IACPM RESPONSE TO ESMA 2024 CONSULTATION PAPER ON THE SECURITISATION DISCLOSURE TEMPLATES

IACPM

	Question	IACPM Response
1.	Option A focuses on maintaining the current framework in its entirety. Do you agree with maintaining the current disclosure framework unchanged?	By way of preliminary comment, the International Association of Credit Portfolio Managers (IACPM) is an association gathering banks, investors and issuers - all partners in long term risk sharing through private synthetic securitisation. The association is very active in conducting surveys and delivering data on private synthetic securitisations as well as unfunded protections provided by insurers. IACPM has ongoing working groups between members on each type of risk transfer instrument, responds to securitisation-related consultations in the EU, UK and the US, and arranges conferences and roundtables bringing together all related stakeholders, including regulators and supervisors. Accordingly, the responses provided by IACPM in this response relate only to synthetic securitisations, i.e. to transactions aiming at private risk sharing of first loss and mezzanine risk to increase banks' lending capacity. In respect of the broader securitisation markets, we have reviewed the Joint Associations response led by AFME and we are supportive of their general position. Our response to question 1 is no. The current framework is poorly adapted for the broad range of transactions that fall within the definition of "securitisation". This has caused a significant amount of friction over the years since the SECR framework was brought in and the framework should be adapted to the actual realities of the securitisation markets. In particular, synthetic securitisations are private arrangements between sophisticated banks and sophisticated investors who each have an excellent grasp of the risk metrics they consider to be important. In general, they will know more about how to conduct appropriate and relevant due diligence than regulators and should be free to negotiate necessary the disclosure package as between themselves. This is a feature common to a number of arrangements that

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		may be characterised as "private securitisations", and IACPM supports reviewing the disclosure framework to better cater to the needs of private securitisation participants. That said, we acknowledge that supervisors may require certain information in order to carry out their functions (e.g., the information the ECB requires systemically important originator/sponsor banks to submit via CASPER for their securitisations (the "**ECB Template**")) and have no objection to providing that information.
2.	Do you agree that LLD granularity is essential for performing proper risk evaluation, including due-diligence analysis or supervisory monitoring? Please explain your answer considering the costs and benefits of keeping the current level of granularity in terms of operational costs, compliance burden and any other possible implications.	LLD granularity can sometimes be an important element of proper risk evaluation, however, it should be recognised that there are significant exceptions to this, where LLD adds little or no value. In general, the more granular and short-term the underlying assets are, the more costly LLD is to produce and the less useful it becomes. For highly granular pools of short-term assets, the loan-level data is often stale by the time it can be reported, whereas the statistical characteristics of the pool are more useful and remain broadly stable as they are constrained by pool criteria. One IACPM member estimated that it produces more than 700 million data fields each time it has to produce an LLD report for a credit card portfolio, which data production comes at significant cost to collect, store and report each month. Loan-level granularity may or may not be useful on synthetic securitisations, but as explained in response to question 1, either way, it is not useful to prescribe the data that should be reported (including whether it should be LLD). That is a matter better left to negotiations between banks and their investors who will have their own views of how best to measure and price risk, and the data inputs required to do so effectively.
3.	Do you agree that the current design of disclosure templates is adequately structured to facilitate comprehensive risk evaluation, including due diligence analysis and supervisory monitoring of securitisation transactions? If not, please explain your answer.	In our view, the data required for supervisory monitoring of securitisation transactions is much more limited than that prescribed to be reported under the existing templates. The ECB Template represents a more reasonable approach to meeting supervisory requirements, as does the private securitisation template required by the AFM in the Netherlands, although either of these would need to be carefully reviewed before being implemented to ensure that it could sensibly be filled in by any securitisation originator.

