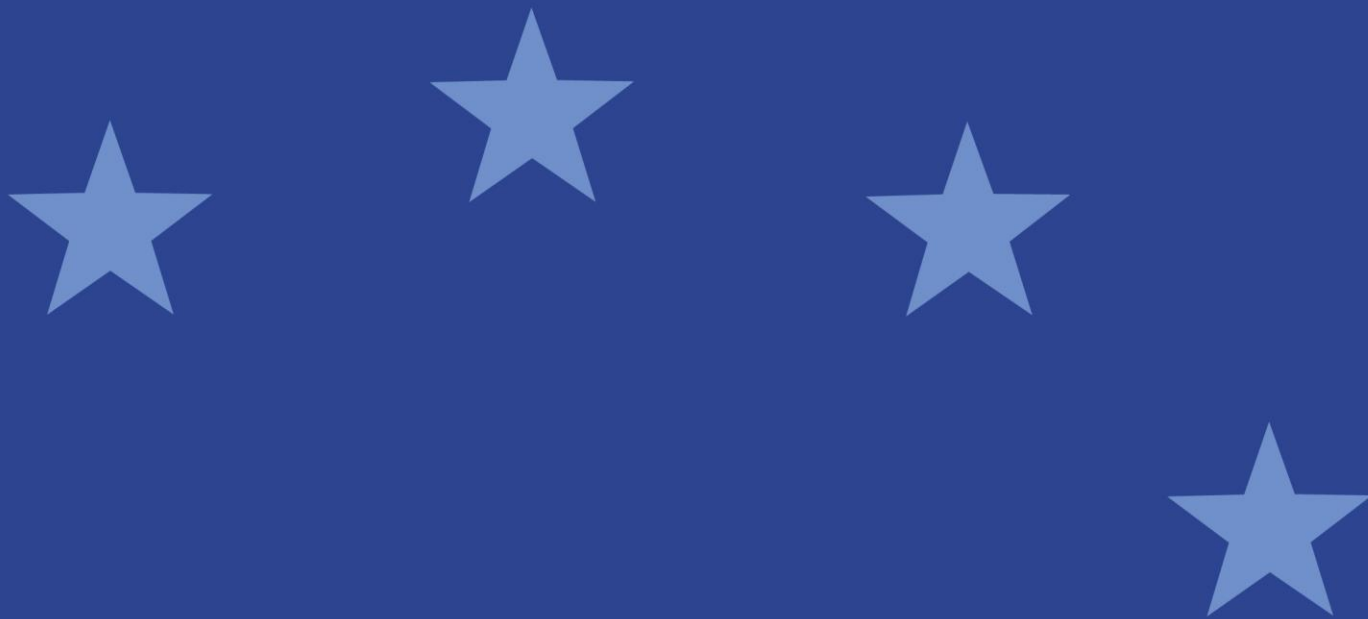




European Securities and  
Markets Authority

# Final Report

Draft Regulatory Technical Standards under the CRA3 Regulation



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## Acronyms used

ABCP	Asset-backed commercial papers
ABS	Asset-backed securities
BIC	Business Identifier Code. An 11-character alpha-numerical code that uniquely identifies a financial or non-financial institution. It is defined by ISO code 9362.
BoE	Bank of England
CBO	Collateralised bond obligations
CDO	Collateralised debt obligations
CEREP	Central Repository for historical performance data of credit rating agencies.
CLO	Collateralised loan obligations
CMBS	Commercial mortgage backed securities
CRA Regulation	Regulation (EC) No 1060/2009 of the European Parliament and of the Council on credit rating agencies of 16 September 2009
CRA3 Regulation	Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 amending Regulation (EC) No 1060/2009 on credit rating agencies.
CRAs	Credit Rating Agencies
CRD	Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009 amending Directives 2006/48/EC, 2006/49/EC and 2007/64/EC as regards banks affiliated to central institutions, certain own funds items, large exposures, supervisory arrangements, and crisis management
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012
CSV	"Comma separated value" text file type. A plain text file in which the data is separated by a character or string (e.g.: comma or tab)
CUSIP	Committee on Uniform Security Identification Procedures. A CUSIP is a 9-

	character alphanumeric code which identifies a North American financial security for the purpose of facilitating clearing and settlement of trades
DP	Discussion paper
EBA	European Banking Authority
ECAI	External Credit Assessment Institutions
ECB	European Central Bank
EIOPA	European Insurance and Occupational Pensions Authority
EMIR	Regulation (EU) No 648/2012 of the European Parliament and the Council of 4 July 2012 on OTC derivatives, central counterparts and trade repositories
ERP	European Rating Platform
ESMA	European Securities and Markets Authority
ESMA Regulation	Regulation (EU) No 1095/2010 of the European Parliament and Council of 24 November 2010 establishing a European Securities and Markets Authorities, amending Decision No 719/2009/EC and repealing Commission Decision 2009/77/EC
EU	European Union
ISIN	International Securities Identification Number: A 12-character alpha-numerical code that uniquely identifies a security. It is defined by ISO code 6166.
ISO	International Organization for Standardization
IT	Information Technology
ITS	Implementing Technical Standards
LEI	Global Legal Entity Identifier
LOU	Pre-Local Operating Unit
MAR	Regulation on Insider Dealing and Market Manipulation (market abuse) ((EC)No XX/2014)
MiFID	Directive 2004/39/EC of the European Parliament and of the Council of 21 April

	2004 on market in financial instruments
NCA	National Competent Authorities
OTC	Over-the-counter
PD	“Prospectus Directive” 2010/73/UE of the European Parliament and of the Council of 24 November 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market
RMBS	Residential mortgage backed securities
ROC	Regulatory Oversight Committee
SCA	Sectoral Competent Authorities
RTS	Regulatory Technical Standard
SFI	Structured finance instruments
SME	Small and medium sized enterprise
SMSG	Securities and Markets Stakeholder Group
SOCRAT	Supervision of Credit Rating Agencies Tool, an internal supervisory tool for ESMA to which CRAs report periodically data on individual rating actions
SPV	Special Purpose Vehicle
TC	Technical Committee
TD	“Transparency Directive” of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC.
TXT	Text file type
UTC	Coordinated Universal Time



US SEC

United States Securities Exchange Commission

XML

Extensible Markup Language

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## I. Executive Summary

### Reasons for publication

The Regulation (EU) No 462/2013 (CRA 3 Regulation) amending the Regulation (EC) No 1060/2009 requires ESMA to draft Regulatory Technical Standards (RTS) regarding the information on; **(1) structured finance instruments (SFI)**, **(2) the new European Rating Platform (ERP)** and **(3) the periodic reporting of fees** charged by credit rating agencies. The three draft RTS contained in this Final Report have been drafted under the following legal provisions of the CRA 3 Regulation, specifically:

- (1) Article 8b (3) requires ESMA to develop a draft RTS specifying: (i) the information that the issuer, originator and sponsor of a structured finance instrument must publish; (ii) the frequency with which this information is to be updated; (iii) the presentation of the information by means of a standardised disclosure template;
- (2) Article 21(4a)(a) of the CRA Regulation requires ESMA to develop a draft RTS concerning the content and the presentation of the information, including structure, format, method and timing of reporting that credit rating agencies are to disclose to ESMA in accordance with Article 11a(1);
- (3) Article 21(4a)(b) requires ESMA to develop a draft RTS to specify the content and the format of periodic reporting on fees charged by credit rating agencies for the purpose of on-going supervision by ESMA. The draft RTS is also developed in accordance with Article 11(3) and point 2 of Part II of Section E of Annex I of the CRA Regulation which require credit rating agencies to annually disclose to ESMA the list of fees charged to each client for individual credit ratings and any ancillary services, as well as their pricing policies, including the fee structure and pricing criteria in relation to credit ratings for different asset classes.

While developing the draft RTS, ESMA consulted stakeholders by means of a Discussion Paper (DP) and Consultation Paper (CP) (ESMA/2013/891 and ESMA/2014/150), including two public hearings held on 14 March 2014 and 25 July 2013 as well as bilateral meetings upon individual requests from stakeholders. National competent authorities' experts were actively involved during the drafting of the DP, CP and this Final Report via the CRA Technical Committee. In addition, ESMA sought advice from the Securities and Markets Stakeholders Group (MSG) regarding the draft RTS.

### Contents

**Section II** includes a summary of the feedback to the public consultation (ESMA/2014/150). The annexes of the Final Report consist of the three draft RTS (**Annex I to III**), a revised cost-benefit analysis (**Annex IV**) and the feedback received from the MSG (**Annex V**).

**Annex I** submits to the European Commission (Commission) the draft RTS on SFI which is characterised by the following features:

The draft RTS presented in this final report applies to all SFI that fall under the definition of Article 3(l) of the CRA Regulation: a financial instrument or other assets resulting from a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranching, having both of the follow-

ing characteristics: (a) payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; and (b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme.

The RTS applies to all SFI on condition that one of the three entities mentioned in Article 8b, i.e. the issuer, originator or sponsor, is established in the European Union. The issuer, originator, and sponsor are responsible for complying with the requirements of the RTS. However, the issuer, originator and sponsor will be able to designate one or multiple entities that shall submit the information or outsource this task to a third party, without prejudice to their responsibility under the RTS.

Without prejudice to the scope of the RTS, the disclosure obligations of the RTS will initially only apply if a structured finance instruments is backed by underlying assets specified in the RTS. As soon as technically possible, following a phase-in approach, disclosure requirements applicable to asset class categories currently not included in the RTS will be issued by ESMA through one or more specific templates in the future. Such new templates will then have to be adopted by the European Commission through an amendment of the RTS.

With regard to private and bilateral structured finance instruments, as it is not yet possible to say to what extent the standardised disclosure templates included in this Final Report will apply to such structured finance instruments, a phase-in approach also applies. To this end, as soon as technically possible, ESMA will cooperate with all relevant stakeholders to: (i) specify to which private and bilateral SFI the standardised disclosure templates apply; (ii) develop new disclosure templates that are suitable to the specific nature or features of the remaining private and bilateral SFI.

The draft RTS incorporates, where possible, existing disclosure and reporting requirements adopted the ECB and BoE to avoid duplication and overlap. Depending on the type of information to be reported, the draft RTS provides for different frequencies of reporting. The disclosure obligations also provide for standardised investor reporting and disclosure of transaction documents.

Increased transparency concerning the credit quality and performance of the assets backing SFI will enhance investors' ability to conduct an internal risk assessment. The implementation of a mandatory disclosure requirement may thereby reduce the over-reliance on external credit ratings by investors in structured finance instruments and will contribute to foster competition in the SFI market by enabling registered CRAs to have access to sufficient information on such products to issue unsolicited credit ratings.

**Annex II** submits to the Commission the draft RTS on the European Rating Platform (ERP) which can be characterised by the following features:

The draft RTS defines the content and presentation of the information, including structure, format, method and timing of reporting that credit rating agencies are to disclose to ESMA for credit ratings that are not exclusively produced for and disclosed to investors for a fee. The CEREP database already provides historical and periodic ratings and performance statistics. As provided in the CRA3 Regulation, the ERP will be established and run by ESMA as a public platform. The ERP will display, among other things, timely information on all rating actions that are not exclusively produced for and disclosed to investors for a fee including: rating and outlook of the rated instrument or entity; press releases accompanying rating actions; reports accompanying sovereign rating actions; type of rating action; date and hour of publica-



tion; information on rated entities or instruments. As regards the frequency of the reporting, the ratings issued between 19:00:00 UTC on the previous day and 18:59:59 UTC on the current day should be reported until 20:59:59 UTC on the current day, so as to allow for one daily update of the ERP outside EU business hours.

This draft RTS also includes a reformulation of the SOCRAT and CEREP RTS in order to allow ESMA to integrate them within one single data feed. This will allow more efficient data processing for ESMA and a simplification of the data reporting for registered and certified CRAs.

The CRA3 Regulation provides that the CEREP platform will continue to exist and it will be incorporated in the ERP. SOCRAT will continue to provide rating data to allow ESMA to closely supervise the conduct and activities of credit rating agencies.

The timely and central publication of credit rating data on the European Rating Platform will improve the comparability and visibility of financial instruments rated by different CRAs in the EU. Increased transparency provisions with respect to individual rating actions are expected to facilitate investors' ability to carry out internal risk assessment.

**Annex III** submits to the Commission the draft RTS on Fees charged by CRAs to their clients, which is characterised by the following key features:

The scope of application covers all registered CRAs in the EU irrespective of the CRAs' remuneration model. Individual credit rating fees for each client are subject to annual reporting, while pricing policies and procedures per rating type are submitted to ESMA on an on-going basis following any changes made to them.

The information required in the draft RTS on Fees is aligned with the information requested in the draft RTS concerning the ERP in order to reduce the amount of individual information requested from credit rating agencies.

The information collected under the RTS will allow ESMA to undertake effective oversight of fees charged by credit rating agencies by screening the fees charged and detecting any fees which may require an in-depth investigation. ESMA will then verify whether pricing practices are discriminatory and ensure compliance with the principle of fair competition and further mitigate conflicts of interest.

### **Next steps**

The CRA3 Regulation requires ESMA to submit the three draft RTS to the Commission by 21 June 2014 for endorsement. Upon receipt of the report, the Commission has three months to decide whether to endorse the three draft RTS.

## **II Feedback Statement**

1. On 11 February 2014 ESMA published a Consultation Paper (ESMA/2014/150), which presented a first draft of the three RTS as well as a draft Impact Assessment. In total, ESMA received 36 responses of which 11 were submitted on a confidential basis. Responses were mainly received from credit rating agencies, financial institutions and associations representing the financial sector.
2. ESMA received 26 responses referring to Annex I “Draft RTS on Structured Finance Instruments”, 20 responses referring to the Annex II “Draft RTS on European Rating Platform”, and 19 responses to section Annex III “Draft RTS on the fees charged by CRAs to their clients” of the consultation paper on CRA3 implementation (ESMA/2014/150).

### **II.I Structured Finance Instruments**

#### **General comments**

3. Out of the 26 respondents (including originators and investors), a large majority of them asked for a reduction of the scope of application of the draft RTS, stating that private and bilateral transactions and unrated transactions should not fall within the scope of the disclosure requirements. Responses in this regard primarily focused on transactions of a private and bilateral nature which were highlighted as being unsuited to such reporting requirements with the potential for negative market impact. These respondents were also of the view that the disclosure requirements under Article 8b of the CRA Regulation should be aligned with the principle-based approach adopted under Article 409 of CRR.
4. It was further noted that such deals are subject to confidentiality agreements and as such the benefits of disclosing information to the public is unclear. Some respondents also considered that extending the disclosure requirements to private and bilateral transactions will create a conflict with Article 101 of the treaty on the functioning of the EU by forcing issuers, originators or sponsors to share confidential and commercially sensitive information. In addition, it was highlighted that private securitisation transactions represented an alternative source of funding where traditional bank lending facilities are not available and that public disclosure could hurt this practice.
5. It was also outlined that as there are no prospective investors besides the bank providing the financing, there is no added value in public disclosure for private and bilateral SFI. Respondents also questioned the need for due diligence requirements for bespoke transactions. Private transactions only exist because of the relationship between counterparties (e.g. parent-sub) or the specific role of one party in the financial market (e.g. lending institution). Consequently, one respondent suggested that private transactions with non-transferable or non-tradable interests should not be covered by the disclosure requirements.
6. A number of respondents indicated that the scope of the disclosure requirements should mirror those of the PD and be limited to SFI that are externally rated and accessible to public investors. The same respondents raised concerns that the disclosure requirements will require SFI intended to support the

real economy (e.g. ABCP) to disclose sensitive information of corporate originators including their re-financing strategy.

7. Some respondents asked for a more consistent definition of securitisation where there would be no doubt about the qualification of a transaction or scheme as a securitisation i.e. where receivables and related credit risk has been transferred from the originator to the issuer of the SFI and where the SFI consists of at least two tranches that are subject to a running loss waterfall.
8. One respondent outlined that it should be clarified that securities linked to indexes and bonds should not be included in the scope of the RTS even under a phase-in approach. In addition, one respondent considered ABCP not to be covered by the disclosure requirements because they are not covered by the definition of securities under PD and traded on private markets and offered only to sophisticated institutional investors.
9. Finally, some respondents emphasised the need to investigate the possibility for synergies with other initiatives that have been undertaken by, among others, the BoE and the ECB regarding the disclosure of (loan-level) information on structured finance instruments.

#### **ESMA's response**

10. ESMA restates that the draft RTS has to comply with the relevant requirements of the Level-1 legislation. As Article 8b of the CRA Regulation refers to “structured financial instruments”, then this requirement goes beyond PD, which only covers transferable securities. In fact, Article 3(1)(l) of the CRA Regulation defines structured financial instruments with reference to Article 4(36) of Directive 2006/48/EC, now replaced by Article 4(61) of CRR which in turn refers to “any transaction or scheme whereby the credit risk associated with an exposure or pool of exposures is tranching” whilst excluding “an exposure that creates a direct payment obligation for a transaction or scheme used to finance or operate physical assets (..), even if the transaction or scheme has payment obligations of different seniority”.
11. Therefore, ESMA is of the view that, as long as an SFI falls under the definition of Article 4(61) of CRR, the scope of this Regulation is not limited to the issuance of SFI that qualify as securities under MiFID (to which the prospectus definition of securities refers), but also includes other financial instruments (listed in Section C of Annex I to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments) and assets resulting from a securitisation transaction or scheme, such as money-market instruments (e.g. asset-backed commercial paper programmes). In particular, ESMA understands that ABCP should not be excluded from the scope of application on grounds that the securities issued predominantly take the form of commercial paper with an original maturity of one year or less. In addition, this Regulation applies to structured finance instruments with and without credit ratings assigned by a registered CRA.
12. When a SFI is not captured within the list of underlying asset class categories of the draft RTS but falls nonetheless under the scope of Article 8b of the CRA Regulation, as soon as technically possible and following a phase-in approach, standardised disclosure templates applicable to such SFI will be issued through one or more specific templates. The phase-in approach may be applicable to, for example, SFI where the underlying assets are trade receivables, store cards, and corporates loans or leases. The

same approach may also apply to ABCP, SFI where the underlying assets comprise other SFI, synthetic SFI and SFI whose underlying assets are heterogeneous, as the latter category cannot be disclosed using a single template for the specific asset class categories identified under this Regulation.

13. With regard to private and bilateral structured finance instruments, as it is not yet possible to say to what extent the standardised disclosure templates included in this Final Report will apply to such structured finance instruments, a phase-in approach also applies. To this end, ESMA will start immediate cooperation with all relevant stakeholders to specify to which private and bilateral SFI the standardised disclosure templates apply. ESMA will also develop as soon as technically possible new disclosure templates suitable to the specific nature or features of the remaining private and bilateral SFI.
14. With respect to the comments asking ESMA to look for synergies with existing initiatives, ESMA sought to achieve such consistency and synergies by using the standardised disclosure templates already practised by the ECB and the BoE. Moreover, ESMA has already started working on the practical implementation of the SFI website. As far as appropriate, needed, and possible ESMA will duly attempt to achieve synergies with other initiatives in this field.
15. Finally, ESMA has carefully considered whether the national and Union laws on protection of personal data could impact the publication of the information contained in its proposal. In line with Article 8b(2) of the CRA Regulation, ESMA notes that disclosure requirements shall not extend to where publication of this information is in breach of national or Union law governing the protection of confidentiality of information sources or the processing of personal data. If significant concerns still remain despite this exemption, ESMA will look for solutions in the implementation of the website (e.g. allowing for the rounding up or down of figures and amounts, providing regional area codes instead of specific postal codes etc.). This will be communicated through the technical reporting instructions that ESMA will issue for the website required pursuant to Article 8b(4) of the CRA Regulation. These technical reporting instructions will also contain further information on how to deal with information that cannot be provided by the issuer, originator and sponsor for example due to the specific features of the transaction.

## **CHAPTER I – General provisions**

### *Liability/responsibility*

16. A number of respondents raised issues with regards to whether the requirements of the RTS could be imposed on non-EU entities. For example, although the requirements might apply if only one of the parties is established in the EU, the other two parties mentioned in the CRA Regulation might not be subject to the requirements of this Regulation.
17. In addition, some respondents indicated that it is unclear how the delegation process would work in practice in a situation where a SFI had multiple originators, the originator was not involved in the transaction or if no entity fell within the definition of originator.

### **ESMA's response**

18. The RTS should apply to all financial instruments or other assets resulting from a securitisation transaction or scheme on condition that the issuer, originator or sponsor, is established (and for that pur-

pose has its statutory seat) in the Union. Considering that a majority of respondents raised concerns with the scope of application of the RTS, in line with the level-1 regulation, ESMA has accordingly amended its proposal by specifying that the issuer, originator and sponsor will be able to designate one or multiple entities that shall submit the information or outsource this task to a third party, without prejudice to their responsibility under the RTS.

## **CHAPTER II – Disclosure requirements**

### *Credit card template*

19. A large number of respondents highlighted issues with regards to the suitability of loan-level disclosure requirements for structured finance instruments backed by credit card loans. Concerns centred on a number of areas, including the costs entailed in reporting at such a granular level and the potential risk of sharing commercially sensitive data.
20. Some respondents also stressed that even though Article 8b of the CRA Regulation does not contain a reference to individual exposures, unlike Article 409 of CRR, the draft RTS requires loan-level information whereas under Article 409 of CRR this is not always required.
21. In addition some respondents reported concerns over the untested nature of the reporting requirements, highlighting that neither the Bank of England nor the US AB II Regulation currently required loan level information for Credit Card ABS. Additionally, it was highlighted that the ECB Credit Card ABS template had only entered into force recently and was largely untested.

### **ESMA's response**

22. Regarding the suitability of loan-level disclosure requirements for structured finance instruments backed by credit card loans, ESMA considers it inadequate to amend or remove the current template. The ECB's template covers the essential information necessary to assess the credit quality of credit card ABS. However, ESMA has noted the concerns of the market participants and will closely monitor and follow-up on new developments in this respect with any related parties.

### *Cash flow model*

23. Some respondents questioned the added value of the requirement to publish a cash flow model provided by the issuer. Reasons for this were outlined as being that cash flow models are already provided on a large scale by data providers such as Bloomberg, are costly and complex for market participants to provide and subject to conflicts of interest on account of them being provided by the issuer.

### **ESMA's response**

24. As suggested by some respondents, in view of the potential conflicts of interest inherent to the disclosure of cash flow models provided by the issuer, ESMA has amended its proposal and removed the cash flow model from the draft RTS on grounds that cash flow information will be accessible to investors in the required transaction documents (among others as part of the information on the waterfall of payments of the SFI and the investor reports).

### *Transaction summary*

25. Some respondents queried the added value of the transaction summary. In addition it was also noted that it is possible for transaction documents to contain very sensitive information in the case of private transactions.
26. A number of respondents also noted that the requirements of the draft RTS with respect to the transaction summary differ from the requirements for a summary under the PD.

### **ESMA's response**

27. Regarding the publication of a transaction summary, ESMA clarified that if the PD applies to a SFI, there is no need for a transaction summary to be submitted under this RTS.

### *Investor reports*

28. Some respondents asked for specific amendments to the requirements of the investor report.

### **ESMA's response**

29. As suggested by some respondents, ESMA clarifies that the format of the reporting will be specified at a later stage through technical reporting instructions (this is the same approach as applied under the ERP RTS). In addition, ESMA has added the requirement to provide the contact details of the entity preparing the investor report in order to allow investors to ask questions to this entity if necessary.

## **CHAPTER III – Reporting procedures**

### *Frequency of reporting*

30. A large number of respondents asked for clarification or removal of the event-based disclosure requirements. Among the issues raised were: whether there will be a materiality test for the disclosure of this information; whether there will be a carve-out for information already made public; and whether the requirement relates to the transaction only, or also to market events.
31. In addition some respondents suggested that for reasons of clarity, the event-based disclosure should be aligned with the market abuse disclosure requirements.
32. Additionally, it was highlighted that event-based reporting is not ideally suited for SFI as these transactions are monitored by looking at periodic movements in (the credit quality of) the underlying portfolio of assets and SFI are usually not traded based on events.
33. A number of respondents also asked for an amendment to the frequency of periodic reporting, which should be aligned with market practice, this being the frequency of the interest payments on the SFI. As a minimum requirement, loan-level information should be reported quarterly.
34. Finally, certain respondents were of the view that timely reporting was essential to achieving transparency, but that a quarterly reporting frequency would be sufficient, unless the notes payment dates are

more frequent meaning that the quarterly reporting would be supplemented by ad-hoc reporting of significant events.

### **ESMA's response**

35. ESMA has taken the responses to the consultation paper into consideration and clarified the wording of the RTS. Under the final draft of the RTS, in addition to periodic reporting, in order to allow an investor to make a proper assessment of the structured finance instruments, the issuer, originator and sponsor should also disclose information on an ad-hoc basis where deemed necessary.
36. However, in order to avoid duplication of disclosure obligations, this obligation should only apply if a structured finance instrument does not fall within the remit of MAR. Any disclosure made by the issuer of a structured finance instrument pursuant to MAR should also be disclosed on the website to be set up by ESMA in order to ensure that an investor receives all information that is necessary to conduct a proper assessment of the structured finance instrument.
37. ESMA has amended its proposal by aligning the frequency of loan-level information with the interest payment dates, with a minimum of quarterly reporting. The same approach has been adopted for the investor report.

## **II.II European Rating Platform**

### **General comments**

#### *Triggering action for reporting to ERP*

38. Two respondents stated that it is not clear from the draft RTS what the triggering event for the reporting to the ERP is (e.g. if the triggering event is when the rating is approved by the rating committee, when it is communicated to the rated entity or when published).

### **ESMA's response**

39. In all technical guidelines and data disclosures, when data about issued credit ratings is requested, it refers to the information that is made public by the CRAs (either on the website or to its subscribers). Therefore, the triggering event for the data reporting is always the publication/release of the rating.

#### *Exemptions on information to be reported for certified CRAs*

40. One respondent submitted that the draft RTS should increase the time lag for reporting of ratings data on the ERP and exempt certified CRAs from submitting part of the rating information on the basis of the extra costs required.

### **ESMA's response**



41. There is no basis provided in the regulation to allow ESMA to accommodate such a request. Different time zones also characterise EU Member States. The certified CRAs might already have in place daily reporting systems to commercial platforms, as such daily reporting for ERP purposes should fall under the same reporting flows.

#### *Comments regarding the ERP platform*

42. Several respondents raised questions as to what data will be published on the ERP, the format in which way it will be displayed, the functionalities of the ERP, the accessibility of the data and the security of the platform.

#### **ESMA's response**

43. The current draft RTS is required to cover the data submission obligations and therefore does not cover what the final ERP platform will look like. ESMA welcomes all the comments received and will take them into consideration during the finalisation of the technical functional requirements and specifications of the platform.

#### *Historical data reporting and publication*

44. Two respondents raised concerns on the possibility to display historical credit rating information on the ERP, based on already submitted CEREP data. The basis for these concerns were that the data originally provided under the terms and specifications of CEREP was not generated for public consumption and was anonymised for aggregated usage rather than for individual rating usage.

#### **ESMA's response**

45. The draft RTS does not include any reference to the publication of historical data reported for CEREP.

#### *RTS subsequent amendments*

46. Recitals 8 and 11 mention the possibility of issuing amendments to the reporting instructions regarding the transmission or the format or the files. It was suggested that, before deciding on such amendments ESMA should properly consult the CRAs and give the necessary transition period to CRAs to adjust to the new requirements. Such amendment process should be clearly stated in the RTS.

#### **ESMA's response**

47. Recital 8 refers to changes regarding technical matters (specific technical format specifications) which will not have any impact on the RTS. These changes will be included in future versions of the Reporting instructions technical document and will not trigger any changes to the RTS. CRAs will be informed accordingly via the periodic exchange of information between respective staff members.
48. Recital 11 refers to the changes that have an impact on the RTS content, as a result of the future market developments and reporting experience. These changes will be made through the standard procedure for amendments of the RTS Regulation (drafting of the amendments by ESMA, public consultation period, submission of draft to the Commission for final approval, etc).



## CHAPTER I – General provisions

49. No comment was submitted concerning this chapter of the draft RTS.

## CHAPTER II – General reporting principles

### *Classification of ratings*

50. Several respondents had specific comments on the different definitions used under this chapter for the categorisation of credit ratings according to different credit rating types. Some comments referred to the definition of the structured finance sub-asset classes and their alignment with the lists included in the templates. For the definition of the covered bonds it was suggested not to link the rating classification to a regulatory definition as CRAs are classifying the ratings based on the methodology applied and not via direct reference to existing regulatory definitions.

### **ESMA's response**

51. Taking into considerations the comments received on the credit rating types definitions, ESMA made the following amendments to the draft RTS:

- For the “Structured finance ratings” article:
  - Point (a): added „small and medium sized enterprises loans“ and „leases to individuals and/or businesses“ and removed „credit linked-notes“ (which will be reported under (f) „other“).
  - Point (f): added „structured covered bonds“ in the other category. The structured covered bonds shall be reported under the point (f) of „structured finance rating“ type in case the CRA is using their structured finance specific methodology for assessing the instrument.
- For the “Covered bonds ratings” article:
  - The article on covered bonds was deleted and its paragraphs were included in the „corporate ratings” category.
- For the “Corporate ratings” article:
  - A new paragraph was added to describe the categorisation of corporate issues in: bonds, covered bonds that fall under the requirements referred to in Article 129 of Regulation (EU) No 575/2013 and Article 52(4) of Directive 2009/65/EC; other covered bonds; and other types of corporate issues.
- For the “Sovereign and public finance ratings” article, no material change was made. The current structure integrates the definition used in CEREP and SOCRAT for the category and the CRA 3 definition of sovereign ratings.
- A new rating category and article “Other financial instruments” was added. This category would cover the reporting of ratings issued on new financial instruments that could arise as a result of the continuous financial innovation and that cannot be included in one of the other categories.

### *Solicitation status*

52. One respondent submitted that the draft RTS is referring in Article 2 (8) to the reporting of 3 categories of solicitation status: solicited, unsolicited with participation and unsolicited without participation. The respondent suggested the addition of a fourth category: “solicited without participation”.

#### **ESMA’s response**

53. The categorisation used in the draft RTS of the solicitation status is based on the definitions and terms referred to in the CRA Regulation. The “unsolicited with participation” is derived from the requirements specified in Article 10(5).

### **CHAPTER III – Frequency and content of reporting**

#### *Ratings issued outside of the EU should be excluded*

54. One respondent submitted that the ratings issued by a CRA established outside the EU and endorsed by an EU-registered CRA should be excluded from the ERP. The CRA quoted as legal basis for such request Article 4(3)(b) which exempts the ERP from the endorsement test.

#### **ESMA’s response**

55. The CEREP and SOCRAT RTSs included the obligation of reporting to both issued and endorsed ratings. Therefore, for comparability and continuity, the requirement of reporting the endorsed ratings is kept for supervision and CEREP statistics calculations. Also, endorsed ratings can be used for regulatory purposes in the EU and therefore their presence on the ERP is equally necessary.

