

'HAVE YOUR SAY' ON EU SECURITISATION PACKAGE – IACPM FEEDBACK

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The IACPM brings together 160 banks, investors and insurers that share credit risk to expand banks' lending capacity. It is actively engaged in research and advocacy on private credit risk sharing through credit risk insurance (CRI) and significant risk transfer (SRT) securitisation. The IACPM responded to the 'Have Your Say' of 8 May 2025; published a position paper on the European Commission (EC) proposals; conducted, at the EC's request, a survey on the eligibility of insurers' unfunded credit protection (UFCP) under the new STS safeguards ([Att](#)) ; and provided co-legislators with workable solutions and drafting suggestions on the UFCP safeguards and related aspects of the "resilience" concept in the CRR proposals. CONTEXT: As growing the securitisation market is a core initiative within the SIU mandate, we welcome the reform package to finance EU illiquid assets by bridging banks and investors. However, because securitisation separates funding flows and risk sharing: a) the SIU's multi-lane bridge must be engineered to work effectively for each asset class; b) different funding and risk-sharing tools should be combined to finance the same exposures; and c) public capital, private capital, and insurance markets are all necessary and complementary.

CONTEXT: To grow mortgages, SME/corporate and infrastructure finance, policymakers should ensure that financing involves stakeholders in both funding and risk sharing for each asset class. Synthetic SRT and UFCP growth will be naturally bounded by existing market safeguards: the leverage ratio and large exposures rules for banks, the supervisory approval process for synthetic SRT transactions, and the highly prescriptive Solvency II regime for eligible insurers. These collectively cap market expansion. RECOMMENDATIONS: To achieve the SIU's objectives, targeted SECR improvements are needed: a) Private/public transaction definitions should remain unchanged; b) Building the EU buy-side is a critical SIU objective, especially since growth in the EU SRT market has mainly come from non-EU investors. The proposed changes to sanctions (SECR Art. 32) and due-diligence delegation (SECR Art. 5(5)) would harm the competitiveness of EU SRT investors. No evidence has been shown of gaps in sectoral legislation warranting sanction regime changes, nor that the current SECR framework, allowing due-diligence delegation with liability, fails in practice; c) STS eligibility for insurers' UFCP is welcome, but the proposed safeguards in SECR Art. 26e(8)(aa) are unworkable: (i) As our survey shows (see attachment), internal-model and minimum-size tests would exclude most of the 17 active non-life insurers, even though all are Solvency II firms, rated CQS 1 or 2, with diversified business lines. The ESRB and ECB opinions rely on different data that does not reflect the current SRT market. (ii) The reform's benefit would be reversed if insurers' UFCP are not eligible for "resilience". Furthermore, if only a small subset of insurers eligible for STS safeguards were to qualify for "non-STS resilience", most insurers would be deprived of access to the "resilient" portion of the current non-STS market. (iii) Consequently, the entire unfunded insurance market is at risk, depriving banks of diversification and capacity, and jeopardising access to insurers' expertise and appetite for mortgages and long-term infrastructure SRTs. The IACPM's recommended amendments in [attached file \(p.19\)](#) are therefore essential; d) Although not in SECR, the 10% acquisition limit in UCITS Article 56 that restricts investors' allocation in true-sale securitisations should be addressed without delays; the proposed 15% value lacks ambition. CONCLUSION: By strengthening and simplifying the securitisation framework without undermining financial stability, the IACPM's proposed amendments would safely scale funding and risk sharing, direct more investment toward the real economy, and allow securitisation to fully support EU competitiveness.