

## Disclosure framework for private securitisation: joint association response to ESMA

On 13 February 2025, ESMA published its [consultation paper on the revision of the disclosure framework for private securitisation under Article 7 of the Securitisation Regulation](#). The consultation paper proposes a new simplified disclosure framework for private securitisations (in the form of a new proposed Annex XVI template) which would replace existing asset class-specific templates required under Article 7(1) (a) of the EU Securitisation Regulation (SECR). ICMA joined a consortium of leading trade associations to discuss ESMA's proposal and was pleased to submit a joint response to the consultation paper on 31 March.

### Summary of joint response

The joint response welcomed the move towards simplification of the SECR reporting requirements, but it strongly disagreed with the consultation paper's proposal to introduce a simplified private reporting regime in advance of the wider EU securitisation reforms that are likely to amend SECR requirements on transparency and investor due diligence. (For more on the wider reforms at Level 1, see *The Functioning of the EU Securitisation Framework* in the First Quarter 2025 edition of the ICMA Quarterly Report.)

If ESMA is considering introducing the simplified regime before the amendments to SECR Article 7 and 5 are made under the wider reforms, the joint response raised the following concerns:

- What constitutes “private” securitisation may change under the wider reforms.
- Simplification cannot be achieved if, upon request of investors or competent authorities, template-based loan-by-loan data reporting is required. Mandatory use of template-based investor reporting also reduces simplification.
- Non-EU (third country) securitisation: Market participants have been advocating for a separate private securitisation disclosure regime that includes third country securitisations to enable EU institutional investors to invest in non-EU securitisations. It is disappointing that ESMA's proposal on a simplified regime expressly excludes third country securitisations. If at this stage some solutions are heavily dependent on amendments to the primary legislation, the joint respondents would strongly support fast-tracking the securitisation package of (prudential and non-prudential) reforms.

- The proposed simplified template aimed at EU supervisors' needs (harmonising existing fragmented national notification regimes) may not be appropriate to also meet investors' needs. It is arguably not the right approach to have a template that meets both supervisors' and investors' needs as both of these groups have different foci.

The joint response proposed an alternative approach to simplified reporting for ESMA to consider, suggesting that it be introduced as part of a coherent package of fast-tracked securitisation reforms with relevant amendments in the Level 1 text of SECR relating to the more proportionate application of the Article 7 regime for private securitisations (including more proportionate application of the due diligence on transparency for non-EU securitisations under Article 5(1) (e)) and the corresponding amendments in Article 7 RTS/ITS. The alternative approach includes, among other things, the following:

- It is based on the assumption that the definition of “private” securitisation may potentially remain somewhat broad (eg it will include most, if not all, synthetic securitisations, private warehouse transactions, certain fund finance transactions etc) and will include third country securitisations.
- Annex XVI is amended and developed as a template aimed only at meeting supervisors' needs.
- No mandatory template-based reporting for asset-level and investor reporting by EU and non-EU sell-side parties on private (non-asset backed commercial paper (ABCP)) securitisations would be required (it would be a principles-based approach to reporting as the starting point).

### Next steps

The consultation paper states that ESMA plans to publish a final report and submit the draft technical standards to the EC for endorsement by Q2 2025, while coordinating closely with the EC to ensure alignment with the potential Level 1 changes. ICMA will continue to engage with European regulators on this topic.



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