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		As to the risk evaluation and due diligence analysis, while the templates will generally provide some version of information that could be used to this end, that does not mean the templates are always fit for purpose. The nature of the markets is that different investors and banks will have different views of the precise data required to form a view of the credit and risk profiles of a portfolio. For public transactions, it makes sense to standardise the disclosure in some form to ensure consistency of reporting, comparability of investments and a minimum of information that will be provided to investors even where they may not have ready access to the originating bank's arranging team for in-depth discussions. On private securitisations such as synthetics, however, the case for standardisation is not clear. Investors have direct conversations with the banks originating, monitoring and reporting on the portfolios, and have significant commercial leverage to insist on receiving the information they consider to be relevant for risk evaluation and due diligence analysis. In that context, highly prescriptive LLD templates therefore serve mainly to add friction and cost to transactions, and not as an aid to risk evaluation or due diligence. In some cases, the requirement that a bank must disclose detailed LLD that could be used to identify single obligors (either on its own or in combination with other information disclosed or publicly available) leads to a situation where a bank is unwilling or legally prohibited from disclosing other information that is confidential in nature and essential for our investor members' decision and transaction monitoring processes. For example, a bank is much less likely to be in a position to share internal ratings or their own modelled LGDs on a blind pool if it must also disclose other detailed information that could permit identification of the relevant obligor(s).
4.	Do you agree that disclosure and reporting requirements should be maintained consistent between private and public securitisation?	No. See above. We would add that the prescribed templates are in general not used by investors for their due diligence in synthetic securitisations or other private securitisations. Rather, investors rely on the reports in a form they have negotiated separately (and documented in the transaction documents) and receiving the prescribed templates is more of a "tick box" requirement for them. If anything, the prescribed templates can make it more difficult for investors to get the information they find most useful for the reasons set out above in answer to question 3.

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5.	Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based on the above approach (Option A) may be to your own activities and potential impacts.	While most existing issuers/originators have already invested in the infrastructure and reporting systems required to comply with the existing system, there are ongoing costs to collecting and reporting that information that are not insignificant. We would also bring to ESMA's attention that the current system acts as a significant barrier to entry to the market, making it more difficult for new market participants to take advantage of the significant benefits synthetic securitisation can bring for credit portfolio management (including capital requirements). While not a factor for synthetic securitisations, the same barriers also prevent new market participants from taking advantage of the significant funding benefits of cash securitisations. While there may be justification for a barrier of this type for public cash securitisations (see answer to question 3), no such justification holds for private securitisations, which includes all synthetic securitisations. For this reason, leaving matters as they are with Option A not only fails to support the growth of the market, it actually serves to restrain market growth by creating a significant and unnecessary barrier to entry.
6.	Do you believe that the additional adjustments to the current framework proposed by Option B, such as restricting the use of ND options and including additional risk indicators (including climate-related indicators) are necessary? Do you support a revision of the technical standards accordingly? Please explain your answer, indicating whether you support these proposed adjustments and any reasons for your agreement and disagreement.	No. IACPM strongly opposes any such additional disclosure fields or restriction of the use of ND options. The trouble with the existing templates is that they are over-prescriptive and contain a number of fields that are one or more of irrelevant, ambiguous, or difficult to complete. Often, the availability of ND responses is the only thing that makes compliance with the templated reporting requirements possible in the first place. As it stands, restrictions in the use of ND fields cause difficulty, especially where the most sensible response would be ND5 indicating the information is not relevant/applicable, but that response is not permitted. Adding new fields or restricting the use of ND options further would make the existing, overly-prescriptive reporting requirements even more difficult and costly to comply with. In addition, this would not add to investors' ability to properly assess synthetic securitisation investments since synthetic securitisation are privately negotiated and any metrics investors need that are not covered by the existing prescribed templates are already provided separately in negotiated reports and due diligence materials. Indeed, overly-prescriptive reporting requirements can make it more difficult for investors in private securitisations to get the information they find most helpful for the reasons set out in answer to question 3.

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7.	Do you believe that a reduction of ND thresholds would materially improve the representation of data of securitisation reports? Please explain your answer.	No. ND options are useful to communicate the unavailability of data or its irrelevance. Where data is unavailable this may be for a range of reasons, a number of which come down to irrelevance as well. For example, if data is not required to be collected by lending/underwriting criteria at the time of origination (ND1), that is normally because the originator does not consider the metric to be credit relevant. Forcing originators to collect irrelevant information is not a useful way of generating better data on securitised pools. This is especially true for synthetic (and other private) securitisations, where – as indicated above in answer to question 4 – investors tend not to rely on the prescribed reports in any event.
8.	Do you think that the advantages stemming from restricting the consistency thresholds and/or removal of ND options for specific fields, resulting in more accurate representation of data, would justify the heightened compliance costs for reporting entities?	No. What is more, it may not simply be a question of increased compliance costs for reporting entities. It may make it impossible for some existing originators to securitise assets if they do not have or cannot collect the required data. This is very problematic in the context where the data is not currently reported because it is not relevant. It would also risk significantly exacerbating the problem of significant and unnecessary barrier to market entry for new originators.
9.	Do you believe that the proposal of enriching the Annexes with additional risk-sensitive indicators (presented in Section 5.3) is necessary?	No. As indicated above in answer to question 4, investors do not generally use the prescribed reports to conduct their credit due diligence. For synthetic securitisations, any additional information, if needed, is in reports and other due diligence materials negotiated between the originator bank and their investor(s) on individual transactions, and making legislative disclosure requirements more prescriptive can actually make it more difficult for investors to get the information they find most useful. This information is on top of the significant additional information investors in synthetic securitisations receive in relation to senior management and business strategy, origination/underwriting standards and credit risk monitoring and analysis. Dealing with the specific suggestions: - Annex 4: The proposed requirement to disclose of PDs and LGDs is extremely problematic. Where the identity of the relevant obligor is disclosed, or it is possible to deduce the same (e.g. from financial statement information) these values become extremely commercially sensitive for all involved. This information is commercially sensitive for the originator, whose credit assessment models could be reverse engineered by its competitors based on

