council Regulation (EU) No 1024/2013 ¹ . Any future changes to the European Central Bank guide should be assessed and the reporting templates may need to be reviewed, where appropriate. To allow for basic visibility for supervisors over the private market, private securitisations should report to securitisation repositories. Private securitisations should not need to report the same amount of information as public securitisations. Requiring private transactions to report to securitisation repositories, using a simplified template, would improve supervisory oversight and market monitoring. However, to maintain the

	CLEAN Commission Proposal	VS.EC 24 Nov PCY Comp Proposal	VS.AUX3 Final PCY Comp Proposal
	<p>confidentiality of private transactions, data from those transactions should not be publicly disclosed.</p> <p>1. 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).</p>	<p>confidentiality of private transactions, data from those transactions should not be publicly disclosed.</p> <p>1. 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).</p>	<p>confidentiality of private transactions, data from those transactions should not be publicly disclosed.</p> <p>1. 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).</p>
Recital 15			
28	<p>(15) The securitisation sub-committee of the Joint Committee of the European Supervisory Authorities (the “Joint Committee Securitisation Committee - JCSC”), referred to in Article 36(3) of Regulation (EU) 2017/2402, under the leadership of the European Banking Authority (EBA), should develop draft regulatory technical standards to further specify the information that the originator, sponsor and SSPE are to provide to comply with the reporting obligation. Those draft regulatory technical standards should take into account the usefulness of the information for the holder of the securitisation position, whether the securitisation is public or private, whether the securitisation position is of a short-term nature and, in the case of an asset-backed commercial paper programme (ABCP) transaction, whether it is fully supported by a sponsor. The Commission should be empowered to supplement Regulation (EU) 2017/2402 by adopting those regulatory technical standards by means of delegated acts pursuant to Article 290 of the Treaty on the Functioning of the European Union (TFEU) and in accordance with Regulation (EU) No 1093/2010 of the European Parliament and of the Council¹, Regulation (EU) No 1094/2010 of the European Parliament and of the Council² and</p>	<p>(15) The securitisation sub-committee of the Joint Committee of the European Supervisory Authorities (the “Joint Committee Securitisation Committee - JCSC”), referred to in Article 36(3) of Regulation (EU) 2017/2402, under the leadership of the European Banking Authority (EBA), should develop draft regulatory technical standards to further specify the information that the originator, sponsor and SSPE are to provide to comply with the reportingtransparency obligation. Those draft regulatory technical standards should take into account the usefulness of the information for the holder of the securitisation position, whether the securitisation is public or private, whether the securitisation position is of a short-term nature and, in the case of an asset-backed commercial paper programme (ABCP) transaction, whether it is fully supported by a sponsor. The Commission should be empowered to supplement Regulation (EU) 2017/2402 by adopting those regulatory technical standards by means of delegated acts pursuant to Article 290 of the Treaty on the Functioning of the European Union (TFEU) and in accordance with Regulation (EU) No 1093/2010 of the European Parliament and of the Council¹, Regulation (EU) No 1094/2010 of the European</p>	<p>(15) The securitisation sub-committee of the Joint Committee of the European Supervisory Authorities (the “Joint Committee Securitisation Committee - JCSC”), referred to in Article 36(3) of Regulation (EU) 2017/2402, under the leadership of the European Banking Authority (EBA), should develop draft regulatory technical standards to further specify the information that the originator, sponsor and SSPE are to provide to comply with the transparency obligation. Those draft regulatory technical standards should take into account the usefulness of the information for the holder of the securitisation position, whether the securitisation is public or private, whether the securitisation position is of a short-term nature and, in the case of an asset-backed commercial paper programme (ABCP) transaction, whether it is fully supported by a sponsor. The Commission should be empowered to supplement Regulation (EU) 2017/2402 by adopting those regulatory technical standards by means of delegated acts pursuant to Article 290 of the Treaty on the Functioning of the European Union (TFEU) and in accordance with Regulation (EU) No 1093/2010 of the European Parliament and of the Council¹, Regulation (EU) No 1094/2010 of the European Parliament and of the Council² and</p>

	CLEAN Commission Proposal	VS.EC 24 Nov PCY Comp Proposal	VS.AUX3 Final PCY Comp Proposal
	<p>Regulation (EU) No 1093/2010 of the European Parliament and of the Council³. Moreover, the JCSC, under the leadership of the EBA, should develop draft implementing technical standards to specify the format for the provision of the information to repositories. The Commission should be empowered to adopt those implementing technical standards by means of an implementing act pursuant to Article 291 TFEU and in accordance with Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.</p> <p>1. Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12, ELI: http://data.europa.eu/eli/reg/2010/1093/oj).</p> <p>2. Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48)</p> <p>3. Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84)</p>	<p>Parliament and of the Council² and Regulation (EU) No 1093/2010 of the European Parliament and of the Council³. Moreover, the JCSC, under the leadership of the EBA, should develop draft implementing technical standards to specify the format for the provision of the information to repositories. The Commission should be empowered to adopt those implementing technical standards by means of an implementing act pursuant to Article 291 TFEU and in accordance with Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.</p> <p>1. Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12, ELI: http://data.europa.eu/eli/reg/2010/1093/oj).</p> <p>2. Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48)</p> <p>3. Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84)</p>	<p>Regulation (EU) No 1093/2010 of the European Parliament and of the Council³. Moreover, the JCSC, under the leadership of the EBA, should develop draft implementing technical standards to specify the format for the provision of the information to repositories. The Commission should be empowered to adopt those implementing technical standards by means of an implementing act pursuant to Article 291 TFEU and in accordance with Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.</p> <p>1. Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12, ELI: http://data.europa.eu/eli/reg/2010/1093/oj).</p> <p>2. Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48)</p> <p>3. Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84)</p>
Recital 16			
29	<p>(16) To support access to market-based financing for SMEs, and to facilitate the development of cross-border securitisations involving exposures from multiple Member States, the criteria for the homogeneity of asset pools should be revised. While it is possible to have securitisations</p>	<p>(16) To support access to market-based financing for SMEs, and to facilitate the development of cross-border securitisations involving exposures from multiple Member States, the criteria for the homogeneity of asset pools should be revised. While it is possible to have <u>STS</u> securitisations</p>	<p>(16) To support access to market-based financing for SMEs, and to facilitate the development of cross-border securitisations involving exposures from multiple Member States, the criteria for the homogeneity of asset pools should be revised. While it is possible to have STS securitisations</p>

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	<p>involving exposures from multiple Member States, the requirement of homogeneity, as defined at present, is considered as an obstacle for SMEs securitisations. To overcome that obstacle, a pool of underlying exposures should be deemed homogeneous where at least 70 % of the exposures at origination consists of exposures to SMEs. That lower threshold recognises the specific financing needs and characteristics of SMEs and ensures that mixed pools with a predominant SME component can benefit from the legal certainty and operational efficiencies associated with homogeneous pools. The remaining portion of the pool should be allowed to include other types of exposures, also from different Member States, without affecting the securitisation’s status as STS.</p>	<p>involving exposures from multiple Member States, the requirement of homogeneity, as defined at present, is considered as an obstacle for SMEs securitisations <u>to qualify for the STS label</u>. To overcome that obstacle, a pool of underlying exposures should be deemed homogeneous where at least 70 % of the exposures at origination consists of exposures to SMEs, <u>should be able to consist of exposures from multiple Member States</u>. That lower threshold recognises the specific financing needs and characteristics of SMEs and ensures that mixed pools with a predominant SME component can benefit from the legal certainty and operational efficiencies associated with homogeneous pools. The remaining portion of the pool should <u>also</u> be allowed to include other types of exposures, <u>also from different Member States and to other types of obligors that are not considered SME</u>, without affecting the securitisation’s status as STS.</p>	<p>involving exposures from multiple Member States, the requirement of homogeneity, as defined at present, is considered as an obstacle for SMEs securitisations to qualify for the STS label. To overcome that obstacle, a pool of underlying exposures where at least 70 % of the exposures at origination consists of exposures to SMEs, should be able to consist of exposures from multiple Member States. That threshold recognises the specific financing needs and characteristics of SMEs and ensures that mixed pools with a predominant SME component can benefit from the legal certainty and operational efficiencies associated with homogeneous pools. The remaining portion of the pool should also be allowed to include exposures from different Member States and to other types of obligors that are not considered SME, without affecting the securitisation’s status as STS.</p>
Recital 17			
30	<p>(17) In 2021, Regulation (EU) 2017/2402 was amended by Regulation (EU) 2021/557 of the European Parliament and of the Council¹ to extend the STS framework to synthetic securitisations. As indicated in the report of the Joint Committee of European Supervisory Authorities, that extension of the STS label has led to satisfactory results in terms of opening the way for new issuance and encouraging greater activity in this market segment. However, the practical implementation of the STS requirements has revealed the necessity to further improve the clarity and consistency in specific requirements with some technical adjustments.</p>	<p>(17) In 2021, Regulation (EU) 2017/2402 was amended by Regulation (EU) 2021/557 of the European Parliament and of the Council¹ to extend the STS framework to synthetic securitisations. As indicated in the report of the Joint Committee of European Supervisory Authorities, that extension of the STS label has led to satisfactory results in terms of opening the way for new issuance and encouraging greater activity in this market segment. However, the practical implementation of the STS requirements has revealed the necessity to further improve the clarity and consistency in specific requirements with some technical adjustments.</p>	<p>(17) In 2021, Regulation (EU) 2017/2402 was amended by Regulation (EU) 2021/557 of the European Parliament and of the Council¹ to extend the STS framework to synthetic securitisations. As indicated in the report of the Joint Committee of European Supervisory Authorities, that extension of the STS label has led to satisfactory results in terms of opening the way for new issuance and encouraging greater activity in this market segment. However, the practical implementation of the STS requirements has revealed the necessity to further improve clarity and consistency in specific requirements with some technical adjustments.</p>

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	1. Regulation (EU) 2021/557 of the European Parliament and of the Council of 31 March 2021 amending Regulation (EU) 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation to help the recovery from the COVID-19 crisis (OJ L 116, 6.4.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/557/oj).	1. Regulation (EU) 2021/557 of the European Parliament and of the Council of 31 March 2021 amending Regulation (EU) 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation to help the recovery from the COVID-19 crisis (OJ L 116, 6.4.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/557/oj).	1. Regulation (EU) 2021/557 of the European Parliament and of the Council of 31 March 2021 amending Regulation (EU) 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation to help the recovery from the COVID-19 crisis (OJ L 116, 6.4.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/557/oj).
Recital 18			
31	(18) To ensure the consistent selection of the underlying exposures in a securitisation and to enable investors to assess the credit risk of the asset pool prior to investment, active portfolio management on a discretionary basis of a securitisation exposure is prohibited. Article 26b of Regulation (EU) 2017/2402 contains an exhaustive list of permitted management activities and stipulates that certain activities should not be considered active portfolio management on a discretionary basis and therefore not be prohibited. It is necessary to update that list to include removals due to sanctions imposed on an entity during the life of the transaction or fraudulent practices, or amendments to the loan due to a change in the law affecting the enforceability, which are outside the control of the originator. Both circumstances would have an impact on the enforceability of the underlying exposures (beyond the control of the originator) and the removal of those underlying exposures should not be considered as active portfolio management on a discretionary basis.	(18) To ensure the consistent selection of the underlying exposures in an STS securitisation and to enable investors to assess the credit risk of the asset pool prior to investment, active portfolio management on a discretionary basis of an STS securitisation exposure is prohibited. Article 26b of Regulation (EU) 2017/2402 contains an exhaustive list of permitted management activities and stipulates that certain activities should not be considered active portfolio management on a discretionary basis and therefore not be prohibited. It is necessary to update that list to include removals due to sanctions imposed on an entity during the life of the transaction or fraudulent practices, or amendments to the loan due to a change in the law affecting the enforceability, which are outside the control of the originator. Both circumstances would have an impact on the enforceability of the underlying exposures (beyond the control of the originator) and the removal of those underlying exposures should not be considered as active portfolio management on a discretionary basis.	(18) To ensure the consistent selection of the underlying exposures in an STS securitisation and to enable investors to assess the credit risk of the asset pool prior to investment, active portfolio management on a discretionary basis of an STS securitisation exposure is prohibited. Article 26b of Regulation (EU) 2017/2402 contains an exhaustive list of permitted management activities and stipulates that certain activities should not be considered active portfolio management on a discretionary basis and therefore not be prohibited. It is necessary to update that list to include removals due to sanctions imposed on an entity during the life of the transaction or fraudulent practices, or amendments to the loan due to a change in the law affecting the enforceability, which are outside the control of the originator. Both circumstances would have an impact on the enforceability of the underlying exposures (beyond the control of the originator) and the removal of those underlying exposures should not be considered as active portfolio management on a discretionary basis.
Recital 19			
32	(19) The criteria relating to standardisation laid down in Article 26c of Regulation (EU) 2017/2402 outline the mechanisms for loss allocation to securitisation position holders and	(19) The criteria relating to standardisation laid down in Article 26c of Regulation (EU) 2017/2402 outline the mechanisms for loss allocation to securitisation position holders and	(19) The criteria relating to standardisation laid down in Article 26c of Regulation (EU) 2017/2402 outline the mechanisms for loss allocation to securitisation position holders and

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	<p>determine the application of various amortisation methods to tranches. The central aim of those criteria is to ensure that non-sequential amortisation is employed only when accompanied by distinctly specified contractual triggers. Those triggers are intended to prompt a switch to sequential payments based on the hierarchy of seniority, thereby protecting the transaction from the premature amortisation of credit enhancement in the event of a decline in credit quality. Such premature amortisation could expose originators holding those tranches to risks associated with a diminishing credit enhancement cushion. However, those criteria fail to adequately consider the loss-bearing capacity of tranches subordinated to the protected tranches within a securitisation, leading to misapplication when interpreted literally in the context of synthetic securitisations that include mezzanine tranches. Those criteria inadvertently assume that all associated losses fall solely on the protected tranche, and thus ignoring an assignment to more junior tranches. It should therefore be specified that, in instances where junior tranches absorb portions of the underlying exposure losses, their loss-bearing capacities should be taken into consideration for the application of the criteria.</p>	<p>determine the application of various amortisation methods to tranches. The central aim of those criteria is to ensure that non-sequential amortisation is employed only when accompanied by distinctly specified contractual triggers. Those triggers are intended to prompt a switch to sequential payments based on the hierarchy of seniority, thereby protecting the transaction from the premature amortisation of credit enhancement in the event of a decline in credit quality. Such premature amortisation could expose originators holding those tranches to risks associated with a diminishing credit enhancement cushion. However, those criteria fail to adequately consider the loss-bearing capacity of tranches subordinated to the protected tranches within a securitisation, leading to misapplication when interpreted literally in the context of synthetic securitisations that include mezzanine tranches. Those criteria inadvertently assume that all associated losses fall solely on the protected tranche, and thus ignoring an assignment to more junior tranches. It should therefore be specified that, in instances where junior tranches absorb portions of the underlying exposure losses, their loss-bearing capacities should be taken into consideration for the application of the criteria.</p>	<p>determine the application of various amortisation methods to tranches. The central aim of those criteria is to ensure that non-sequential amortisation is employed only when accompanied by distinctly specified contractual triggers. Those triggers are intended to prompt a switch to sequential payments based on the hierarchy of seniority, thereby protecting the transaction from the premature amortisation of credit enhancement in the event of a decline in credit quality. Such premature amortisation could expose originators holding those tranches to risks associated with a diminishing credit enhancement cushion. However, those criteria fail to adequately consider the loss-bearing capacity of tranches subordinated to the protected tranches within a securitisation, leading to misapplication when interpreted literally in the context of synthetic securitisations that include mezzanine tranches. Those criteria inadvertently assume that all associated losses fall solely on the protected tranche, and thus ignoring an assignment to more junior tranches. It should therefore be specified that, in instances where junior tranches absorb portions of the underlying exposure losses, their loss-bearing capacities should be taken into consideration for the application of the criteria.</p>
Recital 20			
33	<p>(20) Article 26e(3) of Regulation (EU) 2017/2402 currently specifies that the credit protection premiums to be paid under the credit protection agreement are to be structured as contingent on the outstanding nominal amount of the performing securitised exposures at the time of the payment and reflect the risk of the protected tranche. To ensure the effectiveness of</p>	<p>(20) Article 26e(3) of Regulation (EU) 2017/2402 currently specifies that the credit protection premiums to be paid under the credit protection agreement are to be structured as contingent on the outstanding nominal amount of the performing securitised exposures at the time of the payment and reflect the risk of the protected tranche. To ensure the effectiveness of</p>	<p>(20) Article 26e(3) of Regulation (EU) 2017/2402 currently specifies that the credit protection premiums to be paid under the credit protection agreement are to be structured as contingent on the outstanding nominal amount of the performing securitised exposures at the time of the payment and reflect the risk of the protected tranche. To ensure the effectiveness of</p>