#### *Reporting during CRAs’ non-working days (local bank holidays, weekends, etc.)*

56. Several respondents commented that the draft RTS should not require reporting on local CRA non-working days.

#### **ESMA’s response**

57. For the ERP reporting, ratings issued after 19 UTC must be reported at any time until 19 UTC+1, regardless if such a day is a non-working day in the Member State concerned.
58. For the rating data that does not fall under the ERP reporting obligation and therefore is reported either monthly or every two months, an amendment to the draft RTS has been added to explain that where the reporting deadline falls on a legal non-working day in the country of the reporting credit rating agency, then the deadline is moved to the next working day.

#### *Clear definition of terms used*

59. One respondent commented on the lack of definition of the term “preliminary ratings” in the draft RTS. It was suggested to include a clear definition in this regard to avoid confusion. Also, it was suggested that it should be clear that the preliminary rating information shall be reported for supervision purposes only and should not be disclosed publicly on the ERP.

### **ESMA's response**

60. The CRA Regulation does not provide a definition of the preliminary ratings or initial reviews to be disclosed as specified in point 6 of Part I of Section D of the Annex 1 of the Regulation. It is also not in the legal mandate of the current RTS to provide such definition. ESMA will consider the possibility of issuing necessary guidelines and recommendations on this matter.
61. The reporting of preliminary ratings or initial reviews is included in the relevant article "Reporting for the purpose of ESMA supervision". Therefore this data falls under the frequency and the requirements of the data to be submitted for supervision purposes.

### *Integration of CEREP/SOCRAT into ERP*

62. Some respondents submitted that the RTS does not clearly specify how CEREP statistics will be calculated after current reporting to CEREP ends. CEREP proved to be a valuable tool for rating users as well as CRAs and as such concerns were expressed as to how data consistency and data quality will be maintained in CEREP under the new reporting system. Additionally it was stated that ESMA needs to ensure sufficient time and tests for synchronisation of the data reported into the current systems and the data from the new system as the RTS is not clear on how the current reporting obligation will continue after the ERP reporting obligation will start.

### **ESMA's response**

63. CEREP statistics will be calculated by ESMA based on the data received in the new rating system. Specific fields have been added to the templates of the draft RTS for the automatic data selection for the statistics calculation, once every six months. The logic of credit rating selection for CEREP statistics calculation will be further explained in the technical instructions document.
64. The current reporting obligation will be in force until the repeal of the existing two CEREP and SOCRAT RTSs. Please see also below Chapter V – Final provisions.

### *New information should be requested only on the new ratings*

65. One respondent commented that the new reporting fields (that have not been present in the two existing RTSs) should only be requested for new ratings that are issued after the go-live of the new system. For outstanding ratings such information should not be mandatory to be reported and should be provided on a voluntary basis only.

### **ESMA's response**

66. When the ERP is released, it will contain information on the outstanding ratings, the new ratings and the new rating actions of the existing ratings. For the consistency of the data that will be published on the ERP, the ratings shall be accompanied by the same level of information, regardless if it is an action on a new rating or existing rating. Therefore, ESMA is not amending the draft RTS to make exemptions on the level of information to be requested for the outstanding data versus the new data issued after the entry into force of the reporting requirements.

### **Q1: Do you agree with the chosen frequency of reporting?**

67. All the respondents who answered Q1 agreed with the reporting timing for the purpose of ERP. However, there were several comments in addition.

*Multiple data submission during the day*

68. One respondent understood that the data can be reported only between 19:00:00 UTC and 20:59:59 UTC each day and, because these times fall outside the business hours, suggested the reporting on the next day. Also, another CRA raised concerns that ESMA has just one hour (between 9 PM and 10 PM) to assure technical coherence of all the data before it is published on the ERP and suggested as solution to allow CRAs to have multiple data submission over the course of a single day which would allow for additional lead time for CRA data correction and ESMA check prior to the once-daily publication.

**ESMA's response**

69. The reporting can be done at any time during the day, until 20:59:59. The data validation will be done automatically when the data is submitted to the system. The system will generate success, warning or rejection messages which are intended to be as informative as possible, so as to allow CRAs to identify and fix possible issues without needing the support of ESMA. No amendments were made to the draft RTS on the basis of these comments.

*Special reporting timing for smaller CRAs*

70. One respondent suggested the inclusion of an exception for smaller CRAs offering them a longer time for meeting their reporting obligations to the ERP (e.g. two working days). The argument provided was the reduced number of ratings reported per month and the lack of an automated process for making the reporting to the ERP.

**ESMA's response**

71. No exemptions have been included in the CRA3 Regulation for smaller CRAs with regard to the ERP. One of the objectives of the ERP is to introduce greater visibility for the smaller CRAs: an up-to-date reporting requirement will ensure consistent and increasing visibility of the ratings issued by the smaller CRAs.

*Special reporting timing for certified CRAs*

72. It was suggested that for the certified CRAs located outside the Union and for which large time differences occur, a longer time lag for reporting of the rating data should be considered.

**ESMA's response**

73. There is no basis provided in the CRA3 regulation to allow ESMA to accommodate such a request. Besides, different time zones also characterise EU Member States. At the same ESMA understands that at least in some cases the certified CRAs already have in place daily reporting systems to commercial platforms.

#### *Reduced data set to report for ERP*

74. One respondent commented that it agrees with the proposed timing for reporting, if the reporting dataset is limited to the minimum information required by the CRA3 Regulation (e.g. credit rating and rating outlook, type of credit rating and of action, the date and hour of publication).

#### **ESMA's response**

75. There is no basis provided in the Regulation to allow ESMA to accommodate such a request.

#### *Next day submission*

76. One respondent suggested submitting the data during the next day after the day the ratings are issued. This would allow for higher quality data by having more time for data validation and also as a more cost effective solution.

#### **ESMA's response**

77. ESMA understands that submission in accordance with the indicated deadline will allow CRAs to provide full quality checking of their rating information.

#### ***Q2: Do you agree with the choice of including also press releases and sovereign rating reports in the ERP?***

78. Half the respondents expressed their disagreement with the policy choice on the following basis:
- a. The publication of the press release and the sovereign research report goes beyond the mandate of level-1 legislation;
  - b. The press release provides only an overview of the specific rating and the reasoning behind it. Therefore, a press release cannot be used alone for regulatory purposes and investment decisions.
  - c. Providing the press releases/sovereign research report would constitute a "substantial burden" to CRAs. The ERP should contain only the reference to the credit ratings and the qualitative file of the ERP should contain links to the relevant sections (methodologies, mandatory disclosures, definitions, etc) of the CRAs website, where users can get detailed information on the specific rating activity.
  - d. In case of certified CRAs, the requirement of disclosing the press release can be inconsistent with the national regulatory framework.

#### **ESMA's response**

79. ESMA understands that press releases are the essential vehicle of rating actions and provide the key elements driving the rating decision.

#### *Other comments regarding the press release/ sovereign research report*

80. The other half of the respondents agreed with the proposed solution. In particular:

- a. The ERP should provide the URL rather than a PDF document, as the URL is easier to be retrieved from the ERP (via automatic feeds);
- b. One respondent suggested the inclusion of the presale and new issue reports for structured finance instruments as supplementary information, following the same reasoning for requesting the press release and the sovereign research report as they would offer further details that are necessary for investors to conduct an appropriate analysis.

#### **ESMA's response**

81. As already explained in the Consultation Paper, a PDF will be easier to access by the users of the ERP platform and easier to process for ESMA (links do not always allow a direct access to the relevant CRA's webpage and they tend to change over time).
82. As for the presale report for the structured finance instruments, ESMA decided to include in the ERP just the press release which contains the key elements driving the rating decision. Further extension of the supplementary information to be asked from CRAs would have made the ERP even more complex and raised inequalities as some of the supplementary information is only distributed to subscribers and is not publicly available.

#### **CHAPTER IV – Reporting procedure**

83. Two respondents expressed concerns that the window of three months for first-time reporting is too short, given the complexity of the reporting templates and the volume of the requested information.

#### **ESMA's response**

84. The article referring to the "First time reporting" included a reference to the minimum time ahead of which ESMA would provide the technical guidelines ahead of the first time reporting. This reference was removed.
85. ESMA will ensure that the technical requirements are sent well in advance and will endeavour to offer all the support needed during the testing phase, the reporting of the outstanding ratings and during the first months of reporting.

#### **CHAPTER V – Final provisions**

##### *Implementation timing*

86. Three respondents raised concerns relating to the short time between the adoption of the RTS and the go-live of June 2015 stated in the CRA 3 Regulation, leaving a very short time for the technical changes needed to be implemented on the CRAs' side. ESMA was requested to extend the go-live for reporting by at least 6 months.

#### **ESMA's response**

87. The draft RTS has been amended to clarify the time of initial reporting. ESMA considers that this timing will allow CRAs, to implement the necessary technical changes to comply with the new requirements.

## **ANNEXES**

### ***Annex 1, Table 1:***

#### *CRA methodology (Annex 1, Table 1, Field 8):*

88. Three respondents submitted that it is not clear how in practice the “CRA methodology” field can be completed, as the methodology is contained in a large amount of different documents and information. It was suggested to include instead a direct link to the methodology page on the CRAs’ website that would contain complete and updated information.

#### **ESMA’s response**

89. The “CRA methodology” field is required so as to offer a high level summary of the methodology of the CRA (types, main lines, etc) and is part of the report that contains a quick overview on the CRA. This information is currently reported and displayed in CEREP reports, in the “CRA description” report.
90. The template was amended by adding a new field where a direct link to the methodology page from the CRAs websites is requested, as supplementary information.

### ***Annex 1, Table 4:***

#### *Lead analysts (Annex 1, Table 4)*

91. One respondent considered it useful to also collect information on the areas or asset classes in which each lead analyst is actually able to act as lead analyst. This would allow an examination of how many resources are available for a CRA business area/asset class, for example for structured finance in comparison with sovereign analysis.

#### **ESMA’s response**

92. For the current supervisory requirements ESMA considers that the data contained in the Table 4 are sufficient and no further information is to be requested, at this point, related to the lead analysts.

### ***Annex 2, Table 1***

#### *Identification of legal entities*

93. Most of the respondents welcomed the use of common identifiers for instruments and entities, as this will significantly help users of the ERP and investors to easily track and identify the entities/instruments related to which they wish to receive information on a change of a rating. They also suggested that the use of common standards for identification by ESMA will further promote their broader use in the market as well.

94. However, most of the respondents raised concerns relating to the fact that the LEI field is mandatory and that CRAs will not be able to provide this if the rated entity has not yet obtained one. They added that obtaining the LEI should not be enforced by CRAs, but by the regulatory communities.
95. Some CRAs also suggested the collection of other national identifiers (fiscal codes/ VAT number) or BIC codes for financial institutions as an alternative for unique identification until the LEI is available for all rated entities.
96. Another issue mentioned in the replies is that for the existing ratings, the CRAs would need time to identify if the rated entities already have a LEI, to retrieve it and to make the update in the CRAs own systems.

#### **ESMA's response**

97. ESMA has kept in the draft RTS the requirement of LEI, where the identification of a legal entity is needed to allow for the comparison of the different ratings on the same entity, in order to meet the purposes of the ERP. This is in line with ESMA's general policy concerning the usage of LEI whenever the identification of a legal entity is needed. Moreover, the reporting of the fiscal code, VAT number or BIC code have also been required as further criteria for legal entity's comparison.

#### *"Tranche class" (Annex 2, Table 1, Field 33)*

98. One respondent commented that the tranches do not follow any standard naming convention and therefore cannot be caught in the suggested "Standard" for this field "[one\_letter][ordinal\_no]".

#### **ESMA's response**

99. ESMA takes note of the comment and has amended the field "Tranche class" by removing the suggested format requirement for reporting the tranche name.

#### *"Complexity indicator" (Annex 2, Table 1, Field 38)*

100. Three respondents had doubts on the meaning of the "Complexity indicator" field and on the criteria to assign the ratings on the specified categories. It was suggested to remove the field or to give further guidelines.

#### **ESMA's response**

101. ESMA expects to provide appropriate technical guidance in the near future.

#### *"Action Type - Default" (Annex 2, Table 3, Field 6):*

102. It was not clear why the "default" is requested as a separate action as, in most of the cases, the default occurs at the same time with an upgrade or downgrade action: for example upgraded from default ("UP" or "DF"), or downgraded to default ("DG" or "DF").



## **ESMA's response**

103. "Default" is included as a separate action so as to cover the cases when the default is not linked with a downgrade/upgrade action.
104. To cover both situations, we have included another field and also left the "DF" as a possible action:
- when by downgrade action the entity is defaulted or the default is raised as a result of an upgrade, a field „Default flag“ should be reported (as an attribute to the upgrade/ downgrade action).
  - when the default is not linked with an action, then it should be reported as a stand-alone action, using the action type = DF

## **II.III Fees charged by CRAs to their clients**

### **General comments**

105. Most respondents supported the approach adopted in the draft RTS on reporting on fees and the use of this information as a screening tool for ESMA's supervisory competences. A number of comments and suggestions were made, as described below.

#### *Sufficiency of information*

106. Some respondents raised concerns regarding whether the information collected by ESMA for the different components of the fee schedules of credit rating agencies may not be enough to carry out its on-going supervision. They pointed out that the structure of the fee schedules used by a CRA one year is not comparable to the previous years' structure (changing of the thresholds and the quotients used to calculate fees in accordance with issue volumes).

## **ESMA's response**

107. ESMA takes note of the broad support on the approach adopted as well as the information requirements regarding fees. In this regard, ESMA notes that the information collected by the draft RTS on Fees will seamlessly integrate with that of the draft RTS ERP. In addition, the system will be designed so that ESMA will have an historic perspective on all fees charged for each credit rating service. Individual fee data to be provided will include all fees charged for that credit rating service in each prior calendar year, including a breakdown of their components (such as initial fees, surveillance fees and any other fees). In addition, CRAs will have to report on their pricing policies and procedures on a yearly basis and on any material changes in their pricing policies and procedures.

#### *Importance of costs for supervision*

108. The majority of respondents expressed concerns that ESMA will focus only on costs when supervising fees. Respondents have explained that differences in fees regard not only costs but that other factors are also taken into account such as the market value of a rating, the competition existing in a market, as well as the fact that newer and smaller CRAs are price takers and not price makers.

### **ESMA's response**

109. ESMA's approach in the draft RTS is to use the RTS as a means to identify transactions which are outliers in the sense that they are priced above or below what is normally practiced by that CRA for that type of credit rating service and for similar transactions. Once such practices are identified, ESMA will then exercise its supervisory powers in order to understand whether such practices are discriminatory by recourse to costs and if that is the case examine whether such practices are consistent with the principles of fair competition, are not due to conflicts of interest, and do not depend on the results or outcome of the work performed.

### **Cost transfers**

110. Some respondents also requested that ESMA ensures that CRAs will not transfer costs between different (international) offices or companies (transfer pricing system).

### **ESMA's response**

111. ESMA takes note of respondents' concerns and will take this into consideration when carrying out its on-going supervision.

### **Proportionality of compliance costs**

112. Some respondents highlighted the disproportionate administrative burden and costs that small and medium sized CRAs will have to incur in order to comply with the new information requirements on fees. In particular, one respondent requested an exemption for CRAs under the investor-pays/subscriber-pays model.

### **ESMA's response**

113. ESMA understands that the burden on subscriber or investor-pays model may be significant and disproportionate to the goals of mitigating conflicts of interest and enhancing fair competition. ESMA will reduce the burden on subscriber or investor-pays model by limiting the information requirements to: (i) all clients that have ratings issued by the reporting CRA and (ii) the top 100 clients of the investor-pays model services which do not have ratings issued by the reporting CRA.

### **Definition of concepts such as ancillary services**

114. Some respondents asked for clarification on the definition of concepts such as ancillary services, non-rating activities or preliminary ratings.

### **ESMA's response**

115. ESMA takes note of respondents' request and where necessary, will clarify relevant concepts through the appropriate legal instrument, such as guidelines.

#### **a) *Recitals***

##### **Definition of “client” – Recital 7**

116. A number of respondents asked for clarification of the definition of Client. It was also pointed out by some respondents that multiple or duplicate reporting may arise as a result of this definition.

##### **ESMA's response**

117. ESMA would like to underline that this definition and requirement derives directly from point 2 of Part II of Section E of Annex I of the CRA Regulation. The fee data and tables in the Annexes are therefore to be completed having due regard to this definition (in particular the fields 'Client identifier'). This captures the negotiation power of the client that is negotiating fees with the CRA for the credit rating services. Reporting will therefore integrate into one 'Client' the parent and its subsidiaries, as well as associated entities. In this context, ESMA has clarified that for these purposes the “structuring of a debt issue” and “debt issue” includes structured finance instruments. ESMA is aware that CRAs will have to collect this information directly from clients, and this is one of the reasons why the RTS provides for a period of implementation in order to allow CRAs to develop and consolidate its systems of information collection. ESMA understands that some duplicate reporting may arise in particular as regards Table 2 of Annex II but that this should be limited in scope and to associated entities.

##### **Technical guidelines – Recital 9**

118. Some respondents asked ESMA to be involved in the development of technical guidelines setting out the reporting requirements contained in the RTS.

##### **ESMA's response**

119. ESMA will keep interested parties updated and involve the CRAs in developing any technical guidelines on reporting on fees.

##### **Confidentiality of data submitted to ESMA – Recital 10**

120. One respondent expressed concerns regarding confidentiality of the data requested by ESMA. The respondent underlined that the information entrusted by clients to CRAs is highly confidential.

##### **ESMA's response**

121. ESMA wishes to highlight that the information collected through the RTS will be only available to ESMA.

## **b) Chapter II. Reporting Principles**

### **Reporting obligation under different remuneration models – article 2 (1)**

122. Some respondents raised the question of whether CRAs providing credit rating services under a mixed model, i.e., under both the issuer pays and investor pays model, would have to report all fees received.

#### **ESMA's response**

123. The CRA 3 Regulation explicitly recognises issuer pays and investor pays models, and does not exclude reporting on fees on credit rating services to any or one of these models, i.e., all fees charged for credit rating services are to be reported by the CRA. The scope of the RTS is also clear in that fees received under one or both models are to be reported using the respective Annex II or III.

### **Exclusion of certified CRAs – Article 2(1)**

124. One respondent asked for exclusion of “certified CRAs” from the information requirements of the draft RTS on fees on the basis of Article 11(3) and Article 21(4a) point (b) of CRA Regulation. Contrary to Article 11(2) or Article 11a of the CRA Regulation which explicitly require certified credit rating agencies to provide information to ESMA for CEREP or ERP purposes, the above-mentioned Articles do not explicitly require certified credit rating agencies to provide information on fees to ESMA. As a result, the respondent argued that certified credit rating agencies should not be covered by the information requirements on fees charged by them to their clients and therefore should be removed from the scope of the reporting requirements.

#### **ESMA's response**

125. ESMA understands and agrees with the reasoning provided and has excluded certified credit rating agencies from the scope of the draft RTS on fees.

### **Fee schedules and programmes – Article 3(2) and (3)**

126. A few respondents considered that whilst a CRA's pricing policy and its fee schedules might be related documents, they are nevertheless separate and independent and serve distinct purposes. However, the draft RTS on fees only considered fee schedule and fee programmes as part of the pricing policies. Reference was also made to the fact that pricing policies, fee schedules and fee programmes might refer to very specific asset classes and types of ratings and thus reporting should be made at a more granular level.

#### **ESMA's response**

127. ESMA understands that there are different practices in the credit rating market and will include for reporting purposes two separate Tables for fee schedules and fee programmes in the Annex of the RTS in order to encompass the different market practices. Whilst this is done for ease of reporting by CRAs, in line with point 2(aa) of Part II of Section E of Annex I of the CRA Regulation, ESMA consid-

ers for all effects and purposes these fee schedules and fee programmes to be an integral part of the pricing policies.

### **CRA group relationship arrangements – Article 3(2) and (3)**

128. Two respondents raised concerns on the broad coverage and costs associated when gathering information on fees charged for credit rating services and ancillary services or any other services provided to a client by the CRA and its relationship or link with any of the entities belonging to the CRA's group.

#### **ESMA's response**

129. ESMA would like to clarify that this provision applies to the extent that any services provided by entities within the CRA's economic group may influence the fee setting of credit rating services. If it is the case that there is such a possibility, then such influence is to be clearly acknowledged as a possibility set out in the pricing policy, fee schedule or fee programme. Where such a possibility exists, the pricing principles and the rules to be employed in the setting of individual credit ratings or credit rating arrangements should be explained in a clear, detailed and exhaustive manner.

### **Logging of deviations – Article 4(3)**

130. Some respondents asked for clarification on the scope of the instances that will require to be logged as deviations. In particular, one respondent considered that "logging all instances" should not include discounting based on fee schedules as this would be burdensome and discourage legitimate fee negotiations between CRAs and their clients.

#### **ESMA's response**

131. ESMA understands that negotiations do take place between CRAs and their clients and that in any event the two-step approach of identifying outliers and then proceeding to their investigation will capture any discounting. However, the RTS does provide for record keeping obligations when there are significant deviations, i.e. where a relevant pricing policy or procedure is deviated from or when a pricing policy, fee schedule or fee programme and/or pricing procedure is/are not applied. In such cases the record should also contain the main explanations driving the significant deviation as defined.

## **c) Chapter III. Method of Reporting**

### **Initial reporting – Article 6 and 7**

132. A large number of respondents claimed that they do not currently collect and maintain fee data in the manner described in the draft RTS. As a consequence, they asked for clarifications in the draft RTS that the fee data requirements do not apply retrospectively. Furthermore, in order to ensure that sufficient time is available to adapt systems in order to collect the information needed to report on all fields requested in the Annexes to the Draft RTS, a number of respondents requested that all quantitative tables should be given the same amount of time to submit initial reporting. Consequently, respondents asked for one single initial reporting date of 9 months after the entry into force of the draft RTS.

### ***ESMA's response***

133. ESMA understands respondents' concerns and will clarify in the draft RTS that fee data requirements will apply prospectively (on a going forward basis) as from the entry into force of the draft RTS. Further, ESMA understands respondents' views on the initial reporting and the RTS sets out that for the quantitative tables (Annexes II and III) the initial reporting will take place 9 months following publication in the Official Journal, followed in subsequent years by annual reporting aligned at 31 March. Annex I (pricing policies and procedures) will maintain the initial reporting timeline.

### ***d) Annexes***

#### **Meaning of fees charged by CRAs**

134. A number of respondents highlighted the reference in the draft RTS' Annexes to "fees received by CRAs" or "fees paid by the client" as being unclear from an accounting perspective and should be clarified and harmonised. Respondents proposed changing those references to "fees billed" which would be more easily reconcilable with the figures disclosed in the CRAs' financial statements.

### ***ESMA's response***

135. ESMA understands respondents' views and sees merits in asking for "fees billed". ESMA has modified the draft RTS and in particular all the fields in the Tables referring to this item such as to achieve clarity on the amounts to be reported.

## **Annex I: Draft regulatory technical standards on the information on structured-finance instruments**

2014/[...] (COD)

**COMMISSION DELEGATED REGULATION (EU) No [.../2014]**

**of [...]**

**supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards on disclosure requirements for structured finance instruments**

**(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies<sup>1</sup>, and in particular Article 8(b)(3) thereof,

Whereas:

- (1) Article 8b(3) of Regulation (EC) No 1060/2009 requires the European Securities and Markets Authority (ESMA) to submit by 21 June 2014 draft regulatory technical standards to be adopted by the Commission regarding certain information that issuers, originators and sponsors of structured finance instruments, established in the European Union, jointly have to make available on a public website established by ESMA.

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<sup>1</sup> OJ L 302, 17.11.2009, p. 1

- (2) In accordance with Regulation (EC) No 1060/2009, investors should receive sufficient information on the quality and performance of their underlying assets with a view to enabling them to perform an informed assessment of the creditworthiness of structured finance instruments. This would also reduce investors' dependence on credit ratings and should facilitate the issuance of unsolicited credit ratings.
- (3) This Regulation should apply to all financial instruments or other assets resulting from a securitisation transaction or scheme as referred to in Article 4(61) of Regulation EU No 575/2013 on prudential requirements for credit institutions and investment firms on condition that the issuer, originator or sponsor, is established (and for that purpose has its statutory seat) in the Union. Therefore, this Regulation should only cover financial instruments or other assets resulting from any transaction or scheme whereby the credit risk associated with an exposure or pool of exposures is tranching and has the other characteristics included in aforementioned Article. An exposure that creates a direct payment obligation for a transaction or scheme used to finance or operate physical assets should not be considered an exposure to a securitisation, even if the transaction or scheme has payment obligations of different seniority.
- (4) Therefore, the scope of this Regulation should not be limited to the issuance of structured finance instruments that qualify as securities, but also should include other financial instruments and assets resulting from a securitisation transaction or scheme, such as money-market instruments (e.g. asset-backed commercial paper programmes). In addition, this Regulation should apply to structured finance instruments with and without credit ratings assigned by an EU-registered credit rating agency. Private and bilateral transactions should also be within the scope of this Regulation, as well as transactions that are not offered to the public or admitted to trading on a regulated market in the Union.
- (5) This Regulation currently contains standardised disclosure templates for a number of asset class categories. These standardised disclosure templates and all reporting obligations under this Regulation should not be applied to structured finance instruments that are not backed by underlying assets and that are not included in the list of underlying asset class categories specified in this Regulation (e.g. structured finance instruments backed by underlying assets such as trade receivables, store cards, corporate loans etc.). As soon as technically possible, ESMA should develop standardised disclosure templates and associated reporting obligations for such structured finance instruments.
- (6) This phase-in approach of reporting obligations should also be applied to asset-backed commercial paper programmes, synthetic structured finance instruments and to structured finance instruments where the underlying assets comprise other structured finance instruments (i.e. re-securitisation). Other examples are structured finance instruments where the underlying assets are heterogeneous as they cannot be disclosed using a single template for the specific asset class categories identified in this Regulation. As soon as technically possible, ESMA should develop standardised disclosure templates and associated reporting obligations for such structured finance instruments.
- (7) At this stage, it is not possible to say whether and to what extent the standardised disclosure templates apply to private or bilateral structured finance instruments due to the specific nature or features that such instruments might have. Developing disclosure requirements for private and bilateral structured finance instruments may prove a complex matter from a technical point of view. In



order to develop reporting obligations applying to such instruments, ESMA will propose to the Commission an amendment to this Regulation including conducting an open public consultation and analysing the potential related costs and benefits . Until such reporting obligations have been developed by ESMA and adopted by the Commission, the disclosure requirements laid down in this Regulation should not be applied to private and bilateral structured finance instruments.

- (8) When complying with this Regulation, issuers, originators and sponsors should observe the requirements of national or EU legislation governing the protection of confidentiality of information sources or the processing of personal data in order to avoid potential breaches of such legislation.
- (9) The issuer, originator and sponsor may designate an entity responsible for reporting the information to the website to be set up by ESMA. Outsourcing the reporting obligation to another entity, for example a servicer, should also be possible. This should be without prejudice to the responsibility of the issuer, originator and sponsor under this Regulation.
- (10) In order to allow the market to adapt and take the necessary steps to comply with this Regulation, the disclosure requirements of this Regulation should only apply to structured finance instruments issued after the date of entry into force of this Regulation. However, ESMA will need time to develop the website on which disclosure of the information required by this Regulation should take place. Therefore with respect to the structured finance instruments issued in the time period between the date of entry into force and the date of application of this Regulation, issuers, originators and sponsors should be required to comply with the reporting requirements laid down in this Regulation only in relation to the structured finance instruments which will still be outstanding at the date of application of this Regulation. For the period between the entry into force and the date of application of this Regulation, issuers, originators and sponsors should not be required to keep backlogs for the information required by this Regulation.
- (11) With a view to ensuring complete and correct reporting, and to take into account further developments in the financial markets in the Union, it should be important to enable issuers, originators, sponsors and other parties involved to be given enough time to develop adequate systems and procedures following the technical specifications provided by ESMA. Therefore, ESMA should communicate the technical specifications of the reporting requirements in due course and before the date of application of this Regulation.
- (12) The information to be provided pursuant to this Regulation should be compiled in a standard format to allow for automatic processing of the data on the website to be set-up by ESMA. The information should also be published in a format that is easily accessible for any user of the webpage. ESMA should ensure that sectoral competent authorities have access to the website so as to carry out the tasks assigned to them under the Regulation (EC) No 1060/2009.
- (13) A number of technical reporting instructions concerning among others the transmission or the format of the files to be submitted by issuers, originators and sponsors should be communicated by ESMA and updated through specific communications or guidelines.

- (14) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the Commission in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>2</sup>.
- (15) ESMA has conducted an open public consultation on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established by Article 37 of Regulation (EU) No 1095/2010.

HAS ADOPTED THIS REGULATION:

## CHAPTER I

### GENERAL PROVISIONS

#### *Article 1*

#### **Subject matter**

This Regulation lays down the rules regarding:

- (a) the information that the issuer, originator and sponsor of a structured finance instrument established in the European Union must publish in order to comply with the obligation resulting from paragraph 1 of Article 8(b) of Regulation (EC) No 1060/2009 in accordance with paragraph 2 of Article 8(b) of Regulation (EC) No 1060/2009;
- (b) the frequency with which the information referred to in point (a) is to be updated;
- (c) the presentation of the information referred to in point (a) by means of a standardised disclosure template.

#### *Article 2*

#### **Scope**

1. This Regulation shall apply to structured finance instruments if the issuer, originator, or sponsor is established in the Union.

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<sup>2</sup> OJ L 331, 15.12.2010, p. 84

2. This Regulation shall apply to structured finance instruments issued after the date of entry into force of this Regulation.

### *Article 3*

#### **Definitions**

For the purpose of this Regulation, the following definitions will apply:

- (a) “reporting entity”: any entity designated in accordance with Article 4 of this Regulation.
- (b) “website”: the website referred to in Article 8b(4) of Regulation (EC) No 1060/2009.

## **CHAPTER II**

### **DISCLOSURE REQUIREMENTS**

#### *Article 4*

##### **Reporting entity**

1. The issuer, originator and sponsor of a structured finance instrument may designate one or multiple entities that publish the information requested pursuant to this Regulation on the website. This entity shall publish the required information on the website.
2. The issuer, originator and sponsor of a structured finance instrument referred to in paragraph 1 shall notify ESMA without undue delay of any entity designated in accordance with this Article. The designation of the entity or entities that publishes the information on the website shall be without prejudice to the responsibility of the issuer, originator and sponsor.