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		the reported values (one member commented that their internal compliance department forbids the disclosure of PDs and LGDs for disclosed portfolios). It is, if anything, more sensitive for the obligor, who could suffer repricing of its credit or even difficulty obtaining credit if the values are viewed by unrelated third parties as surprising in any way. It is even more problematic if the client itself has publicly-listed securities since the disclosure of lender-assigned PDs and LGDs could give rise to insider trading concerns. In addition, non-bank lenders' models won't be approved by a prudential regulator and won't assign PDs and LGDs in the same way as banks (and sometimes not at all), meaning that adding these fields would at best not be comparable to a bank-assigned PD or LGD. At worst, it could have the effect of precluding them from securitising loans they originated altogether (if ND5 responses were not permitted) or giving them the competitive advantage against banks in the lending market (if ND5 responses were permitted, meaning corporates could get credit from non-banks without fear of a related PD or LGD being publicly disclosed). These values may sometimes be disclosed by banks on synthetic securitisations even now, but that would always be on a negotiated basis, where the bank was certain it had taken appropriate steps to ensure the identity of obligors could not be discovered and in the context of strict confidentiality obligations in relation to the use and further dissemination of that information. - Annex 10: Information about collateral will generally be included in the relevant asset-specific disclosure template. Information about the collection process under relevant local law will generally be a matter of public record and capable of being investigated by investors directly. - Annexes 11, 12 and 13: To the extent supervisors require additional information about risk retention, re-securitisation and STS status, we would suggest the approach of the separate supervisory report using the ECB Template as a model. Investors on synthetic securitisations typically have more than enough information in these areas since they will negotiate the

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		transaction documents in detail and will form their own views on these matters. - <u>Payment schedules for individual loans:</u> This information is both very commercially sensitive and not especially useful for investors. For that reason, requiring disclosure of this type would be extremely problematic, especially where this reporting is made relatively widely available. It would increase the risk for the both the originator and the obligors, as public information about payments and maturities could be used by market participants to influence market pricing for both parties. As with PDs and LGDs, some information around payment schedules may sometimes be disclosed by banks on synthetic securitisations now, but that would always be on a negotiated basis, where the bank and investor had decided together on an appropriate level of detail and in the context of strict confidentiality obligations in relation to the use and further dissemination of that information.
10.	Do you believe that reporting entities would face challenges and/or significant costs if requested to report those additional indicators? If yes, please elaborate your answer.	Yes. These are specified above in answer to question 9.
11.	Do you believe that the proposal of enriching the Annexes with climate risk indicators (presented in Section 5.4) is warranted?	No. While IACPM is supportive of the development of ESG initiatives in securitisation as in other markets, we do not believe the development of these metrics is sufficiently mature that it warrants their disclosure being prescribed by regulation at this stage. It is important to balance the requirement for the disclosure of useful metrics with an approach that minimises additional friction in the system. At the moment, a requirement to collect and report specific sustainability metrics in respect of all assets securitised would be very challenging (and maybe impossible) for originators to comply with. As a general matter, ESG metrics reported in respect of securitisations should be matched to the metrics that need reporting on underlying assets. Further time is required for the development of the EU taxonomy as well as industry ESG initiatives before these metrics are at a stage where they will be sufficiently mature and stable to warrant inclusion in any regulatory requirement.