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	the credit protection agreement from the originators' perspective and at the same time provide legal certainty for investors on the termination date to make payments by specifying the maximum extension period for the debt workout, it should be specified that only credit protection premiums contingent on the size of the outstanding tranche and credit risk of the protected tranche are allowed.	the credit protection agreement from the originators' perspective and at the same time provide legal certainty for investors on the termination date to make payments by specifying the maximum extension period for the debt workout, it should be specified that only credit protection premiums contingent on the size of the outstanding tranche and credit risk of the protected tranche are allowed.	the credit protection agreement from the originators' perspective and at the same time provide legal certainty for investors on the termination date to make payments by specifying the maximum extension period for the debt workout, it should be specified that only credit protection premiums contingent on the size of the outstanding tranche and credit risk of the protected tranche are allowed.
Recital 21			
34	(21) Article 26e(7) of Regulation (EU) 2017/2402 specifies the conditions under which an originator may commit synthetic excess spread as credit enhancement for investors. One of those conditions is that, for originators not using the IRB Approach referred to in Article 143 of Regulation (EU) No 575/2013, the calculation of the one-year expected loss of the underlying portfolio is to be clearly determined in the transaction documentation. In order to specify the requirements for the synthetic excess spread committed by the originator and available as credit enhancement for the investors, a specific criterion has been introduced in the 2021 amendment to Regulation (EU) 2017/2402. The application of this criterion has shown that it requires further clarification. In addition, an inconsistency has been identified regarding the requirements for originators not using the IRB Approach. That requirement should be amended to align with the intent to set a cap, equivalent to one year's expected loss, on the total amount of synthetic excess spread that the originator should commit per year, thereby ensuring consistency and clarity in the application of that provision.	(21) Article 26e(7) of Regulation (EU) 2017/2402 specifies the conditions under which an originator may commit synthetic excess spread as credit enhancement for investors. One of those conditions is that, for originators not using the IRB Approach referred to in Article 143 of Regulation (EU) No 575/2013, the calculation of the one-year expected loss of the underlying portfolio is to be clearly determined in the transaction documentation. In order to specify the requirements for the synthetic excess spread committed by the originator and available as credit enhancement for the investors, a specific criterion has been introduced in the 2021 amendment to Regulation (EU) 2017/2402. The application of this criterion has shown that it requires further clarification. In addition, an inconsistency has been identified regarding the requirements for originators not using the IRB Approach. That requirement should be amended to align with the intent to set a cap, equivalent to one year's expected loss, on the total amount of synthetic excess spread that the originator should commit per year, thereby ensuring consistency and clarity in the application of that provision.	(21) Article 26e(7) of Regulation (EU) 2017/2402 specifies the conditions under which an originator may commit synthetic excess spread as credit enhancement for investors. One of those conditions is that, for originators not using the IRB Approach referred to in Article 143 of Regulation (EU) No 575/2013, the calculation of the one-year expected loss of the underlying portfolio is to be clearly determined in the transaction documentation. In order to specify the requirements for the synthetic excess spread committed by the originator and available as credit enhancement for the investors, a specific criterion has been introduced in the 2021 amendment to Regulation (EU) 2017/2402. The application of this criterion has shown that it requires further clarification. In addition, an inconsistency has been identified regarding the requirements for originators not using the IRB Approach. That requirement should be amended to align with the intent to set a cap, equivalent to one year's expected loss, on the total amount of synthetic excess spread that the originator should commit per year, thereby ensuring consistency and clarity in the application of that provision.
Recital 22			

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35	<p>(22) The current criterion requiring credit protection is to be funded in the STS framework for on-balance-sheet synthetic securitisation under the STS regime has limited the ability of insurance or reinsurance companies to participate in the on-balance-sheet STS securitisation market. That is detrimental to the development of the STS market and the ability of originators to transfer credit risk outside the banking system. Allowing unfunded credit protection to be eligible for the STS label should, however, not undermine the quality of the STS label or the reliability of the credit protection agreement, nor should it create incentives for inexperienced or undiversified insurance or reinsurance undertakings to become exposed to high levels of risk. It is therefore appropriate to put in place safeguards to ensure that participation is limited to insurers with a certain level of robustness and diversification. Therefore, eligibility for providing unfunded credit protection under the STS label should be accompanied by requirements related to diversification, solvency, risk measurement, and minimum size of the protection provider. Specifically, when it comes to risk measurement, the insurance or reinsurance undertaking should use an approved internal model to calculate capital requirements for such credit protection agreements. When it comes to solvency, the insurance or reinsurance undertaking should comply with the Solvency Capital Requirement and Minimum Capital Requirement referred to in Articles 100 and 128 of Directive 2009/138/EC, respectively, and should have been assigned to credit quality step 3 or better. When it comes to diversification, the insurance or reinsurance undertaking should effectively operate business</p>	<p>(22) The current criterion requiring credit protection is to be funded in the STS framework for on-balance-sheet synthetic securitisation under the STS regime framework has limited the ability of insurance or reinsurance companies to participate in the on-balance-sheet STS securitisation market. That is detrimental to the development of the STS market and the ability of originators to transfer credit risk outside the banking system. Allowing unfunded credit protection to be eligible for the STS label should, however, not undermine the quality of the STS label or the reliability of the credit protection agreement, nor should it create incentives for inexperienced or undiversified insurance or reinsurance undertakings to become exposed to high levels of risk. It is, therefore, appropriate to put in place safeguards to ensure that participation is limited to insurers <u>or reinsurers</u> with a certain level of robustness and diversification. Therefore, eligibility for providing unfunded credit protection under the STS label should be accompanied by requirements related to diversification, solvency, risk measurement, and minimum size of the protection provider. Specifically, when it comes to risk measurement, the insurance or reinsurance undertaking should use an approved internal model, <u>rather than the standard formula</u>, to calculate capital requirements for such credit protection agreements. When it comes to solvency, the insurance or reinsurance undertaking should comply with the Solvency Capital Requirement and Minimum Capital Requirement referred to in Articles 100 and 128 of Directive 2009/138/EC, respectively, and should have been assigned to credit quality step <u>2 or better at the time the</u></p>	<p>(22) The current criterion requiring credit protection to be funded for on-balance-sheet synthetic securitisation under the STS framework has limited the ability of insurance or reinsurance companies to participate in the on-balance-sheet STS securitisation market. That is detrimental to the development of the STS market and the ability of originators to transfer credit risk outside the banking system. Allowing unfunded credit protection to be eligible for the STS label should, however, not undermine the quality of the STS label or the reliability of the credit protection agreement, nor should it create incentives for inexperienced or undiversified insurance or reinsurance undertakings to become exposed to high levels of risk. It is, therefore, appropriate to put in place safeguards to ensure that participation is limited to insurers or reinsurers with a certain level of robustness and diversification. Therefore, eligibility for providing unfunded credit protection under the STS label should be accompanied by requirements related to diversification, solvency, risk measurement, and minimum size of the protection provider. Specifically, when it comes to risk measurement, the insurance or reinsurance undertaking should use an approved internal model, rather than the standard formula, to calculate capital requirements for such credit protection agreements. When it comes to solvency, the insurance or reinsurance undertaking should comply with the Solvency Capital Requirement and Minimum Capital Requirement referred to in Articles 100 and 128 of Directive 2009/138/EC, respectively, and should have been assigned to credit quality step 2 or better at the time the credit protection was first recognised and have a current</p>

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	activities in at least two classes of non-life insurance, which should reduce overexposure to any single risk type. Finally, when it comes to minimum size, the insurance or reinsurance undertaking should have total assets above EUR 20 billion.	<u>credit protection was first recognised and have a current credit quality step</u> 3 or better. When it comes to diversification, the insurance or reinsurance undertaking should effectively operate <u>have significant</u> business activities in at least two classes of non-life insurance <u>that are not correlated with the provision of credit protection</u> , which should reduce overexposure to any single risk type. Finally, when it comes to minimum size, the insurance or reinsurance undertaking, <u>or under certain conditions its parent</u> , should have total assets above EUR 20 <u>15</u> billion.	credit quality step 3 or better. When it comes to diversification, the insurance or reinsurance undertaking should have significant business activities in classes of non-life insurance that are not correlated with the provision of credit protection, which should reduce overexposure to any single risk type. Finally, when it comes to minimum size, the insurance or reinsurance undertaking, or under certain conditions its parent, should have total assets above EUR 15 billion.
Recital 23			
36	(23) Third-party verifiers have a role in assessing the compliance of securitisations to the STS criteria. Regulation (EU) 2017/2402 only requires third-party verifiers to be authorised by national competent authorities. Such authorisation is, however, of limited assurance if competent authorities are not in position to assess whether those third-party verifiers continue to comply with the conditions for their authorisation on an ongoing basis. It is therefore appropriate to lay down that competent authorities are also responsible for the ongoing supervision of such third-party verifiers and adequately empowered to do so.	(23) Third-party verifiers have a role in assessing the compliance of securitisations to <u>with</u> the STS criteria. Regulation (EU) 2017/2402 only requires third-party verifiers to be authorised by national competent authorities. Such authorisation is, however, of limited assurance if competent authorities are not in position to assess whether those third-party verifiers continue to comply with the conditions for their authorisation on an ongoing basis. It is therefore appropriate to lay down that competent authorities are also responsible for the ongoing supervision of such third-party verifiers and adequately empowered to do so.	(23) Third-party verifiers have a role in assessing the compliance of securitisations with the STS criteria. Regulation (EU) 2017/2402 only requires third-party verifiers to be authorised by national competent authorities. Such authorisation is, however, of limited assurance if competent authorities are not in position to assess whether those third-party verifiers continue to comply with the conditions for their authorisation on an ongoing basis. It is therefore appropriate to lay down that competent authorities are also responsible for the ongoing supervision of such third-party verifiers and adequately empowered to do so.
Recital 24			
37	(24) To ensure the effective implementation and enforcement of Regulation (EU) 2017/2402, it is necessary to clarify the responsibilities of competent authorities in supervising the compliance of all relevant parties involved in a securitisation. Competent authorities should	(24) To ensure the effective implementation and enforcement of Regulation (EU) 2017/2402, it is necessary to clarify the responsibilities of competent authorities in supervising the compliance of all relevant parties involved in a securitisation. Competent authorities should	(24) To ensure the effective implementation and enforcement of Regulation (EU) 2017/2402, it is necessary to clarify the responsibilities of competent authorities in supervising the compliance of all relevant parties involved in a securitisation. Competent authorities should

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	oversee the conduct of originators, sponsors, original lenders, and SSPEs. This includes verification of whether individual securitisation transactions comply with the applicable requirements under this Regulation.	oversee the conduct of originators, sponsors, original lenders, and SSPEs. This includes verification of whether individual securitisation transactions comply <u>the supervision of compliance</u> with the applicable requirements under this Regulation <u>(EU) 2017/2402, which should be compatible with a risk-based supervisory approach. Such an approach does not preclude the verification of selected requirements also at the level of individual transactions, as considered appropriate by competent authorities.</u>	oversee the conduct of originators, sponsors, original lenders, and SSPEs. This includes the supervision of compliance with the applicable requirements under Regulation (EU) 2017/2402, which should be compatible with a risk-based supervisory approach. Such an approach does not preclude the verification of selected requirements also at the level of individual transactions, as considered appropriate by competent authorities.
Recital 25			
38	(25) In order to strengthen compliance with, and to enhance the effectiveness of, Regulation (EU) 2017/2402, the scope of sanctioning powers under Article 32 of that Regulation should be broadened to explicitly include infringements of due diligence obligations. Institutional investors play a key role in ensuring the soundness and transparency of the securitisation market by conducting appropriate due diligence before and during their exposures. To ensure consistent enforcement across the Union of those due diligence requirements, it should be specified that failure to comply with those requirements is to be subject to remedial measures and administrative sanctions by competent authorities.	(25) In order to strengthen compliance with, and to enhance the effectiveness of, Regulation (EU) 2017/2402, the scope of sanctioning powers under Article 32 of that Regulation should be broadened to explicitly include infringements of due diligence obligations. Institutional investors play a key role in ensuring the soundness and transparency of the securitisation market by conducting appropriate due diligence before and during their exposures. To ensure consistent enforcement across the Union of those due diligence requirements, it should be specified that failure to comply with those requirements is to be subject to remedial measures and administrative sanctions by competent authorities.	(25) In order to strengthen compliance with, and to enhance the effectiveness of, Regulation (EU) 2017/2402, the scope of sanctioning powers under Article 32 of that Regulation should be broadened to explicitly include infringements of due diligence obligations. Institutional investors play a key role in ensuring the soundness and transparency of the securitisation market by conducting appropriate due diligence before and during their exposures. To ensure consistent enforcement across the Union of those due diligence requirements, it should be specified that failure to comply with those requirements is to be subject to remedial measures and administrative sanctions by competent authorities.
Recital 26			
39	(26) Fostering supervisory convergence is essential to the proper functioning and further development of the securitisation market which brings together a wide range of economic actors often based in different jurisdictions, even for the same transaction. The involvement of several	(26) Fostering supervisory convergence is essential to the proper functioning and further development of the securitisation market which brings together a wide range of economic actors often based in different jurisdictions, even for the same transaction. The involvement of several	(26) Fostering supervisory convergence is essential to the proper functioning and further development of the securitisation market which brings together a wide range of economic actors often based in different jurisdictions, even for the same transaction. The involvement of several

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	<p>competent authorities, combined with the current complexity of the decision-making process, highlights the need to strengthen the supervisory coordination. Simplifying and reinforcing existing frameworks for supervisory coordination, where feasible, should support the broader aim of simplification in regulation and supervision. Stronger convergence can be achieved by using more efficiently and effectively existing powers that allocated to the ESAs and the competent authorities. This outcome should be also supported by giving a more prominent role to the EBA, which should assume permanent stewardship of supervision coordination issues for the securitisation market in the Union.</p>	<p>competent authorities, combined with the current complexity of the decision-making process, highlights the need to strengthen the supervisory coordination. Simplifying and reinforcing existing frameworks for supervisory coordination, where feasible, should support the broader aim of simplification in regulation and supervision. Stronger convergence can be achieved by using more efficiently and effectively existing powers that <u>are</u> allocated to the ESAs and the competent authorities. This outcome should be also supported by giving a more prominent role to the EBA, which should assume permanent stewardship of supervision coordination issues for the securitisation market in the Union.</p>	<p>competent authorities, combined with the current complexity of the decision-making process, highlights the need to strengthen the supervisory coordination. Simplifying and reinforcing existing frameworks for supervisory coordination, where feasible, should support the broader aim of simplification in regulation and supervision. Stronger convergence can be achieved by using more efficiently and effectively existing powers that are allocated to the ESAs and the competent authorities. This outcome should be also supported by giving a more prominent role to the EBA, which should assume permanent stewardship of supervision coordination issues for the securitisation market in the Union.</p>
Recital 27			
40	<p>(27) The Joint Committee Securitisation Committee, composed of market and prudential competent authorities, should focus on issues stemming from supervision and should facilitate and promote supervisory convergence through common supervisory practices. The current mandate of the JCSC should be reviewed to put emphasis on supervisory convergence and work related to Article 44 of this Regulation. The JCSC can meet in different formats or establish subgroups for specific tasks according to the issues to be discussed. The EBA should provide the secretariat and a vice-chairperson for the Joint Committee Securitisation Committee on a permanent basis, deputising and supporting the chairperson in the exercise of his or her duties. In the absence of the chairperson, the vice-chairperson should perform the tasks of the chairperson, including in situations where no chairperson is elected. Representatives to this</p>	<p>(27) The Joint Committee Securitisation Committee, composed of market and prudential competent authorities, should focus on issues stemming from supervision and should facilitate and promote supervisory convergence through common supervisory practices. The current mandate of the JCSC should be reviewed to put emphasis on supervisory convergence and work related to Article 44 of this Regulation. The JCSC can meet in different formats or establish subgroups for specific tasks according to the issues to be discussed. The EBA should provide the secretariat and a vice-chairperson for the Joint Committee Securitisation Committee on a permanent basis, deputising and supporting the chairperson in the exercise of his or her duties. In the absence of the chairperson, the vice-chairperson should perform the tasks of the chairperson, including in situations where no chairperson is elected. Representatives to this</p>	<p>(27) The Joint Committee Securitisation Committee, composed of market and prudential competent authorities, should focus on issues stemming from supervision and should facilitate and promote supervisory convergence through common supervisory practices. The current mandate of the JCSC should be reviewed to put emphasis on supervisory convergence and work related to Article 44 of this Regulation. The JCSC can meet in different formats or establish subgroups for specific tasks according to the issues to be discussed. The EBA should provide the secretariat and a vice-chairperson for the Joint Committee Securitisation Committee on a permanent basis, deputising and supporting the chairperson in the exercise of his or her duties. In the absence of the chairperson, the vice-chairperson should perform the tasks of the chairperson, including in situations where no chairperson is elected. Representatives to this</p>

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	body from participating market and prudential competent authorities should have the appropriate level of knowledge and experience in matters under discussion. The regular monitoring of the state of the market and evaluation of the supervisory securitisation framework in the Union through monitoring reports, development of guidelines and regular peer reviews would further strengthen the supervisory framework promoting best (supervisory) practices.	body from participating market and prudential competent authorities should have the appropriate level of knowledge and experience in matters under discussion. The regular monitoring of the state of the market and evaluation of the supervisory securitisation framework in the Union through monitoring reports, development of guidelines and regular peer reviews would further strengthen the supervisory framework promoting best (supervisory) practices.	body from participating market and prudential competent authorities should have the appropriate level of knowledge and experience in matters under discussion. The regular monitoring of the state of the market and evaluation of the supervisory securitisation framework in the Union through monitoring reports, development of guidelines and peer reviews would further strengthen the supervisory framework promoting best (supervisory) practices.
Recital 28			
41	(28) Given that securitisation activity in the Union is primarily concentrated in the banking sector, it is appropriate that the EBA assumes the permanent stewardship role in the Joint Committee Securitisation Committee. In the exercise of its permanent role in the Joint Committee Securitisation Committee, the EBA should attach particular attention to nourishing strong and collaborative working relationships with the European Securities Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA) and duly taking account of their sectoral perspectives. It should be expected that such reinforced supervisory coordination will result in more robust and consistent supervision of the securitisation market in the Union. In this capacity, the EBA should also lead the work on the development of the disclosure templates as provided for in Article 7 of this Regulation. This will be instrumental in preparing the market for the anticipated growth and developing supervisory capacity and preparedness to support this expansion. Assigning a stewardship role to EBA in this supervisory capacity aligns with the	(28) Given that securitisation activity in the Union is primarily concentrated in the banking sector, it is appropriate that the EBA assumes the permanent stewardship role in the Joint Committee Securitisation Committee. In the exercise of its permanent role in the Joint Committee Securitisation Committee, the EBA should attach particular attention to nourishing strong and collaborative working relationships with the European Securities Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA) and duly taking <u>take</u> account of their sectoral perspectives. It should be expected that such reinforced supervisory coordination will result in more robust and consistent supervision of the securitisation market in the Union. In this capacity, the EBA should also lead the work on the development of the disclosure templates as provided for in Article 7 of this Regulation. This will be instrumental in preparing the market for the anticipated growth and developing supervisory capacity and preparedness to support this expansion <u>the anticipated growth of the market</u> . Assigning a stewardship role to EBA in	(28) Given that securitisation activity in the Union is primarily concentrated in the banking sector, it is appropriate that the EBA assumes the permanent stewardship role in the Joint Committee Securitisation Committee. In the exercise of its permanent role in the Joint Committee Securitisation Committee, the EBA should attach particular attention to nourishing strong and collaborative working relationships with the European Securities Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA) and duly take account of their sectoral perspectives. It should be expected that such reinforced supervisory coordination will result in more robust and consistent supervision of the securitisation market in the Union. This will be instrumental in developing supervisory capacity and preparedness to support the anticipated growth of the market. Assigning a stewardship role to EBA in this supervisory capacity aligns with the strategic vision of an efficient and simplified regulatory landscape.