#### *Article 5*

##### **Information to be reported**

Where a structured finance instrument is backed by any of the underlying asset classes included in Article 6, the reporting entity shall provide the following information to the website:

- (a) loan level information through the standardised disclosure template included in Annex 1 to 7;
- (b) where applicable to a structured finance instrument, the following documents:

- i. the final offering document or prospectus, together with the closing transaction documents, including any public documents referenced in the prospectus or which govern the workings of the transaction (excluding legal opinions);
- ii. the asset sale agreement, assignment, novation or transfer agreement (and any relevant declaration of trust);
- iii. the servicing, back-up servicing, administration and cash management agreements;
- iv. the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement;
- v. any relevant inter-creditor agreements, swap documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;
- vi. any other relevant underlying documentation;

The above documents shall in any case include a detailed description of the waterfall of payments of the structured finance instrument.

(c) Where a prospectus has not been drawn up in compliance with Directive 2003/71/EC<sup>3</sup>, a transaction summary or overview of the main features of a structured finance instrument, including :

- i. deal structure;
- ii. the asset characteristics, cash flows, credit enhancement and liquidity support features;
- iii. the note holder voting rights, the relationship between note holders and other secured creditors in a transaction;
- iv. the triggers in the transaction and the consequences of them being breached;
- v. the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;

(d) the investor reports, containing the information included in Annex 8;

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<sup>3</sup> OJ L 345 31.12.2003, p. 64

## *Article 6*

### **Underlying asset classes**

The information requirements of Article 5 of this Regulation shall apply to structured finance instruments backed by the following underlying assets:

- (a) residential mortgages: this asset class includes structured finance instruments backed by prime and non-prime mortgages and home equity loans. For this class of structured finance instruments the information included in the template included in Annex 1 has to be provided to the website;
- (b) commercial mortgages: this asset class includes structured finance instruments backed by retail or office property loans, hospital loans, care residences, storage facilities, hotel loans, nursing facilities, industrial loans, and multifamily properties. For this class of structured finance instruments the information included in the template included in Annex 2 has to be provided to the website;
- (c) loans to small and medium sized enterprises: for this class of structured finance instruments the information included in the template included in Annex 3 has to be provided to the website;
- (d) auto-loans: for this class of structured finance instruments the information included in the template included in Annex 4 has to be provided to the website;
- (e) consumer loans: for this class of structured finance instruments the information included in the template included in Annex 5 has to be provided to the website;
- (f) credit card-loans: for this class of structured finance instruments the information included in the template included in Annex 6 has to be provided to the website;
- (g) leases to individuals and/or businesses: for this class of structured finance instruments the information included in the template included in Annex 7 has to be provided to the website.

## **CHAPTER III**

### **REPORTING PROCEDURES**

## *Article 7*

### **Frequency of reporting**

1. The information set out in Article 5(a) shall be made available on a quarterly basis, no later than one month following the due date for payment of interest on the structured finance instrument concerned.
2. The information set out in Article 5(b) and (c) shall be made available without delay after the issuance of a structured finance instrument.

3. The information set out in Article 5(d) shall be made available on a quarterly basis, no later than one month following the due date for payment of interest on the structured finance instrument concerned.
4. In addition to the requirements pursuant to paragraphs 1, 2 and 3 of this Article:
  - (a) where the requirements specified under the Regulation (EC) xxx/2014 of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) apply to a structured finance instrument, any disclosure of information pursuant to the said Regulation should be published on the website by the reporting entity;
  - (b) where Article 7(4)(a) does not apply to the structured finance instrument, the reporting entity shall disclose as soon as possible any significant change or event in any of the following:
    - i. a breach of the obligations included in the documentation relating to the structured finance instrument;
    - ii. structural features that can materially impact on the performance of the structured finance instrument;
    - iii. the risk characteristics of the structured finance instrument and of the underlying assets.

#### *Article 8*

#### **Procedures**

1. The reporting entity shall submit data files in accordance with the technical instructions to be provided by ESMA and the reporting system of the website.
2. The reporting entity shall store the files sent to and received by the website in electronic form for at least five years. Upon request, these files shall be made available by the reporting entity or the issuer, originator or sponsor to the Sectoral Competent Authorities as defined in Article 3(r) of Regulation (EC) No 1060/2009.
3. Where the reporting entity or the issuer, originator or sponsor identifies factual errors in the data that has been provided to the website they shall cancel and replace the relevant data without undue delay.

#### CHAPTER IV

#### **TRANSITIONAL AND FINAL PROVISIONS**

#### *Article 9*

1. With respect to the time period between the date of entry into force and the date of application of this Regulation, the issuer, originator and sponsor shall be required to comply with the reporting requirements laid down in this Regulation only in relation to the structured finance instruments issued during this time period which are still outstanding at the date of application of this Regulation.

2. The issuer, originator and sponsor shall not be required to keep a backlog of the information required pursuant to this Regulation between the date of entry into force and the date of application of this Regulation.

### **Entry into force**

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

It shall apply from 1<sup>st</sup> of January 2017.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [...].

For the Commission  
*The President*

## Annex 1 to the draft regulatory technical standards on information on structured-finance instruments

### Reporting Template for structured finance instruments backed by residential mortgages

#### Assets:

Field Name	Static/Dynamic	Data Type	Field Definition & Criteria
Pool Cut-off Date	Dynamic	Date	Pool or Portfolio cut-off date. All dates take YYYY-MM-DD format.
Pool Identifier	Static	Text/Numeric	Pool or Portfolio identifier / name of transaction.
Loan Identifier	Static	Text/Numeric	Unique identifier (ID) for each loan. The loan ID should not change through the life of the transaction.
Originator	Static	Text	Lender that advanced the original loan.
Servicer Identifier	Static	Text/Numeric	Unique identifier per servicer to flag which entity is servicing the loan.
Borrower Identifier	Static	Text/Numeric	Unique identifier (ID) per borrower (not showing the real name) - to enable borrowers with multiple loans in the pool to be identified (e.g. further advances / second liens are shown as separate entries). Should not change over the life of the transaction.
Property Identifier	Static	Text/Numeric	Unique identifier per property to enable properties with multiple loans in the pool to be identified (e.g. further advances / second liens are shown as separate entries).

#### Borrower Information



Borrower's Employment Status	Static	List	Employment status of the primary applicant.
Primary Income	Static	Numeric	Primary borrower underwritten gross annual income (not rent).
Income Verification for Primary Income	Static	List	Income verification for primary income.
<b>Loan characteristics</b>			
Loan Origination Date	Static	Date/Numeric	Date of original loan advance.
Date of Loan Maturity	Dynamic	Date/Numeric	The date of loan maturity.
Purpose	Static	List	Loan purpose.
Loan Term	Static	Numeric	Original contractual term (number of months).
Loan Currency Denomination	Static	List	The loan currency denomination.
Original Balance	Static	Numeric	Original loan balance (inclusive of fees).
Current Balance	Dynamic	Numeric	Amount of loan outstanding as of pool cut off date, This should include any amounts that are secured by the mortgage and will be classed as principal in the transaction.
Repayment Method	Static	List	Type of principal repayment.
Payment Frequency	Static	List	Frequency of payments due, i.e. number of months between payments.
Payment Due	Dynamic	Numeric	Periodic contractual payment due (the payment due if there are no other payment arrangements in force).
Payment Type	Static	List	Principal payment type.
<b>Interest Rate</b>			
Interest Rate Type	Static	List	Interest rate type.
Current Interest Rate Index	Dynamic	List	Current interest rate index (the reference rate off which the mortgage interest rate is set).
Current Interest Rate	Dynamic	Numeric	Current interest rate (%).
Current Interest	Dynamic	Numeric	Current interest rate margin (for fixed rate loans this is the same as the current interest rate, for

Rate Margin			floating rate loans this is the margin over (or under if input as a negative) the index rate.
Interest Rate Reset Interval	Dynamic	Numeric	The interval in months at which the interest rate is adjusted (for floating loans).
Revision Margin 1	Dynamic	Numeric	The margin (%) for the loan at the 1st revision date.
Interest Revision Date 1	Dynamic	Date/Numeric	Date interest rate next changes (e.g. discount margin changes, fixed period ends, loan re-fixed etc. this is not the next LIBOR reset date).
Revision Margin 2	Dynamic	Numeric	The margin (%) for the loan at the 2nd revision date.
Interest Revision Date 2	Dynamic	Date/Numeric	Date of 2nd interest rate change.
Revision Margin 3	Dynamic	Numeric	The margin (%) for the loan at the 3rd revision date.
Interest Revision Date 3	Dynamic	Date/Numeric	Date of 3rd interest rate change.
Revised Interest Rate Index	Dynamic	List	Next interest rate index.
<b>Property and Additional Collateral</b>			
Property Postcode	Static	Text/Numeric	First 2 or 3 characters must be provided at a minimum.
Property Type	Static	List	Property type.
Original Loan to Value	Static	Numeric	Originator's original underwritten Loan To Value ratio (LTV). For 2nd lien loans this should be the combined or total LTV.
Valuation Amount	Static	Numeric	Property value as of date of latest loan advance prior to a securitisation. Valuation amounts should be in the same currency as the loan.
Original Valuation Type	Static	List	Valuation type at origination.
Valuation Date	Static	Date/Numeric	Date of latest property valuation at time of latest loan advance prior to a securitisation.
Current Loan to Value	Dynamic	Numeric	Originator's current Loan to Value ratio (LTV). For 2nd lien loans this should be the combined or total LTV.
Current Valuation Amount	Dynamic	Numeric	Most recent valuation amount (if e.g. at repossession there were multiple valuations, this should reflect the lowest). Valuation amounts should be in the same currency as the loan.

Current Valuation Type	Dynamic	List	Current Valuation type.
Current Valuation Date	Dynamic	Date/Numeric	The date of most recent valuation.
<b>Performance Information</b>			
Account Status	Dynamic	List	Current status of account.
Arrears Balance	Dynamic	Numeric	Current balance of arrears. Arrears defined as: Total payments due to date LESS Total payments received to date LESS any amounts capitalised. This should not include any fees applied to the account.
Number Months in Arrears	Dynamic	Numeric	Number of months this loan is in arrears (at pool cut-off date) according to the definition of the issuer.
Arrears 1 Month Ago	Dynamic	Numeric	Arrears balance (defined as per 'arrears balance') for the previous month.
Arrears 2 Months Ago	Dynamic	Numeric	Arrears balance (defined as per 'arrears balance') two months ago.
Litigation	Dynamic	Y/N	Flag to indicate litigation proceedings underway.
Redemption Date	Dynamic	Date/Numeric	Date on which account redeemed.
Default or Foreclosure	Dynamic	Numeric	Total default amount before the application of sale proceeds and recoveries.
Date of Default or Foreclosure	Dynamic	Numeric	The date of default or foreclosure.
Sale Price lower limit	Dynamic	Numeric	Price achieved on sale of property in case of foreclosure, rounded down to nearest 10k.
Loss on Sale	Dynamic	Numeric	Total loss net of fees, accrued interest etc. after application of sale proceeds (excluding prepayment charge if subordinate to principal recoveries).
Cumulative Recoveries	Dynamic	Numeric	Cumulative recoveries – only relevant for cases with losses.

#### Bond Info:

Field Name	Static/Dynamic	Data Type	Field Definition & Criteria
<b>Fields at Security or Bond Level Data</b>			
Report Date	Dynamic	Date	The date on which the transaction report was issued. All dates take YYYY-MM-DD format.
Issuer	Static	Text	Name of issuer and issue series, if applicable.
Drawings under Liquidity Facility	Dynamic	Y/N	Confirm whether or not there has been a drawing under the liquidity facility in the period ending on the last interest payment date.
<b>Fields at Collateral Level Data</b>			
Trigger Measurements/Ratios	Dynamic	Y/N	The status of various delinquency, dilution, default, loss and similar collateral measurements and ratios in relation to their early amortisation or other trigger event levels, as at the current determination date. Has any trigger event occurred?

Average Constant Pre-payment Rate	Dynamic	Numeric	<p>The report shall include the Average (Avg) Constant Pre-payment Rate (CPR) speed of the underlying residential mortgage loans. In some jurisdictions, the mortgage pool may also include commercial loans. Avg CPR speed is the amount expressed as an annualised percentage of principal prepaid in excess of scheduled repayments. The Avg CPR speed is calculated by first dividing the Current Residential Mortgage Loan Principal Balance (i.e. the actual balance) by the Scheduled Residential Mortgage Loan Principal Balance assuming no pre-payments have been made (i.e. only scheduled repayments have been made). This quotient is then raised to a power whereby the exponent is the quantity twelve divided by the number of months since issue. Subtract this result from one then multiply it by one hundred (100) to determine the Avg CPR speed. This calculation is expressed as follows:</p> $\text{Average CPR} = 100 \left[ 1 - \left( \frac{\text{Current Residential Mortgage Loan Principal Balance}}{\text{Scheduled Residential Mortgage Loan Principal Balance}} \right)^{\frac{12}{\text{Months since issue}}} \right]$
<b>Transaction Report Contact Information</b>			
Point Contact	Static	Text	Name of the department or the point person(s) of the information sources.
Contact Information	Static	Text	Telephone number & e-mail address.

## Bond Info by Tranche:

Field Name	Static/Dynamic	Data Type	Field Definition & Criteria
<b>Fields at Tranche Level</b>			
Bond Class Name	Static	Text/Numeric	The designation (typically a letter and/or number) given to a tranche of RMBS which exhibit the same rights, priorities and characteristics as defined in the prospectus i.e. Series 1 Class A1 etc.
International Securities Identification Number	Static	Text/Numeric	The international security identification code or codes, or if no ISIN, then any other unique securities code such as a CUSIP, assigned to this tranche by an exchange or other entity. If more than one code, enter comma-delimited.
Interest Payment Date	Dynamic	Date	The periodic date on which a payment of interest to holders of a specific tranche of residential mortgage backed structured finance instrument is scheduled to occur.
Principal Payment Date	Dynamic	Date	The periodic date on which a payment of principal to holders of a specific tranche of residential mortgage backed structured finance instrument is scheduled to occur.
Currency	Static	Text	The unit(s) of exchange in which security-level balance(s) and payments are reported.
Reference Rate	Static	List	The base reference interest index as defined in the offering document (e.g. 3 month EURIBOR) applicable to a specific tranche of residential mortgage backed structured finance instrument.
Bond Issue Date	Static	Date	Date the bonds were issued.



## Annex 2 to the draft regulatory technical standards on information on structured-finance instruments

### Loan Level Data - Reporting Template for structured finance instruments backed by commercial mortgages

#### Loan:

Field Name	Static/Dynamic	Data Type	Field Definition & Criteria
<b>Loan Identifiers</b>			
Transaction Pool Identifier	Static	Text/Numeric	The unique transaction or deal name
Pool Cut-off Date	Dynamic	Date	Current pool or Portfolio cut-off date.
Securitisation Date	Static	Date	Date of issue of the deal - First bond listing date
<b>Original Loan Terms</b>			
Group Identifier	Static	Text/Numeric	The alpha-numeric code assigned to each loan group within an issue.
Loan Servicer Identifier	Static	Text/Numeric	The loan servicer unique identification string assigned to the loan.
Offering Circular Loan Identifier	Static	Text/Numeric	The offering circular or prospectus unique number or transaction loan name assigned to the loan within the transaction or pool.
Loan Sponsor	Static	Text/Numeric	Loan sponsor.
Loan Origination Date	Static	Date	Date of original loan advance.
Loan Currency	Static	List	Loan currency denomination.
Whole Loan Balance at Origination Date	Static	Numeric	Whole loan balance at origination representing 100% full facility i.e. securitised and unsecuritised / owned and un-owned amount (in loan currency).
Original Term of Loan	Static	Numeric	Contractual term (in months) at Origination date.
Start Date of Amortisation	Static	Date	The date that amortisation will commence on the whole loan (this may be a date prior to the securitisation date).
Interest Rate Index Code	Static	List	Current interest rate index (the reference rate off which the mortgage interest rate is set).
Original Loan Interest Rate	Static	Numeric	Loan all-in interest rate at loan origination date. If multiple tranches with different interest rates then apply a weighted average rate.
First Interest Payment Due	Static	Date	The date that the first interest payment was due on the loan following origination date.



Date			
Loan Country	Static	List	Country of the Loan.
Loan Purpose	Static	List	Loan purpose.
Mortgage Security	Static	Y/N	Is the Loan secured by-mortgages on the properties?
<b>Loan Statistics at Securitisation Date</b>			
Debt Service Coverage Ratio for the loan (whole) at the Securitisation Date	Static	Numeric	The Debt Service Coverage Ratio for the loan (whole) at the Securitisation Date.
Loan to Value Ratio for the loan (whole) at the Securitisation Date	Static	Numeric	The Loan to Value Ratio for the loan (whole) at the Securitisation Date.
Securitisation Date Interest Cover Ratio (A-Loan)	Static	Numeric	At securitisation interest coverage ratio calculation for the A-Loan based on the offering documentation.
Securitisation Date Debt Service Cover Ratio (A-Loan)	Static	Numeric	At securitisation debt service coverage ratio calculation for the A-Loan based on the offering documentation.
Securitisation Date Loan to Value Ratio (A-Loan)	Static	Numeric	At securitisation Loan to Value ratio (LTV) for the A-Loan based on the the offering documentation.
Committed Principal Balance at Securitisation Date	Static	Numeric	The committed balance, including any undrawn amounts, of the whole loan at Securitisation Date.
Actual Principal Balance at Securitisation Date (Whole Loan)	Static	Numeric	Actual Principal Balance of the whole loan at the Securitisation Date as identified in the Offering Circular.
Periodic Principal & Interest Payment at Securitisation Date	Static	Numeric	The scheduled principal & interest amount that is due on the next Loan Payment Date as at the Securitisation Date.
Loan Rate at Securitisation Date	Static	Numeric	The total interest rate (e.g. Libor + Margin) that is being used to calculate interest due on the loan at the Securitisation Date.
Ranking of Charge at Securitisation Date	Static	List	Is the security granted to the Securitisation a first ranking security?

Remaining Term at Securitisation Date	Static	Numeric	Remaining number of months (excluding any extension options) until maturity of loan at Securitisation Date.
Remaining Amortisation Term at Securitisation Date	Static	Numeric	The number of months remaining to maturity of the loan of the amortisation term. If amortisation has not commenced at the Securitisation Date this will be less than the Remaining Term at Securitisation Date.
Loan Maturity Date at Securitisation Date	Static	Date	The maturity date of the loan as defined in the loan agreement. This would not take into account any extended maturity date that may be allowed under the loan agreement, but the initial maturity date.
Actual Principal Balance at Securitisation Date (A-Loan)	Static	Numeric	Actual Principal Balance of the A Note loan at the Securitisation Date as identified in the Offering Circular.
Extension Option	Dynamic	Y/N	Indicate whether there is an option to extend the term of the loan and push out the maturity date.
Duration of Shortest Extension Option	Static	Numeric	Duration in months of the shortest extension option available to the loan.
Nature of extension option	Static	List	Type of extension option.
<b>Collateral Details</b>			
Number of Properties at Securitisation Date	Static	Numeric	The number of properties that serve as security for the loan at the Securitisation Date.
Number of Properties at Pool cut off Date	Dynamic	Numeric	The number of properties that serve as security for the loan at the pool cut-off date.
Properties Collateralised to the Loan at Securitisation	Static	Text/Numeric	Enter the unique property identifiers (PC1) of the properties that served as security for the loan at the Securitisation Date.
Properties Collateralised to the Loan at Pool cut off date	Dynamic	Text/Numeric	Enter the unique property identifiers (PC1) of the properties that serve as security for the loan at the cut-off date.
<b>Loan Covenant Details</b>			
Interest Coverage Ratio Method (Whole Loan)	Static	List	Please define calculation of ICR financial covenant requirement at the whole loan level, the inferred method of calculation.
Debt Service Coverage Ratio	Static	List	Please define calculation of DSCR financial covenant requirement at the whole loan level,

Method (Whole Loan)			the inferred method of calculation.
Loan to Value Method (Whole)	Static	List	Please define calculation of LTV financial covenant requirement at the whole loan level, the inferred method of calculation.
Other Financial Covenant Code (Whole)	Static	List	If there is another code required for ICR or DSCR financial covenant requirement at the whole loan level.
Interest Coverage Ratio Method (A-Loan)	Static	List	Please define the A-Loan Interest Coverage Ratio method of calculation.
Debt Service Coverage Ratio Method (A-Loan)	Static	List	Please define the A-Loan Debt Service Coverage Ratio method of calculation.
Loan to Value Method (A-Loan)	Static	List	Please define the A-Loan Loan to Value Method of calculation.
<b>Underlying Property Statistics at Securitisation Date</b>			
Revenue at Securitisation Date	Static	Numeric	The total underwritten revenue from all sources for a property as described in the Offering Circular. If multiple properties, sum the values of the properties.
Operating Expenses at Securitisation Date	Static	Numeric	Total underwritten operating expenses for the properties as described in the offering Circular. These may include real estate taxes, insurance, management, utilities, maintenance and repairs and direct property costs to the landlord; capital expenditures and leasing commissions are excluded.
NOI at Securitisation Date	Static	Numeric	Revenue less Operating Expenses at Securitisation Date (Field “Revenue at Securitisation Date” minus “Operating Expenses at Securitisation Date”). If multiple properties, sum the values.
Capital Expenditures at Securitisation Date	Static	Numeric	Capex at Securitisation Date (as opposed to repairs and maintenance) if identified in the Offering Circular.
NCF at Securitisation Date	Static	Numeric	NOI less Capex at Securitisation Date (Field “NOI at Securitisation Date” less “Capital Expenditures at Securitisation Date”).
Currency of Financial Reporting at Securitisation	Static	List	The currency used in the initial financial reporting of Fields “Revenue at Securitisation Date” – “NCF at Securitisation Date”.
ICR / DSCR Indicator at	Static	List	How the DSCR is calculated/applied when a loan has multiple properties.

Securitisation Date			
Property Portfolio Value at Securitisation Date	Static	Numeric	The valuation of the properties securing the loan at Securitisation Date as described in the Offering Circular. If multiple properties sum the value of the properties, otherwise ND.
Property Portfolio Valuation Currency at Securitisation Date	Static	List	The currency of the valuation in “Property Portfolio Value at Securitisation Date”.
Valuation Date at Securitisation Date	Static	Date	The date the valuation was prepared for the values disclosed in the Offering Circular. For multiple properties, if several dates, take the most recent date.
Economic Occupancy at Securitisation Date	Static	Numeric	The percentage of rentable space with signed leased in place at Securitisation Date if disclosed in Offering Circular (tenants may not be in occupation but are paying rent). If multiple properties use weighted average by using the calculation {Current Allocated % (Prop)*Occupancy)} for each property.
Amounts Held in Escrow at Securitisation Date	Static	Numeric	Total balance of the legally charged reserve accounts at the loan level at the Securitisation Date.
Collection Of Escrows	Static	Y/N	Enter Y if any payments are held in reserve accounts to cover ground lease payments, insurance or taxes only (not maintenance, improvements, capex etc.) as required under the loan agreement, if this is not done enter N.
Collection Of Other Reserves	Static	Y/N	Are any amounts other than ground rents taxes or insurance held in reserve accounts as required under the terms of the loan agreement for tenant improvements, leasing commissions and similar items in respect of the related property or for purpose of providing additional collateral for such loan?
Escrow Held Upon Trigger Event	Static	Y/N	Does the loan agreement require reserve amounts to be made upon the occurrence of any trigger events?
Trigger for Escrow to be Held	Static	List	Type of trigger event.
Target Escrow Amounts / Reserves	Static	Numeric	Target escrow amounts / reserves.
Escrow Account Release Conditions	Static	Text	Release conditions of the escrow account.
Conditions of Drawing Cash	Static	List	When can the Cash Reserve be used.

Reserve			
Escrow Currency	Static	List	Currency of the Escrow payments. Fields “Amounts Held in Escrow at Securitisation Date” and “Target Escrow Amounts / Reserves”.
<b>Loan Grouping &amp; Substitutions Details</b>			
Cross-Collateralised Loan	Static	Y/N	Indicate if this is a cross collateralised loan (Example: loans 1 and 44 are cross collateralised as are loans 4 and 47).
Substituted Loan	Dynamic	Y/N	Is this loan a substitute for another loan on a date after the Securitisation Date?
Date of Substitution	Dynamic	Date	If loan was substituted after the Securitisation Date, the date of such substitution.
Grace Days Allowed	Static	Numeric	The number of days after a payment is due in which the lender will not charge a late penalty or report the payment as late.
Additional Financing Indicator	Static	List	Has the whole loan had additional financing/mezzanine debt?
<b>Loan Interest Rate Details (at Securitisation Date)</b>			
Interest Rate Type	Static	List	Type of interest rate applied to the loan.
Interest Accrual Method Code	Static	List	The 'days' convention used to calculate interest.
Interest in Arrears	Static	Y/N	Is the interest that accrues on the loan paid in arrears?
A-Loan Amortisation Type (if applicable)	Static	List	A-Loan amortisation type.
<b>Whole Loan Amortisation Details (at Securitisation Date)</b>			
Whole Loan Amortisation Type (if applicable)	Static	List	Whole loan amortisation type.
Accrual of Interest Allowed	Static	Y/N	Do the loan documents allow for interest to be accrued and capitalized?
Prepayment Lock-out End Date	Static	Date	The date after which the lender allows prepayment of the loan.
Yield Maintenance End Date	Static	Date	The date after which the lender allows prepayment of the loan without requirement for a prepayment fee or yield maintenance to be paid. Date after which loan can be prepaid without yield maintenance.
Prepayment Premium End Date	Static	Date	The date after which the lender allows prepayment of the loan without requirement for a prepayment fee to be paid.
Prepayment Terms Descrip-	Static	Text / Nu-	Should reflect the information in offering circular. For instance, if the prepayment terms

tion		meric	are the payment of a 1% fee in year one, 0.5% in year two and 0.25% in year three of the loan this may be shown in the offering circular as: 1%(12), 0.5%(24), 0.25%(36).
Do Non-payments on Prior Ranking Claims Constitute a Default of the Loan?	Static	Y/N	Do Non-payments on Prior Ranking Claims Constitute a Default of the Loan?
Non-payments on Equal Ranking Loans Constitute Default of Property?	Static	Y/N	Do Non-payments on Equal Ranking Loans Constitute Default of Property?
<b>Loan Hedging Details (at Securitisation Date)</b>			
Lifetime Rate Cap	Static	Numeric	Maximum rate that the borrower must pay on a floating rate loan as required under the terms of the loan agreement.
Lifetime Rate Floor	Static	Numeric	Minimum rate that the borrower must pay on a floating rate loan as required under the terms of the loan agreement.
Type of Loan Level Swap	Static	List	Describe the type of loan level swap that applies.
Loan Swap Provider	Dynamic	Text	Name of loan swap provider.
Type of Interest Rate Loan Level Swap	Static	List	Describe the type of interest rate swap that applies to the loan.
Type of Currency Loan Level Swap	Static	List	Describe the type of currency rate swap.
Exchange Rate for Loan Level Swap	Static	Numeric	The exchange rate that has been set for a currency loan level swap.
Start Date of Loan Level Swap	Static	Date	Start Date of Loan Level Swap.
End Date of Loan Level Swap	Static	Date	End Date of Loan Level Swap.
Borrower Obligation to Pay Breakage on Loan Level Swap	Static	List	Extent to which Borrower is obligated to pay breakage costs to loan swap provider.
<b>Loan Rate Adjustment Details (at Securitisation Date)</b>			
Payment Frequency	Static	List	Frequency of interest and amortisation payments on Loan according to original loan documents.
Rate Reset Frequency	Static	List	Frequency with which the interest rate is reset according to original loan documents.

