Joint Associations' Letter on the Proposed Sanctioning Regime under the Securitisation Regulation

20 April 2026

Dear Members of the ECON Committee,

As the European Parliament enters the crucial final stage of defining its position on the review of the Securitisation Framework, the undersigned trade associations (the "Associations") urge Members of the ECON Committee to adopt an approach that is genuinely conducive to unlocking the full potential of a more efficient and resilient EU securitisation market.

To achieve this objective, the Associations reiterate the need to activate the regulatory levers capable of stimulating supply and reinvigorating investor demand. In respect of the latter, in particular, **the strengthening of the securitisation market requires an improved and stable regulatory environment for investors to allocate capital with confidence and (re)engage in the market over the long term**. Any regulatory intervention that would introduce new disincentives or impose requirements that are not proportionate to actual market risks and realities would be difficult to justify. Such measures would run counter to the simplification agenda underpinning this EU legislative mandate and would, importantly, undermine the broader objective of expanding the securitisation market.

Against this backdrop, **we urge Members of the ECON Committee to decide against the introduction of a dedicated sanctioning regime under the Securitisation Regulation (SECR)** in line with these principles. This position would be consistent with the Council's General Approach which concluded against the inclusion of such a regime on the basis that due diligence breaches are already subject to sanctions under existing sectoral legislation, namely AIFMD, UCITS, CRR, Solvency II and national legislation, which already equips competent authorities with comprehensive supervisory and enforcement powers. **Subjecting investments in securitisations to additional, duplicative sanctions would have a strong dissuasive effect, prompting existing investors to materially scale back or withdraw their allocations and deterring new entrants.** This would run counter to the objective of fostering a broader and more diversified investor base in the EU securitisation market, an objective that is central to its revival.

In this context, we are also concerned by ongoing discussions linking the level of potential fines to the size of investors' exposures. This approach would produce unintended and counterproductive outcomes. In particular, investors holding the most senior - and therefore the safest - tranches, which by definition also represent the largest notional exposures, would be subject to disproportionately higher sanctions despite the low-risk nature of these positions. In effect, this methodology would invert the relationship between risk and sanction severity, undermining the principle of proportionate regulation that should underpin EU decision-making and support Europe's competitiveness.

The need for a proportionate and risk-sensitive approach is further underscored by the broader performance of the market itself. Over more than four decades, European securitisation has demonstrated **consistently strong credit performance**, performing similarly or better than government and corporate bonds.[1] Yet, despite this track record, **issuance volumes in the Union remain significantly below those of other major jurisdictions**. This sustained credit performance further supports the case for risk sensitive reforms,

[1] AFME myth-busing series, episode 1 "Performance of European securitisation over 40 years" (here).

as the persistent issuance gap continues to limit the capacity of securitisation to support financing for households, businesses and the wider European economy.

Members of the ECON Committee **now have a unique opportunity** to set the European Union on the right trajectory. By adopting a clear and ambitious position ahead of the forthcoming trilogue negotiations - including by removing unnecessary and unjustified barriers to the development of the broader investor base and enabling the ability for originators across the economy to be able to use securitisation to financing their business activity - the Parliament can play a decisive role in revitalising the EU securitisation market and ensuring that Europe fully benefits from a robust, safe and competitive securitisation framework.

In this context, we also refer to the Joint Statement – Investors' Views on the Securitisation Review of 20 November 2025, which raised additional key points that remain important to members of the Associations and warrant proportionate resolution under the SECR review in order to support a robust issuer and investor base.

The Associations stand ready to remain constructively engaged with Members of the ECON Committee throughout this final phase and upcoming trilogues to ensure that Europe delivers a framework capable of enabling securitisation to operate at a meaningful scale, attract investors and effectively support the EU's long-term strategic economic objectives.

Kind regards,

The Associations