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		strategic vision of an efficient and simplified regulatory landscape.		this supervisory capacity aligns with the strategic vision of an efficient and simplified regulatory landscape.		
Recital 29						
42		(29) In case of cross-border securitisations, appointing a lead supervisor would streamline the supervision of compliance with Regulation (EU) 2017/2402 and ensure consistency and better coordination among the different competent authorities. The lead supervisor should be appointed from among the competent authorities of the entities involved in the transaction, with the decision taken by the competent authorities concerned. In case of disagreements the matter should be dealt with at the level of the Joint Committee Securitisation Committee. Whenever a new transaction involves entities supervised by the same competent authorities, the lead previously appointed can keep that role.		(29) <i>In case of cross-border securitisations, appointing a lead supervisor would streamline the supervision of compliance with Regulation (EU) 2017/2402 and ensure consistency and better coordination among the different competent authorities. The lead supervisor should be appointed from among the competent authorities of the entities involved in the transaction, with the decision taken by the competent authorities concerned. In case of disagreements the matter should be dealt with at the level of the Joint Committee Securitisation Committee. Whenever a new transaction involves entities supervised by the same competent authorities, the lead previously appointed can keep that role.</i>		<i>deleted</i>
Recital 29a						
42a				<u><i>(29a) In order to avoid negative consequences for financial stability, the eligibility of unfunded credit protection for STS on-balance-sheet securitisations should be accompanied by an appropriate macroprudential oversight. In particular, the European Systemic Risk Board (ESRB), established by Regulation (EU) No 1092/2010 of the European Parliament and of the Council should monitor macroprudential risks associated with the provision of unfunded credit protection under the STS label.</i></u> <u><i>In order to facilitate ESRB's macroprudential monitoring of EU's securitisation markets, it should be assured that ESRB has access to</i></u>		(29a) In order to avoid negative consequences for financial stability, the eligibility of unfunded credit protection for STS on-balance-sheet securitisations should be accompanied by an appropriate macroprudential oversight. In particular, the European Systemic Risk Board (ESRB), established by Regulation (EU) No 1092/2010 of the European Parliament and of the Council should monitor macroprudential risks associated with the provision of unfunded credit protection under the STS label. In order to facilitate ESRB's macroprudential monitoring of EU's securitisation markets, it should be assured that ESRB has access to

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		<u>relevant information. It is therefore necessary to further enhance the data sharing between the ESRB, competent authorities and the ESAs. In order not to impose additional administrative burdens on competent authorities, data requests by the ESRB should be directed at the EBA, EIOPA or ESMA and concern information already available to the ESAs, thus shielding the competent authorities from the burden of having to process additional data requests.</u>	relevant information. It is therefore necessary to further enhance the data sharing between the ESRB, competent authorities and the ESAs. In order not to impose additional administrative burdens on competent authorities, data requests by the ESRB should be directed at the EBA, EIOPA or ESMA and concern information already available to the ESAs, thus shielding the competent authorities from the burden of having to process additional data requests.
Recital 29b			
42b		<u>(29b) “By amending the criteria for homogeneity of assets and the credit protection agreement, this Regulation broadens the scope of transactions that can meet the STS criteria. It should be possible for existing securitisations that meet the revised STS criteria to be able to use the ‘STS’ designation. For these transactions, the STS requirements that refer to taking certain actions prior to issuance or before pricing, should be read as referring to prior to the notification to ESMA.”</u>	(29b) “By amending the criteria for homogeneity of assets and the credit protection agreement, this Regulation broadens the scope of transactions that can meet the STS criteria. It should be possible for existing securitisations that meet the revised STS criteria to be able to use the ‘STS’ designation. For these transactions, the STS requirements that refer to taking certain actions prior to issuance or before pricing, should be read as referring to prior to the notification to ESMA.”
Recital 30			
43	(30) It is important to ensure that the regulatory framework for securitisations remains effective and adapts to the evolving financial landscape. For that reason, the Commission should comprehensively review the impact and functionality of this Regulation within 5 years after its adoption, with careful attention to its influence on the securitisation market and its broader economic implications. That review should focus on critical aspects, including market dynamics, the accessibility of credit in particular for SMEs, investments, and the	(30) It is important to ensure that the regulatory framework for securitisations remains effective and adapts to the evolving financial landscape. For that reason, the Commission should comprehensively review the impact and functionality of this Regulation within 5 years after its adoption, with careful attention to its influence on the securitisation market and its broader economic implications. That review should focus on critical aspects, including market dynamics, the accessibility of credit in particular for SMEs, investments, and the	(30) It is important to ensure that the regulatory framework for securitisations remains effective and adapts to the evolving financial landscape. For that reason, the Commission should comprehensively review the impact and functionality of this Regulation within 5 years after its adoption, with careful attention to its influence on the securitisation market and its broader economic implications. That review should focus on critical aspects, including market dynamics, the accessibility of credit in particular for SMEs, investments, and the

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	interconnectedness of financial institutions which is vital for maintaining the stability of the financial sector. Combining insights from the reports referred to in Article 44 of Regulation (EU) 2017/2402 and further analyses, the Commission should determine the necessity for legislative updates to safeguard the role of Regulation (EU) 2017/2402 in supporting a resilient and dynamic economy within the European Union.	interconnectedness of financial institutions which is vital for maintaining the stability of the financial sector. Combining insights from the reports referred to in Article 44 of Regulation (EU) 2017/2402 and further analyses, the Commission should determine the necessity for legislative updates to safeguard the role of Regulation (EU) 2017/2402 in supporting a resilient and dynamic economy within the European Union.	interconnectedness of financial institutions which is vital for maintaining the stability of the financial sector. Combining insights from the reports referred to in Article 44 of Regulation (EU) 2017/2402 and further analyses, the Commission should determine the necessity for legislative updates to safeguard the role of Regulation (EU) 2017/2402 in supporting a resilient and dynamic economy within the European Union.
Recital 31			
44	(31) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States given that securitisation markets operate globally and that a level playing field in the internal market for all institutional investors and entities involved in securitisation should be ensured but, by reason of their scale and effects, can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.	(31) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States given that securitisation markets operate globally and that a level playing field in the internal market for all institutional investors and entities involved in securitisation should be ensured but, by reason of their scale and effects, can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.	(31) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States given that securitisation markets operate globally and that a level playing field in the internal market for all institutional investors and entities involved in securitisation should be ensured but, by reason of their scale and effects, can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
Recital 32			
45	(32) Regulation (EU) 2017/2402 should therefore be amended accordingly,	(32) Regulation (EU) 2017/2402 should therefore be amended accordingly,	(32) Regulation (EU) 2017/2402 should therefore be amended accordingly,
Formula			
46	HAVE ADOPTED THIS REGULATION:	HAVE ADOPTED THIS REGULATION:	HAVE ADOPTED THIS REGULATION:
Article 1			
47	Article 1 Amendment to Regulation (EU) No 2017/2402	Article 1 Amendment to Regulation (EU) No 2017/2402	Article 1 Amendment to Regulation (EU) No 2017/2402

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Article 1, first paragraph			
48	Regulation (EU) 2017/2402 is amended as follows:	Regulation (EU) 2017/2402 is amended as follows:	Regulation (EU) 2017/2402 is amended as follows:
Article 1, first paragraph, point (1)			
49	(1) in Article 1, paragraph 2 is replaced by the following:	(1) in Article 1, paragraph 2 is replaced by the following:	(1) in Article 1, paragraph 2 is replaced by the following:
Article 1, first paragraph, point (1), amending provision, first paragraph			
50	‘ This Regulation applies to institutional investors and to originators, sponsors, original lenders, servicers and securitisation special purpose entities.; ’	‘ This Regulation applies to institutional investors and to originators, sponsors, original lenders, servicers, <u>securitisation repositories, third parties verifying STS compliance</u> and securitisation special purpose entities.; ’	‘ This Regulation applies to institutional investors, originators, sponsors, original lenders, servicers, securitisation repositories, third parties verifying STS compliance and securitisation special purpose entities.; ’
Article 1, first paragraph, point (2)			
51	(2) in Article 2, the following points (32) and (33) are added:	(2) in Article 2, the following points (32) and (33) to (35) are added:	(2) in Article 2, the following points (32) to (35) are added:
Article 1, first paragraph, point (2), amending provision, numbered paragraph (32)			
52	‘ (32) ‘public securitisation’ means a securitisation that meets any of the following criteria: ’	‘ (32) ‘public securitisation’ means a securitisation <u>where a prospectus has to be drawn up for that securitisation pursuant to Article 3 of Regulation (EU) 2017/1129</u> that meets any of the following criteria: <u>European Parliament and of the Council</u> ’; <u>1. Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12, ELI: http://data.europa.eu/eli/reg/2017/1129/oj).</u>	‘ (32) ‘public securitisation’ means a securitisation where 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’; 1. Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12, ELI: http://data.europa.eu/eli/reg/2017/1129/oj).
Article 1, first paragraph, point (2), amending provision, numbered paragraph (32), point (a)			

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53		<p>(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 Council¹;</p> <p>1. Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12, ELI: http://data.europa.eu/eli/reg/2017/1129/oj).</p>		<p>(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 Council¹;</p> <p>1. Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12, ELI: http://data.europa.eu/eli/reg/2017/1129/oj).</p>		deleted
Article 1, first paragraph, point (2), amending provision, numbered paragraph (32), point (b)						
54		<p>(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 Council¹;</p> <p>1. Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (OJ L 173, 12.6.2014, p. 349, ELI: http://data.europa.eu/eli/dir/2014/65/oj);</p>		<p>(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 Council¹;</p> <p>1. Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (OJ L 173, 12.6.2014, p. 349, ELI: http://data.europa.eu/eli/dir/2014/65/oj);</p>		deleted
Article 1, first paragraph, point (2), amending provision, numbered paragraph (32), point (c)						
55		<p>(c) the securitisation is marketed to investors and the terms and conditions are not negotiable among the parties.</p>		<p>(c) the securitisation is marketed to investors and the terms and conditions are not negotiable among the parties.</p>		deleted
Article 1, first paragraph, point (2), amending provision, numbered paragraph (33)						
56		<p>(33) ‘private securitisation’ means a securitisation that does not meet any of the criteria laid down in point (32).</p>		<p>(33) ‘private securitisation’ means a securitisation that does not meet any of the criteria <u>the criterion</u> laid down in point (32).</p>		<p>(33) ‘private securitisation’ means a securitisation that does not meet the criterion laid down in point (32).</p>
Article 1, first paragraph, point (2), amending provision, point (a)						
56a				<p>(34) “repeat transactions” mean a sequence of</p>		<p>(34) “repeat transactions” mean a sequence of</p>

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				<u>securitisation transactions that exhibit all of the following criteria:</u> <u>(a) they have the same originator(s),</u> <u>(b) they are backed by pools of exposures that have the same proportion of asset types reflected in the pools,</u> <u>(c) they display the same structural features, notably concerning the number and hierarchy of tranches, credit enhancement mechanisms and cash flow distribution.</u>		securitisation transactions that exhibit all of the following criteria: (a) they have the same originator(s), (b) they are backed by pools of exposures that have the same proportion of asset types reflected in the pools, (c) they display the same structural features, notably concerning the number and hierarchy of tranches, credit enhancement mechanisms and cash flow distribution.
Article 1, first paragraph, point (2), amending provision, point (b)						
56b				<u>(35) 'highly-granular pools of short-term exposures' means a pool of exposures where no single exposure represents more than 0.005 % of the overall pool and every exposure has an original maturity of one year or less.</u>		(35) 'highly-granular pools of short-term exposures' means a pool of exposures where no single exposure represents more than 0.005 % of the overall pool and every exposure has an original maturity of one year or less.
Article 1, first paragraph, point (3)						
57		(3) Article 5 is amended as follows:		(3) Article 5 is amended as follows:		(3) Article 5 is amended as follows:
Article 1, first paragraph, point (3)(a)						
58		(a) paragraph 1 is amended as follows:		(a) paragraph 1 is amended as follows:		(a) paragraph 1 is amended as follows:
Article 1, first paragraph, point (3)(a)(i)						
59		(i) point (c) is deleted;		(i) point (c) is deleted;		(i) point (c) is deleted;
Article 1, first paragraph, point (3)(a)(ii)						
60		(ii) points (e) and (f) are replaced by the following:		(ii) points (e) and (f) are replaced by the following:		(ii) points (e) and (f) are replaced by the following:
Article 1, first paragraph, point (3)(a)(ii), amending provision, numbered paragraph (e)						
61		(e) if established in a third country, the originator, sponsor or SSPE designated in accordance with		(e) if established in a third country, the originator, <u>SSPE or an entity that would met the definition</u>		(e) if established in a third country, the originator, SSPE or an entity that would met the definition of

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	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;	<i>of</i> sponsor or SSPE designated in accordance with Article 7(2) <i>if it were established in the Union</i> has made available <u>at least</u> the information required by Article 7(1) in accordance with the frequency and modalities provided for in that paragraph; Note on substance. "modalities" removed as explained in discussion paper. Sponsors can only be EU entities, thus amendment. reference to designation under 7(2) not right seeing as a third country entity would not be designated under EU law.	sponsor if it were established in the Union <u>SSPE</u> has made available at least the information required by <u>listed in</u> Article 7(1), <u>which would have been applicable if these entities were established within the Union</u> , in accordance with the frequency provided for in that paragraph; Note on substance: Article is amended by going back to the original mentioning of sponsors and by clarifying the information required by third country issuers.
Article 1, first paragraph, point (3)(a)(ii), amending provision, numbered paragraph (f)			
62	(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.;	(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.;	(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.;
Article 1, first paragraph, point (3)(b)			
63	(b) paragraph 3 is amended as follows:	(b) paragraph 3 is amended as follows:	(b) paragraph 3 is amended as follows:
Article 1, first paragraph, point (3)(b)(i)			
64	(i) point (b) is replaced by the following:	(i) point (b) is replaced by the following:	(i) point (b) is replaced by the following:
Article 1, first paragraph, point (3)(b)(i), amending provision, numbered paragraph (b)			
65	(b) all the structural features of the securitisation that can materially impact the performance of the securitisation position;;	(b) all the structural features of the securitisation that can materially impact the performance of the securitisation position;;	(b) all the structural features of the securitisation that can materially impact the performance of the securitisation position;;