Pay Reset Frequency	Static	List	Frequency with which the P&I payment is reset according to original loan documents.
Index Look Back In Days	Static	Numeric	The number of days prior to the interest payment date that the interest rate is set (e.g. Euribor set 2 days prior to interest payment date).
Index Determination Date	Static	Date	If the Loan Agreement states specific dates for the index to be set, enter the next index determination date.
<b>Loan Syndication &amp; Participation Details</b>			
Loan Structure	Static	List	Use the Loan Structure Code to describe what structure applies to this loan e.g. whole loan, A/B splits, syndicated.
Syndicated Loan	Static	Y/N	Is the loan part of a syndicated loan?
Percentage of Total Loan Facility being Securitised	Static	Numeric	Percentage of total loan in securitisation at Securitisation Date.
Rights of Controlling Party for Material Decisions	Static	Y/N	Does owner of any participation other than the issuer have the right to make major decisions?
Agent Bank of Syndication	Static	Text	Agent bank.
<b>Misc. Loan Details</b>			
Remedy for Breach of Financial Covenant	Static	List	The remedy for the financial covenant breach.
Loan Originator	Static	Text	Name of the originator/Lender that sold the loan to the Issuer. Name of entity ultimately responsible for the representations and warranties of the loan.
Financial Information Submission Penalties	Static	List	Indicator for penalties for borrower's failure to submit required financial information (Op. Statement, Schedule, etc.) as per loan documents.
Loan Recourse	Static	Y/N	Is there recourse to another party (e.g. guarantor) if the event the borrower defaults on an obligation under the loan agreement?
Rounding Code	Static	List	The method for rounding the interest rate.
Rounding Increment	Static	Numeric	The incremental percentage by which an index rate should be rounded in determining the interest rate as set out in the loan agreement.
Special Servicer Name at Securitisation Date	Static	Text	Special Servicer name at Securitisation date.
Servicing Standard	Static	List	Servicing Standard (Choice). Does the servicer of the loan service the Whole Loan (both

			the A and B components) or just the A or B component?
<b>Payment Date Details</b>			
Loan Payment Date	Dynamic	Date	The date principal and interest is paid to the Issuer, this would normally be the interest payment date of the loan.
Paid through Date	Dynamic	Date	The date at which all payments have been paid in full with no shortfalls. On a performing loan this will be the Loan Payment Date immediately prior to the date entered in field “Loan Payment Date”.
Index Rate Reset Date	Dynamic	Date	For adjustable rate loans, the next date that the interest rate is due to change. For fixed rate loans, enter the next interest payment date.
Next Payment Adjustment Date	Dynamic	Date	For adjustable rate loans, the next date that the amount of scheduled principal and/or interest is due to change. For fixed rate loans, enter the next payment date.
Loan Maturity Date	Dynamic	Date	The current maturity date of the loan as defined in the loan agreement. This would not take into account any approved maturity date extensions that may be allowed under the loan agreement.
Next Loan Payment Date	Dynamic	Date	Date of next loan payment.
<b>Rate Details</b>			
Current Index Rate (Whole Loan)	Dynamic	Numeric	The index rate used to determine the current whole loan interest rate. The interest rate (before margin) used to calculate the interest paid on the (Whole) Loan Payment Date in Field “Loan Payment Date”.
Current Margin Rate (Whole Loan)	Dynamic	Numeric	Margin used to determine the current whole loan interest rate. The margin being used to calculate the interest paid on the (Whole) Loan Payment Date in Field “Loan Payment Date”.
Current Interest Rate (Whole Loan)	Dynamic	Numeric	The total interest rate being used to calculate the interest paid on the (Whole) Loan Payment Date in Field “Loan Payment Date” (sum of Field “Current Index Rate (Whole Loan)” and “Current Margin Rate (Whole Loan)” for floating loans).
Current Interest Rate (A-Loan)	Dynamic	Numeric	Gross rate per annum used to calculate the current period scheduled interest on the A portion of the loan.
Next Index Rate (Whole Loan)	Dynamic	Numeric	The next period index rate used to determine the current whole loan interest rate. The interest rate (before margin) used to calculate the interest paid based on the Actual End-



			ing Loan Balance (Whole Loan) “Actual Ending Loan Balance (Whole Loan)”.
Current Default Rate (Whole Loan)	Dynamic	Numeric	Total interest being used to calculate the default interest paid on the loan payment date in field “Loan Payment Date”.
<b>Principal Details</b>			
Current Beginning Opening Balance (Whole Loan)	Dynamic	Numeric	Outstanding balance at beginning of current period. The outstanding balance of the loan at the beginning of the interest period used to calculate the interest due on the Loan Payment Date in Field “Loan Payment Date”.
Scheduled Principal Amount (Whole Loan)	Dynamic	Numeric	Scheduled principal payment due on the loan for the current period. The principal payment due to be paid to the Issuer on the Loan Payment Date in Field “Loan Payment Date” e.g. amortisation but not prepayments.
Current Ending Scheduled Balance (Whole Loan)	Dynamic	Numeric	Outstanding scheduled principal balance of loan at end of current period following amortisation but prior to any prepayments. The principal balance of the loan that would be outstanding following the scheduled principal payment but prior to any prepayments (Field “Current Beginning Opening Balance (Whole Loan)” minus “Scheduled Principal Amount (Whole Loan)”).
Unscheduled Principal Collections (Whole Loan)	Dynamic	Numeric	Unscheduled payments of principal received during the current period. Other principal payments received during the interest period that will be used to pay down the loan. This may relate to sales proceeds, voluntary prepayments, or liquidation amounts.
Other Principal Adjustments (Whole Loan)	Dynamic	Numeric	Unscheduled principal adjustments for interest period, not associated with movement of cash. Any other amounts that would cause the balance of the loan to be decreased or increased in the current period which are not considered Unscheduled Principal Collections and are not Scheduled Principal.
Actual principal paid	Dynamic	Numeric	The actual principal paid as of the most recent IPD.
Actual Ending Loan Balance (Whole Loan)	Dynamic	Numeric	Outstanding actual principal balance at the end of the current period. The actual balance of the loan outstanding for the next interest period following all principal payments.
Current Beginning Balance (A-Loan)	Dynamic	Numeric	Outstanding balance (A-Loan) at beginning of current period. The outstanding balance of the A-Loan at the beginning of the interest period used to calculate the interest due on the Loan Payment Date.
Total Principal Collections (A-	Dynamic	Numeric	All payments of principal (A-Loan) received during the current period. The principal

Loan)			payment of the A-Loan due to be paid to the Issuer on the Loan Payment Date in Field “Loan Payment Date” e.g. amortisation but not prepayments.
Actual Ending Loan Balance (A-Loan)	Dynamic	Numeric	Outstanding actual principal balance (A-Loan) at the end of the current period. The principal balance of the A-Loan that would be outstanding following the scheduled principal payment.
Committed Undrawn Facility Loan Balance (Whole Loan)	Dynamic	Numeric	The total whole loan (senior debt) remaining facility/ Undrawn balance at the end of the period. The total whole loan (senior debt) remaining facility at the end of the Interest Payment Date that the borrower can still draw upon.
<b>Interest Details</b>			
Scheduled Interest Amount Due (Whole Loan)	Dynamic	Numeric	Gross interest for period assuming no repayment in current period for the whole loan. The total interest that is due on the Loan Payment Date, assuming no prepayments are made during the interest period. Interest should be based on the underlying rate as per the loan agreement.
Prepayment Interest Excess/ Shortfall	Dynamic	Numeric	Shortfall or excess of actual interest payment from the scheduled interest payment for the current period that is not related to a loan default. Results from a prepayment received on a date other than a scheduled payment due date.
Other Interest Adjustment	Dynamic	Numeric	Companion field for Other Principal Adjustments (Field “Other Principal Adjustments (Whole Loan)”) to show unscheduled interest adjustments for the related collection period.
Negative Amortisation	Dynamic	Numeric	Negative amortisation/deferred interest/capitalised interest without penalty.
Actual Interest Paid (Whole Loan)	Dynamic	Numeric	Whole Loan actual interest paid current period. Total amount of interest paid by the borrower during the interest period or on the Loan Payment Date.
Actual Interest Paid (A-Loan)	Dynamic	Numeric	Total amount of interest paid to the A-Loan during the interest period or on the Loan Payment Date.
Actual Default Interest	Dynamic	Numeric	Whole loan actual default interest paid in current period. Total amount of default interest paid by the borrower during the interest period or on the loan payment date.
Deferred Interest (Whole Loan)	Dynamic	Numeric	Deferred interest on the whole loan. Deferred interest is the amount by which the interest a borrower is required to pay on a mortgage loan is less than the amount of interest accrued on the outstanding principal balance.

Capitalised Interest (Whole Loan)	Dynamic	Numeric	Capitalised interest on the whole loan. Capitalised interest is where interest is added to the loan balance at the end of the interest period in accordance with loan agreement.
<b>Principal &amp; Interest Details</b>			
Total Scheduled Principal & Interest due (Whole Loan)	Dynamic	Numeric	Scheduled principal & interest payment due on the loan for the current period for the Issuer (whole loan). The total scheduled principal and interest due on the Loan Payment Date (sum of Fields “Scheduled Principal Amount (Whole Loan)” and “Scheduled Interest Amount Due (Whole Loan)”) - can be used for DSCR calculations.
Total Shortfalls in Principal & Interest Outstanding (Whole Loan)	Dynamic	Numeric	Cumulative outstanding P&I amounts due on loan at the end of the current period. The cumulative amount of any unpaid principal and interest on the Loan Payment Date.
Total Other Amounts Outstanding	Dynamic	Numeric	Cumulative outstanding amounts on loan (e.g. insurance premium, ground rents, cap ex) at the end of the current period that have been expended by Issuer/Servicer. The cumulative amount of any property protection advances or other sums that have been advanced by the Servicer or Issuer and not yet reimbursed by the borrower.
Cumulative Amount Outstanding	Dynamic	Numeric	The sum of Field “Total Shortfalls in Principal & Interest Outstanding (Whole Loan)” and “Total Other Amounts Outstanding”.
Amortisation Trigger Reached	Dynamic	Y/N	Has the amortisation trigger been reached?
Current Amortisation Type	Dynamic	List	The type of amortisation that applies to the A-Loan.
Total Scheduled Principal & Interest Paid (A-Loan)	Dynamic	Numeric	Scheduled Principal & Interest payment due on the A-Loan for the current period for the Issuer.
<b>Most Recent YTD Financial Details</b>			
Borrower Reporting Breach	Dynamic	Y/N	Is Borrower in breach of its obligation to deliver reports to loan servicer or lender?
Most Recent Revenue	Dynamic	Numeric	Total revenues for the period covered by the most recent financial operating statement (i.e. year to date or trailing 12 months) for all the properties.
Most Recent Loan to Value Ratio (Whole Loan)	Dynamic	Numeric	Most recent Loan to Value (LTV) for the loan (whole) based on the loan documentation.
Most Recent Debt Service Cover Ratio (Whole Loan)	Dynamic	Numeric	Most recent Debt Service Coverage Ratio (DSCR) for the loan (whole) based on the loan documentation.
Most Recent Interest Cover	Dynamic	Numeric	Most recent Interest Coverage Ratio (ICR) for the loan (whole) based on the loan docu-

Ratio (Whole Loan)			mentation.
Most Recent Interest Cover Ratio (A-Loan)	Dynamic	Numeric	Most recent interest coverage ratio calculation for the A-Loan based on the offering documentation.
Most Recent Debt Service Cover Ratio (A-Loan)	Dynamic	Numeric	Most recent debt service coverage ratio calculation for the A-Loan based on the offering documentation.
Most Recent Loan to Value Ratio (A-Loan)	Dynamic	Numeric	Most recent Loan to Value ratio (LTV) for the A-Loan based on the offering documentation.
<b>Reserve &amp; Escrow Details</b>			
Total Reserve Balance	Dynamic	Numeric	Total balance of the reserve accounts at the loan level at the Loan Payment Date. Includes Maintenance, Repairs & Environmental, etc. (excludes Tax & Insurance reserves Includes LC's for reserves. Should be completed if Field "Collection of Other Reserves" in Loan Set up is "Y" = Yes.
Escrow Trigger Event Occurred	Dynamic	Y/N	Enter Y if an event has occurred which has caused reserve amounts to be established . Enter N if payments are built up as a normal condition of the loan agreement.
Amounts Added to Escrows in Current Period	Dynamic	Numeric	Amount that has been added to any escrows or reserves during Current Period.
Reserve Balance Currency	Dynamic	List	Reserve account currency denomination.
Escrow Currency	Static	List	Escrow account currency denomination.
<b>Liquidation &amp; Prepayment Details</b>			
Liquidation / Prepayment Date	Dynamic	Date	The date on which an unscheduled principal payment or liquidation proceeds are received.
Liquidation / Prepayment Code	Dynamic	List	Code assigned to any unscheduled principal payments or liquidation proceeds received during the collection period.
<b>Borrower Level Hedging Details</b>			
Name of Loan Swap Provider (Borrower Level)	Dynamic	Text	The name of the Swap provider for the loan if the Borrower has the direct contract with the swap counterparty.
Actual Ratings of Loan Swap Provider (Borrower Level)	Dynamic	Text/Numeric	Identify the ratings of the Swap Counterparty as of the Loan Payment Date.
Full or Partial Termination	Dynamic	List	If loan swap has been terminated during current period, identify reason.

Event of Loan Level Swap for Current Period (Borrower Level)			
Net Periodic Payment due to Loan Swap Provider (Borrower Level)	Dynamic	Numeric	Amount of payment made by the borrower to the swap counterparty on the Loan Payment Date as required by the Swap contract.
Net Periodic Payment due from Loan Swap Provider (Borrower Level)	Dynamic	Numeric	Amount of payment made by the swap counterparty to the borrower on the Loan Payment Date as required by the Swap contract.
Breakage Costs Due to Loan Swap Provider	Dynamic	Numeric	Amount of any payment due from the borrower to the swap counterparty for partial or full termination of the Swap.
Shortfall in Payment of Breakage Costs on Loan Level Swap	Dynamic	Numeric	Amount of any shortfall, if any, of breakage costs resulting from the full or partial termination of the swap, paid by the borrower.
Breakage Costs Due from Loan Level Swap Counterparty	Dynamic	Numeric	Amount of any gains paid by the swap counterparty to the borrower on full or partial termination.
Next Reset Date for the Loan Level Swap	Dynamic	Date	Date of next reset date on the loan level swap.
Swap Details	Dynamic	Text	Details of the Swap.
<b>Delinquent Loan Status Details</b>			
Status of Properties	Dynamic	List	Status of properties.
Loan Status	Dynamic	List	Loan status (i.e. current, non payment etc.). If a loan has multiple Status Codes triggered, Servicer discretion to determine which code reported.
Enforcement Start Date	Dynamic	Date	The date on which foreclosure or administration proceedings or alternative enforcement procedures were initiated against or agreed by the borrower.
Workout Strategy Code	Dynamic	List	Work-out strategy.
Expected Timing of Recoveries	Dynamic	Numeric	Expected recovery timing in months.
In Insolvency	Dynamic	Y/N	Insolvency Status of Loan (if in insolvency "Y", else "N").
Insolvency Date	Dynamic	Date	Date Of Insolvency.

Property Possession Date	Dynamic	Date	The date on which title to (or an alternative form of effective control and ability to dispose of) the collateral property was obtained.
Net Proceeds Received on Liquidation	Dynamic	Numeric	Net proceeds received on liquidation used to determine loss to the Issuer per the Transaction Documents. The amount of the net proceeds of sale received, this will determine whether there is a loss or shortfall on the loan.
Liquidation Expense	Dynamic	Numeric	Expenses associated with the liquidation to be netted from the other assets of issuer to determine loss per the Transaction Documents. Amount of any liquidation expenses that will be paid out of the net sales proceeds to determine whether there will be any loss.
Realised Loss to Securitisation	Dynamic	Numeric	Outstanding balance of loan (plus Liquidation Expenses) less net Liquidation Proceeds Received. The amount of any loss to the Issuer after deducting liquidation expenses from the net sales proceeds.
Number of months in Arrears	Dynamic	Numeric	Number of months this loan is in arrears at the end of the current period according to the definition of the issuer.
Default Amount	Dynamic	Numeric	Total default amount before the application of sale proceeds and recoveries.
Cumulative Recoveries	Dynamic	Numeric	Total recoveries including all sale proceeds.
Special Servicing Status	Dynamic	Y/N	As of the Loan Payment Date is the loan currently being specially serviced?
Default Date	Dynamic	Date	Date the loan defaulted.
Liquidation Currency	Dynamic	List	Liquidation currency denomination.
Currency of Losses	Dynamic	List	Losses currency denomination.
Default / Arrears Currency	Dynamic	List	Default / Arrears currency denomination.
<b>Loan Modification Details</b>			
Noteholder Consent	Dynamic	Y/N	Is Noteholder consent needed in a restructuring?
Noteholder Meeting Scheduled	Dynamic	Date	What date is the next noteholder meeting scheduled for?
Last Loan Sale Date	Dynamic	Date	The date the loan was sold to the Issuer, if the loan was part of the original securitisation, then this will be the Securitisation Date.
Last Property Securitisation Date	Dynamic	Date	Date the latest property or properties were contributed to this securitisation. If any properties have been substituted, enter the date of the last substitution. If the properties were part of the original transaction, this will be the Securitisation Date.

Date of Assumption	Dynamic	Date	Date the assignment/novation or assumption was executed by the new borrower.
Appraisal Reduction Amount Date	Dynamic	Date	Date the Appraisal Reduction Amount was calculated and approved (initial or updated calculation as of date).
Date of Last Modification	Dynamic	Date	Last effective date the loan was modified.
Modification Code	Dynamic	List	Type of modification.
Modified Payment Rate	Dynamic	Numeric	If the loan has been restructured (probably during a workout process), and the amortisation schedule has been amended, then the new amount, expressed as a percentage of the loan balance, should be entered.
Modified Loan Interest Rate	Dynamic	Numeric	If the loan has been restructured (probably during a workout process), and the interest rate/margin has been amended, then the new rate should be entered.
<b>Special Servicing Details</b>			
Servicer Watchlist	Dynamic	Date	Determination Date that a loan was placed on the Watchlist. If loan came off the Watchlist in a prior period and is now coming back on, use the new entry date.
Most Recent Special Servicer Transfer Date	Dynamic	Date	The date a loan was transferred to the special Servicer following a servicing transfer event. Note: If the loan has had multiple transfers, this should be the last date transferred to special servicing.
Most Recent Primary Servicer Return Date	Dynamic	Date	The date a loan becomes a "corrected mortgage loan", which is the date the loan was returned to the master/primary Servicer from the special Servicer.
Non Recoverability Determined	Dynamic	Y/N	Indicator (Yes/No) as to whether the Servicer/Special has determined that there will be a shortfall in recovering any advances it has made and the outstanding loan balance and any other amounts owing on the loan from proceeds upon sale or liquidation of the property or Loan.
Date of Loan Breach	Dynamic	Date	The date the breach occurred. If multiple breaches, the date of the earliest breach.
Date of Loan Breach Cure	Dynamic	Date	The date the breach cured. If multiple breaches, the date which the last breach cured.
Watchlist Criteria Code	Dynamic	List	Servicer Watchlist Code. If multiple criteria are applicable, please list the most detrimental code.
Currency of Fees	Dynamic	List	Fees currency denomination.
<b>Special Servicer Details</b>			

Special Servicer Name	Dynamic	Text	Special Servicer name.
Special Servicer Change?	Dynamic	Y/N	Has there been a change in the Special Servicer since the prior reporting period?
Other Ranking Lender Enforcement Involvement	Dynamic	Y/N	Is another ranking lender involved in enforcement?
<b>Defaulted Loan Status Details</b>			
Default or Foreclosure	Dynamic	Y/N	Is the loan currently in default or foreclosure?
Default Reason	Dynamic		Reason for default.
Covenant Breach / Trigger	Dynamic	List	Type of Covenant Breach / Trigger.
<b>Capital Requirement Directive Information</b>			
Specify Originator compliance with one of four retention options	Dynamic	List	Type of retention.
Retained by Originator	Dynamic	Numeric	Net economic interest retained by the originator in percentage (%) terms as under Article 122a of the Capital Requirements Directive.

### Property:

<b>Property Collateral Details</b>			
Property Identifier	Static	Text/Numeric	Unique identifier for the property. If multiple properties (such as a block of apartments) this should be a unique identifier which identifies them collectively.
Property Cross-Collateralised Loan Grouping	Dynamic	Text/Numeric	Please enter relevant Offering Circular Loan Identifiers, if one property secures several loans within the transaction or pool then separate IDs with comma delimiters.
Property Name	Static	Text/Numeric	The name of the property that serves as security for the loan. If multiple properties (such as a block of apartments) this should be the name which identifies them collectively.
Property Address	Static	Text/Numeric	The address of the property that serves as security for the loan.
Property City Town	Static	Text	City or town name where the property is located.
Property Post Code	Static	Text/Numeric	The primary property postal code. First 2 - 4 characters must be provided at a mini-



			mum.
Property Country	Static	List	The country where the property is located.
Property Type Code	Static	List	The property type or use reference defined in the valuation report or offering document.
Year Built	Static	Date	Year the property was built per the valuation report or offering document.
Year Last Renovated	Dynamic	Date	Year that last major renovation/new construction was completed on the property per the valuation report or offering document.
Net Square Metres At Securitisation Date	Dynamic	Numeric	The total net rentable area of the properties in square metres that serve as security for the loan per the most recent valuation report. For multiple properties sum the area.
Net Internal Floor Area Validated	Dynamic	Y/N	Has a valuer verified the net internal floor area of the property?
Number of Units/Beds/Rooms	Static	Numeric	For property type Multifamily enter number of units, for Hospitality/Hotel/Healthcare - beds, for Caravan Parks - units, Lodging=rooms, Self-Storage units. For Multiple properties, if all the same Property Type, sum the values.
Property Status	Dynamic	List	Most recent loan status of property.
Property Form of Title	Static	List	The relevant form of property title. A lease on land only, in which the borrower usually owns a building or is required to build as specified in the lease.
Property Leasehold Expiry	Static	Date	Provide the earliest date the leasehold interest expires.
Ground Rent Payable	Dynamic	Numeric	If property is leasehold, please provide the current annual leasehold rent payable to the lessor.
Date of Most Recent Valuation	Dynamic	Date	Date of the last property valuation.
Most Recent Valuation	Dynamic	Numeric	The most recent valuation of the property.
Most Recent Valuation Basis	Dynamic	List	The most recent Valuation Basis.
Ground Rent Currency	Dynamic	List	Currency of the Ground Rent ("Ground Rent Payable").
Most Recent Valuation Currency	Dynamic	List	Currency of the Most Recent Valuation ("Most Recent Valuation").
<b>Securitisation Date Details</b>			
Property Securitisation Date	Static	Date	Date the property was contributed to this securitisation. If this property has been substituted, enter the date of the substitution. If the property was part of the original transac-

			tion, this will be the Securitisation Date.
Allocated Percentage of Loan at Securitisation Date	Static	Numeric	Allocated loan % attributable to property at Securitisation Date where there is more than one property securing the loan.
Date of Financials at Securitisation Date	Static	Date	The end date of the financials for the information used in the Offering Circular (e.g. year to date, annual, quarterly or trailing 12 months).
Net Operating Income at Securitisation Date	Dynamic	Numeric	Revenue less Operating Expenses at Securitisation Date.
Valuation at Securitisation Date	Static	Numeric	The valuation of the properties securing the loan at Securitisation Date as described in the Offering Circular.
Name of Valuer at Securitisation	Static	Text	Name of valuation firm who performed the property valuation at securitization.
Date of Valuation at Securitisation Date	Dynamic	Date	The date the valuation was prepared for the values disclosed in the Offering Circular.
Vacant Possession Value at Date of Securitisation	Dynamic	Numeric	Vacant possession value at Date of Securitisation.
Commercial Area	Dynamic	Numeric	The total net Commercial rentable area of the property in square metres that serves as security for the loan per the most recent valuation report.
Residential Area	Dynamic	Numeric	The total net Residential rentable area of the property in square metres that serves as security for the loan per the most recent valuation report.
Currency of Financials	Dynamic	List	Loan currency denomination.
<b>Property Most Recent YTD Financial Details</b>			
Current Allocated Loan Percentage	Dynamic	Numeric	Allocated loan % attributable to property at Loan Payment Date where there is more than one property securing the loan, the sum of all % should total 100%. This may be set out in the Loan Agreement.
Current Allocated Ending Loan Amount	Dynamic	Numeric	Apply the Current Allocated % to the Actual Balance outstanding on the Loan.
Most Recent Financial As of Start Date	Dynamic	Date	The first day of the financials used for the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months).
Most Recent Financial As of	Dynamic	Date	The end date of the financials used for the most recent financial operating statement

End Date			(e.g. Monthly, Quarterly, Year to Date or Trailing 12 months).
Last Month of Year used for Reporting Financials	Dynamic	Text/Numeric	Enter the month that the financials for each year (most recent, preceding and second preceding) will end.
Most Recent Financial Indicator	Dynamic	List	This field is used to describe the period for which the most recent financial data is reflected.
Most Recent Revenue	Dynamic	Numeric	Total revenues for the period covered by the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months) for all the properties. For multiple properties then sum the revenue.
Most Recent Operating Expenses	Dynamic	Numeric	Total operating expenses for the period covered by the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months) for all properties.
Most Recent Net Operating Income	Dynamic	Numeric	Total revenues less total operating expenses for the period covered by the most recent financial operating statement.
Most Recent Capital Expenditure	Dynamic	Numeric	Total Capital Expenditure (as opposed to repairs and maintenance) for the period covered by the most recent financial operating statement e.g. Monthly, Quarterly, Year to Date or Trailing 12 months) for all the properties.
Most Recent Net Cash Flow	Dynamic	Numeric	Total Net Operating Income less Capital Expenses for the period covered by the most recent financial operating statement.
Most Recent Debt Service Amount	Dynamic	Numeric	Total scheduled payments of principal and interest due during the period covered by the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months).
Most Recent DSCR (NOI)	Dynamic	Numeric	Calculate the DSCR based on NOI for the period covered by the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months).
Contractual Annual Rental Income	Dynamic	Numeric	The contractual annual rental income derived from the most recent Borrower tenancy schedule.
<b>Property Occupancy Details</b>			
Occupancy as of Date	Dynamic	Date	Date of most recently received rent roll/ tenancy schedule. (for hospitality (hotels), and health care properties use average occupancy for the period for which the financial

			statements are reported).
Physical Occupancy at Securitisation Date	Dynamic	Numeric	At Securitisation the available percentage of rentable space actually occupied (i.e. where tenants are actually in occupation and not vacated). Should be derived from a rent roll or other document indicating occupancy consistent with most recent financial year information.
Most Recent Physical Occupancy	Dynamic	Numeric	The most recent available percentage of rentable space actually occupied (i.e. where tenants are actually in occupation and not vacated). Should be derived from a rent roll or other document indicating occupancy consistent with most recent financial year information.
Available Tenant by Tenant Data	Dynamic	Y/N	Is the tenant information available on a tenant by tenant basis?
Weighted Average Lease Terms	Dynamic	Numeric	Weighted average lease terms in years.
Weighted Average Lease Terms (1st Break)	Dynamic	Numeric	Weighted average lease terms (in years) after all 1st Break options
<b>Top Three Tenant Details</b>			
% Income expiring 1-12 months	Dynamic	Numeric	Percentage of income expiring in 1 to 12 months.
% Income expiring 13-24 months	Dynamic	Numeric	Percentage of income expiring in 13 to 24 months.
% Income expiring 25-36 months	Dynamic	Numeric	Percentage of income expiring in 25 to 36 months.
% Income expiring 37-48 months	Dynamic	Numeric	Percentage of income expiring in 37 to 48 months.
% Income expiring 49+ months	Dynamic	Numeric	Percentage of income expiring in 49 or more months.
Largest Tenant by income (Net)	Dynamic	Text/Numeric	Name of largest current tenant by net rent.

Date of Lease Expiration of Largest Tenant	Dynamic	Date	Expiration date of lease of largest current tenant (by net rent).
Rent Payable by Largest Tenant	Dynamic	Numeric	Annual Rent payable by largest current tenant.
2nd Largest Tenant by Income (Net)	Dynamic	Text/Numeric	Name of second largest current tenant (by net rent).
Date of Lease Expiration of 2nd Largest Tenant	Dynamic	Date	Expiration date of lease of second largest current tenant (net annual rent).
Rent Payable by 2nd Largest Tenant	Dynamic	Numeric	Rent Payable by second largest current tenant.
3rd Largest Tenant by Income (Net)	Dynamic	Text/Numeric	Name of third largest current tenant (by net rent).
Date of Lease Expiration of 3rd Largest Tenant	Dynamic	Date	Expiration date of lease of third largest current tenant (net annual rent).
Rent Payable by 3rd Largest Tenant	Dynamic	Numeric	Rent Payable by third largest current tenant.
Rent Currency	Dynamic	List	Rent currency denomination.
<b>Foreclosure Details</b>			
Date Asset Expected to Be Resolved or Foreclosed	Dynamic	Date	Estimated date the Special Servicer expects resolution. If multiple properties, enter latest date from the affiliated properties. If in foreclosure = Expected Date of Foreclosure and if Property Possession = Expected Sale Date.
Possession Proceedings Start Date	Dynamic	Date	The date on which foreclosure proceedings or alternative enforcement procedures were initiated against or agreed by the borrower.
Date of Receivership	Dynamic	Date	The date on which title to (or an alternative form of effective control and ability to dispose of) the collateral property was obtained.

#### Bond Info:

Bond General Details			
Transaction Pool Identifier	Static	Text / Numeric	The unique transaction or pool identification string.
Distribution Date	Static	Date	The interest and principal payment date of the bond tranche.
Record Date	Static	Date	Date note class must be held as of to be considered holder of record.
Bond Class Name	Static	Text / Numeric	The designation (typically a letter and/or number) given to a tranche of commercial mortgage backed structured finance instrument which exhibit the same rights, priorities and characteristics as defined in the prospectus i.e. Series 1 Class A1 etc.
CUSIP (Rule 144A)	Static	Text / Numeric	The security identification code assigned to each note class or tranche pursuant to standards established by the Committee on Uniform Security Identification Procedures number for Rule 144A requirements or other securities code established by an exchange or other entity.
International Securities Identification Number	Static	Text / Numeric	The security identification code assigned to each note class or tranche pursuant to standards established by the International Standards Organisation (ISIN) or other securities code established by an exchange or other entity.
Common Code (Rule 144A)	Static	Text / Numeric	Nine-digit identification code issued for each note class or tranche jointly by CEDEL and Euroclear.
International Securities Identification Number (Reg. S)	Static	Text / Numeric	The security identification code assigned to each note class or tranche pursuant to standards established by the International Standards Organisation (ISIN) for Regulation S requirements or other securities code established by an exchange or other entity.
Common Code (Reg. S)	Static	Text / Numeric	The security identification code assigned to each note class or tranche pursuant to standards established by the Committee on Uniform Security Identification Procedures number for Regulation S requirements or other securities code established by an exchange or other entity.
Bond Issuance Date	Static	Date	Date of bond issuance.
Legal Maturity Date	Static	Date	The date which note class specific or tranche of must be repaid in order not to be in default.
Currency	Static	List	Type of currency in which the note class or tranche monetary value is expressed.
Original Principal Balance	Static	Numeric	The original principal balance of the specific note class or tranche at the issuance date.

<b>Bond Principal Details</b>			
Notional Flag	Static	Y/N	"Y" for Notional, "N" if this note class or tranche is interest only i.e. an IO strip.
Beginning Principal Balance	Static	Numeric	The outstanding principal balance of the note class or tranche at the beginning of the current period.
Scheduled Principal	Static	Numeric	The scheduled principal paid to the note class or tranche during the period.
Unscheduled Principal	Dynamic	Numeric	The unscheduled principal paid to the note class or tranche during the period.
Total Principal Distribution	Dynamic	Numeric	The total principal (scheduled and unscheduled) paid to the note class or tranche during the period.
Amortisation Type	Static	List	The amortisation method in which the note class or tranche is paid periodically.
Interest Only Period Duration	Static	Numeric	Length of interest only period in months.
Capitalised Interest	Dynamic	Numeric	Any interest added to the class balance including negative amortisation.
Principal Loss	Dynamic	Numeric	The total principal loss for the reporting period.
Cumulative Principal Losses	Dynamic	Numeric	Principal losses allocated cumulative-to-date.
Ending Principal Balance	Dynamic	Numeric	The outstanding principal balance of the note class or tranche at the end of the current period.
Payment Note factor	Dynamic	Numeric	Principal paid on the note class or tranche in the reporting period as a fraction of the note or tranche original (initial) balance ( $0 < x < 1$ ), up to 12 decimal points.
Ending Note factor	Dynamic	Numeric	Ending note class or tranche principal after the payments of the current reporting period as a fraction of the note or tranche original (initial) balance ( $0 < x < 1$ ), up to 12 decimal points.
Next Note Payment Date	Dynamic	Date	The next period note class or tranche payment/distribution date.
<b>Bond Interest Details</b>			
Index Rate Type	Static	List	The base reference interest index as defined in the offering document applicable to the specific note class or tranche. Current interest rate index.
Current Index Rate	Dynamic	Numeric	The current value of the index rate applied to the specific note class or tranche during the current accrual period, to a minimum of 5 decimal places.
Accrual Method	Static	List	The accrual method in which the note class or tranche is calculated periodically.
Current Accrual Days	Dynamic	Numeric	The number of accrual days applicable to the calculation of current period remittance interest.