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12.	In addition to the list of advantages and challenges identified by ESMA in introducing the proposed sustainability indicators, do you believe additional advantages and challenges should be factored in?	In synthetic securitisation, there is already significant disclosure of ESG information as required by investors in the due diligence process. This is all part of the negotiation of individual transactions that characterises the synthetic securitisation markets. As with much other information, adding additional regulatory requirements would add cost, and would potentially exclude some participants from the market entirely all without providing additional benefit to investors, who already receive the information they require pursuant to their own ESG requirements.
13.	Please insert here any general observations or comments that you would like to make on this CP, including how relevant the revision based on the above approach (Option B) may be to your own activities and potential impacts.	For the reasons outlined above, Option B is extremely problematic and would create (or exacerbate significantly) the unlevel playing field between EU and non-EU market participants, making it more difficult for EU entities to compete with their non-EU counterparts in the global financial markets. Option B would also raise barriers to entry for firms looking to increase their lending capacity by securitising (part of) their existing portfolio. The knock-on effect on the real economy is likely to be largest for SMEs, in respect of which alternative hedging tools (such as CDS) are less available.
14.	Do you agree with Option C as the preferred way forward (simplified template for private transactions, removal/streamlining of loan-level data for some asset classes, new template for trade receivables) for the revision of the disclosure templates?	Yes. For the reasons set out above, a simplified disclosure template for private transactions using the ECB Template or the AFM private disclosure template as a starting point would be sensible for synthetic securitisations, all of which are private arrangements. We would urge ESMA to carefully review the ECB template and ensure that it could sensibly be filled in by originators who are not currently supervised directly by the ECB, though. For a template prescribed under SECR, it is important to ensure it will be workable for a wide range of originators. Although the focus of IACPM is synthetic securitisations, our members confirm that a streamlining of the loan-level data templates for other asset classes would also be desirable.
15.	Do you agree with the analysis and the inclusion of a new simplified template for private transactions that focuses mostly on supervisory needs?	Yes. On synthetic securitisations (and other private securitisations) the case for prescribing detailed disclosure requirements for the purpose of investor disclosure is not clear. Investors are invariably highly sophisticated and in a position to negotiate for the specific information they require in order to properly and independently assess any investment they are considering. Limiting the disclosure requirements to a private transaction template focused on supervisory needs and leaving the information actually required by investors to be determined by negotiation would remove significant friction in the markets and lower barriers to entry. This approach

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		would also go a long way towards addressing level playing field concerns as between EU and non-EU market participants.
16.	Do you believe that ESMA should proceed with the review of the RTS based on this option and using the SSM notification template as a starting point? Please provide details in your answer.	Yes, we agree with this approach for the reasons set out above. That said, we disagree with the concerns set out at paragraph 137. The feedback we have had from investor members has been that they are happy for different reporting requirements to apply to private vs. public securitisations, provided they can always get the information they require to conduct their assessments. As to CRAs and securitisation repositories, most private securitisations are unrated and no private securitisations are reported to securitisation repositories, nor should they be. One of the key advantages of private securitisation is that it allows the parties to have much greater confidence in securitising highly sensitive/confidential assets and reporting information on those assets because the parties remain in total control of the information, allowing them to be comfortable that it will not be reported in a way or to a person that would be problematic. Requiring the use of securitisation repositories for such transactions would undermine that advantage. Additionally, current market practice of banks bilaterally providing reporting and due diligence materials to potential new investors after a transaction has closed subject to signing a NDA works very well and is compliant with SECR requirements. More fundamentally, CRAs and securitisation repositories are not stakeholders in the securitisation process, they are service providers. The process and regulation should not be designed around their commercial desires or advantage.
17.	Do you consider that a simplified template can be useful even though the operational way to submit the data is exempted from the mandatory reporting via the SRs?	Yes. A simplified template would make the consistency and completeness checks carried out by securitisation repositories much less useful or relevant. In any case, the information's reliability is assured by the legal obligation of the sell-side parties to provide correct/accurate information on pain of the very significant administrative penalties set out in SECR.
18.	Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data reporting for those asset classes which are highly granular, of	Yes. As set out above, loan-level data is expensive to produce and not particularly useful for highly granular, short-term assets. This would be less relevant for synthetic