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Article 1, first paragraph, point (3)(b)(ii)			
66	<p>(ii) point (c) is deleted;</p>	<p>(ii) point (c) is deleted<u>amended as follows:</u></p> <p><u>With regard to a securitisation notified as STS in accordance with Article 27, the compliance of that securitisation with the requirements provided for in Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e, and Article 27. Institutional investors may rely to an appropriate extent on the STS notification pursuant to Article 27(1) and on the information disclosed by the originator, sponsor and SSPE on the compliance with the STS requirements, without solely or mechanistically relying on that notification or information.</u></p> <p><u>By derogation from the first sentence of the previous subparagraph, institutional investors shall not be required to conduct due diligence on the requirements provided in Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e, and Article 27, where the originator, sponsor or SSPE has used the services of a third party authorised and supervised under Article 28 to assess whether a securitisation complies with Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e and the third party has assessed that the securitisation is in compliance with these requirements.;</u></p> <p>Note on substance: Article 26a to 26e is added, seeing as investors in synthetics STS would have no compliance obligation on STS requirements otherwise.</p>	<p>(ii) point (c) is amended as follows:</p> <p>With regard to a securitisation notified as STS in accordance with Article 27, the compliance of that securitisation with the requirements provided for in Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e, and Article 27. Institutional investors may rely to an appropriate extent on the STS notification pursuant to Article 27(1) and on the information disclosed by the originator, sponsor and SSPE on the compliance with the STS requirements, without solely or mechanistically relying on that notification or information.</p> <p>By derogation from the first sentence of the previous subparagraph, institutional investors shall not be required to conduct due diligence on the requirements provided in Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e, and Article 27, where the originator, sponsor or SSPE has used the services of a third party authorised and supervised under Article 28 to assess whether a securitisation complies with Articles 19 to 22, Articles 23 to 26 or Articles 26a to 26e and the third party has assessed that the securitisation is in compliance with these requirements.;</p>
Article 1, first paragraph, point (3)(c)			
67	(c) paragraph 4 is amended as follows:	(c) paragraph 4 is amended as follows:	(c) paragraph 4 is amended as follows:

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Article 1, first paragraph, point (3)(c)(i)			
68	(i) in point (a), the second subparagraph is deleted;	(i) in point (a), the second subparagraph is deleted;	(i) in point (a), the second subparagraph is deleted;
Article 1, first paragraph, point (3)(c)(ii)			
69	(ii) the following point (g) is added:	(ii) the following point (g) is added:	(ii) the following point (g) is added:
Article 1, first paragraph, point (3)(c)(ii), amending provision, numbered paragraph (g)			
70	‘ (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.; ,	‘ (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.; ,	‘ (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.; ,
Article 1, first paragraph, point (3)(c)(iii)			
70a		<u>(iii) the following point (h) is added:</u>	<u>(iii)</u> (iii) the following point (h) is added:
Article 1, first paragraph, point (3)(c)(iia), second subparagraph			
70b		<u>(h) in the case of investments in repeat transactions, provided that the investor has already purchased a securitisation position in a previous transaction in the preceding 36 months, document the due diligence solely on the elements of the transaction that have changed since the last issuance</u>	<u>'(h)</u> (h) in the case of investments in repeat transactions, provided that the investor has already purchased a securitisation position in a previous transaction in the preceding 36 months, document the due diligence solely on the elements of the transaction that have changed since the last issuance.'
Article 1, first paragraph, point (3)(d)			
71	(d) the following paragraphs 4a and 4b are inserted:	(d) the following paragraphs 4a and 4b are inserted:	(d) the following paragraphs 4a and 4b are inserted:
Article 1, first paragraph, point (3)(d), amending provision, numbered paragraph (4a), first subparagraph			
72	‘ (4a) Paragraphs 1 to 4 shall not apply to institutional investors that hold a securitisation	(4a) Paragraphs 1 to 4 shall not apply to institutional investors that hold a securitisation position where such securitisation position is	(4a) Paragraphs 1 to 4 shall not apply to institutional investors that hold a securitisation position where such securitisation position is

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	position where such securitisation position is guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) No 575/2013.	guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) No 575/2013.	guaranteed by a multilateral development bank listed in Article 117(2) of Regulation (EU) No 575/2013.
Article 1, first paragraph, point (3)(d), amending provision, numbered paragraph (4a), second subparagraph			
73	For the purposes of the first subparagraph, the guarantee shall meet the conditions of Article 213 and 215 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.	For the purposes of the first subparagraph, the guarantee shall meet the conditions of Article 213 and 215 of Regulation (EU) No 575/2013.
Article 1, first paragraph, point (3)(d), amending provision, numbered paragraph (4b)			
74	(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.;	(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.;	<i>deleted</i>
Article 1, first paragraph, point (3)(e)			
75	(e) paragraph 5 is replaced by the following:	(e) paragraph 5 is replaced by the following:	(e) paragraph 5 is replaced by the following:
Article 1, first paragraph, point (3)(e), amending provision, numbered paragraph (5)			
76	(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	(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	(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 <u>that managing party</u> to fulfil its obligations under this Article in respect of any exposure to a securitisation arising from those

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	delegating institutional investor's liability under this Article shall not be affected by the fact that the institutional investor has delegated functions.	this Article shall not be affected by the fact that the institutional investor has delegated functions.	decisions. The delegating <u>Member States shall ensure that, where an</u> institutional investor's liability is instructed under this Article shall not be affected by the fact that <u>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</u> the institutional investor <u>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</u> has delegated functions.
Article 1, first paragraph, point (4)			
77	(4) Article 6 is amended as follows:	(4) Article 6 is amended as follows:	(4) Article 6 is amended as follows:
Article 1, first paragraph, point (4)(a)			
78	(a) in paragraph 5 point (f) is added:	(a) in paragraph 5 point (f) is added:	(a) in paragraph 5 point (f) is added:
Article 1, first paragraph, point (4)(a), amending provision, numbered paragraph (f)			
79	(f) the Union.	(f) the Union.	(f) the Union.
Article 1, first paragraph, point (4)(b)			
80	(b) paragraph 5a is inserted:	(b) paragraph 5a is <u>Paragraphs 5a and 5b are</u> inserted: Note on substance: The proposed waiver or guaranteed NPE securitisations is moved to paragraph (5b).	(b) Paragraphs 5a, <u>5b and 5c</u> and 5b are inserted:

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Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5a)			
81	(5a) Paragraph 1 shall not apply where the first loss tranche representing at least 15% of the nominal value of the securitised exposures is either held or guaranteed by one of the entities listed under points (a) to (f) of paragraph 5.	(5a) Paragraph 1 shall not apply where the first loss tranche representing at least 15% of the nominal value of the securitised exposures is either held or guaranteed by one of the entities listed under points (a) to (f) of paragraph 5.	(5a) <u>Paragraph 1 shall not apply to securitisations where the first-loss tranche, representing not less than 15% of the nominal value of the securitised exposures, is fully held or fully guaranteed by an entity referred to in points (a), (b) and (d) to (f) of paragraph 5 and meeting all of the following conditions:</u> Note on substance: The revised waiver proposed by PT is inserted.
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5a), point (a)			
81a			<u>(a) the eligibility criteria for the securitised exposures are established and approved by the entity referred to in points (a), (b) and (d) to (f) of paragraph 5 prior to the creation of the securitisation positions, and no other party has discretion to alter or override such criteria;</u>
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5a), point (b)			
81b			<u>(b) the entity referred to in in points (a), (b) and (d) to (f) of paragraph 5 exercises oversight of the securitised exposures in light of the established eligibility criteria throughout the life of the securitisation;</u>
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5a), point (c)			
81c			<u>(c) the securitisation comprises only two tranches, with a single tranche senior to the first-loss position;</u>
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5a), point (d)			
81d			<u>(d) the securitisation does not qualify as a NPE securitisation;</u>
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5a), point (e)			

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81e						<u>(e) the entity referred to in points (a), (b) and (d) to (f) of paragraph 5 holds or guarantees the first-loss tranche on a continuous basis and cannot hedge or otherwise transfer the credit risk associated with that tranche to an entity not referred in points (a), (b) and (d) to (f) of paragraph 5.'</u>
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5b)						
81f				<u>(5b) By way of derogation from the fifth sentence in paragraph 1, in the case of NPE securitisations the risk retention requirement shall be deemed satisfied for tranches that are not subordinated to any other tranches and that are either held or fully, unconditionally, and irrevocably guaranteed by one of the entities listed under points (a) to (f) of paragraph 5.</u>		(5b) By way of derogation from the fifth sentence in paragraph 1, in the case of NPE securitisations the risk retention requirement shall be deemed satisfied for tranches that are not subordinated to any other tranches and that are either held or fully, unconditionally, and irrevocably guaranteed by one of the entities listed under points (a), <u>(b) and (d)</u> to (f) of paragraph 5.
				Note on substance: Redrafted with textual improvements in mind - substance is the same.		
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5c)						
81g						<u>'(5c) This Article shall not apply to synthetic securitisations that meet all of the following conditions:</u> DE proposed waiver implemented for risk retention.
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5ab), point (a)						
81h						<u>(a) The synthetic securitisation is originated by a national promotional bank or institution as defined in point (3) of Article 2 of Regulation (EU) 2015/1017;</u>
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5ab), point (b)						

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81i						<u>(b) The first-loss tranche is guaranteed by an entity referred to in points (a), (b) and (d) to (f) of paragraph 5;</u>
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5ab), point (c)						
81j						<u>(c) The non-guaranteed tranches are fully retained by the originator until maturity;</u>
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5ab), point (d)						
81k						<u>(d) The guarantor has established and approved the eligibility criteria for the underlying exposures prior to the creation of the exposures, and no other party has discretion to alter or override such criteria; and</u>
Article 1, first paragraph, point (4)(b), amending provision, numbered paragraph (5ab), point (e)						
81l						<u>(e) The entity referred to in point (b) guarantees the first-loss tranche on a continuous basis and cannot hedge or otherwise transfer the credit risk associated with that tranche to an entity not referred in points (a), (b) and (d) to (f) of paragraph 5.'</u>
Article 1, first paragraph, point (5)						
82		(5) Article 7 is amended as follows:		(5) Article 7 is amended as follows:		(5) Article 7 is amended as follows:
Article 1, first paragraph, point (5)(a)						
83		(a) in paragraph 1 the fourth subparagraph is replaced by the following:		(a) in paragraph 1 the fourth subparagraph is replaced by the following:		(a) in paragraph 1 the fourth subparagraph is replaced by the following:
Article 1, first paragraph, point (5)(a), amending provision, first paragraph						
84		‘ In the case of an ABCP or of a securitisation of highly-granular pools of short-term exposures, the information described in points (a), (c)(ii) and		‘ In the case of an ABCP <u>transaction</u> or of a securitisation of highly-granular pools of short-term exposures, the information described in		‘ In the case of an ABCP transaction or of a securitisation of highly-granular pools of short-term exposures, the information described in

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	(e)(i) of the first subparagraph shall be made available in aggregate form to holders of securitisation positions and, upon request, to potential investors.;	points (a), (c)(ii) and (e)(i) of the first subparagraph shall be made available in aggregate form to holders of securitisation positions and, upon request, to potential investors.;	points (a), (c)(ii) and (e)(i) of the first subparagraph shall be made available in aggregate form to holders of securitisation positions and, upon request, to potential investors.;
Article 1, first paragraph, point (5)(b)			
85	(b) in paragraph 2, the third subparagraph is replaced by the following:	(b) in paragraph 2, the third subparagraph is replaced by the following:	(b) in paragraph 2, the third subparagraph is replaced by the following:
Article 1, first paragraph, point (5)(b), amending provision, first paragraph			
86	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.].	Private securitisations shall be subject to a distinct reporting <u>transparency</u> framework that acknowledges their unique characteristics, differing from public securitisation, in a dedicated and simplified reporting <u>transparency</u> template. That dedicated and simplified reporting <u>transparency</u> template shall ensure that essential information relevant to national competent authorities is adequately reported <u>made available</u> , without imposing the full extent of reporting <u>transparency</u> 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.]. Note on substance: Amended as not only NCA rely on the information but also other competent authorities.	Private securitisations shall be subject to a distinct transparency framework that acknowledges their unique characteristics, differing from public securitisation, in a dedicated and simplified transparency template. That dedicated and simplified transparency template shall ensure that essential information relevant to competent authorities is adequately made available, without imposing the full extent of transparency 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.].
Article 1, first paragraph, point (5)(ba), first subparagraph			
86a			<u>(ba) the following paragraph 2a is inserted;</u>

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						Note on substance: DE waiver implemented on transparency requirements.
Article 1, first paragraph, point (5)(ba), second subparagraph						
86b						<u><i>2a. This Article shall not apply to synthetic securitisations that meet all of the following conditions:</i></u>
Article 1, first paragraph, point (5)(ba), second subparagraph, point (a)						
86c						<u><i>(a) The synthetic securitisation is originated by a national promotional bank or institution as defined in point (3) of Article 2 of Regulation (EU) 2015/1017;</i></u>
Article 1, first paragraph, point (5)(ba), second subparagraph, point (b)						
86d						<u><i>(b) The first-loss tranche is guaranteed by an entity referred to in points (a), (b) and (d) to (f), paragraph 5 of Article 6;</i></u>
Article 1, first paragraph, point (5)(ba), second subparagraph, point (c)						
86e						<u><i>(c) The non-guaranteed tranches are fully retained by the originator until maturity;</i></u>
Article 1, first paragraph, point (5)(ba), second subparagraph, point (d)						
86f						<u><i>(d) The guarantor has established and approved the eligibility criteria for the underlying exposures prior to the creation of the exposures, and no other party has discretion to alter or override such criteria; and</i></u>
Article 1, first paragraph, point (5)(ba), second subparagraph, point (e))						
86g						<u><i>(e) The entity referred to in point (b) guarantees the first-loss tranche on a continuous basis and cannot hedge or otherwise transfer the credit risk associated with that tranche to an entity not referred in points (a), (b) and (d) to (f).</i></u>

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						paragraph 5 of Article 6.;
Article 1, first paragraph, point (5)(c)						
87		(c) paragraph 3 is replaced by the following:		(c) paragraph 3 is replaced by the following:		(c) paragraph 3 is replaced by the following:
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (3), first subparagraph						
88		‘ 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 comply with paragraph 1, first subparagraph, points (a) and (e), and paragraph 2 taking into account:		‘ 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 comply with paragraph 1, first subparagraph, points (a) and (e), and paragraph 2 taking into account:		‘ 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 comply with paragraph 1, first subparagraph, points (a) and (e), and paragraph 2 taking into account:
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (3), first subparagraph, point (a)						
89		(a) the usefulness of information for the holder of the securitisation position and for supervisors;		(a) the usefulness of information for the holder of the securitisation position and for supervisors;		(a) the usefulness of information for the holder of the securitisation position and for supervisors;
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (3), first subparagraph, point (b)						
90		(b) whether the securitisation is public or private;		(b) whether the securitisation is public or private;		(b) whether the securitisation is public or private;
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (3), first subparagraph, point (c)						
91		(c) whether the securitisation position is of a short-term nature;		(c) whether the securitisation position is of a short-term nature;		(c) whether the securitisation position is of a short-term nature;
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (3), first subparagraph, point (d)						
92		(d) in the case of an ABCP transaction, whether that transaction is fully supported by a sponsor.		(d) in the case of an ABCP transaction, whether that transaction is fully supported by a sponsor.		(d) in the case of an ABCP transaction, whether that transaction is fully supported by a sponsor.
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (3), second subparagraph						
93		The ESAs, through the Joint Committee of the		The ESAs, through the Joint Committee of the		The ESAs, through the Joint Committee of the

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	European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, shall submit those draft regulatory technical standards to the Commission by [6 months after the date of entry into force of this amending Regulation].	European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, shall submit those draft regulatory technical standards to the Commission by [6 months after the date of entry into force of this amending Regulation].	European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, shall submit those draft regulatory technical standards to the Commission by [6 months after the date of entry into force of this amending Regulation].
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (3), third subparagraph			
94	The Commission is empowered to supplement this Regulation by adopting the regulatory technical standards referred to in this paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.	The Commission is empowered to supplement this Regulation by adopting the regulatory technical standards referred to in this paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.	The Commission is empowered to supplement this Regulation by adopting the regulatory technical standards referred to in this paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (3), fourth subparagraph			
95	The regulatory technical standards shall enter into force [12 months] after the adoption by the Commission.	The regulatory technical standards shall enter into force [12 months] after the adoption by the Commission.	The regulatory technical standards shall enter into force [12 months] after the adoption by the Commission.
Article 1, first paragraph, point (5)(c), amending provision, numbered paragraph (3), fifth subparagraph			
96	At least every three years from the date of their adoption by the Commission the ESAs, through the Joint Committee of the European Supervisory Authorities, shall assess the regulatory technical standards to determine their continued relevance and accuracy, to ensure they remain effective, up to date, aligned with market practices and needs. The ESAs, through the Joint Committee of the European Supervisory Authorities, shall inform the Commission of the results of the assessment.	At least every three years from the date of their adoption by the Commission the ESAs, through the Joint Committee of the European Supervisory Authorities, shall assess the regulatory technical standards to determine their continued relevance and accuracy, to ensure they remain effective, up to date, aligned with market practices and needs. The ESAs, through the Joint Committee of the European Supervisory Authorities, shall inform the Commission of the results of the assessment.	At least every three years from the date of their adoption by the Commission the ESAs, through the Joint Committee of the European Supervisory Authorities, shall assess the regulatory technical standards to determine their continued relevance and accuracy, to ensure they remain effective, up to date, aligned with market practices and needs. The ESAs, through the Joint Committee of the European Supervisory Authorities, shall inform the Commission of the results of the assessment.
Article 1, first paragraph, point (5)(d)			
97	(d) paragraph 4 is replaced by the following:	(d) paragraph 4 is replaced by the following:	(d) paragraph 4 is replaced by the following:
Article 1, first paragraph, point (5)(d), amending provision, numbered paragraph (4), first subparagraph			