Interest Accrued	Dynamic	Numeric	The amount of accrued interest.
Available Funds Cap Applicable	Static	Y/N	Does the Note class benefit an Available Funds Cap (AFC) mechanism?
Appraisal Reduction Amount	Dynamic	Numeric	Current appraisal reduction allocated to this class.
Cumulative Appraisal Reduction	Dynamic	Numeric	Total cumulative appraisal reduction allocated.
Other Interest Distribution	Dynamic	Numeric	Other specific additions to interest.
Current Interest Shortfall	Dynamic	Numeric	Interest shortfall amount for this reporting period for this class.
Cumulative Interest Shortfall	Dynamic	Numeric	Cumulative Interest Shortfall to date.
Total Interest Distribution	Dynamic	Numeric	The total interest payment made.
Beginning Unpaid Interest Balance	Dynamic	Numeric	Outstanding interest shortfall at the beginning of the current period.
Short-Term Unpaid Interest	Dynamic	Numeric	Any interest deferred in the current period and payable on the next Payment Date.
Long-Term Unpaid Interest	Dynamic	Numeric	Any interest deferred in the current period and payable on the Maturity Date.
Available Funds Cap Trigger Event	Dynamic	Y/N	Has an Available Funds Cap (AFC) event been triggered?
Next Period Index Rate	Dynamic	Numeric	The next period value of the Index rate.
Next Index Reset Date	Dynamic	Date	The next period Index Rate reset date.
<b>Liquidity Facility Details</b>			
Liquidity Facility - Beginning Balance	Dynamic	Numeric	The beginning balance of the liquidity facility.
Adjustments To The Liquidity Facility	Dynamic	Numeric	Any adjustments to the liquidity facility.
Drawdowns On The Liquidity Facility	Dynamic	Numeric	Amount of drawdown on the liquidity facility.
Repayments To The Liquidity Facility	Dynamic	Numeric	Repayment amounts to the liquidity facility.
Closing Liquidity Facility	Dynamic	Numeric	The closing balance.



Balance			
Liquidity Facility Currency	Dynamic	List	Currency of the liquidity facility.

## Annex 3 to the draft regulatory technical standards on information on structured-finance instruments

### Loan Level Data - Reporting Template for structured finance instruments backed by loans to small and medium sized enterprises

#### Assets:

Field Name	Static/Dynamic	Data Type	Field Definition & Criteria
Pool Cut-off Date	Dynamic	Date	Current pool or Portfolio cut-off date.
Pool Identifier	Static	Text/Numeric	The unique transaction or pool identification string / transaction name.
Loan Identifier	Static	Text/Numeric	Unique identifier for each loan.
Originator	Static	Text	Lender that advanced the original loan.
Servicer Identifier	Static	Text/Numeric	Unique identifier per servicer to flag which entity is servicing the loan.
Servicer Name	Dynamic	Text	Servicer name.
Borrower Identifier	Static	Text/Numeric	Unique identifier per borrower - to enable borrowers with multiple loans in the pool to be identified (e.g. further advances / other loans shown as separate entries)
<b>Obligor Information</b>			
Country	Static	List	Country of permanent establishment.
Postcode	Static	Text	First 2 or 3 characters must be provided at a minimum. Do not supply the full postcode.
Obligor Legal Form / Business Type	Static	List	
Borrower Basel III Segment	Static	List	

Originator Affiliate?	Static	Y / N	Is the borrower an affiliate of the originator?
Asset Type	Static	List	
Seniority	Dynamic	List	
Bank Internal Loss Given Default (LGD) Estimate	Dynamic	Numeric	Loss Given Default in normal economic conditions.
NACE Industry Code	Static	Text/Numeric	Borrower industry NACE Code.
<b>Lease characteristics</b>			
Loan Origination Date	Static	Date	Date of original loan advance.
Final Maturity Date	Static	Date	Final maturity date of the loan.
Loan Denomination Currency	Static	List	Loan denomination.
Loan Hedged	Dynamic	Y / N	Has the specific loan been hedged for currency risk?
Original Loan Balance	Static	Numeric	Original total loan balance.
Current Balance	Dynamic	Numeric	Amount of loan outstanding as of pool cut off date, This should include any amounts that are classed as principal in the transaction. For example if fees have been added to the loan balance and are part of the principal in the transaction these should be added. Excluding any interest arrears or penalty amounts.
Securitised Loan Amount	Static	Numeric	Balance of the securitised loan as of the cut-off date
Principal Payment Frequency	Static	List	Frequency of principal payments due, i.e. number of months between payments.
Interest Payment Frequency	Static	List	Frequency of interest payments due, i.e. number of months between payments.
Amortization Type	Dynamic	List	Amortisation Type.

Type of Loan	Static	List	
Balloon Amount	Dynamic	Numeric	The balloon payment amount
Payment type	Dynamic	List	
<b>Interest Rate</b>			
Current Interest Rate	Dynamic	Numeric	Current interest rate (%)
Interest Cap Rate	Dynamic	Numeric	Interest rate cap (%).
Interest Floor Rate	Static	Numeric	Interest rate floor (%).
Interest Rate Type	Dynamic	List	Interest Rate Type.
Current Interest Rate Index	Dynamic	List	Current interest rate index (the reference rate off which the mortgage interest rate is set).
Current Interest Rate Margin	Dynamic	Numeric	Current interest rate margin (for fixed rate loans this is the same as the current interest rate, for floating rate loans this is the margin over or under if input as a negative) the index rate.
Interest Reset Period	Static	List	
<b>Performance Information</b>			
Interest Arrears Amount	Dynamic	Numeric	Current balance of interest arrears.
Number of Days in Interest Arrears	Dynamic	Numeric	Number of days this loan is in arrears (at pool cut off date) according to the definition of the issuer
Principal Arrears Amount	Dynamic	Numeric	Current balance of principal arrears. Arrears defined as: Total principal payments due to date LESS Total principal payments received to date LESS any amounts capitalised.

Number of Days in Principal Arrears	Dynamic	Numeric	Number of days this loan is in arrears (at pool cut off date) according to the definition of the issuer.
Default or Foreclosure on the loan per the transaction definition	Dynamic	Y / N	Whether there has been a default or foreclosure on the loan per the transaction definition.
Default or Foreclosure on the loan per Basel III definition	Dynamic	Y / N	Whether there has been a default or foreclosure on the loan per Basel III definition.
Reason for Default (Basel II definition)	Dynamic	List	Using Basel II Definition Reason for default.
Default Date	Dynamic	Date	Date the loan defaulted per the transaction default definition.
Default Amount	Dynamic	Numeric	Total default amount (per the transaction default definition) before the application of sale proceeds and recoveries.
Cumulative Recoveries	Dynamic	Numeric	Total recoveries including all sale proceeds. Only relevant for loans that have defaulted/foreclosed.
Allocated Losses	Dynamic	Numeric	The allocated losses to date.
Date Loss Allocated	Dynamic	Date	The date when the loss was allocated.

#### Amortisation Profile:

Field Name	Static/Dynamic	Data Type	Field Definition & Criteria
Outstanding Balance Period 1	Dynamic	Numeric	Amortisation Profile with 0% prepayments
Outstanding Balance Period 1 Date	Dynamic	Date	Date associated with Period 1 Balance
Outstanding Balance Period [2-120]	Dynamic	Numeric	Amortisation Profile with 0% prepayments

Outstanding Balance Period [2-120] Date	Dynamic	Date	Date associated with Period [2-120] Balance
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#### Collateral:

Field Name	Static/Dynamic	Data Type	Field Definition & Criteria
<b>Collateral</b>			
Collateral ID	Static	Text	Unique collateral code for the originating entity.
Loan Identifier	Static	Text/Numeric	Unique loan identifier associated with the collateral. These should match the identifiers from field “Loan Identifier”.
Security Type	Static	List	Is there a Fixed or Floating charge over the assets?
Collateral Type	Static	List	Collateral Type.
Original Valuation Amount	Static	Numeric	Property value as of date of latest loan advance prior to a securitization.
Original Valuation Date	Static	Date	Date of latest property valuation at time of latest loan advance prior to a securitization.
Current Valuation Date	Dynamic	Date	This should be the date of the most recent valuation CS4. If No Data available enter ND.
Original Valuation Type	Static	List	Valuation type at origination.
Ranking	Dynamic	Text	
Property Postcode	Static	Text	First 2 or 3 characters must be provided at a minimum.
Origination Channel / Arranging Bank or Division	Static	List	
Collateral Currency	Static	List	This should be the currency relating to the valuation amount in “Collateral Value”.
Number of Collateral Items Securing The Loan	Dynamic	Numeric	The total number of collateral pieces securing the loan. The number should reflect the number of collateral reports submitted for the loan in the current file.

# **Bond Info:**

Field Name	Dynamic/Static	Data Type	Field Definition & Criteria
<b>Fields at Security or Bond Level Data</b>			
Report Date	Dynamic	Date	The date on which the transaction report was issued.
Issuer	Static	Text	Name of issuer and issue series, if applicable.
Drawings under Liquidity Facility	Dynamic	Y / N	If the transaction has a liquidity facility confirm whether or not there has been a drawing under the liquidity facility in the period ending on the last interest payment date.
<b>Fields at Collateral Level Data</b>			
Trigger Measurements/Ratios	Dynamic	Y / N	Have any trigger event occurred? The status of various delinquency, dilution, default, loss and similar collateral measurements and ratios in relation to their early amortisation or other trigger event levels, as at the current determination date.
Average Constant Pre-payment Rate	Dynamic	Numeric	The report shall include the Average (Avg) Constant Pre-payment Rate (CPR) speed of the underlying loans. Avg CPR speed is the amount expressed as an annualised percentage of principal prepaid in excess of scheduled repayments. The Avg CPR speed is calculated by first dividing the Current Loan Principal Balance (i.e. the actual balance) by the Scheduled Loan Principal Balance assuming no pre-payments have been made (i.e. only scheduled repayments have been made). This quotient is then raised to a power whereby the exponent is the quantity twelve divided by the number of months since issue. Subtract this result from one then multiply it by one hundred (100) to

			determine the Avg CPR speed.
<b>Fields for Transaction Report Contact Information</b>			
Point Contact	Static	Text	Name of the department or the point person(s) of the information sources.
Contact Information	Static	Text	Telephone number & e-mail address.

#### Bond Info by Tranche:

Field Name		Data Type	Field Definition & Criteria
<b>Fields at Tranche Level</b>			
Bond Class Name	Static	Text / Numeric	The designation (typically a letter and/or number) given to a tranche of Bonds which exhibit the same rights, priorities and characteristics as defined in the prospectus i.e. Series 1, Class A1 etc.
International Securities Identification Number	Static	Text / Numeric	The security identification code assigned to each class of SME pursuant to standards established by the International Standards Organisation (ISIN) or other unique securities code established by an exchange or other entity.
Interest Payment Date	Dynamic	Date	The periodic date on which the last payment of interest to holders of a specific tranche of bonds is scheduled to occur.
Principal Payment Date	Dynamic	Date	The last periodic date on which a payment of principal to holders of a specific tranche of bonds is scheduled to occur.
Bond Currency	Static	Text	Bond denomination.
Reference Rate	Static	List	The base reference interest index as defined in the offering document



			(e.g. 3 month EURIBOR) applicable to a specific tranche of bonds.
Legal Maturity	Static	Date	The date before which a specific tranche of bonds must be repaid in order not to be in default.
Bond Issue Date	Static	Date	Date the bonds were issued.

## Annex 4 to the draft regulatory technical standards on information on structured-finance instruments

### Loan Level Data - Reporting Template for structured finance instruments backed by auto-loans

#### Assets:

Field Name	Static/Dynamic	Data Type	Field Definition & Criteria
<b>Deal-Specific Information</b>			
Pool Cut-off Date	Dynamic	YYYY-MM-DD	Pool or Portfolio cut-off date. This is the date at which the underlying asset data within the report is referenced.
Pool Identifier	Static	Text/Numeric	Pool or Portfolio identifier / name of transaction.
Servicer Name	Dynamic	Text/Numeric	Unique identifier per servicer to flag which entity is servicing the loan or lease.
Backup Servicer Name	Dynamic	Text	Name of the Backup Servicer.
<b>Loan or Lease-Level Information</b>			
Loan or Lease Identifier	Static	Text/Numeric	Unique identifier for the loan or lease. The ID should not change through the life of the transaction.
Originator	Static	Text	Lender that advanced the original loan or lease.
Borrower Identifier	Static	Text/Numeric	Unique identifier for the borrower or lessee.
Group Company Identifier	Dynamic	Text	Unique group company identifier which identifies the borrower's ultimate parent company.
Loan or Lease Currency Denomination	Static	List	The loan or lease currency denomination.
Borrower's Employment Status	Static	List	Employment status of the primary applicant.
Primary Income	Static	9(11).99	Primary borrower underwritten gross annual income.

Primary Income Currency	Static	List	The income currency denomination
Amortisation Type	Dynamic	List	Amortisation type.
Income Verification for Primary Income	Static	List	Income verification for primary income.
Geographic Region	Static	List	The region where the borrower is located as at underwriting.
Origination Date	Static	YYYY-MM	Date of original loan advance or lease commencement.
Expected Loan or Lease Maturity	Dynamic	YYYY-MM	The expected date of maturity of the loan or expiry of the lease.
Original Loan or Lease Term	Static	Numeric	Original contractual term (number of months).
Pool Addition Date	Static	YYYY-MM	The date that the loan or lease was transferred to the SPV.
Original Principal Balance	Static	9(11).99	Borrower's loan principal balance or discounted lease balance (inclusive of capitalised fees) at origination.
Current Principal Outstanding Balance	Dynamic	9(11).99	Borrower's loan or discounted lease balance outstanding as of the pool cut-off date. This should include any amounts that are secured against the vehicle. For example if fees have been added to the balance and are part of the principal in the transaction these should be added.
Scheduled Payment Due	Dynamic	9(11).99	The next contractual scheduled payment due (the payment due if there are no other payment arrangements in force).
Scheduled Payment Frequency	Dynamic	List	Scheduled Payment Frequency.
Down Payment Amount	Static	9(11).99	Amount of deposit/down payment on origination of loan or lease (this should include the value of traded-in vehicles etc.)
Original Loan to Value	Static	9(3).99	The LTV of the vehicle at origination, which may be rounded to the nearest 5 per cent.
Product Type	Static	List	Product Type.
Option to Buy Price	Static	9(11).99	The amount the borrower has to pay at the end of the lease or loan in order to take ownership of the vehicle.
Interest Rate Reset Interval	Static	9(2).99	Number of months between each interest rate reset date on the loan or lease.
Current Interest or Discount	Dynamic	9(4).9(5)	Total current interest or discount rate (%) applicable to the loan or lease

Rate			(may be rounded to the nearest half a per cent).
Current Interest Rate Basis	Dynamic	List	Current Interest Rate Basis.
Current Interest Rate Margin	Dynamic	9(4).9(5)	Current interest rate (%) margin of the loan or lease (may be rounded to the nearest half a per cent). For fixed-rate loans, this is the same as Current Interest or Discount Rate. For floating rate loans this is the margin over (or under, in which case input as a negative) the index rate.
Discount Rate	Static	9(4).9(5)	Discount rate applied to the receivable when it was sold to the SPV (may be rounded to the nearest half per cent).
Car Manufacturer	Static	Text	Brand name of the vehicle manufacturer.
Car Model	Static	Text/Numeric	Name of the car model.
New or Used Car	Static	List	Condition of vehicle at point of loan or lease origination.
Original Residual Value of Vehicle	Static	9(11).99	The estimated residual value of the vehicle, at the date of loan or lease origination. Response may be rounded.
Securitised Residual Value	Static	9(11).99	Residual value amount which has been securitised only. Response may be rounded.
Updated Residual Value of Vehicle	Dynamic	9(11).99	Most recent estimated residual value of vehicle at end of contract. Response may be rounded.
Date of Updated Residual Valuation of Vehicle	Dynamic	YYYY-MM	The date that the most recent updated estimation of the residual value of the vehicle was calculated. If no update has been performed, enter the date of the original valuation.
Customer Type	Static	List	Legal form of customer.
Payment method	Dynamic	List	Usual method of payment (can be based upon last payment received).
Date Removed from the Pool	Dynamic	YYYY-MM	Date that the loan or lease was removed from the pool e.g. on repurchase, redemption, prepayment or end of recovery process.
Interest Cap Rate	Dynamic	9(4).9(8)	If there is a cap to the interest rate that can be charged on this account, enter this cap here – do not include the % symbol.
Interest Floor Rate	Dynamic	9(4).9(8)	If there is a floor to the interest rate that can be charged on this account, enter this floor here – do not include the % symbol.
Arrears Balance	Dynamic	9(11).99	Current balance of arrears.

Number of Months in Arrears	Dynamic	9(5).99	Number of months the loan or lease is in arrears as of the pool cut-off date.
Default Date	Dynamic	YYYY-MM	The date of default.
Gross Default Amount	Dynamic	9(11).99	Gross default amount on this account.
Sale Price	Dynamic	9(11).99	
Loss on Sale	Dynamic	9(11).99	Gross default amount less sale proceeds (excluding prepayment charge if subordinate to principal recoveries).
Cumulative Recoveries	Dynamic	9(11).99	Cumulative recoveries on this account, net of costs.
Redemption Date	Dynamic	YYYY-MM	Date on which account redeemed or date that the recovery process was completed for defaulted loans.
Residual Value Losses	Dynamic	9(11).99	Residual value loss arising on turn-in of vehicle.
Account Status	Dynamic	List	Current status of account

#### Bond Info:

Bond-Level Information			
Report Date	Dynamic	YYYY-MM-DD	The date on which the transaction report was issued i.e. the submission date of the completed loan-level data template to the data repository.
Issuer	Static	Text	Name of issuer and issue series, if applicable.
All Reserve Accounts at Target Balance	Dynamic	Y/N	Are all reserve accounts (cash reserve, commingling reserve, set-off reserve etc.) at their required levels?
Drawings under Liquidity Facility	Dynamic	Y/N	Has the liquidity facility been used to cover shortfalls in the period ending on the last interest payment date?
Trigger Measurements/Ratios	Dynamic	Y/N	Has any trigger event occurred?
Annualised Constant	Dynamic	9(3).99	The annualised Constant Prepayment Rate (CPR) of the underlying receivables based upon

Prepayment Rate			the most recent periodic CPR. Periodic CPR is equal to the total unscheduled principal received in the most recent period divided by the start of period principal balance.	
Total Receivables Sold to SPV	Dynamic	9(11).99	Sum of principal amount of receivables sold to SPV (i.e. at closing and during the replenishment period if applicable) to date.	
Cumulative Gross Defaults – Pool	Dynamic	9(11).99	Sum of all gross defaults since closing, in currency amount.	
Cumulative Recoveries - Pool	Dynamic	9(11).99	Sum of all recoveries since closing, net of costs, in currency amount.	
Revolving Period End Date	Dynamic	YYYY-MM	The date that the revolving period is expected to end, or actually ended.	
Transaction Report Contact Information				
Point Contact		Static	Text/Numeric	Name of the department and the point person(s) of the information sources.
Contact Information		Static	Text/Numeric	Telephone number & e-mail address.

#### Bond Info by Tranche:

Field Name	Dynamic/Static	Data Type	Field Definition & Criteria
<b>Tranche Level Information</b>			
Bond Class Name	Static	Text/Numeric	The designation (typically a letter and/or number) given to this tranche of bonds which exhibit the same rights, priorities and characteristics as defined in the prospectus i.e. Series 1 Class A1a etc.
International Securities Identification Number	Static	Text/Numeric	The international security identification code or codes, or if no ISIN, then any other unique securities code such as a CUSIP, assigned to this tranche by an exchange or other entity. If more than one code, enter comma-delimited.
Interest Payment Date	Dynamic	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which interest payments are scheduled to be distributed to bondholders of

			this tranche.
Principal Payment Date	Dynamic	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which principal payments are scheduled to be distributed to bondholders of this tranche.
Bond Currency	Static	List	The denomination of this tranche.
Reference Rate	Static	List	The base reference interest index as defined in the offering document (e.g. 3 month EURIBOR) applicable to this specific tranche.
Legal Maturity	Static	YYYY-MM-DD	The date before which this specific tranche must be repaid in order not to be in default.
Bond Issue Date	Static	YYYY-MM-DD	Date the bonds were issued.
Interest Payment Frequency	Static	List	The frequency with which interest is due to be paid on this tranche.

#### Annex 5 to the draft regulatory technical standards on information on structured-finance instruments

##### Loan Level Data - Reporting Template for structured finance instruments backed by loans to consumers

#### Assets:

Field Name	Dynamic/Static	Data Type	Field Definition & Criteria
<b>Deal-Specific Information</b>			
Pool Cut-off Date	Dynamic	YYYY-MM-DD	Pool or Portfolio cut-off date. This is the date at which the underlying asset data within the report is referenced.

Pool Identifier	Static	Text/Nu meric	Pool or Portfolio identifier / name of transaction.
Servicer Name	Dynamic	Text/Nu meric	Unique identifier per servicer to flag which entity is servicing the loan. '
Backup Servicer Name	Dynamic	Text	Name of the Backup Servicer.
<b>Loan Level Information</b>			
Loan Identifier	Static	Text/Nu meric	Unique identifier for a particular loan in the pool.
Originator	Static	Text	Lender that advanced the original loan.
Borrower Identifier	Static	Text/Nu meric	Unique identifier for a borrower. This must be encrypted (i.e. not the actual identification num- ber) to ensure anonymity of the borrower.
Loan Currency Denom- ination	Static	List	Loan currency denomination.
Total Credit Limit	Dynamic	9(11).99	For loans with flexible re-draw / revolving characteristics – the maximum loan amount that could potentially be outstanding.
Revolving End Date - Loan	Dynamic	YYYY- MM	For loans with flexible re-draw / revolving characteristics – the date when the flexible features are expected to expire i.e. when the revolving period will end.
Borrower's Employ- ment Status	Static	List	Employment status of the primary applicant.
Primary Income	Static	9(11).99	Primary borrower underwritten gross annual income (not rent). Should be rounded to the nearest 1000 units.
Primary Income Cur- rency	Static	List	The income currency denomination.
Income Verification for Primary Income	Static	List	Income verification for primary income.



Geographic Region	Static	List	The region where the borrower is located.
Origination Date	Static	YYYY-MM	Date of original loan advance.
Expected Loan Maturity	Dynamic	YYYY-MM	The expected date of maturity of the loan.
Original Loan Term	Static	Numeric	Original contractual term (number of months).
Pool Addition Date	Static	YYYY-MM	The date that the loan was transferred to the SPV.
Original Principal Balance	Static	9(11).99	Original loan principal balance (inclusive of capitalised fees) at origination.
Current Principal Outstanding Balance	Dynamic	9(11).99	The loan principal balance outstanding as of the pool cut-off date. Exclude any interest arrears or penalty amounts.
Scheduled Payment Due	Dynamic	9(11).99	The next contractual scheduled payment due (the payment due if there are no other payment arrangements in force).
Scheduled Payment Frequency	Dynamic	List	Payment Frequency.
Repayment Method	Dynamic	List	Type of principal repayment.
Interest Rate Reset Interval	Static	9(2).99	Number of months between each interest rate reset date.
Current Interest Rate	Dynamic	9(4).9(8)	Total current interest rate (%) applicable to the loan. Do not include the % symbol.
Current Interest Rate Basis	Dynamic	List	Current interest rate basis.
Current Interest Rate Margin	Dynamic	9(4).9(5)	Current interest rate (%) margin of the loan. For fixed-rate loans, this is the same as Current Interest Rate.
Number of Borrowers	Dynamic	Numeric	Number of borrowers to the loan.

Percentage of Prepayments allowed	Dynamic	9(3).99	Maximum percentage of the outstanding balance allowed annually as a prepayment without incurring a penalty. Do not include the % symbol.
Early Repayment Charges	Dynamic	9(3).99	Percentage of the outstanding balance which is payable as a charge if the prepayment limit is exceeded. Do not include the % symbol.
Customer Type	Static	List	Customer type at origination.
Payment Method	Dynamic	List	Usual method of payment (can be based upon last payment received).
Date Removed from the Pool	Dynamic	YYYY-MM	Date that the loan was removed from the pool e.g. on repurchase, redemption, prepayment or end of recovery process.
Employee	Static	Y/N	Is the borrower an employee of the originator?
Interest Cap Rate	Dynamic	9(4).9(8)	If there is a cap to the interest rate that can be charged on this account, enter this cap here.
Interest Floor Rate	Dynamic	9(4).9(8)	If there is a floor to the interest rate that can be charged on this account, enter this floor here.
<b>Performance Information</b>			
Arrears Balance	Dynamic	9(11).99	Current balance of arrears, defined as the sum of minimum contractual payments due but unpaid by the borrower.
Number of Months in Arrears	Dynamic	9(5).99	Number of months the loan is in arrears as of the pool cut-off date.
Default Date	Dynamic	YYYY-MM	The date of default.
Gross Default Amount	Dynamic	9(11).99	Gross default amount on this account.
Cumulative Recoveries	Dynamic	9(11).99	Cumulative recoveries on this account, net of costs.
Redemption Date	Dynamic	YYYY-MM	Date on which account redeemed or the date that the recovery process was completed for defaulted loans.
Account Status	Dynamic	List	Current status of account.

Arrears Balance Capitalised	Dynamic	9(11).99	Sum of arrears capitalised to date.
Date of Most Recent Arrears Capitalisation	Dynamic	YYYY-MM	Most recent date that arrears were capitalised on this account.

### Bond Info:

Field Name	Dynamic/Static	Data Type	Field Definition & Criteria
<b>Security or Bond Level Information</b>			
Report Date	Dynamic	YYYY-MM-DD	The date on which the transaction report was issued i.e. the submission date of the completed loan-level data template to the data repository.
Issuer	Static	Text	Name of issuer and issue series, if applicable.
All Reserve Accounts at Target Balance	Dynamic	Y/N	Are all reserve accounts (cash reserve, commingling reserve, set-off reserve etc.) at their required levels?
Drawings under Liquidity Facility	Dynamic	Y/N	Has the liquidity facility been used to cover shortfalls in the period ending on the last interest payment date?
Trigger Measurements/Ratios	Dynamic	Y/N	Has any trigger event occurred?
Annualised Constant Prepayment Rate	Dynamic	9(3).99	The annualised Constant Prepayment Rate (CPR) of the underlying receivables based upon the most recent periodic CPR. Periodic CPR is equal to the total unscheduled principal received in the most recent period divided by the start of period principal balance. This is then annualised as follows:  $1 - ((1 - \text{Periodic CPR})^{\text{number of periods in a year}})$

			Do not include the % symbol.
Total Receivables Sold to SPV	Dynamic	9(11).99	Sum of principal amount of receivables sold to SPV (i.e. at closing and during the replenishment period if applicable) to date.
Cumulative Gross Defaults – Pool	Dynamic	9(11).99	Sum of all gross defaults since closing, in currency amount.
Cumulative Recoveries - Pool	Dynamic	9(11).99	Sum of all recoveries in the pool since closing, net of costs, in currency amount.
Revolving Period End Date	Dynamic	YYYY-MM	The date that the transaction revolving period is expected to end, or actually ended.
<b>Transaction Report Contact Information</b>			
Point Contact	Static	Text/Numeric	Name of the department and the point person(s) of the information sources.
Contact Information	Static	Text/Numeric	Telephone number and e-mail address.

### Bond Info by Tranche:

<b>Tranche Level Information</b>			
Bond Class Name	Static	Text/Numeric	The designation (typically a letter and/or number) given to a tranche of bonds which exhibit the same rights, priorities and characteristics as defined in the prospectus i.e. Series 1 Class A1a etc.
International Securities Identification Number	Static	Text/Numeric	The international security identification code or codes, or if no ISIN then any other unique securities code such as a CUSIP, assigned to this tranche by an exchange or other entity. If more than one code, enter comma-delimited.

Interest Payment Date	Dynamic	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which interest payments are scheduled to be distributed to bondholders of this tranche.
Principal Payment Date	Dynamic	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which principal payments are scheduled to be distributed to bondholders of this tranche.
Bond Currency	Static	List	The denomination of this tranche.
Reference Rate	Static	List	The base reference interest index as defined in the prospectus applicable to this specific tranche.
Legal Maturity	Static	YYYY-MM-DD	The date by which this specific tranche must be fully repaid in order not to be in default.
Bond Issue Date	Static	YYYY-MM-DD	Date the bonds were issued.
Interest Payment Frequency	Static	List	The frequency with which interest is due to be paid on this tranche.

## Annex 6 to the draft regulatory technical standards on information on structured-finance instruments

### Loan Level Data - Reporting Template for structured finance instruments backed by credit card loans

#### Assets:

Field Name	Dynamic/Static	Data Type	Field Definition & Criteria
<b>Deal-Specific Information</b>			
Pool Cut-Off Date	Dynamic	YYYY-MM-DD	Pool or portfolio cut-off date. This is the date at which the underlying asset data within the report is referenced.
Pool Identifier	Static	Text/Numeric	Pool or portfolio identifier e.g. Master Issuer plc, or SPV 2012-1 plc.
Servicer Name	Static	Text/Numeric	Name of the entity servicing the account.
Backup Servicer Name	Dynamic	Text/Numeric	Name of the backup servicer.
Seller	Static	Text/Numeric	Name of Seller.
Type of Transaction	Static	List	Standalone, Master Trust - Capitalist, Master Trust – Socialist or Other.
<b>Loan Level Information</b>			
Account Identifier	Static	Text/Numeric	Unique identifier for a particular account in the pool; must be encrypted to ensure data protection.
Originator	Static	Text/Numeric	Lender that originated the account. If unknown, please enter Seller.
Borrower Identifier	Static	Text/Numeric	Unique identifier for a particular borrower; must be encrypted to ensure data protection. This may be the same as the Account Identifier.
Currency Denomination Of Receivable	Static	List	The currency in which the receivable is denominated.
Pool Addition Date	Static	YYYY-MM	Date that the account entered the pool.

Borrower's Employment Status	Static	List	Employment status of the primary applicant.
Primary Income Currency	Static	List	Primary income currency denomination.
Income Verification For Primary Income	Static	List	Income verification for primary income.
Geographic Region	Dynamic	List	The region where the borrower is located.
Employee	Static	Y/N	Is the borrower an employee of the originator or seller?
Account Opening Date	Static	YYYY-MM	The date that the account was opened.
Total Current Balance	Dynamic	9(11).99	What is the total current amount owed by the borrower (including all fees and interest) on the account?
Total Credit Limit	Dynamic	9(11).99	What is the credit limit of the borrower on the account?
Scheduled Payment Frequency	Dynamic	List	What is the minimum frequency with which the borrower are obliged to make payments if they have a balance outstanding.
Next Minimum Contractual Payment	Dynamic	9(11).99	The next minimum scheduled payment due from the borrower.
Current Blended Yield	Dynamic	9(3).99	Total weighted average yield including all fees applicable at last billing date (i.e. this is billed, not cash yield) (%).
Current Interest Rate Basis	Dynamic	List	Current interest rate basis.
Account Status	Dynamic	List	Current status of account.
Arrears Balance	Dynamic	9(11).99	Current balance of arrears, defined as the sum of minimum contractual payments due but unpaid by the borrower.
Arrears Balance Capitalised	Dynamic	9(11).99	Sum of arrears capitalised to date.
Date of Most Recent Arrears Capitalisation	Dynamic	YYYY-MM	Most recent date that arrears were capitalised on this card.
Number Of Days In Arrears	Dynamic	Numeric	Number of days the account is in arrears as of the pool cut-off date.
Payment Method	Dynamic	List	Usual method of payment (can be based upon last payment received).
Date Of Charge Off	Dynamic	YYYY-MM	The date of default.