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	short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?	securitisations in the context of a dedicated private template, but our members report to us that this would be their preferred option in any case. That said, this review is much less urgent than the introduction of a dedicated template for private securitisation, which should be prioritised as a matter of urgency.
19.	Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes and explain why.	In addition to the asset classes identified by ESMA in paragraph 140 of the consultation paper (auto loans, credit card loans and trade receivables), ESMA might consider whether granular pools of SME receivables (leases, loans) might appropriately be treated in this way as well provided that they are assessed on a statistical basis with originators providing historical vintages on losses. Once again, this review is much less urgent than the introduction of a dedicated template for private securitisations, which should be prioritised as a matter of urgency.
20.	Do you agree, in the context of option C, that ESMA should further explore the deletion of the current disclosure templates? Please provide details in your answer.	Yes. The NPE add-on template (Annex 10) and the inside information/significant event template (Annex 14) are unhelpful and not fit for purpose. They should be deleted. The NPE template is unreasonable in that it becomes required when over 50% of the pool is not performing, meaning that the disclosure requirements could theoretically change significantly part way through a transaction, with no way for the reporting entity necessarily to obtain the new required information. The significant event template is redundant, overly prescriptive and entirely unnecessary in the context of the market abuse regime which has much more sensibly required free form reporting of significant events/inside information without incident for decades. It is clearly an end-run around the level 1 text of the SECR limiting what can be required by the investor report and has the effect of potentially slowing down the reporting of genuine significant events/inside information because of the need to update largely irrelevant information more appropriately set out in an investor report before it can be published.
21.	Do you agree, in the context of option C, that ESMA should further explore the streamlining of the current disclosure templates? Please provide details in your answer.	This seems a sensible approach, see above. However, in the context of synthetic securitisations, the much higher priority is the introduction of the dedicated template for private securitisations.

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22.	Do you consider that a new template for non-ABCP trade receivables should be included and why? Please provide reasons for your answer.	IACPM does not have strong feelings about this. These transactions are rare and even more rarely done via synthetic securitisation. That said, we are generally sceptical of introducing new templates without a clear need, given the development costs involved in reporting on new templates. Overall, in the context of synthetic securitisations, the much higher priority is the introduction of the dedicated template for private securitisations.
23.	Which additional template could be relevant for the reporting of other asset classes that are not currently covered in the framework? Please provide details in your answer.	IACPM does not have strong feelings about this. That said, we are generally sceptical of introducing new templates without a clear need, given the development costs involved in reporting on new templates. Overall, in the context of synthetic securitisations, the much higher priority is the introduction of the dedicated template for private securitisations.
24.	Please provide any general observations or comments that you would like to make on this CP, including how the revision based on the above approach (Option C) may be relevant to your own activities, and any potential impacts.	As mentioned above, investors do not generally make use of the prescribed templates on synthetic securitisations or other private securitisations. They use an *ad hoc* negotiated template suited to each investor and transaction. This means that the preparation of the prescribed templates is an unnecessary marginal cost for originators with no corresponding marginal gain for investors. It is therefore highly desirable to introduce a simplified, dedicated private template focused on supervisory, rather than investor, needs (for example, see the ECB Template or the AFM notification template for private transactions) to replace existing reporting requirements, and to do so quickly in order to reduce friction for existing market participants and lower barriers to entry for prospective market participants. Option C also has the significant advantage that it would address the unlevel playing field imposed by the Commission's strict interpretation of Article 5(1)(e) that currently puts EU institutional investors at a significant competitive disadvantage by requiring them to seek EU-style disclosure even from third-country issuers. It is imperative that this issue be resolved quickly so that EU institutional investors no longer need to require EU-style disclosure. If allowed to persist, this is likely to have a negative impact on the further development of the EU securitisation market.