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98	4. In order to ensure uniform conditions of application for the information to be specified in accordance with paragraph 3, the ESAs, through the Joint Committee of the European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, shall develop draft implementing technical standards in accordance with Article 15 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 specifying the format thereof by means of standardised templates.	4. In order to ensure uniform conditions of application for the information to be specified in accordance with paragraph 3, the ESAs, through the Joint Committee of the European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, shall develop draft implementing technical standards in accordance with Article 15 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 specifying the format thereof by means of standardised templates.	4. In order to ensure uniform conditions of application for the information to be specified in accordance with paragraph 3, the ESAs, through the Joint Committee of the European Supervisory Authorities, under the leadership of the EBA and in close cooperation with ESMA and EIOPA, shall develop draft implementing technical standards in accordance with Article 15 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 specifying the format thereof by means of standardised templates.
Article 1, first paragraph, point (5)(d), amending provision, numbered paragraph (4), second subparagraph			
99	The ESAs, through the Joint Committee of the European Supervisory Authorities, shall submit those draft implementing technical standards to the Commission by [6 months after the date of entry into force of this amending Regulation].	The ESAs, through the Joint Committee of the European Supervisory Authorities, shall submit those draft implementing technical standards to the Commission by [6 months after the date of entry into force of this amending Regulation].	The ESAs, through the Joint Committee of the European Supervisory Authorities, shall submit those draft implementing technical standards to the Commission by [6 months after the date of entry into force of this amending Regulation].
Article 1, first paragraph, point (5)(d), amending provision, numbered paragraph (4), third subparagraph			
100	The Commission is empowered to adopt the implementing technical standards referred to in this paragraph in accordance with Article 15 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.	The Commission is empowered to adopt the implementing technical standards referred to in this paragraph in accordance with Article 15 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.	The Commission is empowered to adopt the implementing technical standards referred to in this paragraph in accordance with Article 15 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.
Article 1, first paragraph, point (5)(d), amending provision, numbered paragraph (4), fourth subparagraph			
101	The implementing technical standards shall enter into force [12 months] after the adoption by the Commission.	The implementing technical standards shall enter into force [12 months] after the adoption by the Commission.	The implementing technical standards shall enter into force [12 months] after the adoption by the Commission.
Article 1, first paragraph, point (5)(d), amending provision, numbered paragraph (4), fifth subparagraph			
102	At least every three years from the date of their adoption by the Commission the ESAs, through the Joint Committee of the European Supervisory	At least every three years from the date of their adoption by the Commission the ESAs, through the Joint Committee of the European Supervisory	At least every three years from the date of their adoption by the Commission the ESAs, through the Joint Committee of the European Supervisory

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	Authorities, shall assess the implementing regulatory technical standards to determine their continued relevance and accuracy, to ensure they remain effective, up to date, aligned with market practices and needs. The ESAs, through the Joint Committee of the European Supervisory Authorities, shall inform the Commission of the results of that assessment.;	Authorities, shall assess the implementing regulatory technical standards to determine their continued relevance and accuracy, to ensure they remain effective, up to date, aligned with market practices and needs. The ESAs, through the Joint Committee of the European Supervisory Authorities, shall inform the Commission of the results of that assessment.;	Authorities, shall assess the implementing regulatory technical standards to determine their continued relevance and accuracy, to ensure they remain effective, up to date, aligned with market practices and needs. The ESAs, through the Joint Committee of the European Supervisory Authorities, shall inform the Commission of the results of that assessment.;
Article 1, first paragraph, point (5a), first subparagraph			
102a			<u>(5a) Article 9 is amended as follows:</u> Note on substance: The DE waiver is implemented for credit granting criteria.
Article 1, first paragraph, point (5a), second subparagraph			
102b			<u>The following paragraph 5 is inserted:</u>
Article 1, first paragraph, point (5a), third subparagraph			
102c			<u>'5. This Article shall not apply to synthetic securitisations that meet all of the following conditions:</u>
Article 1, first paragraph, point (5a), third subparagraph, point (a)			
102d			<u>(a) The synthetic securitisation is originated by a national promotional bank or institution as defined in point (3) of Article 2 of Regulation (EU) 2015/1017;</u>
Article 1, first paragraph, point (5a), third subparagraph, point (b)			
102e			<u>(b) The first-loss tranche is guaranteed by an entity referred to in points (a), (b) and (d) to (f), paragraph 5 of Article 6;</u>
Article 1, first paragraph, point (5a), third subparagraph, point (c)			

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102f						<u><i>(c) The non-guaranteed tranches are fully retained by the originator until maturity;</i></u>
Article 1, first paragraph, point (5a), third subparagraph, point (d)						
102g						<u><i>(d) The guarantor has established and approved the eligibility criteria for the underlying exposures prior to the creation of the exposures, and no other party has discretion to alter or override such criteria; and</i></u>
Article 1, first paragraph, point (5a), third subparagraph, point (e)						
102h						<u><i>(e) The entity referred to in point (b) guarantees the first-loss tranche on a continuous basis and cannot hedge or otherwise transfer the credit risk associated with that tranche to an entity not referred in points (a), (b) and (d) to (f), paragraph 5 of Article 6.'</i></u>
Article 1, first paragraph, point (6)						
103		(6) Article 10 is amended as follows:		(6) Article 10 is amended as follows:		(6) Article 10 is amended as follows:
Article 1, first paragraph, point (6)(a)						
104		(a) paragraph 1 is replaced by the following:		(a) paragraph 1 is replaced by the following:		(a) paragraph 1 is replaced by the following:
Article 1, first paragraph, point (6)(a), amending provision, numbered paragraph (1)						
105		‘ 1.A securitisation repository shall register with ESMA for the purposes of Article 7 under the conditions and the procedure set out in this Article.; ’		‘ 1.A securitisation repository shall register with ESMA for the purposes of Article 7 under the conditions and the procedure set out in this Article.; ’		‘ 1.A securitisation repository shall register with ESMA for the purposes of Article 7 under the conditions and the procedure set out in this Article.; ’
Article 1, first paragraph, point (6)(b)						
106		(b) paragraph 2 is replaced by the following:		(b) paragraph 2 is replaced by the following:		(b) paragraph 2 is replaced by the following:
Article 1, first paragraph, point (6)(b), amending provision, numbered paragraph (2)						

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107		2.To be eligible to be registered under this Article, a securitisation repository shall be a legal person established in the Union, apply procedures to verify the completeness and consistency of the information made available to it under Article 7(1) of this Regulation, and meet the requirements laid down in in Articles 78 and 79, and Article 80(1), (2), (3), (5) and (6) of Regulation (EU) No 648/2012. For the purposes of this Article, references in Articles 78 and 80 of Regulation (EU) No 648/2012 to Article 9 thereof shall be construed as references to Article 7 of this Regulation.		2.To be eligible to be registered under this Article, a securitisation repository shall be a legal person established in the Union, apply procedures to verify the completeness and consistency of the information made available to it under Article 7(1) of this Regulation, and meet the requirements laid down in in Articles 78 and 79, and Article 80(1), (2), (3), (5) and (6) of Regulation (EU) No 648/2012. For the purposes of this Article, references in Articles 78 and 80 of Regulation (EU) No 648/2012 to Article 9 thereof shall be construed as references to Article 7 of this Regulation.		2.To be eligible to be registered under this Article, a securitisation repository shall be a legal person established in the Union, apply procedures to verify the completeness and consistency of the information made available to it under Article 7(1) of this Regulation, and meet the requirements laid down in in Articles 78 and 79, and Article 80(1), (2), (3), (5) and (6) of Regulation (EU) No 648/2012. For the purposes of this Article, references in Articles 78 and 80 of Regulation (EU) No 648/2012 to Article 9 thereof shall be construed as references to Article 7 of this Regulation.
Article 1, first paragraph, point (7)						
108		(7) Article 17 is amended as follows:		(7) Article 17 is amended as follows:		(7) Article 17 is amended as follows:
Article 1, first paragraph, point (7)(a)						
109		(a) paragraph 1 is replaced by the following:		(a) paragraph 1 is replaced by the following:		(a) paragraph 1 is replaced by the following:
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1)						
110		1.Without prejudice to Article 7(2), the securitisation repository referred to in Article 10 shall collect and maintain details of the securitisation. It shall provide direct and immediate access free of charge to all of the following entities to enable them to fulfil their respective responsibilities, mandates and obligations:		1.Without prejudice to Article 7(2), the securitisation repository referred to in Article 10 shall collect and maintain details of the securitisation. It shall provide direct and immediate access free of charge to all of the following entities to enable them to fulfil their respective responsibilities, mandates and obligations:		1.Without prejudice to Article 7(2), the securitisation repository referred to in Article 10 shall collect and maintain details of the securitisation. It shall provide direct and immediate access free of charge to all of the following entities to enable them to fulfil their respective responsibilities, mandates and obligations:
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (a)						
111		(a) the EBA;		(a) the EBA;		(a) the EBA;
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (b)						

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112	(b) EIOPA;	(b) EIOPA;	(b) EIOPA;
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (c)			
113	(c) ESMA;	(c) ESMA;	(c) ESMA;
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (d)			
114	(d) the ESRB;	(d) the ESRB;	(d) the ESRB;
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (e)			
115	(e) the relevant members of the European System of Central Banks (ESCB), including the European Central Bank (ECB) in carrying out its tasks within a single supervisory mechanism under Regulation (EU) No 1024/2013;	(e) the relevant members of the European System of Central Banks (ESCB), including the European Central Bank (ECB) in carrying out its tasks within a single supervisory mechanism under Regulation (EU) No 1024/2013;	(e) the relevant members of the European System of Central Banks (ESCB), including the European Central Bank (ECB) in carrying out its tasks within a single supervisory mechanism under Regulation (EU) No 1024/2013;
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (f)			
116	(f) the relevant authorities whose respective supervisory responsibilities and mandates cover transactions, markets, participants and assets which fall within the scope of this Regulation;	(f) the relevant authorities whose respective supervisory responsibilities and mandates cover transactions, markets, participants and assets which fall within the scope of this Regulation;	(f) the relevant authorities whose respective supervisory responsibilities and mandates cover transactions, markets, participants and assets which fall within the scope of this Regulation;
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (g)			
117	(g) the resolution authorities designated under Article 3 of Directive 2014/59/EU of the European Parliament and the Council ¹ ; 1. Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190, ELI: http://data.europa.eu/eli/dir/2014/59/oj).	(g) the resolution authorities designated under Article 3 of Directive 2014/59/EU of the European Parliament and the Council ¹ ; 1. Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190, ELI: http://data.europa.eu/eli/dir/2014/59/oj).	(g) the resolution authorities designated under Article 3 of Directive 2014/59/EU of the European Parliament and the Council ¹ ; 1. Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190, ELI: http://data.europa.eu/eli/dir/2014/59/oj).
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (h)			
118	(h) the Single Resolution Board established by	(h) the Single Resolution Board established by	(h) the Single Resolution Board established by

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	Regulation (EU) No 806/2014 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1, ELI: http://data.europa.eu/eli/reg/2014/806/oj).	Regulation (EU) No 806/2014 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1, ELI: http://data.europa.eu/eli/reg/2014/806/oj).	Regulation (EU) No 806/2014 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1, ELI: http://data.europa.eu/eli/reg/2014/806/oj).
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (i)			
119	(i) the authorities referred to in Article 29 of this Regulation;	(i) the authorities referred to in Article 29 of this Regulation;	(i) the authorities referred to in Article 29 of this Regulation;
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (j)			
120	(j) the Commission, upon request;	(j) the Commission, upon request;	(j) the Commission, upon request;
Article 1, first paragraph, point (7)(a), amending provision, numbered paragraph (1), point (k)			
121	(k) in case of public securitisations, investors and potential investors.	(k) in case of public securitisations, investors and potential investors.	(k) in case of public securitisations, investors and potential investors.
Article 1, first paragraph, point (7)(b)			
122	(b) in paragraph 2, point (a) is deleted.	(b) in paragraph 2, point (a) is deleted.	(b) in paragraph 2, point (a) is deleted.
Article 1, first paragraph, point (8)			
123	(8) Article 20 is amended as follows:	(8) Article 20 is amended as follows:	(8) Article 20 is amended as follows:
Article 1, first paragraph, point (8)(a)			
124	(a) in paragraph 8, the following subparagraph is added:	(a) in paragraph 8, the following subparagraph is added:	(a) in paragraph 8, the following subparagraph is added:
Article 1, first paragraph, point (8)(a), amending provision, first paragraph			
125	‘ A pool of underlying exposures shall be deemed to comply with the first subparagraph where at	‘ <i><u>Without prejudice to the first sentence of the first subparagraph,</u></i> a pool of underlying	‘ Without prejudice to the first sentence of the first subparagraph, a pool of underlying exposures

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	least 70% of the exposures in the pool at origination consists of exposures to SMEs.;	exposures shall be deemed to comply with the first <u>sentence of the first</u> subparagraph, where at least 70% all of the exposures in the pool at origination consists of exposures to SMEs.; <u>following conditions are met:</u>	shall be deemed to comply with the first sentence of the first subparagraph, where all of the following conditions are met:
Article 1, first paragraph, point (8)(a), amending provision, first paragraph a			
125a		<u>(a) at least 70% of the exposures in the pool, at origination, consists of exposures to SMEs;</u>	(a) at least 70% of the exposures in the pool, at origination, consists of exposures to SMEs;
Article 1, first paragraph, point (8)(a), amending provision, first paragraph b			
125b		<u>(b) all the exposures in the pool are to obligors established in Member States;</u>	(b) all the exposures in the pool are to obligors established in Member States;
Article 1, first paragraph, point (8)(a), amending provision, first paragraph c			
125c		<u>(c) all the exposures in the pool are underwritten in accordance with standards that apply similar approaches for assessing associated credit risk; and</u>	(c) all the exposures in the pool are underwritten in accordance with standards that apply similar approaches for assessing associated credit risk; and
Article 1, first paragraph, point (8)(a), amending provision, first paragraph d			
125d		<u>(d) all the exposures in the pool are serviced in accordance with similar procedures for monitoring, collecting and administering cash receivables.</u>	(d) all the exposures in the pool are serviced in accordance with similar procedures for monitoring, collecting and administering cash receivables.;
Article 1, first paragraph, point (8)(b)			
126	(b) in paragraph 11, in point (a), point (ii) is replaced by the following:	(b) in paragraph 11, in point (a), point (ii) is replaced by the following:	(b) in paragraph 11, in point (a), point (ii) is replaced by the following:
Article 1, first paragraph, point (8)(b), amending provision, numbered paragraph (ii)			
127	(ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures,	(ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures,	(ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures,

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		the time and details of the restructuring, and their performance since the date of the restructuring;;		the time and details of the restructuring, and their performance since the date of the restructuring;;		the time and details of the restructuring, and their performance since the date of the restructuring;;
Article 1, first paragraph, point (9)						
128		(9) Article 22 is amended as follows:		(9) Article 22 is amended as follows:		(9) Article 22 is amended as follows:
Article 1, first paragraph, point (9)(a)						
129		(a) in paragraph 4, the first subparagraph is replaced by the following:		(a) in paragraph 4, the first subparagraph is replaced by the following:		(a) in paragraph 4, the first subparagraph is replaced by the following:
Article 1, first paragraph, point (9)(a), amending provision, first paragraph						
130		‘ In case of a securitisation where the underlying exposures are residential loans or auto loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or auto loans or leases.;		‘ In case of a securitisation where the underlying exposures are residential loans or auto loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or auto loans or leases.;		‘ In case of a securitisation where the underlying exposures are residential loans or auto loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or auto loans or leases.;
Article 1, first paragraph, point (9)(b)						
131		(b) paragraph 5 is replaced by the following:		(b) paragraph 5 is replaced by the following:		(b) paragraph 5 is replaced by the following:
Article 1, first paragraph, point (9)(b), amending provision, numbered paragraph (5)						
132		‘ 5.The originator and the sponsor shall be responsible for compliance with Article 7. In case of a public securitisation, the information required by Article 7(1), first subparagraph, point (a), shall be made available to potential investors before pricing upon request. In case of a public securitisation, the information required by Article 7(1), first subparagraph, points (b) to (d), shall be made available before pricing at least in draft or		‘ 5.The originator and the sponsor shall be responsible for compliance with Article 7. In case of a public securitisation, the information required by Article 7(1), first subparagraph, point (a), shall be made available to potential investors before pricing upon request. In case of a public securitisation, the information required by Article 7(1), first subparagraph, points (b) to (d), shall be made available before pricing at least in draft or		‘ 5.The originator and the sponsor shall be responsible for compliance with Article 7. In case of a public securitisation, the information required by Article 7(1), first subparagraph, point (a), shall be made available to potential investors before pricing upon request. In case of a public securitisation, the information required by Article 7(1), first subparagraph, points (b) to (d), shall be made available before pricing at least in draft or

