

## Trade Associations respond to the European Commission's targeted consultation on the functioning of the EU Securitisation Framework

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A consortium of leading trade associations (the "Trade Associations") welcomes the opportunity to respond to the consultation of the European Commission ("EC") on the functioning of the EU Securitisation Framework (the "Framework").

The Trade Associations support the efforts of the EC to review and address holistically the different elements of the Framework which hinder market growth. This initiative is a very important and welcome step at a pivotal moment given the important role securitisation can play in contributing to the realisation of the Savings and Investments Union and vibrant European capital markets supporting the growth and competitiveness of the EU economy.

The regulatory and prudential challenges lie both on the demand and the supply side and, therefore, no single reform can ever provide an effective solution to the revival of the EU securitisation market. On the contrary, multiple, synchronised and targeted reforms are urgently needed to address the current regulatory impediments.

These reforms include:

- Reform to Solvency II capital calibrations
- Reform to Article 5 due diligence requirements
- Adjustments to bank capital calculations for Internal Model and Standard Model banks
- Adjustments to LCR eligibility criteria and haircuts for securitisation for HQLA purposes
- Reform to Article 7 disclosure requirements
- Simplification of STS criteria

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## Description of the Trade Associations:

1. **AFME (Association for Financial Markets in Europe)** promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information, please visit the AFME website: [www.afme.eu](http://www.afme.eu).
2. The **Alternative Investment Management Association (AIMA)** is the global representative of the alternative investment industry, with around 2,100 corporate members in over 60 countries. AIMA's fund manager members collectively manage just over US\$4 trillion in hedge fund and private credit assets. AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programmes and sound practice guides. AIMA works to raise media and public awareness of the value of the industry. AIMA set up the **Alternative Credit Council (ACC)** to help firms focused in the private credit and direct lending space. The ACC currently represents over 250 members that manage over US\$2 trillion of private credit assets globally. AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialised educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors).
3. The **Association of German Banks** represents the interests of private banks in Germany, including international major banks, regional banks, and foreign banks. Its 179 members comprise 147 banks, 25 fintechs, as well as associate members and seven regional associations. With around 180 employees, the association operates in Berlin, Frankfurt, and Brussels.
4. The **Banking & Payments Federation Ireland (BPF)** is the principal voice and representative body of the banking, payments and fintech sectors in Ireland, with offices in Dublin, Brussels and Frankfurt. Together with its affiliates the Federation of International Banks in Ireland (FIBI) and the Fintech & Payments Association of Ireland (FPAI), BPF represents over 100 financial institutions operating in Ireland. Specifically, BPF membership includes domestic banks offering retail financial services to clients and customers across Ireland, international banks and investment firms engaged in capital markets and corporate banking services. It also includes fintech and payments institutions with propositions spanning a wide range of product areas including payments, regtech, distributed ledger technology and cyber-security among others.
5. The **Commercial Real Estate Finance Council (CREFC) Europe** is the industry association representing commercial real estate (CRE) finance markets in Europe (our sister organisation in the United States is CREFC). Our membership comprises over 180 firms, including banks and non-bank lenders, debt investors, rating agencies, loan servicers, lawyers and other advisers, as well as real estate firms that use debt to fund their activities. We promote well-functioning, responsible and sustainable markets that are appropriately transparent and liquid, serving both institutions investing capital (their own or on behalf of others) and CRE businesses (large or small) borrowing to finance their investments, without unduly threatening financial stability. We do not favour any particular product, lender category or strategy, because we believe diversity makes markets more resilient

6. The **French Banking Federation (FBF)** is the professional body representing all banks operating in France, i.e. 326 banks including 116 foreign banks. The FBF's mission is to promote the banking and financial industry in France, in Europe and around the world. It determines the profession's positions and makes proposals to public authorities and economic and financial authorities.
7. The **IACPM** is an industry association established to further the practice of credit exposure management by providing an active forum for its member institutions to exchange ideas and take collective action. Credit portfolio managers have a unique and evolving role in today's financial markets, and the IACPM offers an excellent forum through which these issues can be identified, understood and addressed. The Association holds annual conferences and regional meetings, conducts research on the credit portfolio management field, represents its members before regulatory and administrative bodies around the world, and works with other organizations on issues of mutual interest relating to the measurement and management of credit portfolio risk. Currently, there are 154 financial institutions based in 32 countries that are members of the IACPM. More information is available at [www.iacpm.org](http://www.iacpm.org).
8. The **International Capital Market Association (ICMA)** promotes well-functioning cross-border capital markets, which are essential to fund sustainable economic growth. It is a not-for-profit membership association with offices in Zurich, London, Paris, Brussels and Hong Kong, serving over 620 member firms in 70 jurisdictions. Among its members are private and official sector issuers, banks, broker-dealers, asset managers, pension funds, insurance companies, market infrastructure providers, central banks and law firms. It provides industry-driven standards and recommendations, prioritising four core fixed income market areas: primary, secondary, repo and collateral as well as the cross-cutting themes of sustainable finance and fintech & digitalisation. ICMA works with regulatory and governmental authorities, helping to ensure that financial regulation supports stable and efficient capital markets.
9. **Insurance Europe** is the European insurance and reinsurance federation. Through its 37 member bodies — the national insurance associations — it represents all types and sizes of insurance and reinsurance undertakings. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers pay out over €1 000bn annually — or €2.8bn a day — in claims, directly employ more than 920 000 people and invest over €10.6trn in the economy.
10. **Paris Europlace** brings together more than 600 players in the financial ecosystem — banks, insurance companies, asset managers, intermediaries, fintechs, industrial and commercial companies, consulting firms, law firms, public actors...: a unique network that brings together all the stakeholders of the Paris financial market to discuss their priorities. Please see Paris Europlace's [Report on Securitisation](#). For more information, please visit the Paris Europlace website: <https://www.paris-europlace.com/en/>.
11. The **Structured Finance Association (SFA)** is the leading trade industry advocacy group focused on improving and strengthening the broader structured finance and securitization market. Members of SFA represent stakeholders across the entire securitization market, including consumer and commercial lenders, issuers, institutional investors, financial intermediaries, law firms, accounting firms, technology firms, rating agencies, servicers, and trustees. SFA was established with the core mission of supporting a responsible, robust, and liquid securitization market, recognizing that securitization is an essential source of core funding for the real economy. As part of that core mission, SFA is dedicated to furthering public understanding among members, policy makers, consumer and business advocacy groups, and

other constituencies about structured finance, securitization, and related capital markets. Further information can be found at [www.structuredfinance.org](http://www.structuredfinance.org).

12. The **Swiss Finance Council (SFC)** engages in dialogue around policy developments in finance at a European and international level. It represents the interests of internationally active Swiss financial institutions and provides a platform to share their experience, expertise and knowledge through a permanent representative office in Brussels.
13. **True Sale International GmbH (TSI)** is dedicated to support the development of the securitisation market in Germany and Europe, its regulation and the further development of its legal framework. Through training courses and specialist conferences, we contribute to the qualification of the participants and to an open exchange between market participants, supervisory authorities and science. Further information can be found under following link: [www.true-sale-international.de/en/](http://www.true-sale-international.de/en/).