Original Charge Off Amount	Dynamic	9(11).99	The total balance on the account at the date the account was charged-off.
Cumulative Recoveries	Dynamic	9(11).99	Cumulative recoveries – only relevant for accounts that have charged-off. For accounts that have not been charged-off, enter 0.

### Pool & Bond Info:

Field Name	Dynamic/Static	Data Type	Field Definition & Criteria
<b>Collateral Level Data (To be completed for all structures)</b>			
Gross Charge Offs In The Period	Dynamic	9(11).99	Face value of gross principal charge-offs (i.e. before recoveries) for the period. Charge-off is as per transaction definition, or alternatively per lender's usual practice.
Recoveries In The period	Dynamic	9(11).99	Gross recoveries received during the period.
Delinquencies 30-59 Days %	Dynamic	9(3).99	Based upon total balance of receivables, not number of accounts (%).
Delinquencies 60-89 Days %	Dynamic	9(3).99	Based upon total balance of receivables, not number of accounts (%).
Delinquencies 90-119 Days %	Dynamic	9(3).99	Based upon total balance of receivables, not number of accounts (%).
Delinquencies 120-149 Days %	Dynamic	9(3).99	Based upon total balance of receivables, not number of accounts (%).
Delinquencies 150-179 Days %	Dynamic	9(3).99	Based upon total balance of receivables, not number of accounts (%).



Delinquencies 180+ Days %	Dynamic	9(3).99	Based upon total balance of receivables, not number of accounts (%).
Dilutions	Dynamic	9(11).99	Total reductions in principal receivables during the period i.e. inclusive of S75 and fraud claims.
Revenue Collections In The Period	Dynamic	9(11).99	Collections treated as revenue in the period.
Principal Collections In The Period	Dynamic	9(11).99	Collections treated as principal in the period.
Any Trigger Occurrence	Dynamic	Y/N	Has any trigger event occurred, that is still outstanding? e.g. any pay-out event, any trigger based upon the originator's rating, status or value of delinquencies, yield, dilutions, defaults etc.
SPV Size - Value	Dynamic	9(11).99	Face value of all receivables (principal and charges) in which the trust or SPV has a beneficial interest at the cut-off date.
SPV Size - Number Of Accounts	Dynamic	9(11).99	Number of accounts in which the trust or SPV has a beneficial interest at the cut-off date.
SPV Size - Value - Principal Only	Dynamic	9(11).99	Face value of all receivables (principal only) in which the trust or SPV had a beneficial interest at the cut-off date.
Note Balance	Dynamic	9(11).99	Face value of all asset-backed notes, collateralised by the receivables in the trust or SPV.
Transferor Interest %	Dynamic	9(3).99	The actual transferor's interest in the trust, expressed as a percentage.

Excess Spread Amount	Dynamic	9(11).99	The amount remaining after note interest and topping up of any reserve account.
Report Date	Dynamic	YYYY-MM-DD	The date on which the transaction report was issued.
<b>Series Level Information (For master trusts only)</b>			
Series Name	Static	Text/Numeric	Name of series, if part of a master trust.
Investor Interest For This Series At End Of Period %	Dynamic	9(3).9(5)	The investor's interest of this series in the trust, expressed as a percentage.
Revenue Allocated To This Series	Dynamic	9(11).99	Revenue amounts allocated to this series from the trust.
Excess Spread Amount	Dynamic	9(11).99	The amount remaining after the period's collections have been fully applied to cover the issuer's obligations per the revenue waterfall in the transaction documentation.
<b>Transaction Report Contact Information</b>			
Point Contact	Static	Text/Numeric	Name of the department and the point person(s) of the information sources.
Contact Information	Static	Text/Numeric	Telephone number and email address.

#### Bond Info by Tranche:

Field Name	Dynamic/Static	Data Type	Field Definition & Criteria
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Tranche Level Information (For this series only)			
Bond Class Name	Static	Text/Numeric	The designation (typically a letter and/or number) given to a tranche of bonds which exhibit the same rights, priorities and characteristics as defined in the prospectus e.g. 2012 Class A1a etc.
International Securities Identification Number	Static	Text/Numeric	The international security identification code or codes, or if no ISIN then any other unique securities code such as a CUSIP, assigned to this tranche by an exchange or other entity. If more than one code, enter comma-delimited.
Interest Payment Date	Dynamic	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which interest payments are scheduled to be distributed to bondholders of this tranche.
Principal Payment Date	Dynamic	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which principal payments are scheduled to be distributed to bondholders of this tranche.
Bond Currency	Static	List	The denomination of this tranche.
Reference Rate	Static	List	The base reference interest index as defined in the prospectus or final terms applicable to this specific tranche.
Legal Maturity	Static	YYYY-MM-DD	The date by which this specific tranche must be fully repaid in order not to be in default.
Bond Issue Date	Static	YYYY-MM-DD	Date this bond was issued.
Interest Payment Frequency	Static	List	The frequency with which interest is due to be paid on this specific tranche.
Series name	Static	Text/Numeric	Name of series, if part of a master trust. If standalone, use Pool Identifier.

## Annex 7 to the draft regulatory technical standards on information on structured-finance instruments

### Loan Level Data - Reporting Template for structured finance instruments backed by leases to individuals or businesses

Field Name	Dynamic/Static	Data Type	Field Definition & Criteria
<b>Deal-Specific Information</b>			
Pool Cut-off Date	Dynamic	YYYY-MM-DD	Pool or Portfolio cut-off date. This is the date at which the underlying asset data within the report is referenced.
Pool Identifier	Static	Text/Numeric	Pool or Portfolio identifier / name of transaction.
Servicer Name	Dynamic	Text/Numeric	Servicer name.
Backup Servicer Name	Dynamic	Text	Name of the Backup Servicer.
<b>Lease-Level Information</b>			
Lease Identifier	Static	Text/Numeric	Unique identifier (ID) for each Lease which should be encrypted to ensure anonymity. The Lease ID should not change through the life of the transaction.
Originator	Static	Text	Lender that advanced the original Lease. Where original originator is not known, for example in case of mergers, name of Seller to be provided.
Lessee Identifier	Static	Text/Numeric	Unique identifier (ID) per Lessee which should be encrypted (not showing the real name) to ensure anonymity - to enable Lessees with multiple Leases in the pool to be identified.
Group Company Identifier	Dynamic	Text/Numeric	Unique group company identifier.
Lease Currency Denomination	Static	List	Lease currency denomination.
Country	Static	List	Country of permanent establishment of the lessee.
Geographic Region	Static	List	The region where the obligor is located as at underwriting.

Lessee Legal Form / Business Type	Static	List	Legal form of lessee.
Borrower Basel III Segment	Static	List	Corporate (1).
Originator Affiliate?	Static	Y/N	Is the borrower an affiliate of the originator?
Syndicated?	Static	Y/N	Is the lease syndicated?
Bank Internal Rating	Dynamic	99(3).99	Bank internal 1 Year Probability of Default.
Last Internal Obligor Rating Review	Dynamic	YYYY-MM	Date of last internal review of obligor as referenced in “Bank Internal Rating”.
Bank Internal Loss Given Default (LGD) Estimate	Dynamic	9(3).99	Loss Given Default in normal economic conditions. Do not include the % symbol.
NACE Industry Code	Static	Text/Numeric	Borrower industry NACE Code.
Subsidised	Dynamic	Y/N	Is the lease subsidised (to the best of your knowledge)?
Date Removed from the Pool	Dynamic	YYYY-MM	Date that the lease was removed from the pool e.g. on repurchase, expiry of lease term, prepayment or end of recovery process.
<b>Lease characteristics</b>			
Lease Origination Date	Static	YYYY-MM	Date of lease origination.
Date of Lease Maturity	Dynamic	YYYY-MM	The expected expiry date of the lease maturity.
Pool Addition Date	Static	YYYY-MM	Date that the lease was transferred to the SPV. For all leases in the pool as at the date of the pool cut-off.
Lease Term	Static	99(4).99	Original contractual term (number of months).
Original Principal Balance	Static	9(11).99	Original Principal (or discounted) lease balance (inclusive of capitalised fees) at origination.
Current Principal Outstanding Balance	Dynamic	9(11).99	Principal (or discounted) lease balance outstanding as of the pool cut-off date, including any amounts that have been added to the lease balance and are part of the principal in the transaction.

Securitised Residual Value	Static	9(11).99	Residual value amount which has been securitised only.
Repayment Method	Static	List	Type of principal repayment.
Principal Payment Frequency	Static	List	Frequency of principal payments due, i.e. number of months between payments.
Interest Payment Frequency	Static	List	Frequency of interest payments due, i.e. number of months between payments.
Payment Due	Dynamic	9(11).99	The next periodic contractual payment due (the payment due if there are no other payment arrangements in force).
Option to Buy Price	Static	9(11).99	The amount the lessee has to pay at the end of the lease in order to take ownership of the asset, other than the payment referred to in field “Securitized Residual Value”.
Down Payment Amount	Static	9(11).99	Amount of deposit/down payment on origination of lease (this should include the value of traded-in equipment etc.).
Amortisation Type	Dynamic	List	Amortisation type.
Payment Method	Dynamic	List	Usual method of payment (can be based upon last payment received).
Product Type	Static	List	The classification of the lease, per lessor's definitions.
Updated Residual Value of Asset	Dynamic	9(11).99	Most recent forecast residual value of the asset at the end of the lease term. Response may be rounded.
Date of Updated Residual Valuation of Asset	Dynamic	YYYY-MM	The date that the most recent updated estimation of the residual value of the asset was calculated.
<b>Interest Rate</b>			
Interest Rate Reset Interval	Static	9(2).99	Number of months between each interest rate reset date.
Current Interest Rate or Discount Rate	Dynamic	9(4).9(5)	Total current interest rate (%) or discount rate applicable to the lease.
Current Interest Rate Basis	Dynamic	List	Current interest rate basis.

Current Interest Rate Margin	Dynamic	9(4).9(5)	Current interest rate margin of the lease.
Discount Rate	Static	9(4).9(5)	Discount rate applied to the receivable when it was sold to the SPV.
Interest Cap Rate	Dynamic	9(4).9(8)	If there is a cap to the interest rate that can be charged on this account, enter this cap here.
Interest Floor Rate	Dynamic	9(4).9(8)	If there is a floor to the interest rate that can be charged on this account, enter this floor here.
<b>Performance Information</b>			
Arrears Balance	Dynamic	9(11).99	Current balance of arrears. Arrears defined as: Total payments due to date LESS Total payments received to date LESS any amounts capitalised. This should not include any fees applied to the account.
Number of Months in Arrears	Dynamic	9(5).99	Number of months this Lease is in arrears (at pool cut-off date) according to the definition of the issuer.
Default or Foreclosure on the Lease	Dynamic	Y/N	Whether there has been a default or foreclosure on the lease per the transaction definition, or alternatively, per the lessor's usual definition.
Default or Foreclosure on the Lease per Basel III definition	Dynamic	Y/N	Whether there has been a default or foreclosure on the Lease per Basel III definition.
Reason for Default (Basel III definition)	Dynamic	List	Using Basel III definition, reason for default.
Default Date	Dynamic	YYYY-MM	Date the Lease defaulted per the transaction default definition, or alternatively, per the lessor's usual definition.
Default Amount	Dynamic	9(11).99	Total default amount (per the transaction definition, or alternatively, per the lessor's usual definition) before the application of sale proceeds and recoveries.
Cumulative Recoveries	Dynamic	9(11).99	Cumulative recoveries on this account, net of costs.
Allocated Losses	Dynamic	9(11).99	The allocated losses to date.

Redemption Date	Dynamic	YYYY-MM	Date on which account redeemed or the date that the recovery process was completed for defaulted leases.
Date Loss Allocated	Dynamic	YYYY-MM	The date when the loss was allocated.
Account Status	Dynamic	List	Current status of account.
Arrears 1 Month Ago	Dynamic	9(11).99	Arrears balance (defined as per 'arrears balance') for the previous month.
Arrears 2 Months Ago	Dynamic	9(11).99	Arrears balance (defined as per 'arrears balance') two months ago.
Litigation	Dynamic	Y/N	Flag to indicate litigation proceedings underway (if account has recovered and is no longer being actively litigated this should be re-set to N).
Sale Price	Dynamic	9(11).99	Price achieved on sale of asset in case of foreclosure, in same currency denomination as lease.
Loss on Sale	Dynamic	9(11).99	Total loss net of fees, accrued interest etc. after application of sale proceeds (excluding prepayment charge if subordinate to principal recoveries).
Residual Value Losses	Dynamic	9(11).99	Residual value loss arising on turn-in of asset.
<b>Collateral</b>			
Country of Asset	Static	List	The country where the asset is located.
Asset Manufacturer	Static	Text	Name of the manufacturer.
Asset Name/Model	Static	Text	Name of the asset/model.
New or Used Asset	Static	List	Condition of asset at point of lease origination.
Original Residual Value of Asset	Static	9(11).99	The estimated residual value of the asset at the date of lease origination.
Asset Type	Static	List	Asset Type.
Original Valuation amount	Static	9(11).99	Valuation of asset at lease origination.
Original Valuation type	Static	List	Valuation type at lease origination.
Original Valuation date	Static	YYYY-MM	Date of asset valuation at origination.
Updated Valuation amount	Dynamic	9(11).99	Latest asset valuation.



Updated Valuation type	Dynamic	List	Valuation type at most recent valuation date.
Updated Valuation date	Dynamic	YYYY-MM	Date of latest asset valuation. If no revaluation has occurred since origination, enter original valuation date.

#### Bond Info:

Field Name	Dynamic/Static	Data Type	Field Definition & Criteria
<b>Security or Bond Level Information</b>			
Report Date	Dynamic	YYYY-MM-DD	The date on which the transaction report was issued i.e. the submission date of the completed loan-level data template to the data repository.
Issuer	Static	Text	Name of issuer and issue series, if applicable.
All Reserve Accounts at Target Balance	Dynamic	Y/N	Are all reserve accounts (cash reserve, commingling reserve, set-off reserve etc.) at their required levels?
Drawings under Liquidity Facility	Dynamic	Y/N	Has the liquidity facility been used to cover shortfalls in the period ending on the last interest payment date?
Trigger Measurements/Ratios	Dynamic	Y/N	Has any trigger event occurred?
Annualised Constant Prepayment Rate	Dynamic	9(3).99	The annualised Constant Prepayment Rate (CPR) of the underlying receivables based upon the most recent periodic CPR. Periodic CPR is equal to the total unscheduled principal received in the most recent period divided by the start of period principal balance.

Total Receivables Sold to SPV	Dynamic	9(11).99	Sum of principal amount of receivables sold to SPV (i.e. at closing and during the replenishment period if applicable) to date.
Cumulative Gross Defaults - Pool	Dynamic	9(11).99	Sum of all gross defaults since closing, in currency amount.
Cumulative Recoveries - Pool	Dynamic	9(11).99	Sum of all recoveries since closing, in currency amount.
Revolving Period End Date	Dynamic	YYYY-MM	The date that the revolving period is expected to end, or actually ended.
<b>Transaction Report Contact Information</b>			
Point Contact	Static	Text/Numeric	Name of the department and the point person(s) of the information sources.
Contact Information	Static	Text/Numeric	Telephone number and e-mail address.

#### Bond Info by Tranche:

Field Name	Dynamic/Static	Data Type	Field Definition & Criteria
<b>Tranche Level Information</b>			
Bond Class Name	Static	Text/Numeric	The designation (typically a letter and/or number) given to this tranche of bonds which exhibit the same rights, priorities and characteristics as defined in the prospectus i.e. Series 1 Class A1a etc.
International Securities Identification Number	Static	Text/Numeric	The international security identification code or codes, or if no ISIN, then any other unique securities code such as a CUSIP, assigned to this tranche by an exchange or other entity.
Interest Payment Date	Dynamic	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which interest payments are scheduled to be distributed to bondholders of this tranche.

Principal Payment Date	Dynamic	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which principal payments are scheduled to be distributed to bondholders of this tranche.
Bond Currency	Static	List	The denomination of this tranche.
Reference Rate	Static	List	The base reference interest index as defined in the offering document applicable to this specific tranche of Bond.
Legal Maturity	Static	YYYY-MM-DD	The date before which this specific tranche must be repaid in order not to be in default.
Bond Issue Date	Static	YYYY-MM-DD	Date the bonds were issued.
Interest Payment Frequency	Static	List	The frequency with which interest is due to be paid on this tranche.

## **Annex 8 to the draft regulatory technical standards on information on structured-finance instruments**

### **Investor reports**

The investor reports shall contain information on:

- (a) asset performance;
- (b) a detailed cash flow allocation;
- (c) a list of all triggers of the transaction and their status;
- (d) a list of all counterparties involved in a transaction, their role and their credit ratings;
- (e) details of cash injected into the transaction by the originator/sponsor or any other support provided to the transaction including any drawings under or utilisation of any liquidity or credit support and support provided by a third party;
- (f) amounts standing to the credit of guaranteed investment contract and other bank accounts;
- (g) details of any swaps (e.g. rates, payments and notionals) and other hedging arrangements to the transaction, including any related collateral postings;
- (h) definitions of key terms (such as delinquencies, defaults and pre-payments);
- (i) LEI, ISIN and other security or entity identification codes of the issuer and the structured finance instrument;
- (j) contact details of the entity producing the investor report.



## **Annex II: Draft regulatory technical standards on the European Rating Platform**

2013/[...] (COD)

### **COMMISSION DELEGATED REGULATION (EU) No [.../2014]**

**of [...]**

**supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards for the presentation of the information that credit rating agencies shall make available to the European Securities and Markets Authority for the purpose of displaying the rating data on a public platform, for the purpose of on-going supervision and for the purpose of making available historical performance data and repealing Commission Delegated Regulation No 446/2012 and Commission Delegated Regulation No 448/2012**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies<sup>4</sup> and in particular points (c) and (e) of Article 21(4) and point (a) Article 21(4a) thereof,

Whereas:

- (1) Article 21(4a)(a) of Regulation (EC) No 1060/2009 requires the European Securities and Markets Authority (ESMA) to submit to the European Commission by 21 June 2014 draft regulatory technical standards to be endorsed by the Commission concerning the content and the presentation of the information, including structure, format, method and timing of reporting that credit rating agencies are to disclose to ESMA in accordance with Article 11a(1) of Regulation (EC) No 1060/2009. ESMA should create a public website to be called the European Rating Platform (ERP) where to make available information about all the credit ratings and ratings outlooks issued by credit rating agencies, excluding the ratings exclusively produced for and disclosed to investors for a fee.

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<sup>4</sup> OJ L 302, 17.11.2009, p. 1.

- (2) In order to allow a more efficient data processing for ESMA and a simplification of the data reporting for registered and certified credit rating agencies, this Regulation should allow ESMA to integrate all data reported by credit rating agencies in one database. Consequently, this Regulation should cover the requirements set out in the Regulation (EC) No 1060/2009 of gathering information from credit rating agencies on historical performance data available in the central repository established by ESMA. In addition, this Regulation should include the description of the content and format of the ratings data that credit rating agencies should periodically report to ESMA in order to allow ESMA to discharge its responsibility with regard to the on-going supervision of credit rating agencies, as established by Regulation (EC) No 1060/2009. This Regulation then repeals Regulation (EU) No 446/2012 and Regulation (EU) No 448/2012. ESMA should ensure the clear distinction between the public and the information requested strictly for supervision purposes by using secured data storage and data usage principles.
- (3) This Regulation should describe the data to be reported as for the ERP to display timely information on all rating actions that are not exclusively disclosed to investors for a fee, including rating and outlook of the rated instrument, press releases accompanying rating actions, reports accompanying sovereign rating actions, type of rating action, date and hour of publication. In particular, press releases are the essential vehicle of rating actions and provide information on the key elements driving the rating decision. All the rating information collected from different credit rating agencies should be merged into the ESMA database so as to offer a global view of the different ratings issued on each rated entity or instrument. Rating users then have a central access point, thus lowering information costs. As regards the frequency of the reporting, the ratings will be collected and published on a daily basis: all rating issued between 19:00:00 UCT the previous day and 18:59:59 UTC current day should be reported until 20:59:59 UCT the current day, so as to allow for one daily update of the ERP outside EU business hours.
- (4) In order to achieve the objective of comparability of ratings assigned by different credit rating agencies, the ERP should receive the rating information from credit rating agencies on common identifiers for the same rated entity and for the same rated instrument such that investors can view rating information by each rated entity/instrument. In order to allow for a mapping of rated entities, the Global Legal Entity Identifier (LEI) should be requested for legal entities. This should be viewed as the only feasible solution to allow for a global unique identification of rated entities, originators, CRAs, etc.
- (5) Moreover, in order to ensure data comparability in time and usefulness of the ERP platform from the moment it will be made public, a special first-time reporting should be requested to all credit rating agencies that have been registered or certified before 21 June 2015. The special first-time reporting includes the reporting of information on all outstanding ratings as of 21 Jun 2015. The outstanding data should contain the same level of information as the rating actions to be submitted under the regular reporting.
- (6) The current regulation should also include reporting obligations regarding the data provided for the purpose of point (e) of Article 21(4) of Regulation (EC) No 1060/2009. The collected rating information should allow ESMA to supervise closely the conduct and activities of credit rating agencies, so as to be able to react promptly in case of actual or potential cases non-compliance with the requirements laid down in Regulation (EC) No 1060/2009. For this purpose, ratings data should normally be reported to ESMA on a monthly basis. However, in order to ensure proportionality, credit rating agencies that have fewer than 50 employees and that are not part of a group should be able to submit ratings data every two months, instead of every month. ESMA should still be able to require those credit ratings agencies to carry out monthly reporting, in light of the number and type of their ratings, including the complexity of the credit analysis, the relevance of the rated instruments or issuers and the

eligibility of the ratings to be used for purposes such as those of Regulation (EU) No 575/2013<sup>5</sup>. ESMA should use the data already reported for the ERP purposes for its on-going supervision, credit rating agencies being required to report only the information that is not covered by the ERP reporting obligations, avoiding therefore duplicated data reporting.

- (7) This Regulation should also include the extension of the requirements regarding the periodical reporting to ESMA for its on-going supervision to certified credit rating agencies, as introduced by Regulation (EU) No 462/2013.
- (8) Article 11(2) of Regulation (EC) No 1060/2009 requires credit rating agencies to make certain information on historical performance data available in the central repository established by ESMA. This information should be provided in a standard form as provided by ESMA and made available by ESMA. ESMA should also publish summary information on the main developments observed. The repealed Regulation (EU) No 448/2012 provided requirements concerning the presentation of the information, including structure, format, method and period of reporting where included in. This Regulation, should not require credit rating agencies to report separate data to cover this obligation. ESMA should use the data provided for the purpose of implementing the ERP platform and conducting its periodical on-going supervision to create and publish the statistics on the historical performance data.
- (9) To further facilitate comparability of the statistics produced and in order to ensure consistency with the data reported based on the repealed Regulation (EU) No 448/2012, the newly- certified credit rating agencies should be requested to submit the data relating to at least the last 10 years before the certification (or since the start of activity of the credit rating agency). A certified credit rating agency should not be required to report these data, partially or totally, where it can demonstrate that this would not be proportionate in view of their scale and complexity.
- (10) Credit rating agencies that are part of a group should be able to either report their ratings data separately to ESMA, or mandate one of the other agencies within the group to submit the data on behalf of all group members that are subject to the reporting requirements. However, due to the credit rating agencies' highly integrated functional organisation at Union level and in order to facilitate the understanding of the statistics, credit rating agencies are encouraged to report on a global basis for the whole group.
- (11) For ESMA's on-going supervision purposes and for the calculation of the credit rating agencies' historical performance statistics, the database may also accept on a voluntary basis credit ratings issued by third-country credit rating agencies belonging to the same group of credit rating agencies but not endorsed in the Union.
- (12) This Regulation should require credit rating agencies to categorise the credit ratings and rating outlooks issued on different levels: rating type and sub-classifications (as sector, industry, etc), issuer or issue rating, time horizon, etc. These categories were created based on the previous rating data collection experiences and needs for supervision of credit rating data. The current categorisation should not provide a market standard categorisation or definition and should be read and used just in the context of the current Regulation.

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<sup>5</sup> OJ L 176, 27.6.2013, p. 1.

- (13) In order to cover the reporting of ratings on the new financial instruments that could arise as a result of the continuous financial innovation, this Regulation should include a category for reporting “other financial instruments”. Moreover, the corporate and the structured finance categories should also have an “other” category to collect all the new types of corporate issues or structured finance instruments that cannot be classified into the existing categories.
- (14) In order to be in line with the requirement included in Article 2(3) of the Regulation (EU) No 462/2013, the reporting should cover the outstanding ratings from 21 June 2015 and all the subsequent credit ratings and rating outlooks. The reporting to the new ESMA system should start on 1 January 2016.
- (15) The data to be reported following the requirement of this regulation should be compiled in a standard format to allow ESMA to receive and process the records automatically in its internal systems. Due to technical progress over time, a number of technical reporting instructions concerning the transmission or the format of the files to be submitted by credit rating agencies may have to be updated and communicated by ESMA through specific communications or guidelines.
- (16) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the Commission pursuant to the procedure laid down in Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council.<sup>6</sup>
- (17) ESMA conducted an open public consultation on the draft regulatory technical standards on which this Regulation is based and requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010.

HAS ADOPTED THIS REGULATION:

## **CHAPTER I**

### **GENERAL PROVISIONS**

#### **Article 1**

##### **Subject matter**

This Regulation lays down the rules for the presentation of the information, including structure, format, method and period of reporting, that registered and certified credit rating agencies are required to make available to the ESMA in accordance with:

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<sup>6</sup> OJ L 331, 15.12.2010, p. 84.



- (a) Article 11(2) of Regulation (EC) No 1060/2009;
- (b) Article 11a(1) of Regulation (EC) No 1060/2009;
- (c) point (e) of Article 21(4) of Regulation (EC) No 1060/2009; and
- (d) point 1 of Part II of Section E of Annex I to Regulation (EC) No 1060/2009.

## **CHAPTER II**

### **GENERAL REPORTING PRINCIPLES**

#### **Article 2**

##### **Data to be reported**

1. A credit rating agency shall report data on all its issued or endorsed credit ratings or rating outlooks on the frequency and specific content disclosures described in Article 9, Article 10 and Article 11. All credit ratings and rating outlooks issued at the rated entity level and on all their issued debt instruments, where applicable, shall be reported.
2. A credit rating agency shall be responsible for the accuracy, completeness and availability of its reported data. It shall ensure that the reports are provided in due time using appropriate systems developed based on the technical instructions provided by ESMA.
3. Credit rating agencies shall notify ESMA immediately of any exceptional circumstances that may temporarily prevent or delay their ability to report in accordance with this Regulation.
4. Where a credit rating agency belongs to a group of credit rating agencies the members of the group may mandate one of their members to report the required information on behalf of the group. When the mandated group member reports information on behalf of the group it shall identify both itself and the group members on whose behalf it is reporting the information.
5. For the purposes specified in paragraphs 2 and 3, a credit rating agency reporting on behalf of a group of credit rating agencies may include data of third-country credit rating agencies belonging to the same affiliated group which are not used in the Union by means of endorsement. Where a credit rating agency does not report such data it shall give an explanation in its qualitative data report, in the Field 11 of Table 1 in Annex 1.
6. A credit rating agency shall disclose the solicitation status of each reported credit rating or rating outlook by specifying whether it is solicited or unsolicited with participation or unsolicited without participation, as set out in Article 10(5) of Regulation (EC) No 1060/2009.

### **Article 3**

#### **Reporting of default status and withdrawals**

1. For the purpose of Field 6 and Field 13 of Table 2, Part II of Annex 1, a credit rating agency shall report a default in respect of a rating where one of the following events has occurred:
  - (a) the rating indicates that a default has occurred according to the credit rating agency's definition of default;
  - (b) the rating has been withdrawn due to insolvency of the rated entity or due to debt restructuring;
  - (c) any other instance in which the credit rating agency considers a rated entity or rated instrument as defaulted, materially impaired or equivalent.
2. All reported ratings that are withdrawn shall be accorded a reason for withdrawal under Field 11 of Table 2, Part II of Annex 1.

### **Article 4**

#### **Rating types**

When reporting its credit ratings or rating outlooks a credit rating agency shall classify them according to the following types of ratings:

- (a) corporate ratings;
- (b) structured finance ratings;
- (c) sovereign and public finance ratings;
- (d) other financial instruments.

### **Article 5**

#### **Corporate ratings**

1. When reporting corporate ratings a credit rating agency shall classify the ratings within one of these industry segments:
  - (a) financial institutions including banks, brokers and dealers;
  - (b) insurance; or

- (c) corporate entities or issuers that do not belong to the preceding industry segments.
- 2. The corporate issues shall be classified in one of these issue types:
  - (a) Bonds;
  - (b) covered bonds that fall under the requirements referred to in Article 129 of Regulation (EU) No 575/2013 and Article 52(4) of Directive 2009/65/EC;
  - (c) other types of covered bonds, for which the credit rating agency has used specific covered bonds methodologies, models or key rating assumptions used for issuing the credit rating and does not fall under the requirements of point (b);
  - (d) other types of corporate issues that cannot be classified in one of the preceding types.
- 3. For the purpose of Field 8 of Table 1, Part II of Annex 1, the country code used for the localisation of a rated entity or its issues shall be that of the country of the entity's domicile.

## **Article 6**

### **Structured finance ratings**

- 1. Structured finance ratings shall relate to a financial instrument or other assets resulting from a securitisation transaction or scheme referred to in Article 4(61) of Regulation (EU) No 575/2013. When reporting structured finance ratings, a credit rating agency shall classify the rating within one of the following asset classes:
  - (a) Asset-backed securities. This asset class includes auto/boat/airplane loans, student loans, consumer loans, small and medium sized enterprises loans, health care loans, manufactured housing loans, film loans, utility loans, equipment leases, credit card receivables, tax liens, non-performing loans, recreational vehicle loans, leases to individuals and/or businesses and trade receivables;
  - (b) Residential mortgage-backed securities. This asset class includes prime and non-prime residential mortgage-backed securities and home equity loans;
  - (c) Commercial mortgage-backed securities. This asset class includes retail or office property loans, hospital loans, care residences, storage facilities, hotel loans, nursing facilities, industrial loans, and multifamily properties;
  - (d) Collateralised debt obligations. This asset class includes collateralised loan obligations, credit backed obligations, collateralised synthetic obligations, single-tranche collateralised debt obligations, credit fund obligations, collateralised debt obligations of asset-backed securities, and collateralised debt obligations of collateralised debt obligations;
  - (e) Asset-backed commercial papers;

- (f) Other structured finance instruments that are not included in the preceding asset classes, including structured covered bonds, structured investment vehicles, insurance-linked securities and derivative product companies.
- 2. Where applicable a credit rating agency shall also indicate which specific sub-asset class each rated instrument belongs to (Field 32 of Table 1, Part II of Annex 1).
- 3. For the purpose of Field 8 of Table 1, Part II of Annex 1, the localisation of structured finance instruments shall be reported as the country of the majority of the underlying assets. Where it is not possible to identify the domicile of the majority of the underlying assets, the rated instrument shall be classified as 'International'.