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	initial form. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.;	initial form. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.;	initial form. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.;
Article 1, first paragraph, point (10)			
133	(10) Article 24 is amended as follows:	(10) Article 24 is amended as follows:	(10) Article 24 is amended as follows:
Article 1, first paragraph, point (10)(a)			
134	(a) in paragraph 9, in point (a), point (ii) is replaced by the following:	(a) in paragraph 9, in point (a), point (ii) is replaced by the following:	(a) in paragraph 9, in point (a), point (ii) is replaced by the following:
Article 1, first paragraph, point (10)(a), amending provision, numbered paragraph (ii)			
135	(ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring, and their performance since the date of the restructuring;;	(ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring, and their performance since the date of the restructuring;;	(ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring, and their performance since the date of the restructuring;;
Article 1, first paragraph, point (10)(b)			
136	(b) in paragraph 15 the following subparagraph is added:	(b) in paragraph 15 the following subparagraph is added:	(b) in paragraph 15 the following subparagraph is added:
Article 1, first paragraph, point (10)(b), amending provision, first paragraph			
137	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.;	<u><i>Without prejudice to the first sentence of the first subparagraph,</i></u> a pool of underlying exposures shall be deemed to comply with the first <u><i>sentence of the first</i></u> subparagraph, where at least 70% <u><i>all</i></u> of the exposures in the pool at origination consists of exposures to SMEs. <u><i>following conditions are met:</i></u>	Without prejudice to the first sentence of the first subparagraph, a pool of underlying exposures shall be deemed to comply with the first sentence of the first subparagraph, where all of the following conditions are met:
Article 1, first paragraph, point (10)(b), amending provision, first paragraph a			

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137a				<u>(a) at least 70% of the exposures in the pool, at origination, consists of exposures to SMEs;</u>		(a) at least 70% of the exposures in the pool, at origination, consists of exposures to SMEs;
Article 1, first paragraph, point (10)(b), amending provision, first paragraph b						
137b				<u>(b) all the exposures in the pool are to obligors established in Member States;</u>		(b) all the exposures in the pool are to obligors established in Member States;
Article 1, first paragraph, point (10)(b), amending provision, first paragraph c						
137c				<u>(c) all the exposures in the pool are underwritten in accordance with standards that apply similar approaches for assessing associated credit risk; and</u>		(c) all the exposures in the pool are underwritten in accordance with standards that apply similar approaches for assessing associated credit risk; and
Article 1, first paragraph, point (10)(b), amending provision, first paragraph d						
137d				<u>(d) all the exposures in the pool are serviced in accordance with similar procedures for monitoring, collecting and administering cash receivables.</u>		(d) all the exposures in the pool are serviced in accordance with similar procedures for monitoring, collecting and administering cash receivables;'
Article 1, first paragraph, point (11)						
138	(11)	Article 26b is amended as follows:	(11)	Article 26b is amended as follows:	(11)	Article 26b is amended as follows:
Article 1, first paragraph, point (11)(a)						
139	(a)	in paragraph 7, in the fourth subparagraph, the following points (e) and (f) are added:	(a)	in paragraph 7, in the fourth subparagraph, the following points (e) and (f) are added:	(a)	in paragraph 7, in the fourth subparagraph, the following points (e) and (f) are added:
Article 1, first paragraph, point (11)(a), amending provision, numbered paragraph (e)						
140	(e)	has been the object of Union restrictive measures or of proven fraudulent practices;	(e)	has been the object of Union restrictive measures or of proven fraudulent practices;	(e)	has been the object of Union restrictive measures or of proven fraudulent practices;
Article 1, first paragraph, point (11)(a), amending provision, numbered paragraph (f)						
141	(f)	has been subject to changes in the national legal framework that would affect the enforceability of the claims of the underlying	(f)	has been subject to changes in the national legal framework that would affect the enforceability of the claims of the underlying	(f)	has been subject to changes in the national legal framework that would affect the enforceability of the claims of the underlying

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	exposures.;	exposures.;	exposures.;
Article 1, first paragraph, point (11)(b)			
142	(b) in paragraph 8, the following subparagraph is added:	(b) in paragraph 8, the following subparagraph is added:	(b) in paragraph 8, the following subparagraph is added:
Article 1, first paragraph, point (11)(b), amending provision, first paragraph			
143	‘ 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.;’	‘ <u>Without prejudice to the first sentence of the first subparagraph</u> , a pool of underlying exposures shall be deemed to comply with the first <u>sentence of the first</u> subparagraph, where at least 70% all of the exposures in the pool at origination consists of exposures to SMEs.; <u>following conditions are met:</u>	‘ Without prejudice to the first sentence of the first subparagraph, a pool of underlying exposures shall be deemed to comply with the first sentence of the first subparagraph, where all of the following conditions are met:
Article 1, first paragraph, point (11)(b), amending provision, first paragraph a			
143a		<u>(a) at least 70% of the exposures in the pool, at origination, consists of exposures to SMEs;</u>	(a) at least 70% of the exposures in the pool, at origination, consists of exposures to SMEs;
Article 1, first paragraph, point (11)(b), amending provision, first paragraph b			
143b		<u>(b) all the exposures in the pool are to obligors established in Member States;</u>	(b) all the exposures in the pool are to obligors established in Member States;
Article 1, first paragraph, point (11)(b), amending provision, first paragraph c			
143c		<u>(c) all the exposures in the pool are underwritten in accordance with standards that apply similar approaches for assessing associated credit risk; and</u>	(c) all the exposures in the pool are underwritten in accordance with standards that apply similar approaches for assessing associated credit risk; and
Article 1, first paragraph, point (11)(b), amending provision, first paragraph d			
143d		<u>(d) all the exposures in the pool are serviced in accordance with similar procedures for monitoring, collecting and administering cash receivables;</u>	(d) all the exposures in the pool are serviced in accordance with similar procedures for monitoring, collecting and administering cash receivables;!

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Article 1, first paragraph, point (11)(c)						
144		(c) in paragraph 11, in point (a), point (ii) is replaced by the following:		(c) in paragraph 11, in point (a), point (ii) is replaced by the following:		(c) in paragraph 11, in point (a), point (ii) is replaced by the following:
Article 1, first paragraph, point (11)(c), amending provision, numbered paragraph (ii)						
145		(ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring, and their performance since the date of the restructuring;;		(ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring, and their performance since the date of the restructuring;;		(ii) the information provided by the originator, sponsor and SSPE explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring, and their performance since the date of the restructuring;;
Article 1, first paragraph, point (12)						
146		(12) in Article 26c, in paragraph 5, the eighth subparagraph is replaced by the following:		(12) in Article 26c, in paragraph 5, the eighth subparagraph is replaced by the following:		(12) in Article 26c, in paragraph 5, the eighth subparagraph is replaced by the following:
Article 1, first paragraph, point (12), amending provision, first paragraph						
147		Where a credit event, as referred to in Article 26e, has occurred in relation to underlying exposures and the debt workout for those exposures has not been completed, the amount of credit protection remaining at any payment date plus the amount of any retained tranches which rank junior to the tranches covered by the credit protection remaining at any payment date shall be at least equivalent to the outstanding nominal amount of those underlying exposures, minus the amount of any interim payment made in relation to those underlying exposures.;		Where a credit event, as referred to in Article 26e, has occurred in relation to underlying exposures and the debt workout for those exposures has not been completed, the amount of credit protection remaining at any payment date plus the amount of any retained tranches which rank junior to the tranches covered by the credit protection remaining at any payment date shall be at least equivalent to the outstanding nominal amount of those underlying exposures, minus the amount of any interim payment made in relation to those underlying exposures.;		Where a credit event, as referred to in Article 26e, has occurred in relation to underlying exposures and the debt workout for those exposures has not been completed, the amount of credit protection remaining at any payment date plus the amount of any retained tranches which rank junior to the tranches covered by the credit protection remaining at any payment date shall be at least equivalent to the outstanding nominal amount of those underlying exposures, minus the amount of any interim payment made in relation to those underlying exposures.;

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Article 1, first paragraph, point (13)			
148	(13) Article 26e is amended as follows:	(13) Article 26e is amended as follows:	(13) Article 26e is amended as follows:
Article 1, first paragraph, point (13)(a)			
149	(a) in paragraph 3, the third subparagraph is replaced by the following:	(a) in paragraph 3, the third subparagraph is replaced by the following:	(a) in paragraph 3, the third subparagraph is replaced by the following:
Article 1, first paragraph, point (13)(a), amending provision, first paragraph			
150	‘ The credit protection premiums to be paid under the credit protection agreement shall be structured as contingent on the outstanding size of the tranche and credit risk of the protected tranche. For those purposes, the credit protection agreement shall not stipulate guaranteed premiums, upfront premium payments, rebate mechanisms or other mechanisms that may avoid or reduce the actual allocation of losses to the investors or return part of the paid premiums to the originator after the maturity of the transaction.; ’	‘ The credit protection premiums to be paid under the credit protection agreement shall be structured as contingent on the outstanding size of the tranche and credit risk of the protected tranche. For those purposes, the credit protection agreement shall not stipulate guaranteed premiums, upfront premium payments, rebate mechanisms or other mechanisms that may avoid or reduce the actual allocation of losses to the investors or return part of the paid premiums to the originator after the maturity of the transaction.; ’	‘ The credit protection premiums to be paid under the credit protection agreement shall be structured as contingent on the outstanding size of the tranche and credit risk of the protected tranche. For those purposes, the credit protection agreement shall not stipulate guaranteed premiums, upfront premium payments, rebate mechanisms or other mechanisms that may avoid or reduce the actual allocation of losses to the investors or return part of the paid premiums to the originator after the maturity of the transaction.; ’
Article 1, first paragraph, point (13)(b)			
151	(b) in paragraph 7, point (d) is replaced by the following:	(b) in paragraph 7, point (d) is replaced by the following:	(b) in paragraph 7, point (d) is replaced by the following:
Article 1, first paragraph, point (13)(b), amending provision, numbered paragraph (d)			
152	‘ (d) for originators not using the IRB Approach referred to in Article 143 of Regulation (EU) No 575/2013: ’	‘ (d) for originators not using the IRB Approach referred to in Article 143 of Regulation (EU) No 575/2013: ’	‘ (d) for originators not using the IRB Approach referred to in Article 143 of Regulation (EU) No 575/2013: ’
Article 1, first paragraph, point (13)(b), amending provision, numbered paragraph (d), point (i)			
153	(i) the total committed amount per year shall not be higher than the one-year expected loss of the	(i) the total committed amount per year shall not be higher than the one-year expected loss of the	(i) the total committed amount per year shall not be higher than the one-year expected loss of the

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	portfolio for that year;	portfolio for that year;	portfolio for that year;
Article 1, first paragraph, point (13)(b), amending provision, numbered paragraph (d), point (ii)			
154	(ii) the calculation of the one-year expected loss of the underlying portfolio shall be clearly determined in the transaction documentation.;	(ii) the calculation of the one-year expected loss of the underlying portfolio shall be clearly determined in the transaction documentation.;	(ii) the calculation of the one-year expected loss of the underlying portfolio shall be clearly determined in the transaction documentation.;
Article 1, first paragraph, point (13)(c)			
155	(c) paragraph 8 is amended as follows:	(c) paragraph 8 is amended as follows:	(c) paragraph 8 is amended as follows:
Article 1, first paragraph, point (13)(c)(i)			
156	(i) the following point (aa) is inserted:	(i) the following point (aa) is inserted:	(i) the following point (aa) is inserted:
Article 1, first paragraph, point (13)(c)(i), amending provision, numbered paragraph (aa)			
157	‘ (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:	‘ (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:	‘ (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:
Article 1, first paragraph, point (13)(c)(i), amending provision, numbered paragraph (aa), point (i)			
158	(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;	(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;	(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;
Article 1, first paragraph, point (13)(c)(i), amending provision, numbered paragraph (aa), point (ii)			
159	(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;	(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 <u>to a credit assessment by a recognised ECAI which was credit quality step 2</u>	(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 a credit assessment by a recognised ECAI which was credit quality step 2 or above at

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		<u>or above at the time the credit protection was first recognised and is currently</u> credit quality step 3 or better <u>above</u> ;	the time the credit protection was first recognised and is currently credit quality step 3 or above, <u>in line with the mapping set out in Article 136 of Regulation (EU) No 575/2013</u> ; Note on substance: reference to "ECAI" substituted by actual legal reference to ECAI CQS.
Article 1, first paragraph, point (13)(c)(i), amending provision, numbered paragraph (aa), point (iii)			
160	(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;	(iii) the undertaking effectively operates business activities in at least two classes of non-life insurance's total non-life technical provisions, <u>net of amounts recoverable from reinsurance contracts and special purpose vehicles, across all lines of business,</u> within the meaning of Annex I to the Delegated Regulation adopted pursuant to Article 86(1)(e) of Directive 2009/138/EC, <u>except those that contain insurance or reinsurance activity in the non-life classes of insurance of "Credit", "Suretyship" and "Miscellaneous financial loss", shall represent at least 40% of the total non-life technical provisions of the undertaking, net of amounts recoverable from reinsurance contracts and special purpose vehicles;</u>	(iii) the undertaking's total non-life technical provisions, net of amounts recoverable from reinsurance contracts and special purpose vehicles, across all lines of business, within the meaning of the Delegated Regulation adopted pursuant to Article 86(1)(e) of Directive 2009/138/EC, except those that contain insurance or reinsurance activity in the non-life classes of insurance of "Credit", "Suretyship" and "Miscellaneous financial loss", shall represent at least 40% of the total non-life technical provisions of the undertaking, net of amounts recoverable from reinsurance contracts and special purpose vehicles;
Article 1, first paragraph, point (13)(c)(i), amending provision, numbered paragraph (aa), point (iv)			
161	(iv) the assets under management by the insurance or reinsurance undertaking exceed 20 billion euro;	(iv) <u>any of the following conditions is fulfilled:</u> - the value of the total <u>the assets under management by, calculated in accordance with article 75 of Directive 2009/138/EC, of</u> the insurance or reinsurance undertaking <u>providing the unfunded credit protection</u> exceed 20 <u>EUR 15</u> billion; <u>or</u>	(iv) any of the following conditions is fulfilled: - the value of the total assets, calculated in accordance with article 75 of Directive 2009/138/EC, of the insurance or reinsurance undertaking providing the unfunded credit protection exceed EUR 15 billion; or - where that undertaking is not part of the same

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				<p><u>- where that undertaking is not part of the same group as the originator and is a subsidiary of a group subject to group supervision within the meaning of Article 213(2), points (a), (b) or (c), of Directive 2009/138/EC, the value of the total assets, calculated in accordance with article 75 of Directive 2009/138/EC, of the parent undertaking of that group exceeds EUR 15 billion, and there are financial arrangements, including ancillary own funds, ensuring effective financial support through the provision of additional own funds on demand by the parent undertaking to the insurance or reinsurance undertaking, in the event that the latter is unable to provide timely compensation to the originating credit institution.”</u> euro;</p>		<p>group as the originator and is a subsidiary of a group subject to group supervision within the meaning of Article 213(2), points (a), (b) or (c), of Directive 2009/138/EC, the value of the total assets, calculated in accordance with article 75 of Directive 2009/138/EC, of the parent undertaking of that group exceeds EUR 15 billion, and there are financial arrangements, including ancillary own funds, ensuring effective financial support through the provision of additional own funds on demand by the parent undertaking to the insurance or reinsurance undertaking, in the event that the latter is unable to provide timely compensation to the originating credit institution.”</p> <p>Note on substance: We amend the safeguard by requiring co-signing of the UFCP contract.</p>
Article 1, first paragraph, point (13)(c)(i), amending provision, numbered paragraph (aa), point (iv)(1)						
161a						<p><u>(1) the value of the total assets, calculated in accordance with article 75 of Directive 2009/138/EC, of the insurance or reinsurance undertaking providing the unfunded credit protection exceed EUR 15 billion; or</u></p>
Article 1, first paragraph, point (13)(c)(i), amending provision, numbered paragraph (aa), point (iv)(2)						
161b						<p><u>(2) where the undertaking is not part of the same group as the originator and is a subsidiary of a group subject to group supervision within the meaning of Article 213(2), points (a) or (b), all of the following criteria are met:</u></p>
Article 1, first paragraph, point (13)(c)(i), amending provision, numbered paragraph (aa), point (iv)(2), first indent						
161c						<p><u>- the value of the total assets, calculated in accordance with Article 75 of Directive</u></p>

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						<u><i>2009/138/EC, of the parent undertaking of that group exceeds EUR 15 billion, and that parent undertaking complies with the requirements in points (aa)(i) to (iii) of this paragraph;</i></u>
Article 1, first paragraph, point (13)(c)(i), amending provision, numbered paragraph (aa), point (iv)(2), second indent						
161d						<u><i>- the unfunded credit protection is provided through a co-insurance arrangement by the parent undertaking and the subsidiary undertaking in accordance with Article 190 of Directive 2009/138/EC;</i></u>
Article 1, first paragraph, point (13)(c)(i), amending provision, numbered paragraph (aa), point (iv)(2), third indent						
161e						<u><i>- there is a contractual commitment by the parent undertaking to assume the full amount of claims arising under the credit protection agreement in the event the subsidiary is unable to meet its obligations under the co-insurance arrangement, within timeframes consistent with the undertaking's solvency and liquidity needs;</i></u>
Article 1, first paragraph, point (13)(c)(ii)						
162		(ii) point (c) is replaced by the following:		(ii) point (c) is replaced by the following:		(ii) point (c) is replaced by the following:
Article 1, first paragraph, point (13)(c)(ii), amending provision, numbered paragraph (c)						
163		(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.;		(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.;		(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.;

