

MEMO# 28821

March 13, 2015

European Commission Draft Consultation Document on an EU Framework for Simple, Transparent and Standardised Securitisation - Member Call on March 24th

[28821]

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TO: ICI GLOBAL REGULATED FUNDS COMMITTEE No. 10-15
FIXED-INCOME ADVISORY COMMITTEE No. 7-15 RE: EUROPEAN COMMISSION DRAFT CONSULTATION DOCUMENT ON AN EU FRAMEWORK FOR SIMPLE, TRANSPARENT AND STANDARDISED SECURITISATION - MEMBER CALL ON MARCH 24TH

On February 18, 2015, the European Commission ("EC") issued a draft consultation document on an EU framework for simple, transparent and standardised securitisations (the "Consultation"). [\[1\]](#) Responses to the Consultation are due by May 13, 2015.

The Consultation follows an announcement in the Commission's 2015 Work Programme stating that it would develop an EU framework for high-quality securitization, without repeating the mistakes made before the financial crisis. The EC recognizes that, in contrast to the U.S. market, the European market for securitisations has been subdued and lists a number of key factors that are limiting sustainable recovery. The EC is, therefore, beginning work on an EU securitization framework that will seek to:

- Restart markets on a more sustainable basis, so that simple, transparent and standardised securitisation can act as an effective funding channel to the economy;
- Allow for efficient and effective risk transfers to a broad set of institutional investors as well as banks;
- Allow securitisation to function as an effective funding mechanism for some non-banks as well as banks; and
- Protect investors and manage systemic risk by avoiding a resurgence of the flawed "originate to distribute" models.

The Consultation asks a number of questions about the identification criteria for securitisations that would meet the conditions of being transparent, simple, and

standardised (“qualifying securitisations”), including those related to: identification criteria for qualifying securitisations and short term instruments; risk retention requirements; compliance and monitoring/verification; elements for a harmonized securitisation structure; standardisation, transparency and information disclosure; secondary markets, infrastructures and ancillary services; prudential treatment for banks and investment firms; prudential treatment of non-bank investors; and the role of securitisations for SMEs. We will hold a member call on Tuesday, March 24th at 11 a.m. EST (3 p.m. in London) to discuss the Consultation and our preliminary views on a response. The dial-in is as follows:

If calling from the U.S. – 1-800-857-5095

If calling from outside the U.S. 1-212-547-0299

Passcode: 28809

Please RSVP to Ruth Tadesse at rtadesse@ici.org if you are able to participate so that we can ensure that we have an adequate number of phone lines.

Eva M. Mykolenko
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endnotes

[1] The Consultation is available at http://ec.europa.eu/finance/consultations/2015/securitisation/docs/consultation-document_en.pdf. ICI Global submitted a letter to the Basel Committee on Banking Supervision and the International Organization of Securities Commissions (IOSCO) responding to a consultative document regarding criteria for identifying simple, transparent and comparable securitisations on January 30, 2015, which is available at <http://www.ici.org/pdf/28693.pdf>.

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