## **Article 7**

### **Sovereign and public finance ratings**

- 4. A credit rating agency shall report credit rating data concerning ratings of sovereign, public entities and other supranational organisations and their issued debt within one of the following sectors:
  - (a) State, where the rated entity is a State or the issuer of the rated debt or financial obligation, debt security or other financial instrument is a State, or a special purpose vehicle of a State, as set out in point (v)(i) and (ii) of Article 3(1) of Regulation (EC) No 1060/2009 and where the rating refers to a State;
  - (b) regional or local authority, where the rated entity is a regional or local authority or the issuer of the rated debt or financial obligation, debt security or other financial instrument is a regional or local authority, or a special purpose vehicle of a regional or local authority, as set out in point (v)(i) and (ii) of Article 3(1) of Regulation (EC) No 1060/2009 and where the rating refers to a regional or a local authority;
  - (c) international financial institution, as set out in point (v)(iii) of Article 3(1) of Regulation (EC) No 1060/2009;
  - (d) supranational organisation such as those of institutions established, owned and controlled by more than one sovereign government shareholder including organisations covered by code U (Activities of extraterritorial organisations and bodies) according to the statistical classification of economic activities in the European Communities (hereinafter 'NACE') and that are not included at point (c);
  - (e) public entities including those covered by NACE codes O (Public administration and defence; compulsory social security), P (Education) and Q (Human health and social work activities).
- 5. For the purpose of Field 8 of Table 1, Part II of Annex 1, where no specific country can be identified as country of issuance in the case of international or supranational organisations as specified in paragraph (1) (c) and (d), the rated issuer shall be classified as 'International.'

## **Article 8**

### **Other financial instruments**

Any credit ratings or rating outlooks issued on a financial instrument as defined in point (k) of Article 3 (1) of the Regulation (EU) No 1060/2009, that cannot be classified under corporate issues as set out in point 2 of Article 5, structured finance instruments as set out in Article 6 or sovereign and public entities issues as set out in Article 7, shall be reported under this rating category.

## **CHAPTER III**

### **FREQUENCY AND CONTENT OF REPORTING**

## **Article 9**

### **Reporting for the purpose of publication on the European Rating Platform**

3. For the purpose specified in point (b) of Article 1, a credit rating agency shall report data on all credit ratings or rating outlooks each time it issues or endorses a credit rating or a rating outlook that are not exclusively disclosed to investors for a fee.
4. Any credit rating and rating outlook as set out in paragraph 1, issued between 19:00:00 UTC the previous day and 18:59:59 UTC current day shall be reported, at any time until 20:59:59 UTC the current day.
5. For each credit rating or rating outlook to be reported as set out in paragraph 1, the accompanying press release shall be reported. If the press release is firstly issued and submitted in another language than English, then an English version may also be submitted when available.
6. For the all sovereign ratings referred to in points (a), (b) and (c) of Article 7(1), the accompanying research report shall be reported. If the research report is firstly issued and submitted in another language than English, then an English version may also be submitted when available.

## **Article 10**

### **Reporting for the purpose of ESMA supervision**

1. For the purpose specified in point (c) of Article 1, a credit rating agency shall report data on all credit ratings and rating outlooks issued, endorsed or issued in a third-country and not endorsed in the Union as set out in Article 2(5) including information on all entities or debt instruments submitted for their initial review or for preliminary rating.
2. The ratings that are not falling under the scope of Article 9 shall be submitted on a monthly basis and shall provide rating data relating to the preceding calendar month.

3. The credit rating agencies that have fewer than 50 employees and that are not part of a group of credit rating agencies, may provide the rating data specified in paragraph 2 on a bi-monthly (i.e. every two months) basis, unless ESMA informs the credit rating agency that it requires monthly reporting in view of the nature, complexity and range of issue of its credit ratings. The data shall refer to the preceding two calendar months.
4. The data specified in paragraph 2 shall be submitted to ESMA within 15 days of the end of the period which is the subject of the report. Where the 15<sup>th</sup> day of the month falls on a legal non-working day in the country of the reporting credit rating agency as defined in Article 2 (7), then the deadline is the next working day after the 15<sup>th</sup> day of the month.
5. Where no action has occurred during the preceding calendar month, the credit rating agency shall not be obliged to submit any data in this respect.

## **Article 11**

### **Reporting for the purpose of historical performance calculation**

For the purpose specified in point (a) and point (d) of Article 1, part of the credit ratings issued, endorsed or issued in a third-country and not endorsed as set out in Article 2(5) by a credit rating agency and reported to ESMA in accordance with Article 9 and Article 10 shall be used by ESMA for computing the historical performance statistics.

## **Article 12**

### **Initial reporting**

1. The credit rating agencies that are registered or certified with ESMA before 21 June 2015 shall prepare a special first report of data that shall contain all the credit ratings and rating outlooks as set out in Article 9 and Article 10 and outstanding as of 21 June 2015.
2. The special reporting referred to in paragraph 1 and all the subsequent credit ratings and rating outlooks that fall under the reporting requirements specified in Article 9 and Article 10 with an issuance date until 31 December 2015 shall be reported to ESMA on 1 January 2016.
3. The credit rating agencies registered or certified with ESMA between 21 June 2015 and 31 December 2015 shall comply with this Regulation's obligations from 1 January 2016. When making their first reporting, they shall report all the credit ratings and rating outlooks issued from the moment of the registration or certification, as described in Article 9 and Article 10.
4. The credit rating agencies registered or certified with ESMA after 1 January 2016 shall comply with this regulation's obligations in three months after the date of registration or certification. When making their first reporting, they shall report all the credit ratings and rating outlooks issued from the moment of the registration or certification, as described in Article 9 and Article 10. For the purpose of

point (a) and point (d) of Article 1, in addition to its first report a credit rating agency that is certified after 21 June 2015 shall also report its historical data covering at least 10 years from the registration or certification date or since the start of its rating activity if that occurred less than 10 years before certification. A certified credit rating agency should not be required to report these data, partially or totally, if it can demonstrate that this would not be proportionate in view of its scale and complexity.

## **CHAPTER IV**

### **Reporting procedure**

#### **Article 13**

##### **Data structure**

1. A credit rating agency shall provide qualitative data reports in the format specified in the tables of Part 1 of Annex 1 before the first reporting of rating data. Any changes in the initial qualitative data reported shall be immediately reported to the ESMA's system as an update and reported before the reporting of the rating data that are affected by the change. In case of credit rating agencies that are part of a group, just one qualitative set of files may be sent, as set out in Article 2(4).
2. A credit rating agency shall provide rating data reports for ratings referred to in Article 9, Article 10 and
3. Article 12
4. and in the format specified in the tables of Part 2 of Annex 1.
5. The rating data shall be reported in two tables, the data referring to the entity or instrument that is rated and the identification of the credit rating (as set out in Table 1 of Part 2 of Annex 1) and the data referring to each credit rating action taken on the rated entity or instrument (as set out in Table 2 of Part 2 of Annex 1).

#### **Article 14**

##### **Data submission procedure**

1. A credit rating agency shall submit data files set out in Article 13 in accordance with the technical instructions provided by ESMA and using ESMA's reporting system.
2. Credit rating agencies shall store the files sent to and received by ESMA in electronic form for at least five years. These files shall be made available to ESMA on request.
3. Where a credit rating agency identifies factual errors in the data that has been reported, it shall without undue delay correct the relevant data according to the technical instructions provided by ESMA.

## **CHAPTER V**

### **FINAL PROVISIONS**

#### **Article 15**

##### **Repeal**

1. The present regulation is repealing the following regulations with effect from 1 January 2016:
  - (a) COMMISSION DELEGATED REGULATION (EU) No 446/2012 of 21 March 2012 supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards on the content and format of ratings data periodic reporting to be submitted to the European Securities and Markets Authority by credit rating agencies;
  - (b) COMMISSION DELEGATED REGULATION (EU) No 448/2012 of 21 March 2012 supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards for the presentation of the information that credit rating agencies shall make available in a central repository established by the European Securities and Markets Authority.
2. References to the repealed Regulations set out in paragraph 1 shall be construed as references to this Regulation and shall be read in accordance with the correlation table set out in Annex 2 to this Regulation.
3. Data submitted to ESMA in accordance with the Commission Delegated Regulation (EU) 446/2012 and the Commission Delegated Regulation (EU) 448/2012 before the date of repeal shall be considered as having been submitted in accordance with the current Regulation and can continue to be used by ESMA for the purpose of Article 1 (a), (c) and (d).

#### **Article 16**

##### **Entry into force**

This Regulation shall enter into force on the 20th day following its publication in the Official Journal of the European Union.

This Regulation shall apply from 21 June 2015.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [...].



## ANNEX 1 to the draft regulatory technical standards for the ERP

### PART 1. LIST OF FIELDS FOR THE QUALITATIVE DATA FILE

**Table 1: CRA identification and methodology description**

This table shall include the elements that provide the identification of the reporting credit rating agency including the legal identification, methodology, policies used, etc.

This table shall contain one line for each reporting credit rating agency.

No	Field name	Description	Type	Standard	Scope
1	CRA identifier	Code used to identify the credit rating agency. It is provided by ESMA upon registration or certification. In case one member of a group of credit rating agencies reports for the whole group it shall be the identifier of the group.	Mandatory.		Technical
2	Reporting CRA LEI	LEI code of the credit rating agency sending the file.	Mandatory.	ISO 17442	Public
3	CRA name	Name used to identify the credit rating agency. It shall correspond to the name used by the credit rating agency in the registration process and all other supervisory procedures within ESMA. In case one member of a group of credit rating agencies reports for the whole group it shall be the name referring to the group of credit rating agencies.	Mandatory.		Public
4	CRA Description	Brief description of the credit rating agency.	Mandatory.		Public
5	CRA Methodology	Description of the credit rating agency's rating methodology. The credit rating agency has the possibility to describe unique features of its rating methodology.	Mandatory.		Public

No	Field name	Description	Type	Standard	Scope
6	Link to CRA website methodology page	The link to the credit rating agency's web page that contains all information related to the methodologies, and descriptions of models and key rating assumptions.	Mandatory.	Valid web page reference.	Public
7	Solicited and unsolicited ratings policies	Description of the credit rating agency's policy on solicited and unsolicited with or without participation ratings. If more than one policy exists, the relevant rating types applicable to each policy shall be specified.	Mandatory.		Public
8	Subsidiary ratings policy	Description of policy regarding the reporting of the rating of subsidiaries.	Mandatory. Applicable for credit rating agencies issuing corporate ratings.		Public
9	Geographical reporting scope	In the case of a credit rating agency part of a group, they should mention whether they report all the ratings issued by the group (global scope) or not (only the EU and endorsed ratings). If the coverage is not global, the credit rating agency shall explain why not. For all other CRAs it should be reported as "global" ('Y').	Mandatory.	Y - Yes N - No	Public
10	Reason for non-global scope	Should contain the reason for which a credit rating agency that is part of a group, does not report all the ratings of the group.	Mandatory. Applicable when 'Geographical reporting scope' = 'N'		Public
11	Definition of default	Describes the definition of default used by the credit rating agency.	Mandatory.		Public
12	Website link	Link to the home page of credit rating agency's public website.	Mandatory.	Valid web page reference.	Public

**Table 2: Issuer rating types list**

This table shall be filled in case the credit rating agency is issuing issuer credit ratings. The table shall have one line for each type of rating that is issued by the credit rating agency at issuer level.

No	Field name	Description	Type	Standard	Scope
1	Issuer rating type identifier	Unique identifier for each issuer rating type that a rated entity can be assessed on.	Mandatory. Applicable if the credit rating agency is issuing issuer ratings.		Technical
2	Issuer rating type name	Name of the issuer rating category.	Mandatory.		Technical
3	Issuer rating type description	Description of the rated debt category.	Mandatory.		Technical
4	Issuer rating type standard	This should distinguish the types of issuer ratings in: the main/global issuer credit rating, the debt rating type (the different categories will be described in Table2, Part2, Annex 1) and all other issuer debt ratings.	Mandatory.	IR – Main issuer rating DT - Debt rating OT - Other	Technical

**Table 3: Debt categories list**

This table shall be filled in case the credit rating agency is rating corporate or sovereign issuer debt categories or debt issues (eg.: senior unsecured debt, subordinated unsecured debt, junior subordinated unsecured debt, etc.). The table shall have one line for each type of debt.

No	Field name	Description	Type	Standard	Scope
1	Rated debt classification identifier	Unique identifier for each debt category used for classifying the corporate and sovereign issuer debt categories or debt issues.	Mandatory. Applicable if the rating agency is rating corporate or sovereign debt categories		Technical

No	Field name	Description	Type	Standard	Scope
2	Rated debt classification name	Name of the rated debt category.	Mandatory.		Technical
3	Rated debt classification description	Description of the rated debt category.	Mandatory.		Technical
4	Seniority	Identifies the seniority of the debt class of the rated issuer or issue.	Optional.	SEU - in case the rated issuer debt or the issue belongs to the senior unsecured debt category SEO - in case the rated issuer or the issue belongs to a senior debt category other than SEU SB - in case the issuer debt or the issue belongs to a subordinated debt category.	Technical

**Table 4: Issue/ program types list**

This table shall be filled in in case the credit rating agency is rating corporate or sovereign issues. The credit rating agency shall list all issue types or programs under which the debts are issued (eg: note, medium term note, bonds, commercial paper, etc.). The table shall have one line for each such programme or issue type.

No	Field name	Description	Type	Standard	Scope
1	Issue/ program type identifier	Unique identifier for each issue / program used for classifying the issue ratings.	Mandatory. Applicable if the credit rating agency is rating corporate or sovereign issues.		Technical
2	Issue/ program type name	Issue / program name.	Mandatory.		Technical
3	Issue/ program type description	Issue / program description.	Mandatory.		Technical

**Table 5: Lead analysts list**

This shall contain a list of all the lead analysts that operate in the Union. If a lead analyst worked in different time periods as a lead analyst (with time gaps in between) then the lead analyst should be reported in the table multiple times: one for each lead analyst period. The start and end date of allocation to the function shall not overlap for the same lead analyst. The table shall contain one line for each lead analyst and distinct function period.

No	Field name	Description	Type	Standard	Scope
1	Lead analyst internal identifier	Internal unique identifiers of the staff member who is appointed in the analyst function by the credit rating agency.	Mandatory.		Supervision only
2	Lead analyst name	Lead analyst full name.	Mandatory.		Supervision only
3	Lead analyst start date	The start date of the staff member in the lead analyst function.	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD)	Supervision only
4	Lead analyst end date	The end date of the staff member in the lead analyst function If the staff member is currently working in the lead analyst function, it should be reported as 9999-01-01.	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD) or 9999-01-01	Supervision only

**Table 6: Rating scale**

This table shall contain the description of all the credit rating scales used by the credit rating agencies for issuing credit ratings to be reported for the scope of this Regulation. The credit rating agencies shall report one line for each credit rating scale. For each credit rating scale reported, information about one or more rating categories can be reported in the “Categories” sub-table and about one or more notches can be reported in the “Notches” sub-report.

No	Field name	Description	Type	Standard	Scope
1	Rating scale identifier	Identifies uniquely a specific rating scale of the credit rating agency.	Mandatory.		Technical

No	Field name	Description	Type	Standard	Scope
2	Rating scale validity start date	The date at which the rating scale starts being valid.	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD)	Public
3	Rating scale validity end date	The last date when a rating scale is valid. For the rating scale that re currently valid, it should be reported as 9999-01-01.	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD) or 9999-01-01	Public
4	Description of the rating scale	Description of the type of ratings included in the scale, including the geographical scope where relevant.	Mandatory.		Public
5	Time horizon	Identifies the applicability of the rating scale based on the time horizon.	Mandatory.	L - in case the rating scale is applicable to long term ratings S - in case the rating scale is applicable to short term ratings	Public
6	Rating type	Identifies the applicability of the rating scale based on the rating type.	Mandatory.	C - in case the rating scale is applicable to corporate ratings S - in case the rating scale is applicable to sovereign & public finance ratings T - in case the rating scale is applicable to structured finance ratings O – in case the rating scale is applicable to other financial instruments	Public
7	Rating scale scope	Specifies if the rating scale is used for issuing preliminary ratings, final ratings or both.	Mandatory.	PR - rating scale is used for issuing preliminary ratings only FR - rating scale is used for issuing final ratings only BT - rating scale is	Public

No	Field name		Description	Type	Standard	Scope
					used for issuing preliminary and final ratings	
8	Rating scale used for CEREP		Indicates if the rating is to be used by ESMA for CEREP statistics calculations. For any given period, only one rating scale per combination of rating type and time horizon can be used.	Mandatory.	Y - Yes N - No	Technical
9	Categories	Rating category value	Order of the rating category in the rating scale (where 1 is correspondent to the category that represents the best creditworthiness).	Mandatory.	The ordinal is an integer value with minimum value 1 and a maximum value of 20. The declaration of the rating categories values must be consecutive. There must be as a minimum one rating category for each rating.	Public
10		Rating category label	Identifies a specific rating category within the rating scale.	Mandatory.		Public
11		Rating category description	Definition of the rating category in the rating scale.	Mandatory.		Public
12	Notches		Order of the notch in the rating scale (where 1 is correspondent to the notch that represents the best creditworthiness).	Mandatory.	The notch value is an integer with minimum value 1 and a maximum value of 99. Values provided must be consecutive. There must be as a minimum one rating notch for each rating.	Public

No	Field name		Description	Type	Standard	Scope
13		Notch label	Identifies a specific notch within the rating scale. Notches provide additional detail to the rating category.	Mandatory.		Public
14		Notch description	Description of the notch in the rating scale.	Mandatory.		Public



## PART 2. LIST OF FIELDS FOR THE RATING DATA FILE

**Table 1: Data describing the rated entity / instrument**

This table shall identify and describe all credit ratings issued by the credit rating agency and are to be reported for the scope of this Regulation. This table shall contain one line for each individual credit rating to be reported. Where it applies, for each credit rating line, one or more “Originators” can be reported.

No	Field name	Description	Type	Standard	Scope
1	CRA identifier	Code used to identify the credit rating agency. It is provided by ESMA upon registration or certification. In case one member of a group of credit rating agencies reports for the whole group it shall be the identifier of the group.	Mandatory.		Technical
2	Reporting CRA LEI	LEI code of the credit rating agency sending the file.	Mandatory.	ISO 17442	Public
3	Responsible CRA LEI	LEI code of the credit rating agency responsible for the rating, i.e. in case for: — a rating issued in the EU, the registered credit rating agency that has issued the rating, — an endorsed rating, the registered credit rating agency that endorsed the rating, — a rating issued by a certified credit rating agency, the certified credit rating agency, — a rating issued in a third country but not endorsed by a registered credit rating agency, the third country credit rating agency that issued the rating.	Mandatory.	ISO 17442	Public
4	Issuer CRA LEI	LEI code of the credit rating agency that issued the rating, i.e. in case for: — a rating issued in the EU, the registered credit rating agency, — an endorsed rating, the third country credit rating agency that issued the rating that has issued the endorsed rating, — a rating issued by a certified	Mandatory.	ISO 17442	Public

No	Field name	Description	Type	Standard	Scope
		credit rating agency, the certified entity, — a rating issued in a third country but not endorsed by a registered credit rating agency, the third country credit rating agency that issued the rating.			
5	Rating identifier	Unique identifier of the rating, which shall be maintained unchanged over time. The rating identifier shall be unique in all reports to ESMA.	Mandatory.		Technical
6	Rating type	Identifies whether the rating is a corporate rating, a sovereign or public finance rating, a structured finance rating or other financial instrument rating. It shall be maintained unchanged over time.	Mandatory.	C - if the rating is applicable to corporate ratings S - if the rating is applicable to sovereign ratings T - if the rating is applicable to structure finance ratings O – if the rating is applicable to other financial instruments.	Public
7	Other rating type	Describes the type of rated financial instrument that was reported in the “O” rating type.	Mandatory. Applicable for ‘Rating type’ = ‘O’.		Supervision only
8	Rated object	Specifies if the rating refers to an entity / issuer of debt or a debt issuance of a rated entity/ financial instrument.	Mandatory.	ISR - the rating refers to an entity or issuer of debt INT - the rating refers to a debt issuance / financial instrument.	Public
9	Time horizon	Identifies whether the rating is a short-term or a long-term rating. It shall be maintained unchanged over time.	Mandatory.	L - if the a long term rating, S - if the rating is a short term rating.	Public
10	Country	Country code of the rated entity/instrument.	Mandatory.	ISO 3166-1 code. The code ‘ZZ’ shall be used to identify the category ‘international’.	Public

No	Field name	Description	Type	Standard	Scope
11	Currency	Identifies whether the rating is expressed in respect of local or foreign currency.	Mandatory. Applicable for 'Rating type' = 'C' or 'S'	LC - in case of a local currency rating FC - in case of a foreign currency rating.	Public
12	Legal entity/ issuer LEI	LEI code of the legal entity/ issuer. It shall be maintained unchanged over time.	Mandatory. Applicable only if the rated entity is eligible for acquiring a LEI code.	ISO 17442	Public
13	Legal entity/ issuer national fiscal code	Unique national fiscal code of the rated entity. It shall be maintained unchanged over time.	Optional. If applicable.		Public
14	Legal entity/ issuer VAT code	Unique national VAT of the rated entity. It shall be maintained unchanged over time.	Optional. If applicable.		Public
15	Legal entity/ issuer BIC code	Unique BIC of the rated entity. It shall be maintained unchanged over time.	Optional. Applicable only for entities that represent financial institutions ('Industry' = 'FI' or 'IN').	ISO 9362	Public
16	Legal entity/ issuer internal identifier	Unique internal identifier of the issuer. It shall be maintained unchanged over time.	Mandatory.		Supervision only
17	Legal entity/ issuer name	It shall contain appropriate understandable reference to the legal name of the legal entity/ issuer.	Mandatory.		Public
18	Parent legal entity/ Issuer LEI	LEI code of the parent company. To be reported only in case the rated issuer is a subsidiary of another rated entity. It shall be maintained unchanged over time.	Mandatory. Applicable if the rated entity/ debt issuer is a subsidiary of another rated entity.	ISO 17442	Public

No	Field name	Description	Type	Standard	Scope
19	Parent legal entity/issuer internal identifier	Unique internal identifier of the parent entity/issuer. It shall be maintained unchanged over time.	Mandatory. Applicable if the rated entity is a subsidiary of another rated entity.		Supervision only
20	Sub-sovereign NUTS code	Identifier of the city/ region of the rated municipality/ sub-sovereign.	Mandatory. Applicable only for 'Country' is part of the Union and for 'Rating type' = 'S' and 'Sector' = 'SM'	EUROSTAT nomenclature : NUTS 1 to 3	Public
21	ISIN	International Securities Identifying Number (ISIN) of the rated instrument. It shall be maintained unchanged over time.	Mandatory. Applicable for 'Rated object' = 'INT' and if the rated instruments has an ISIN allocated.	ISO 6166	Public
22	Instrument unique identifier	A combination of instrument's attributes that uniquely identifies the instrument.	Optional.	ESMA standard	Supervision only
23	Instrument internal identifier	Unique code to identify the financial instrument that is rated. It shall be maintained unchanged over time.	Mandatory. Applicable for 'Rated object' = 'INT'.		Supervision only
24	Issue/ program type	Indicates the issue / program type of the rating.	Optional. Applicable for 'Rating type' = 'C' or 'S' and 'Rated object' = 'INT'.	Valid 'Issue/ program type identifier', previously reported in the "Issue/ program type list".	Public

No	Field name	Description	Type	Standard	Scope
25	Issuer rating type	Specifies the issuer rating type .	Mandatory. Applicable for 'Rating type' = 'C' and for 'Rated object' = 'ISR'	Valid 'Issuer rating type identifier', previously reported in the "Issuer rating type list".	Public
26	Debt category	Specifies the debt category for the rated issues or debts.	Mandatory. Applicable for 'Rating type' = 'C' or 'S' and 'Rated object' = 'ISR' and 'Issuer rating type' = 'DT' or 'Rated object' = 'INT' if applies.	Valid 'Rated debt classification identifier', previously reported in the "Debt categories list".	Public
27	Issuance Date	Specifies the issuance date of the rated instrument or debt issuance. It shall be maintained unchanged over time.	Mandatory. Applicable for 'Rated object' = 'INT'.	ISO 8601 Date Format: (YYY-MM-DD)	Supervision only
28	Maturity Date	The maturity date of the rated instrument or debt issuance.	Mandatory. Applicable for 'Rated object' = 'INT'. If perpetual: 9999-01-01	ISO 8601 Date Format: (YYY-MM-DD) or 9999-01-01	Supervision only
29	Outstanding issue volume	The outstanding issue volume at first rating issuance. The amount shall be reported in the currency of the issuance reported in 'Outstanding issue volume currency code'.	Mandatory. Applicable for 'Rated object' = 'INT'.		Supervision only
30	Outstanding issue volume currency code	The code of the currency of the rated issue.	Mandatory. Applicable for 'Rated object' = 'INT'.	ISO 4217	Supervision only

No	Field name	Description	Type	Standard	Scope
31	Industry	Categorization of the rated entity or debt issuances reported under the “corporate” rating type in financial, insurance and non-financial corporates.	Mandatory. Applicable for 'Rating type' = 'C'.	FI - for financial institution rating including banks, brokers and dealers, IN - for insurance institution rating, CO - for corporate institution rating that are not included in 'FI' or 'IN'	Public
32	Sector	Specifies subcategories for sovereign and public finance ratings.	Mandatory. Applicable for 'Rating type' = 'S'.	SV – for State rating SM – for regional or local-authority rating IF – for international financial institution rating SO – for supranational organizations rating other than 'IF' PE – for public entities rating.	Public
33	Asset class	Defines the main asset classes for structured finance ratings.	Mandatory. Applicable for 'Rating type' = 'T'.	ABS - for ABS rating RMBS - for RMBS rating CMBS - for CMBS rating CDO - for CDO rating ABCP - for ABCP rating OTH - for Other.	Public
34	Sub-asset	Defines the sub-asset classes for the structured finance ratings.	Mandatory. Applicable for 'Rating type' = 'T'.	CCS - If ABS: Credit card receivable backed securities ALB - If ABS: Auto loan backed securities CNS - If ABS: Consumer loan backed security SME - If ABS: Small and medium sized enterprises loan backed securities LES - If ABS: Leases to individual or business backed security HEL - If RMBS: Home	Public

No	Field name	Description	Type	Standard	Scope
				equity loans PRR - If RMBS: Prime RMBS, NPR - If RMBS: Non-prime RMBS CFH - If CDO: Cash flow and hybrid CDOs/CLOs SDO - If CDO: Synthetic CDOs/CLOs MVO - If CDO: Market value CDOs SIV - If OTH: structured investment vehicles ILS - If OTH: insurance-linked securities DPC - If OTH: derivative product companies SCB - If OTH: structured covered bonds OTH – Other.	
35	Other sub-asset class	Indicates the other asset or sub-asset class category.	Mandatory. Applicable for 'Rating-type' = 'T' and 'Sub-asset' = 'OTH'.		Supervision only
36	Corporate issues classifications	Classification of covered bonds.	Mandatory. Applicable for 'Rating type' = 'C' and 'Rated object' = 'INT'.	BND –bonds CBR- covered bonds that fall under the requirements referred to in Article 129 of Regulation (EU) No 575/2013 and Article 52(4) of Directive 2009/65/EC OCB - other types of covered bonds, for which the credit rating agency has used specific covered bonds methodologies, models or key rating assump-	Public

No	Field name	Description	Type	Standard	Scope
				tions for issuing the credit rating and does not fall under the requirements of point (b) OTH - other types of corporate issues that cannot be classified in one of the preceding types.	
37	Other corporate issues	Describes the type of issue reported under the “other” category of corporate issues.	Mandatory. Applicable for ‘Corporate issues classifications’ = ‘OTH’.		Supervision only
38	Tranche class	Class of the tranche.	Mandatory. Applicable for ‘Rating type’ = ‘T’.		Public
39	SerieNo/ProgramId	Specifies the serie or the program from each the rated instrument is part of.	Optional. Applicable for ‘Rating type’ = ‘T’ or ‘Rating type’ = ‘C’ and ‘Rated object’ = ‘INT’.		Public
40	Program/Deal/ Issuance Name	Specifies the program/ deal/ issuance name used in the public issuance documents	Optional. Applicable for ‘Rated object’ = ‘INT’.		Public
41	Originator internal identifier	Unique internal code assigned by the credit rating agency to the originator.	Mandatory. Applicable for ‘Rating type’ = ‘T’. In case of multiple originators that cannot be individually identified, ‘MULTIPLE’		Supervision only



No	Field name	Description	Type	Standard	Scope	
	Originators			should be reported.		
42		Originator LEI	LEI code of the originator.	Mandatory. Applicable for 'Rating type' = 'T' and 'Originator Internal Identifier ' is not 'MULTIPLE'.	ISO 17442	Supervision only
43		Originator BIC code	Unique BIC of the originator.	Optional. Applicable for 'Rating type' = 'T' and 'Originator Internal Identifier ' is not 'MULTIPLE'.	ISO 9362	Supervision only
44		Originator name	It shall contain appropriate understandable reference to the legal name of the originator (or the parent company of the issuer).	Mandatory. Applicable for 'Rating type' = 'T' and 'Originator internal identifier ' is not 'MULTIPLE'.		Supervision only
45	Preceding preliminary rating	For all the new ratings it specifies if the credit rating agency issued a preliminary rating or initial review before issuing the final rating.	Mandatory. Applicable for 'Action type' = 'NEW' in Table 2 of Part 2	Y - Yes N - No	Supervision only	
46	Preceding preliminary rating identifier	Indicates the rating identifier of the preceding issued preliminary rating or initial review. The 'Preceding preliminary rating identifier' should correspond to an already reported valid preliminary rating 'Rating identifier'.	Mandatory. Applicable for 'Preceding preliminary rating' = 'Y'		Supervision only	

No	Field name	Description	Type	Standard	Scope
47	Complexity indicator	Indicates the complexity grade assigned to a structured finance rating considering the number of originators, counterparties, countries, the need to develop new methodologies or new innovative features, credit enhancements, underlying documentation, complex collateral, different or new jurisdictions and/or existence of derivative components, etc.	Mandatory. Applicable for 'Rating type' = 'T'.	S - standard complexity C - additional complexity	Supervision only
48	Structured finance transaction type	Indication of whether the instrument refers to a Stand-alone or Master-Trust.	Mandatory. Applicable for 'Rating type' = 'T'.	S - Stand-alone transaction M - Master Trust transaction	Supervision only
49	Type of rating for ERP	Identifies the credit ratings that fall under the scope of ERP, based on the requirements set out in Article 11a of the Regulation (EU) No 1060/2009.	Mandatory.	NXI – the rating is not exclusively produced for and disclosed to investors for a fee EXI - the rating is exclusively produced for and disclosed to investors for a fee	Technical
50	Relevant for CERE statistics calculation	Indicates if the rating shall be used for CERE statistics calculation.	Mandatory.	Y – Yes N – No	Technical

**Table 2: Data about the individual credit rating actions**

This table contains all the rating actions that are issued in relation to the credit ratings reported in Table 1. If the press releases or the sovereign research reports are issued in multiple languages, multiple versions of the press releases or the sovereign research reports can be reported for the same rating action.