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Article 1, first paragraph, point (13a)			
163a		<u><i>(13a) in Article 27(2), the last sentence of the first subparagraph is deleted;</i></u>	(13a) in Article 27(2), the last sentence of the first subparagraph is deleted;
Article 1, first paragraph, point (14)			
164	(14) in Article 28(1), first subparagraph, the introductory wording is replaced by the following:	(14) in Article 28(1), first subparagraph, the introductory wording is replaced by the following:	(14) in Article 28(1), first subparagraph, the introductory wording is replaced by the following:
Article 1, first paragraph, point (14), amending provision, first paragraph			
165	‘ A third party as referred to in Article 27(2) shall be authorised and supervised by the competent authority to assess compliance of securitisations with the STS criteria provided for in Articles 19 to 22, Articles 23 to 26, and Articles 26a to 26e. The competent authority shall grant the authorisation if the following conditions are met;;	‘ A third party as referred to in Article 27(2) shall be authorised and supervised by the competent authority to assess compliance of securitisations with the STS criteria provided for in Articles 19 to 22, Articles 23 to 26, and Articles 26a to 26e. The competent authority shall grant the authorisation if the following conditions are met;;	‘ A third party as referred to in Article 27(2) shall be authorised and supervised by the competent authority to assess compliance of securitisations with the STS criteria provided for in Articles 19 to 22, Articles 23 to 26, and Articles 26a to 26e. The competent authority shall grant the authorisation if the following conditions are met;;
Article 1, first paragraph, point (15)			
166	(15) Article 29 is amended as follows:	(15) Article 29 is amended as follows:	(15) Article 29 is amended as follows:
Article 1, first paragraph, point (15)(-a), first subparagraph			
166a		<u><i>(-a)paragraph 3 is replaced by the following:</i></u>	(-a)paragraph 3 is replaced by the following:
Article 1, first paragraph, point (15)(-a), second subparagraph			
166b		<u><i>Where originators, original lenders, servicers and SSPEs are supervised entities in accordance with Directives 2003/41/EC, 2009/138/EC, 2009/65/EC, 2011/61/EU and 2013/36/EU and Regulation (EU) No 1024/2013, the relevant competent authorities designated according to those acts, including the ECB with regard to</i></u>	<u>Where originators, original lenders, servicers and SSPEs are supervised entities in accordance with Directives 2003/41/EC, 2009/138/EC, 2009/65/EC, 2011/61/EU and 2013/36/EU and Regulation (EU) No 1024/2013, the relevant competent authorities designated according to those acts, including the ECB with regard to</u>

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				<u>specific tasks conferred on it by Regulation (EU) No 1024/2013, shall supervise compliance with the obligations set out in Articles 6, 7, 8 and 9 of this Regulation.</u>		specific tasks conferred on it by Regulation (EU) No 1024/2013, shall supervise compliance with the obligations set out in Articles 6, 7, 8 and 9 of this Regulation-:!
Article 1, first paragraph, point (15)(-aa), first subparagraph						
	166c			<u>(-aa) paragraph 4 is replaced by the following:</u>		(-aa) paragraph 4 is replaced by the following:
Article 1, first paragraph, point (15)(-aa), second subparagraph						
	166d			<u>For originators, original lenders, servicers and SSPEs established in the Union and not covered by the Union legislative acts referred to in paragraph 3, Member States shall designate one or more competent authorities to supervise compliance with the obligations set out in Articles 6, 7, 8 and 9. Member States shall inform the Commission and ESMA of the designation of competent authorities pursuant to this paragraph by 1 January 2019. That obligation shall not apply with regard to those entities that are merely selling exposures under an ABCP programme or another securitisation transaction or scheme and are not actively originating exposures for the primary purpose of securitising them on a regular basis.;</u>		For originators, original lenders, servicers and SSPEs established in the Union and not covered by the Union legislative acts referred to in paragraph 3, Member States shall designate one or more competent authorities to supervise compliance with the obligations set out in Articles 6, 7, 8 and 9. Member States shall inform the Commission and ESMA of the designation of competent authorities pursuant to this paragraph by 1 January 2019. That obligation shall not apply with regard to those entities that are merely selling exposures under an ABCP programme or another securitisation transaction or scheme and are not actively originating exposures for the primary purpose of securitising them on a regular basis-:!
Article 1, first paragraph, point (15)(a)						
	167	(a) the following paragraph 4a is inserted:		<i>deleted</i> COM text deleted in rows 167 to 170		<i>deleted</i>
Article 1, first paragraph, point (15)(a), amending provision, numbered paragraph (4a)						
	168	4a. Competent authorities responsible for the supervision of originators, sponsors and SSPEs in accordance with Directive 2013/36/EU, including		<i>deleted</i>		<i>deleted</i>

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	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.;		
<i>Article 1, first paragraph, point (15)(b)</i>			
169	(b) in paragraph 5, the first sentence is replaced by the following:	<i>deleted</i>	<i>deleted</i>
<i>Article 1, first paragraph, point (15)(b), amending provision, first paragraph</i>			
170	‘ 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.;	<i>deleted</i>	<i>deleted</i>
<i>Article 1, first paragraph, point (16)</i>			
171	(16) Article 30 is amended as follows	(16) Article 30 is amended as follows	(16) Article 30 is amended as follows
<i>Article 1, first paragraph, point (16)(a)</i>			
172	(a) the following paragraph 1a is inserted:	(a) the following paragraph 1a is inserted:	(a) the following paragraph 1a is inserted:
<i>Article 1, first paragraph, point (16)(a), amending provision, numbered paragraph (1a)</i>			
173	‘ 1a. The competent authority shall supervise the compliance of originators, sponsors, SSPEs and original lenders with this Regulation in accordance with Article 29.;	‘ 1a. The competent authority shall supervise the compliance of originators, sponsors, <u>servicers</u> , SSPEs and original lenders with this Regulation in accordance with Article 29.;	‘ 1a. The competent authority shall supervise the compliance of originators, sponsors, servicers, SSPEs and original lenders with this Regulation in accordance with Article 29.;

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Article 1, first paragraph, point (16)(b)			
174	(b) paragraph 5 is deleted.	(b) paragraph 5 is deleted.	(b) paragraph 5 is deleted.
Article 1, first paragraph, point (16a)			
174a		<p><u><i>(16a) Article 31 is amended as follows:</i></u></p> <p>Note on substance: PCY is proposing to review ESRB's mandate to assess synthetic STS securitisations with a new focus on unfunded credit protection.</p>	(16a) Article 31 is amended as follows:
Article 1, first paragraph, point (16a)(a), first subparagraph			
174b		<u><i>Subparagraphs 1 and 2 of paragraph 3 are replaced by the following:</i></u>	Subparagraphs 1 and 2 of paragraph 3 are replaced by the following:
Article 1, first paragraph, point (16a)(a), second subparagraph			
174c		<p><u><i>Without prejudice to paragraph 2 of this Article and to the report referred to in Article 44, the ESRB shall, in close cooperation with the ESAs, publish by [36 months after the date of entry into force of this amending Regulation] a report assessing the impact of STS on-balance-sheet securitisations on financial stability, and any potential systemic risks, such as risks created by concentration and inter-connectedness among non-public credit protection sellers.</i></u></p> <p><u><i>The report referred to in the first subparagraph shall take into account the specific features of synthetic securitisation, namely its typical bespoke and private character in financial markets, and shall examine whether the treatment of STS on-balance-sheet securitisation, with a particular focus on credit</i></u></p>	<p>Without prejudice to paragraph 2 of this Article and to the report referred to in Article 44, the ESRB shall, in close cooperation with the ESAs, publish by [36 months after the date of entry into force of this amending Regulation] a report assessing the impact of STS on-balance-sheet securitisations on financial stability, and any potential systemic risks, such as risks created by concentration and inter-connectedness among non-public credit protection sellers.</p> <p>The report referred to in the first subparagraph shall take into account the specific features of synthetic securitisation, namely its typical bespoke and private character in financial markets, and shall examine whether the treatment of STS on-balance-sheet securitisation, with a particular focus on credit protection agreements</p>

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				<u>protection agreements meeting the conditions of Article 26e, paragraph 8, point (aa), is conducive to overall risk reduction in the financial system and to better financing of the real economy.</u>		meeting the conditions of Article 26e, paragraph 8, point (aa), is conducive to overall risk reduction in the financial system and to better financing of the real economy.
Article 1, first paragraph, point (17)						
175		(17) in Article 32(1), first subparagraph, the following point (i) is added:		(17) in Article 32(1), first subparagraph, the following point (i) is added <u>32 is amended as follows:</u>		(17) Article 32 is amended as follows:
Article 1, first paragraph, point (17)(a), first subparagraph						
175a				<u>(a) in paragraph 1, first subparagraph, point (a) is replaced by the following:</u>		(a) in paragraph 1, first subparagraph, point (a) is replaced by the following:
Article 1, first paragraph, point (17)(a), second subparagraph						
175b				<u>an originator, sponsor, servicer or original lender has failed to meet the requirements provided for in Article 6;</u>		an originator, sponsor, servicer or original lender has failed to meet the requirements provided for in Article 6;
Article 1, first paragraph, point (17)(aa)						
175c				<u>(b) in paragraph 1, first subparagraph, the following point (i) is added:</u>		(b) in paragraph 1, first subparagraph, the following point (i) is added:
Article 1, first paragraph, point (17)(b), second subparagraph						
176		(i) an institutional investor, other than the originator, sponsor or original lender, has failed to meet the requirements provided for in Article 5.;		(i) an institutional investor, other than the originator, sponsor or original lender, has failed to meet the requirements provided for in Article 5.;		(i) an institutional investor, other than the originator, sponsor or original lender, has failed to meet the requirements provided for in Article 5.;
Article 1, first paragraph, point (17)(ab), first subparagraph						
176a				<u>(c) in paragraph 2, the following point (fa) is added:</u>		(c) in paragraph 2, the following point (fa) is added:
Article 1, first paragraph, point (17)(ab), second subparagraph						

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176b				<p><u>(fa) by derogation from point (f), in the case of situations referred to under point (i) of paragraph 1 and where no administrative pecuniary sanctions may be applied in accordance with Directive 2009/138/EC, Directive (EU) 2016/2341, Directive 2011/61/EU, Directive 2009/65/EC or Regulation (EU) No 575/2013, maximum administrative pecuniary sanctions of at least twice the amount of the investment;</u></p> <p>Note on substance: We have amended the sanction provisions for institutional investors to ensure sanctions in sectorial regulation prevail when they exist.</p>		<p>(fa) by derogation from point (f), in the case of situations referred to under point (i) of paragraph 1 and where no administrative pecuniary sanctions may be applied in accordance with Directive 2009/138/EC, Directive (EU) 2016/2341, Directive 2011/61/EU, Directive 2009/65/EC or Regulation (EU) No 575/2013, maximum administrative pecuniary sanctions of at least twice the amount of the investment;</p>
Article 1, first paragraph, point (18)						
177		(18) Article 36 is amended as follows:		(18) Article 36 is amended as follows:		(18) Article 36 is amended as follows:
Article 1, first paragraph, point (18)(a)						
178		(a) paragraph 2 is deleted		<p>(a) <u>a new</u> paragraph 2 is deleted <u>1a is inserted:</u></p> <p>Note on substance: MS were generally supportive of including the ESRB in the cooperation provisions of article 36. Many MS however remarked that this should be done without imposing additional burdens on NCAs.</p> <p>The PCY thus suggest including a new provision on cooperation between the ESA and ESRB, while maintaining the current cooperation arrangements between the ESRB and NCAs.</p>		(a) a new paragraph 1a is inserted:
Article 1, first paragraph, point (18)(a), amending provision, numbered paragraph 1a						
178a				<p><u>1a. The ESRB, the competent authorities referred to in Article 29 and ESMA, the EBA and EIOPA shall share information to carry out</u></p>		<p>1a. 1a-The ESRB, the competent authorities referred to in Article 29 and ESMA, the EBA and EIOPA shall share information to carry out their</p>

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				<u><i>their duties pursuant to Article 30 to 34.</i></u>		duties pursuant to Article 30 to 34.
				<u><i>To facilitate the sharing of information the ESRB, ESMA, the EBA and EIOPA shall cooperate closely and exchange information.</i></u>		To facilitate the sharing of information the ESRB, ESMA, the EBA and EIOPA shall cooperate closely and exchange information.
Article 1, first paragraph, point (18)(b)						
179		(b) paragraph 3, is replaced by the following:		(b) paragraph 3, is replaced by the following:		(b) paragraph 3, is replaced by the following:
Article 1, first paragraph, point (18)(b), amending provision, first paragraph						
180		<p>‘</p> <p>A specific securitisation sub-committee shall be established within the framework of the Joint Committee of the European Supervisory Authorities, within which competent authorities shall closely cooperate, in order to carry out their duties pursuant to Articles 30 to 34. The securitisation sub-committee shall be led by the EBA with the cooperation of ESMA and EIOPA. The EBA shall provide the secretariat and a vice-chairperson to the securitisation sub-committee on a permanent basis. The securitisation sub-committee shall foster supervisory convergence to ensure common supervisory practices. The members of the securitisation sub-committee, under the stewardship of the EBA, shall closely coordinate their supervisory actions in order to identify and remedy infringements of this Regulation, develop and promote best practices, facilitate collaboration, foster consistent application of law and provide cross-jurisdictional assessments in the event of any disagreements. The securitisation sub-committee shall regularly monitor the state of the market and the application of this Regulation.;</p> <p>’</p>		<p>‘</p> <p>A specific securitisation sub-committee shall be established within the framework of the Joint Committee of the European Supervisory Authorities, within which competent authorities shall closely cooperate, in order to carry out their duties pursuant to Articles 30 to 34. The securitisation sub-committee shall be led by the EBA with the cooperation of ESMA and EIOPA. The EBA shall provide the secretariat and a vice-chairperson to the securitisation sub-committee on a permanent basis. The securitisation sub-committee shall foster supervisory convergence to ensure common supervisory practices. The members of the securitisation sub-committee, under the stewardship of the EBA, shall closely coordinate their supervisory actions<u>supervision</u> in order to identify and remedy infringements of this Regulation, develop and promote best practices, facilitate collaboration, foster consistent application of law and provide cross-jurisdictional assessments in the event of any disagreements <u>and foster consistent application of this Regulation</u>. The securitisation sub-committee shall regularly monitor the state of the market and the application of this Regulation.;</p> <p>’</p>		<p>‘</p> <p>A specific securitisation sub-committee shall be established within the framework of the Joint Committee of the European Supervisory Authorities, within which competent authorities shall closely cooperate, in order to carry out their duties pursuant to Articles 30 to 34. The securitisation sub-committee shall be led by the EBA with the cooperation of ESMA and EIOPA. The EBA shall provide the secretariat and a vice-chairperson to the securitisation sub-committee on a permanent basis. The securitisation sub-committee shall foster supervisory convergence to ensure common supervisory practices. The members of the securitisation sub-committee, under the stewardship of the EBA, shall closely coordinate their supervision in order to identify and remedy infringements of this Regulation, develop and promote best practices, facilitate collaboration, provide cross-jurisdictional assessments in the event of any disagreements and foster consistent application of this Regulation. The securitisation sub-committee shall regularly monitor the state of the market and the application of this Regulation.;</p> <p>’</p>

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Article 1, first paragraph, point (18)(c)						
181		(c) the following paragraphs 3a and 3b are inserted:		(c) the following paragraphs 3a and 3b <u>paragraph 3a is</u> inserted:		(c) the following paragraph 3a is inserted:
Article 1, first paragraph, point (18)(c), amending provision, numbered paragraph (3a)						
182		3a. The securitisation sub-committee referred to in paragraph 3 shall by [12 months after adoption] develop guidelines to establish common supervisory procedures.		3a. The securitisation sub-committee referred to in paragraph 3 shall by [12 months after adoption] develop guidelines to establish common supervisory procedures, <u>where divergent supervisory practices have been identified as an impediment to the effective application of this Regulation.</u>		3a. The securitisation sub-committee referred to in paragraph 3 shall develop guidelines to establish common supervisory procedures, where divergent supervisory practices have been identified as an impediment to the effective application of this Regulation.
Article 1, first paragraph, point (18)(c), amending provision, numbered paragraph (3b)						
183		3b. Following the notification to the competent authorities under Article 7(1), the competent authorities of the sell-side entities in the transaction shall appoint a lead supervisor to coordinate actions and avoid divergences of application of this Regulation for transactions involving sell-side entities under the remit of competent authorities from more than one Member State. A competent authority may delegate the exercise of some or all of the tasks and powers referred to in this Regulation to the lead supervisor. In case the competent authorities of the sell-side entities do not reach an agreement on the appointment of the lead supervisor, the securitisation sub-committee established under paragraph 3 shall appoint the lead supervisor.;		3b. Following the notification to the competent authorities under Article 7(1), the competent authorities of the sell-side entities in the transaction shall appoint a lead supervisor to coordinate actions and avoid divergences of application of this Regulation for transactions involving sell-side entities under the remit of competent authorities from more than one Member State. A competent authority may delegate the exercise of some or all of the tasks and powers referred to in this Regulation to the lead supervisor. In case the competent authorities of the sell-side entities do not reach an agreement on the appointment of the lead supervisor, the securitisation sub-committee established under paragraph 3 shall appoint the lead supervisor.;		<i>deleted</i>
Article 1, first paragraph, point (18)(d)						