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25.	Do you agree with Option D (a comprehensive review of the disclosure framework) as the preferred way forward for the revision of the disclosure templates?	Option D has some advantages to it, but suffers from significant disadvantages as well. Chief among the disadvantages is that it would necessarily be a long time before any of the potential advantages could be brought into effect, not least because it is possible that ESMA might conclude that some versions of Option D would require amendment of SECR at level 1. As discussed above, IACPM members believe it is imperative that improvements to the reporting regime for synthetic securitisations is introduced expeditiously, which is more in line with Option C.
26.	Do you think that it would be possible to achieve a level of simplification and standardisation within fields, across multiple templates, without having an impact on the overall risk analysis of the transaction? Please explain the rationale behind your answer.	It may be possible but even with a more complete and thorough review of the disclosure framework, we are of the view that private securitisation and public securitisation would likely need to be subject to different disclosure regimes. This is because public transactions where there is little or no opportunity to negotiate between investor and originator/sponsor will always benefit from minimum disclosure standards and standardisation of reporting in a way that synthetic and other private securitisations simply will not. The flexibility to adapt disclosure requirements to the information available and the needs of specific investors on specific portfolios is one of the inherent strengths of private securitisations and we have difficulty imagining a reporting regime that would eliminate the need for this kind of distinction.
27.	Do you think that the overall usability would improve with simplified and standardised templates? Please explain the rationale behind your answer.	It is possible that it may well do so. This is something that would require significant engagement with industry stakeholders to ensure the proposed simplified templates could be produced without unreasonable cost by originators and represented genuinely useful disclosure for investors. IACPM would be pleased to engage further with ESMA on this at a later stage. However, at this stage the priority must be a simplified private securitisation template as contemplated under Option C.
28.	Do you agree with the approach proposed by Option D, to create a set of templates based on the characteristics and nature of underlying assets rather than the categorisation of the securitisation transaction (i.e., public or private, true sale or synthetic)?	We are happy to engage with ESMA on more specific proposals, but at this stage the priority must be a simplified private securitisation template as contemplated under Option C. That said, in principle we are sceptical of this approach. As explained in answer to question 26, there are different cases for standardisation vs. flexibility of disclosure approaches for public vs. private securitisations and it is difficult for us to see how those different cases could be overcome. What is more, some of the information needed to assess the risks and economics can be different for cash vs. synthetic securitisation of the same portfolio. This can be driven by asset cash flow

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		considerations (more relevant for cash securitisations), seniority of investment (more likely to be senior on a cash deal and junior on a synthetic deal) or other differences, which can justify disclosure of a certain number of different line items.
29.	Do you believe that ESMA should proceed with the review of the RTS based on the proposal to deviate from loan-level data disclosure for those asset classes which are highly granular, of short-term maturity or revolving pools? What are the potential benefits, challenges, or considerations that ESMA should consider if adopting this approach?	Not at this stage. At this stage, the priority must be a simplified private securitisation template as contemplated under Option C. Following that, this may be a fruitful avenue to explore.
30.	Are there any additional asset classes that should be further explored based on the proposal of deviating from the loan-level data reporting? Please list the relevant asset classes or annexes explain why.	Not at this stage, see answer to question 29.
31.	What are your views on the proposal to transition from the current 'no-data' options to a framework based on 'mandatory', 'conditional mandatory' and 'optional' fields for securitisation transactions?	We are happy to engage with ESMA on more specific proposals, but at this stage the priority must be a simplified private securitisation template as contemplated under Option C. That said, in principle we are sceptical of this approach. The market understands the various ND options and the specific way in which they are used communicates a certain amount of information that a simple omission of a non-mandatory field might lose.
32.	Do you think that this transition be of added value to the securitisation framework? What challenges or concerns, if any, do you anticipate with the introduction of 'mandatory,' 'optional,' and 'conditionally mandatory' fields? Are there specific considerations related to data availability, feasibility, or implementation that should be considered?	We are happy to engage with ESMA on more specific proposals, but at this stage the priority must be a simplified private securitisation template as contemplated under Option C. That said, in principle we are sceptical of this approach. The implementation of this new approach could be very complex and difficult, thereby reducing any net benefits significantly. It may well require costly development on the reporting side and does not contemplate the scenario where required information is not available for technical reasons. The suggestion that "fields specified as optional in the validation rules must always be populated when applicable" is particularly worrying in this respect.

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33.	Please provide any general observations or comments that you would like to make on this CP, including how the revision, based on the above approach (Option D) may be relevant to your own activities and any potential impacts.	Our clear preference is for Option C, and in particular the swift introduction of a simplified private template. While there may be some gains to be made from a more thorough review of the disclosure templates, that should come after the relatively quick and easy win (given the starting point provided by the ECB Template) that would come from the introduction of a simplified private template. If, as and when ESMA does undertake a more thorough review of the templates, we would invite ESMA to assess the impact of having highly prescriptive templates on European competitiveness and, in particular, the impact on making the European Union a global centre for finance.

We appreciate the opportunity to share our comments on the Consultation. If you have any questions or would like additional information, please contact the undersigned.

Yours sincerely,

Som-lok Leung, Executive Director

International Association of Credit Portfolio Managers