

MEMO# 31227

May 31, 2018

BCBS and IOSCO Issue Criteria for Identifying STC Short-Term Securitisations

[31227]

May 31, 2018 TO: ICI Members

ICI Global Members

Fixed-Income Advisory Committee

ICI Global Regulated Funds Committee

Money Market Funds Advisory Committee SUBJECTS: International/Global RE: BCBS and IOSCO Issue Criteria for Identifying STC Short-Term Securitisations

On 14 May, The Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO) issued criteria for identifying simple, transparent and comparable short-term securitisations (the short-term STC criteria).[\[1\]](#) The short-term STC criteria build upon BCBS-IOSCO's work from 2015 on the criteria for identifying simple, transparent and comparable securitisations.[\[2\]](#)

The 17 non-exhaustive, non-binding criteria aim to assist the financial industry in its development of simple, transparent and comparable short-term securitisations. They are designed to help the parties to such transactions evaluate the risks of a particular securitisation across similar products and to assist investors with their conduct of due diligence on securitisations.

The criteria specifically take account of the characteristics of asset-backed commercial paper (ABCP) conduits, such as (i) the short maturity of the commercial paper issued, (ii) the different forms of programme structures and (iii) the existence of multiple forms of liquidity and credit support facilities. Additional and/or more detailed criteria may be necessary based on specific needs and applications.

Additionally, the BCBS concurrently issued a document on capital treatment for simple, transparent and comparable short-term securitisations outlining how the short-term STC criteria could be incorporated into the regulatory capital framework for banks.[\[3\]](#)

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endnotes

[1] The release is available at <https://www.bis.org/bcbs/publ/d441.htm>. The finalised criteria follow a July 2017 consultation on proposed criteria.

[2] The BCBS-IOSCO criteria, adopted July 2015, are available at <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD494.pdf>. ICI Global submitted a response to the consultation related to these criteria, which is available at <https://www.iciglobal.org/pdf/28693.pdf>.

[3] This document is available at <https://www.bis.org/bcbs/publ/d442.htm>.

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