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184	(d) in paragraph 6, the first and second subparagraphs are replaced by the following:	(d) in paragraph 6, the first and second subparagraphs are replaced by the following:	(d) in paragraph 6, the first and second subparagraphs are replaced by the following:
Article 1, first paragraph, point (18)(d), amending provision, first paragraph			
185	‘ Upon receipt of the information referred to in paragraph 4, the competent authority of the entity suspected of the infringement shall take within 15 working days any action necessary to address the infringement identified and notify the other competent authorities involved, in particular those of the originator, sponsor and SSPE, and the competent authorities of the holder of a securitisation position, where known. A competent authority that disagrees with another competent authority regarding the procedure or content of the action or inaction or that other competent authority shall notify all other competent authorities involved about its disagreement without undue delay. Where that disagreement is not resolved within three months of the date on which all competent authorities involved were notified, the matter shall be referred to the EBA in accordance with Article 19 and, where applicable, Article 20 of Regulation (EU) No 1093/2010. The conciliation period referred to in Article 19(2) of Regulation (EU) No 1093/2010 shall be one month.	‘ Upon receipt of the information referred to in paragraph 4, the competent authority of the entity suspected of the infringement shall take within 15 working days any action necessary to address the infringement identified and notify the other competent authorities involved, in particular those of the originator, sponsor and SSPE, and the competent authorities of the holder of a securitisation position, where known. A competent authority that disagrees with another competent authority regarding the procedure or content of the action or inaction or that other competent authority shall notify all other competent authorities involved about its disagreement without undue delay. Where that disagreement is not resolved within three months of the date on which all competent authorities involved were notified, the matter shall be referred to the EBA in accordance with Article 19 and, where applicable, Article 20 of Regulation (EU) No 1093/2010. The conciliation period referred to in Article 19(2) of Regulation (EU) No 1093/2010 shall be one month.	‘ Upon receipt of the information referred to in paragraph 4, the competent authority of the entity suspected of the infringement shall take within 15 working days any action necessary to address the infringement identified and notify the other competent authorities involved, in particular those of the originator, sponsor and SSPE, and the competent authorities of the holder of a securitisation position, where known. A competent authority that disagrees with another competent authority regarding the procedure or content of the action or inaction shall notify all other competent authorities involved about its disagreement without undue delay. Where that disagreement is not resolved within three months of the date on which all competent authorities involved were notified, the matter shall be referred to the EBA in accordance with Article 19 and, where applicable, Article 20 of Regulation (EU) No 1093/2010. The conciliation period referred to in Article 19(2) of Regulation (EU) No 1093/2010 shall be one month.
Article 1, first paragraph, point (18)(d), amending provision, second paragraph			
186	Where the competent authorities concerned fail to reach an agreement within the conciliation phase referred to in the first subparagraph, the EBA shall take the decision referred to in Article 19(3) of Regulation (EU) No 1093/2010 within one month. During the procedure set out in this Article, a securitisation appearing on the list	Where the competent authorities concerned fail to reach an agreement within the conciliation phase referred to in the first subparagraph, the EBA shall take the decision referred to in Article 19(3) of Regulation (EU) No 1093/2010 within one month. During the procedure set out in this Article, a securitisation appearing on the list	Where the competent authorities concerned fail to reach an agreement within the conciliation phase referred to in the first subparagraph, the EBA shall take the decision referred to in Article 19(3) of Regulation (EU) No 1093/2010 within one month. During the procedure set out in this Article, a securitisation appearing on the list

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		maintained by ESMA pursuant to Article 27 of this Regulation shall continue to be considered an STS pursuant to Chapter 4 of this Regulation and shall be kept on that list.;		maintained by ESMA pursuant to Article 27 of this Regulation shall continue to be considered an STS pursuant to Chapter 4 of this Regulation and shall be kept on that list.;		maintained by ESMA pursuant to Article 27 of this Regulation shall continue to be considered an STS pursuant to Chapter 4 of this Regulation and shall be kept on that list.;
Article 1, first paragraph, point (18)(e)						
187		(e) paragraph 7 is replaced by the following		(e) paragraph 7 is replaced by the following		(e) paragraph 7 is replaced by the following
Article 1, first paragraph, point (18)(e), amending provision, numbered paragraph (7)						
188		7. Three years from the date of application of this Regulation, and every three years thereafter, the EBA, in cooperation with ESMA and EIOPA, shall conduct a peer review in accordance with Article 30 of Regulation (EU) No 1093/2010 on the implementation of the supervisory powers provided for in Article 30 of this Regulation.;		7. Three years from the date of application of this Regulation, and every three years thereafter, The EBA, in cooperation with ESMA and EIOPA, shall <i>may</i> conduct a peer review <i>peer reviews</i> in accordance with Article 30 of Regulation (EU) No 1093/2010 on the implementation of the supervisory powers provided for in Article 30 of this Regulation.;		7. The EBA, in cooperation with ESMA and EIOPA, may conduct peer reviews in accordance with Article 30 of Regulation (EU) No 1093/2010 on the implementation of the supervisory powers provided for in Article 30 of this Regulation.;
				Note on substance: PCY discussion note clearly stated these peer reviews were to be at the discretion of the ESAs, "shall" is therefore replaced by "may".		
Article 1, first paragraph, point (18)(f)						
189		(f) paragraph 8 is deleted;		(f) paragraph 8 is deleted;		(f) paragraph 8 is deleted;
Article 1, first paragraph, point (18a)						
189a				<u>(18a) Article 43b is inserted as follows:</u>		(18a) Article 43b is inserted as follows:
Article 1, first paragraph, point (18a), 1.						
189b				<u>1. In respect of traditional securitisations the securities of which were issued before [date of entry into application], originators, sponsors and</u>		1. In respect of traditional securitisations the securities of which were issued before [date of entry into application], originators, sponsors and

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				<u>SSPEs may use the designation ‘STS’ or ‘simple, transparent and standardised’, or a designation that refers directly or indirectly to those terms, where the requirements set out in Article 18 and the conditions set out in paragraphs 2 of this Article are complied with.</u>		SSPEs may use the designation ‘STS’ or ‘simple, transparent and standardised’, or a designation that refers directly or indirectly to those terms, where the requirements set out in Article 18 and the conditions set out in paragraphs 2 of this Article are complied with.
Article 1, first paragraph, point (18a), 2.						
189c				<u>2. Securitisations as referred to in paragraph 1 of this Article, other than securitisation positions relating to an ABCP transaction or an ABCP programme, shall be considered ‘STS’ provided that:</u>		2. Securitisations as referred to in paragraph 1 of this Article, other than securitisation positions relating to an ABCP transaction or an ABCP programme, shall be considered ‘STS’ provided that:
Article 1, first paragraph, point (18a), 2., second subparagraph, point (a)						
189d				<u>(a) they met, at the time of issuance of those securities, the requirements set out in Article 20(1) to (5), (7) to (9) and (11) to (13) and Article 21(1) and (3); and</u>		(a) they met, at the time of issuance of those securities, the requirements set out in Article 20(1) to (5), (7) to (9) and (11) to (13) and Article 21(1) and (3); and
Article 1, first paragraph, point (18a), 2., second subparagraph, point (b)						
189e				<u>(b) they meet, as of the time of notification pursuant to Article 27(1), the requirements set out in Article 20(6) and (10), Article 21(2) and (4) to (10) and Article 22(1) to (5).</u>		(b) they meet, as of the time of notification pursuant to Article 27(1), the requirements set out in Article 20(6) and (10), Article 21(2) and (4) to (10) and Article 22(1) to (5).
Article 1, first paragraph, point (18a), 3., first subparagraph						
189f				<u>3. For the purposes of point (b) of paragraph 2, the following shall apply:</u>		3. For the purposes of point (b) of paragraph 2, the following shall apply:
Article 1, first paragraph, point (18a), 3., second subparagraph, point (a)						
189g				<u>(a) in Article 22(2), ‘prior to issuance’ shall be deemed to read ‘prior to notification under Article 27(1)’;</u>		(a) in Article 22(2), ‘prior to issuance’ shall be deemed to read ‘prior to notification under Article 27(1)’;
Article 1, first paragraph, point (18a), 3., third subparagraph, point (b)						
189h				<u>(b) in Article 22(3), ‘before the pricing of the</u>		(b) in Article 22(3), ‘before the pricing of the

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				<u>securitisation' shall be deemed to read 'prior to notification under Article 27(1)';</u>		securitisation' shall be deemed to read 'prior to notification under Article 27(1)';
Article 1, first paragraph, point (18a), 3., third subparagraph, point (c), first subparagraph						
189i				<u>(c) in Article 22(5):</u>		(c) in Article 22(5):
Article 1, first paragraph, point (18a), 3., third subparagraph, point (i), second subparagraph						
189j				<u>(i) in the second sentence, 'before pricing' shall be deemed to read 'prior to notification under Article 27(1)';</u>		(i) in the second sentence, 'before pricing' shall be deemed to read 'prior to notification under Article 27(1)';
Article 1, first paragraph, point (18a), 3., third subparagraph, point (ii), third subparagraph						
189k				<u>(ii) 'before pricing at least in draft or initial form' shall be deemed to read 'prior to notification under Article 27(1)';</u>		(ii) 'before pricing at least in draft or initial form' shall be deemed to read 'prior to notification under Article 27(1)';
Article 1, first paragraph, point (18a), 3., third subparagraph, point (iii), fourth subparagraph						
189l				<u>(iii)the requirement set out in the fourth sentence shall not apply;</u>		(iii)the requirement set out in the fourth sentence shall not apply;
Article 1, first paragraph, point (18a), 3., third subparagraph, point (iv), fifth subparagraph						
189m				<u>(iv) the requirement set out in the fourth sentence shall not apply;</u>		(iv)the requirement set out in the fourth sentence shall not apply;
Article 1, first paragraph, point (18a), 4.						
189n				<u>4.In respect of synthetic securitisations for which the credit protection agreement has become effective before [date of entry into application], originators and SSPEs may use the designation 'STS' or 'simple, transparent and standardised', or a designation that refers directly or indirectly to those terms, only where the requirements set out in Article 18 and the conditions set out in paragraph 5 of this Article are complied with at the time of the notification referred to in Article 27(1).</u>		4.In respect of synthetic securitisations for which the credit protection agreement has become effective before [date of entry into application], originators and SSPEs may use the designation 'STS' or 'simple, transparent and standardised', or a designation that refers directly or indirectly to those terms, only where the requirements set out in Article 18 and the conditions set out in paragraph 5 of this Article are complied with at the time of the notification referred to in Article 27(1).
Article 1, first paragraph, point (18a), 5. , first subparagraph						

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189o				<u>5.Securitisations as referred to in paragraph 4 of this Article shall be considered to be STS provided that:</u>		5.Securitisations as referred to in paragraph 4 of this Article shall be considered to be STS provided that:
Article 1, first paragraph, point (18a), 5. second subparagraph, point (a)						
189p				<u>(a) they met, at the time of the creation of the initial securitisation positions, the requirements set out in Articles 26b(1) to (5), (7) to (9) and (11) and (12), Articles 26c(1) and (3), Article 26e(1), the first subparagraph of Article 26e(2), the third and fourth subparagraph of Article 26e(3), and Articles 26e(6) to (9); and</u>		(a) they met, at the time of the creation of the initial securitisation positions, the requirements set out in Articles 26b(1) to (5), (7) to (9) and (11) and (12), Articles 26c(1) and (3), Article 26e(1), the first subparagraph of Article 26e(2), the third and fourth subparagraph of Article 26e(3), and Articles 26e(6) to (9); and
Article 1, first paragraph, point (18a), 5. third subparagraph, point (b)						
189q				<u>(b) they meet, as of the time of notification pursuant to Article 27(1), the requirements set out in Articles 26b(6) and (10), Articles 26c(2) and (4) to (10), Articles 26d(1) to (5) and the second to seventh subparagraph of Article 26e(2), the first, second and fifth subparagraph of Article 26e(3) and Articles 26e(4) and (5).</u>		(b) they meet, as of the time of notification pursuant to Article 27(1), the requirements set out in Articles 26b(6) and (10), Articles 26c(2) and (4) to (10), Articles 26d(1) to (5) and the second to seventh subparagraph of Article 26e(2), the first, second and fifth subparagraph of Article 26e(3) and Articles 26e(4) and (5).
Article 1, first paragraph, point (19)						
190		(19) Article 44 is amended as follows:		(19) Article 44 is amended as follows:		(19) Article 44 is amended as follows:
Article 1, first paragraph, point (19)(a)						
191		(a) in the first subparagraph, point (e) is replaced by the following:		(a) in the first subparagraph, point (e) is replaced by the following:		(a) in the first subparagraph, point (e) is replaced by the following:
Article 1, first paragraph, point (19)(a), amending provision, numbered paragraph (e)						
192		‘ (e) the contribution of securitisation to funding Union companies and to the economy of the Union.; ’		‘ (e) the contribution of securitisation to funding Union companies and to the economy of the Union.; ’		‘ (e) the contribution of securitisation to funding Union companies and to the economy of the Union.; ’
Article 1, first paragraph, point (19)(b)						

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193		(b) the second subparagraph is deleted;		(b) the second subparagraph is deleted;		(b) the second subparagraph is deleted;
Article 1, first paragraph, point (20)						
194		(20) Article 46 is replaced by the following:		(20) Article 46 is replaced by the following:		(20) Article 46 is replaced by the following:
Article 1, first paragraph, point (20), amending provision, first paragraph						
195		,		,		,
		Article 46		Article 46		Article 46
Article 1, first paragraph, point (20), amending provision, second paragraph						
196		Review		Review		Review
Article 1, first paragraph, point (20), amending provision, third paragraph						
197		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.		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.		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.
Article 1, first paragraph, point (20), amending provision, fourth paragraph						
198		That report shall consider in particular the findings of the reports referred to in Article 44, and shall assess:		That report shall consider in particular the findings of the reports referred to in Article 44, and shall assess:		That report shall consider in particular the findings of the reports referred to in Article 44, and shall assess:
Article 1, first paragraph, point (20), amending provision, fourth paragraph, point (a)						
199		(a) the effects of this Regulation on the functioning and the development of the market for securitisations in the Union;		(a) the effects of this Regulation on the functioning and the development of the market for securitisations in the Union;		(a) the effects of this Regulation on the functioning and the development of the market for securitisations in the Union;
Article 1, first paragraph, point (20), amending provision, fourth paragraph, point (b)						
200		(b) the contribution of securitisation to:		(b) the contribution of securitisation to:		(b) the contribution of securitisation to:
Article 1, first paragraph, point (20), amending provision, fourth paragraph, point (b)(i)						
201		(i) to funding EU companies and economy, in particular on access to credit for SMEs and investments;		(i) to funding EU companies and economy, in particular on access to credit for SMEs and investments;		(i) funding EU companies and economy, in particular on access to credit for SMEs and investments;

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Article 1, first paragraph, point (20), amending provision, fourth paragraph, point (b)(ii)			
202	(ii) the interconnectedness between financial institutions and the stability of the financial sector;	(ii) the interconnectedness between financial institutions and the stability of the financial sector;	(ii) the interconnectedness between financial institutions and the stability of the financial sector;
Article 1, first paragraph, point (20), amending provision, fourth paragraph, point (c)			
203	(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;	(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;	(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;
Article 1, first paragraph, point (20), amending provision, fourth paragraph, point (d)			
204	(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.	(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.	(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 1a			
204a			<p style="text-align: center;"><u>Article 1a</u> <u>Amendment to Directive 2009/65/EC</u></p> <p>Note on substance: ES proposal on UCITS is inserted.</p>
Article 1a, first paragraph			
204b			<u>In paragraph 2, Article 56 of Directive 2009/65/EC, the following subparagraph is added:</u>

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Article 1a, second paragraph						
204c						<i><u>'The limit laid down in point (b) shall not apply to debt securities that constitute securitisation positions as defined in Article 2(19) of Regulation (EU) 2017/2402 of the European Parliament and of the Council, where such positions are in public securitisations as defined in Article 2(32) of that Regulation.'</u></i>
Article 2						
205		Article 2 Entry into force		Article 2 Entry into force		Article 2 Entry into force
Article 2, first paragraph						
206		This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.		This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.		This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.
Article 2, second paragraph						
207		This Regulation shall be binding in its entirety and directly applicable in all Member States.		This Regulation shall be binding in its entirety and directly applicable in all Member States.		This Regulation shall be binding in its entirety and directly applicable in all Member States.
Formula						
208		Done at Strasbourg,		Done at Strasbourg,		Done at Strasbourg,
Formula						
209		For the European Parliament		For the European Parliament		For the European Parliament
Formula						
210		The President		The President		The President
Formula						
211		For the Council		For the Council		For the Council
Formula						
212		The President		The President		The President