No	Field name	Description	Type	Standard	Scope
1	Rating Action identifier	Unique identifier of the rating action. Rating action identifier shall be unique per each reported rating.	Mandatory.		Technical
2	Rating identifier	Unique identifier of the rating.	Mandatory.	Should be a valid 'Rating identifier' reported in Table1 of Part2	Technical
3	Action validity date and time	The date and time of validity of the action. This shall coincide with the Coordinated Universal Time (UTC) of publication of the action or distribution by subscription.	Mandatory.	ISO 8601 Extended Date Time Format: YYYY-MM-DD (HH:MM:SS)	Public
4	Action communication date and time	The date and time of communication of the action to the rated entity. It shall be expressed as Coordinated Universal Time (UTC). Should be reported only for the ratings issued in the Union.	Mandatory. Applicable for 'Location of the rating issuance' = 'T'.	ISO 8601 Extended Date Time Format: YYYY-MM-DD (HH:MM:SS)	Supervision only
5	Action decision date	Identifies the date when the action is decided. It shall be the date of preliminary approval (by the rating committee) of the action where this is then communicated to the rated entity before final approval. Should be reported only for the ratings issued in the Union.	Mandatory. Applicable for 'Location of the rating issuance' = 'T'.	ISO 8601 Date Format: (YYY-MM-DD)	Supervision only
6	Action type	Identifies the type of action carried out by the credit rating agency with respect to a specific rating.	Mandatory.	OR – in case of outstanding rating (only for first time reporting) PR - in case of preliminary rating NW - in case the rating is issued for the first	Public

No	Field name	Description	Type	Standard	Scope
				time UP - in case the rating is upgraded DG - in case the rating is downgraded AF - in case the rating is affirmed DF - in case a rated issuer or instrument is assigned to or removed from a default status and the default is not linked with another rating action WD - in case the rating is withdrawn OT - in case the rating is placed to or removed from the outlook/trend status WR - in case the rating is placed to or removed from the watch/review status	
7	Outlook/Watch/Default status	An outlook/Watch/Default status is assigned, kept or removed with respect to the rating,	Mandatory. Applicable for 'Action type' = 'OT','WR', 'DF' or 'OR'	P - status is placed M - status is maintained R - status is removed	Public
8	Outlook	Identifies the outlook/trend assigned to a rating by the CRA according to its relevant policy.	Mandatory. Applicable for 'Action type' = 'OT' and 'OR'	POS - in case of a positive outlook NEG - in case of a negative outlook EVO - in case of an evolving or developing outlook STA - in case of a stable outlook	Public

No	Field name	Description	Type	Standard	Scope
9	Watch/Review	Identifies the watch or review status assigned to a rating by the CRA according to its relevant policy.	Mandatory. Applicable for 'Action type' = 'WR' and 'OR'	POW - in case of a positive watch/review NEW - in case of a negative watch/review EVW - in case of an evolving or developing watch/review UNW - in case of a watch/review with uncertain direction	Public
10	Watch/Review determinant	Identifies the reason for the watch/review status of a rating. Should be reported only for the ratings issued in the Union.	Mandatory. Applicable for 'Action type' = 'WR' and 'OR' and 'Location of the rating issuance' = 'I'.	1 - where the watch/review status is due to changes in methodologies, models or key rating assumptions 2 - where the watch/review status is due to economic, financial or credit reasons 3 - where the watch or review status is due to other reasons (e.g. departure of analysts, occurrence of conflicts of interests)	Public
11	Withdrawal reason	Identifies the reason of a withdrawal action.	Mandatory. Applicable for 'Action Type' = 'WD'	1 - in case of incorrect or insufficient information on issuer/issue 2 - in case of bankruptcy of the rated entity or debt restructuring 3 - in case of reorganization of rated entity (including the merger or acquisition of the rated entity) 4 - in case of the end of maturity of the debt obligation, or in case the debt is redeemed, called, prefunded, cancelled 5 - in case of automatic	Public

No	Field name	Description	Type	Standard	Scope
				invalidity of rating due to business model of CRA (such as expiry of ratings valid for a predetermined period) 6 – in case of rating withdrawal due to other reasons 7 - in case the rating relates to 10% shareholder on an impacted entity (as set out in Annex I, Section B, Point 3 of the Regulation) 8 – in case of client's request	
12	Other withdrawal reason	In case the rating was withdrawn due to other reasons than the ones provided, please specify the reason	Mandatory. Applicable for 'Withdrawal reason' = 6		Supervision only
13	Default flag	In case the rated entity or the financial instrument is defaulted or removed from default as a result of another rating action (i.e.: upgrade, downgrade)	Mandatory. Applicable for 'Action type' = 'AF', 'DG', 'UP' or 'OR'	Y – Yes N - No	Public
14	Rating scale identifier	Identifies the rating scale used for issuing the rating action.	Mandatory. Applicable for 'Action type' = 'NW' or 'UP' or 'AF' or 'DG' or 'PR' or 'OR'	Valid 'Rating scale identifier', previously reported in the “Rating scale” table.	Public
15	Rating value	Notch value assigned by the credit rating agency as a result of the rating action.	Mandatory. Applicable for 'Action type' = 'NW' or 'UP' or 'AF' or 'DG' or 'PR' or 'OR'	Valid 'Notch value', previously reported in the “Rating scale” table.	Public

No	Field name		Description	Type	Standard	Scope
16	Location of the rating issuance		Specifies the location of the issuance of the credit ratings by: ratings issued in the Union by a registered credit rating agency, ratings issued by third country credit rating agency belonging to the same group of credit rating agencies and endorsed in the Union, ratings issued by certified credit rating agencies or ratings issued by third country credit rating agency belonging to the same group of credit rating agencies but not endorsed in the Union.	Mandatory.	I - Issued in the Union E - Endorsed T - Issued in a third country by a certified CRA O - Other (not-endorsed) N - Not available (only valid before 01/01/2011).	Public
17	Lead analyst identifier		Unique identifier of the lead analyst responsible for the rating. Should be reported only for the ratings issued in the Union.	Mandatory. Applicable for 'Location of the rating issuance' = 'I'.	Valid 'Lead analyst internal identifier', previously reported in the "Lead analysts list".	Supervision only
18	Country of the lead analyst		Identifies the country of the office where the responsible lead analyst was located when issuing the rating.	Mandatory. Applicable for 'Location of the rating issuance' = 'I'.	ISO 3166-1 code.	Supervision only
19	Solicitation status		Solicitation status of the rated entity / instrument.	Mandatory.	S - if the rating is solicited, U - if the rating is unsolicited P - if the rating is unsolicited with participation.	Public
20	Press release	Press release	Specifies if the rating action was accompanied by a press release.	Mandatory. Applicable for 'Type of rating for ERP' = 'NXI'.	Y - Yes N – No.	Public
21		Press release language	Indicates the language in which the press release was issued.	Mandatory. Applicable for 'Press release' = 'Y'.	ISO 639-1	Public

No	Field name	Description	Type	Standard	Scope
22	Press release file name	Indicates the file name under which the press release was reported.	Mandatory. Applicable for 'Press release' = 'Y'.	ESMA standard	Public
23	Link to press release	In case the rating action is accompanied by the same press release as another rating action, it should state the 'Action identifier' for the action for which the common press release was firstly submitted.	Mandatory. Applicable for press releases that relate to more than one rating action.	Valid 'Action identifier'	Technical
24	Re-search report	Specifies if the rating action was accompanied by a research rating report. Applicable only for sovereign ratings reported under the sector: 'SV' or 'SM' or 'IF'	Mandatory. Applicable for 'Rating type' = 'S' and 'Sector' = 'SV' or 'SM' or 'IF'	Y - Yes N - No	Public
25	Re-search rating report language	Indicates the language under which the research rating report was issued.	Mandatory. Applicable for 'Sovereign Re-search Report' = 'Y'	ISO 639-1	Public
26	Re-search rating report file name	Indicates the file name under which the research rating report was reported.	Mandatory. Applicable for 'Sovereign Re-search Report' = 'Y'	ESMA standard	Public
27	Link to research rating report	In case the rating is accompanied by the same research rating report as another rating action, it should state the 'Action identifier' for the action for which the common research rating report was firstly submitted.	Optional.	Valid 'Action identifier'	Technical



## ANNEX 2 to the draft regulatory technical standards for the ERP

**Table 1: CORRELATION TABLE**

<b>This Directive</b>	<b>Regulation (EU) No 446/2012</b>	<b>Regulation (EU) No 448/2012</b>
point a of Article 1		point a of Article 1
point b of Article 1		
point c of Article 1	Article 1	
point d of Article 1		point b of Article 1
Article 2 (1)		Article 3 (1)
Article 2 (2)	Article 2 (1)	Article 2 (2)
Article 2 (3)	Article 2 (6)	
Article 2 (4)	Article 2 (2)	Article 2 (3)
Article 2 (5)		Article 3 (3)
Article 2 (6)		Article 3 (2)
Article 3 (1)		Article 8 (2)
Article 3 (2)		Article 8 (3)
Article 4	Article 4 (1)	Article 3 (5)
Article 5	Article 4 (3)	Article 4
Article 6	Article 4 (2)	Article 5
Article 7		Article 6
Article 8		
Article 9		
Article 10 (1)	Article 3 (2)	
Article 10 (2)	Article 2 (3)	
Article 10 (3)	Article 2 (4)	
Article 10 (4)	Article 2 (5)	
Article 10 (5)	Article 3 (3)	
Article 11		
points (1) to (4) of Article 12		
Article 12 (5)		Article 3 (4)
Article 13	Article 3 (1) and (4)	Article 2 (1) and Article 7 and Article 8 (1)
Article 14	Article 5	Article 9, Article 10, Article 11, Article 12 and Article 13
Article 15		
Article 16	Article 6	Article 14



## **Annex III: Draft regulatory technical standards on the fees charged by CRAs to their clients**

2013/[...] (COD)

**COMMISSION DELEGATED REGULATION (EU) No [...]/2013]**

**of [...]**

**supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards for the periodic reporting on fees charged by credit rating agencies for the purpose of on-going supervision by the European Securities and Markets Authority**

**(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies<sup>7</sup>, and in particular point (b) of Article 21(4a) thereof,

Whereas:

- (1) Point (b) of Article 21(4a) of Regulation (EC) No 1060/2009 requires the European Securities and Markets Authority (ESMA) to submit by 21 June 2014 the draft regulatory technical standards to be endorsed by the Commission concerning the content and format on fees charged by credit ratings agencies to be periodically reported to ESMA.
- (2) Article 11 (3) and point 2 of Part II of Section E of Annex I of Regulation (EC) No 1060/2009 requires credit rating agencies to annually disclose to ESMA the list of fees charged to each client for individual credit ratings and any ancillary services, as well as its pricing policy, including the fees structure and pricing criteria in relation to credit ratings for different asset classes. The current Regulation details the content to be reported and the format to be used by credit rating agencies in order to comply with those obligations.

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<sup>7</sup> OJ L 302, 17.11.2009, p. 1

- (3) The purpose of this periodic reporting is to allow ESMA to exercise its on-going supervisory powers over credit rating agencies. Under these powers, and in order to mitigate conflicts of interest and facilitate fair competition in the credit rating market, ESMA should ensure that pricing policies, procedures and ultimately fees charged by credit rating agencies to clients are not discriminatory. Differences in fees charged for the same type of service should be justifiable by a difference in the actual costs in providing this service to different clients. Moreover, the fees charged for credit rating services to a given issuer should not depend on the results or outcome of the work performed.
- (4) The fee information to be submitted by registered credit rating agencies under this Regulation should allow ESMA to identify credit ratings that would require more in depth scrutiny and possible further supervisory follow-up actions. Credit ratings and ancillary services with similar features should have similar fees charged, differences being justified on basis of cost differences. The information collected under this Regulation should allow ESMA to identify, for each registered credit rating agency, comparable services and their respective fees and therefore to detect any significant deviations in fees charged. ESMA may then undertake investigations to verify that any such fees are set according to the pricing policies and procedures and differences on fees are based on cost differences are consistent with the principles of fair competition, are not due to conflicts of interest and do not depend on the results or outcome of the work performed.
- (5) Pricing policies and procedures should be reported for each rating type. For reporting purposes and in order to clearly distinguish each pricing policy and procedure and their respective updates, each version of the pricing policies with its respective fee schedule(s), fee programme(s) and procedures should have an identification number, in a manner that should also allow to clearly identify which policy or procedure is updated. For all other purposes, the pricing policies include the fee structure(s) or fee schedule(s) as well as the pricing criteria that can be applied by the person or persons negotiating the fees to be charged for an individual credit rating. The pricing policies should also include any frequency or other fee programmes from which the rated entity or subscriber may benefit in terms of different fees charged for an individual rating or a set of credit ratings. Credit rating agencies should record all instances of when the pricing policies, fee schedules, fee programmes and procedures have not been applied and all instances of deviations from the pricing policy as applied to an individual credit rating, with a clear identification of the credit rating involved.
- (6) Registered credit rating agencies that are part of a group should be able to either report their ratings data separately to ESMA, or mandate one of the other credit rating agencies within the group to submit the data on behalf of all group members that are subject to the reporting requirements.
- (7) For the purpose of this Regulation a “client” has the meaning set out in point 2 of Part II of Section E of Annex I of Regulation (EC) No 1060/2009. For clarification purposes, the “structuring of a debt issue” and “debt issue” should include financial instruments or other assets resulting from a securitisation transaction or scheme referred to in Article 4(61) of Regulation (EU) No 575/2013<sup>8</sup>.

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<sup>8</sup> OJ L 176, 27.6.2013, p. 1.

- (8) In order to enable registered credit rating agencies to develop adequate systems and procedures following the technical specifications provided by ESMA in this Regulation, registered credit rating agencies should initially report on individual fees data 9 months after the entry into force of this Regulation in order to ensure complete and correct reporting on fees data. This regards fee data as from the entry into force of the current Regulation. This should not be construed as a discharge from the obligation on registered credit rating agencies to submit periodic information on fees in accordance with Article 11(3) of the Regulation (EU) No 1060/2009 in the interim period.
- (9) Pricing policies and procedures should be provided on an on-going basis, so that any material changes are reported without undue delay after their adoption to come into effect and, at a maximum, within 30 days of their implementation. The information to be reported should be compiled in a standard format to allow ESMA to receive and process the records automatically in its internal systems. Due to technical difficulties and technical progress over time, a number of technical reporting instructions concerning the transmission or the format of the files to be submitted by registered credit rating agencies might have to be updated and communicated by ESMA through specific communications or guidelines. In those cases where material changes are necessary in the information required from registered credit rating agencies, ESMA will amend the Annexes of this Regulation and submit to the European Commission the updated draft regulatory technical standards for its endorsement.
- (10) The information to be submitted to ESMA and the database of information reported to ESMA under the current Regulation is not be made publicly available.
- (11) Where a CRA does not comply with the reporting requirements set out under this Regulation, ESMA may request this information by a decision issued under article 23b(3) of Regulation (EC) No 1060/2009, or take other investigatory measures provided for under that Regulation.
- (12) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the Commission, in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>9</sup>.
- (13) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010.

HAS ADOPTED THIS REGULATION:

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<sup>9</sup> OJ L 331, 15.12.2010, p. 84

## CHAPTER I

### General Provisions

#### Article 1

##### Subject matter

This Regulation sets out the content and format of periodic reporting on fees charged by registered credit rating agencies for the purpose of on-going supervision by ESMA to be requested from registered credit rating agencies, in accordance with:

- (a) Article 11(3) of Regulation (EC) No 1060/2009.
- (b) point (b) of Article 21(4a) of Regulation (EC) No 1060/2009;

## CHAPTER II

### Reporting principles

#### Article 2

##### General principles

1. Registered credit rating agencies shall submit the following types of reports to ESMA:
  - (a) pricing policies and procedures as set out in Article 3;
  - (b) fee data for credit ratings activities provided under the issuer-pays model as set out in Article 4(1);
  - (c) fee data for credit rating activities provided under the subscriber or investor-pays model as set out in Article 4(2).
2. Registered credit rating agencies shall comply with the requirements established by this Regulation and shall be responsible for the accuracy and completeness of the information and data reported to ESMA.
3. In the case of a group of credit rating agencies, the members of the group may mandate one member to submit reports required under this Regulation on its behalf and on behalf of the other members of the group. Each registered credit rating agency on whose behalf a report is submitted shall be identified in the data submitted to ESMA.

#### Article 3

##### Pricing policies and procedures

1. Registered credit rating agencies shall provide to ESMA their pricing policies, fee structure or fee schedules and pricing criteria in relation to those rated entities or financial instruments on which they are issuing credit ratings and, when applicable, pricing policies regarding ancillary services.
2. Registered credit rating agencies shall ensure that for each type of credit rating offered the pricing policies contain or are accompanied by the following items:
  - (a) a list of person or persons responsible for the approval and maintenance of the pricing policies, fee schedules and/or fee programmes including the full name of the person responsible for setting fees, the internal identifier, function and internal department to whom the person belongs;
  - (b) any internal guidelines for application of the pricing criteria in the pricing policies, fee schedules and/or fee programmes relating to the setting of individual fees;
  - (c) a detailed description of the fee range or fee schedule and criteria applicable to the different types of fees, including those provided for in the fee schedules;
  - (d) a detailed description of any fee programme, such as a relationship programme, frequency of use programme, loyalty programme or other programmes, including the criteria of application and fee range(s), from which individual credit ratings or set of ratings may benefit in fee terms;
  - (e) where applicable, the pricing principles and rules to be employed whenever there is a relationship or link between the fees charged for credit rating services and ancillary or any other services provided to the client by the credit rating agency and/or any of the entities belonging to the credit rating agency's group within the meaning of Articles 1 and 2 of Directive 83/349/EEC<sup>10</sup> as well as any entity linked to the credit rating agency or other company of the credit rating agency's group by a relationship within the meaning of Article 12(1) of Directive 83/349/EEC;
  - (f) the geographical scope of application of the pricing policy, fee schedule or fee programme in terms of where the clients are located and the credit rating agency or agencies which applies the pricing policy, fee schedule or fee programme;
  - (g) the list of persons authorised to set fees and other charges under the respective pricing policy, fee schedule or fee programme including the full name of the person responsible for setting fees, internal identifier and the function and internal department to whom the person belongs.
3. Registered credit rating agencies shall ensure that the pricing procedures contain or are accompanied by the following items:

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<sup>10</sup> OJ L 193 , 18/07/1983 P. 0001 - 0017

- (a) list of person or persons responsible for the approval and maintenance of the procedures implementing the pricing policies including the full name of the person responsible for setting prices, internal identifier and the function and internal department to whom the person belongs.
- (b) a detailed description of the procedures and controls in place to ensure and monitor strict compliance with the pricing policies;
- (c) a detailed description of the procedures in place when lowering fees or otherwise departing from the fee schedule or fee programmes;
- (d) list of person or persons directly responsible for monitoring the application of the pricing policies to individual fees, including the full name of the person , internal identifier and the function and internal department to whom the person belongs;
- (e) list of person or persons directly responsible for ensuring compliance of individual fees with pricing policies, including the full name of the person , internal identifier and the function and internal department to whom the person belongs;
- (f) a detailed description of the measures to adopt in the event of a breach of pricing policies, fee schedules, fee programmes and procedures;
- (g) a detailed description of the procedure for reporting to ESMA any material breach of pricing policies or procedures which may result in a breach of the conditions set out under point 3c of Section B of Annex I to Regulation (EC) No 1060/2009.

#### Article 4

##### **List of fees charged to each client**

1. Registered credit rating agencies providing credit ratings on an issuer-pays model shall provide to ESMA the fees charged to each client for individual credit ratings and any ancillary services per legal entity as well as aggregated by group of companies.
2. Registered credit rating agencies providing credit ratings on a subscriber or investor-pays model will provide to ESMA, on a per client basis, the total fees charged for such services as well as for the ancillary services provided.
3. All deviations from pricing policies and/or, pricing procedures, or the non-application of a pricing policy, fee schedule or fee programme and/or pricing procedure to a rating shall be recorded by the registered credit rating agencies, with clear identification of the main explanation(s) for the deviation and the individual rating involved in the format set out under Table 1 of Annex II. This record is to be made promptly available to ESMA upon request.

#### Article 5

## **Credit Rating types**

Registered credit rating agencies shall classify the ratings to be reported in accordance with the types defined in article [to be inserted] the COMMISSION DELEGATED Regulation (EU) No [.../2013] [to be inserted reference to ERP RTS].

## **CHAPTER III**

### **Method of Reporting**

#### **Article 6**

#### **Data to be provided**

1. Registered credit rating agencies shall provide to ESMA the data set out in Table 1, Table 2, Table 3 and Table 4 of the Annex I and Article 3(2) and 3(3) of this Regulation, as well as the pricing policies, fee schedules, fee programmes and procedures themselves in separate files.
2. Registered credit rating agencies shall provide to ESMA the data set out in Table 1 and Table 2 of the Annex II for fees data on each individual credit rating issued and the fees charged for credit ratings and any ancillary services per client in accordance with Article 4(1) of this Regulation.
3. Registered credit rating agencies that have provided credit ratings on a subscriber or investor-pays model shall provide to ESMA the data set out in Table 1 of Annex III for each client of the credit ratings services provided, in accordance with Article 4(2) of this Regulation.
4. The data specified in Table 1, Table 2, Table 3 and Table 4 of the Annex I and Table 1 and Table 2 of Annex II and Table 1 of Annex III shall be submitted to ESMA in separate files.

#### **Article 7**

#### **Initial reporting**

1. Each registered credit rating agency shall provide to ESMA the Tables in Annex I and separate files for pricing policies, fee schedules, fee programmes and procedures it is applying for each credit rating type in which it is active in accordance with Article 6(1) of this Regulation within 30 days upon entry into force of the current Regulation.
2. Initial reporting on fees submitted in accordance with Article 6(2) of this Regulation shall be submitted to ESMA 9 months after the entry into force of this Regulation and shall provide the fee data accumulated from the entry into force of this Regulation until 30 June 2015.
3. Registered credit rating agencies shall provide to ESMA the data set out under Article 6(3) of this Regulation 9 months after the entry into force of the current Regulation and shall provide the data accumulated from the entry into force of this Regulation until 30 June 2015.



4. Second time reporting on fees submitted in accordance with Article 6(2) and (3) shall be submitted to ESMA by 31 March 2016 and shall provide the data accumulated from 1 July 2015 until December 2015.

#### Article 8

##### **On-going reporting**

1. Without prejudice to the initial reporting requirements set out in Article 7, the information submitted in accordance with Article 6 of this Regulation shall be submitted on a yearly basis by 31 March and shall provide data and pricing policies, fee schedules, fee programmes and procedures relating to the preceding calendar year.
2. Without prejudice to the prior paragraph, material changes to the pricing policies, fee schedules, fee programmes and procedures shall be reported to ESMA on an on-going basis without undue delay after their adoption to come into effect and, at a maximum, within 30 days of their implementation.
3. Registered credit rating agencies shall notify ESMA immediately of any exceptional circumstances that may temporarily prevent or delay their ability to report in accordance with this Regulation.

#### Article 9

##### **Reporting procedures**

1. Registered credit rating agencies shall submit data files in accordance with the technical instructions provided by ESMA and using ESMA's reporting system.
2. Registered credit rating agencies shall store the files sent to and received by ESMA under Article 6 as well as deviation logs set out under Article 4(3) in electronic form for at least five years. These files shall be made available to ESMA on request.
3. Where a registered credit rating agency identifies factual errors in data that has been reported, it shall inform ESMA without undue delay and correct the relevant data according to the technical instructions provided by ESMA.

#### Article 10

##### **Entry into force**

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.



This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [...].

For the Commission  
The President

**ANNEX 1 to the regulatory technical standards on fees charged by CRAs to their clients**

**Table 1: Reporting of pricing policies per rating class in force and subsequent material updates**

No.	Field name	Description	Type	Standard
1	CRA identifier	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory	
2	CRA scope	Identification of the CRAs applying the pricing policy	Mandatory	ISO 17442
3	Pricing policy identifier	Unique identifier of the pricing policy that shall be maintained. All changes other than the scope of the rating types covered by the pricing policy should maintain the same unique identifier. Changes in the scope require a new pricing policy identifier.	Mandatory	Pricing policy identifier in format "PP_[internal pricing policy identifier] "
4	Pricing Policy validity date	The date from which the pricing policy is valid.	Mandatory	ISO 8601 Date Format (YYYY-MM-DD)
5	Pricing Policy end date	The end validity date of the pricing policy.	Mandatory	ISO 8601 Date Format (YYYY-MM-DD) or or 9999-01-01
6	Indication	Indication of whether the pricing policy relates to issuer	Mandatory	- 'I' for issuer-pays model, and/ or

No.	Field name	Description	Type	Standard
	of model	pays ratings or investor-pays or subscriber pays model. ESMA understands that CRAs may operate services under more than one model and therefore it is possible that a pricing policy may be used for both types of models. In such cases I and S may both be chosen.		- 'S' for investor-pays or subscriber pays model
7	Scope of the pricing policy	Description of the type of ratings or ancillary services included or covered by the pricing policy.	Mandatory	Indication whether the pricing policy applies to one or more of: <ul style="list-style-type: none"> <li>- 'All'</li> <li>- 'C' for corporate ratings (excluding covered bonds);</li> <li>- 'S' for sovereign and public finance ratings;</li> <li>- 'T' for structured finance ratings</li> <li>- 'B' for covered bond ratings</li> <li>- 'O' other types of ratings</li> <li>- 'A' for ancillary services</li> </ul>
8	Industry segment of the pricing policy	When reporting corporate ratings indication whether the pricing policy applies to ratings within one of these industry segments: (i) financial, (ii) insurance, (iii) other corporates.	Mandatory. Applicable only if 'C' in field 7 'Scope of the pricing policy'	Indication whether the pricing policy applies to one or more of: <ul style="list-style-type: none"> <li>- 'All'</li> <li>- FI - for Financial institutions including banks, brokers and dealers,</li> <li>- IN - for Insurance rating type,</li> <li>- CO - for Corporate issuers that do not belong to FI or IN classes.</li> </ul>
9	Asset class of the pricing policy	When reporting structured finance ratings indication whether the pricing policy applies to ratings within one of these industry segments: (i) RMBS, (ii) ABS, (iii) CMBS, (iv) CDO, (v)ABCP, (vi) other.	Mandatory. Applicable only if 'T' in field 7 'Scope of the pricing policy'	Indication whether the pricing policy applies to one or more of: <ul style="list-style-type: none"> <li>- 'All'</li> <li>- 'RMBS' for RMBS ratings;</li> <li>- 'ABS' for ABS ratings;</li> </ul>

No.	Field name	Description	Type	Standard
			policy'	<ul style="list-style-type: none"> <li>– 'CMBS' for CMBS ratings,</li> <li>– 'CDO' for CDO ratings</li> <li>– 'ABCP' for ABCP ratings</li> <li>– 'OTH' other</li> </ul>
10	Sector	When reporting sovereign and public finance ratings indication whether the pricing policy applies to ratings within one of these industry segments: (i) State rating, (ii) Regional or local-authority rating, (iii) Supranational organisations (other than international financial institutions), (iv) public entities, (v) International financial institutions.	Mandatory. Applicable only if 'S' in field 7 'Scope of the pricing policy'	Indication whether the pricing policy applies to one or more of: <ul style="list-style-type: none"> <li>– 'All'</li> <li>– 'SV' - State rating</li> <li>– 'SM' - Regional or local-authority rating</li> <li>– 'SO' - Supranational organisations rating other than 'IF'</li> <li>– 'PE' - Public entities rating.</li> <li>– 'IF' - International financial institutions</li> </ul>
11	Previous pricing policy	The identification of the prior pricing policy which the current policy replaces.	Mandatory. Applicable if the current pricing policy changes the scope of application of a previous pricing policy	<ul style="list-style-type: none"> <li>– Pricing policy identifier in format "PP_[internal pricing policy identifier] "</li> </ul>
12	Pricing policy file name	Pricing policy file name. Shall be reported in a zip format	Mandatory.	

**Table 2: Reporting of fee schedules per rating class in force and subsequent material updates**

No.	Field name	Description	Type	Standard
1	CRA identifier	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory	
2	CRA scope	Identification of the CRAs applying the fee schedule.	Mandatory	ISO 17442
3	Fee schedule identifier	Unique identifier of the fee schedule that shall be maintained over time. All changes other than the scope of the rating types covered by the fee schedule should maintain the same unique identifier. Changes in the scope require a new fee schedule identifier.	Mandatory	- Fee schedule identifier in format "FS_[internal fee schedule identifier]" -
4	Pricing policy identifier	Identification of the pricing policy which the fee schedule is meant to implement. This pricing policy identifier must correspond to the identifier(s) set out under Table 1 of Annex I.	Mandatory	- Pricing policy identifier in format "PP_[internal pricing policy identifier]"
5	Fee schedule validity date	The date from which the fee schedule is valid.	Mandatory	ISO 8601 Date Format (YYYY-MM-DD)
6	Fee schedule end date	The end validity date of the fee schedule.	Mandatory	- ISO 8601 Date Format (YYYY-MM-DD) or or 9999-01-01
7	Indication of model	Indication of whether fee schedule relates to issuer pays ratings or investor pays model.	Mandatory	- 'I' for issuer-pays model - 'S' for investor-pays or subscriber pays model
8	Rating type scope of the fee schedule	Description of the type of ratings or ancillary services included in the fee schedule.	Mandatory	Indication whether the fee schedule applies to one or more of: - -All- - -'C' for corporate ratings (excluding

No.	Field name	Description	Type	Standard
				covered bonds); <ul style="list-style-type: none"> <li>- 'S' for sovereign and public finance ratings;</li> <li>- 'T' for structured finance ratings</li> <li>- 'B' for covered bond ratings</li> <li>- 'O' other types of ratings</li> <li>- 'A' for ancillary services</li> </ul>
9	Industry segment of the fee schedule	When reporting corporate ratings indication whether the fee schedule applies to ratings within one of these industry segments: (i) financial, (ii) insurance, (iii) other corporates.	Mandatory. Applicable only if 'C' in field 8 'Rating type scope of the fee schedule'	Indication whether the fee schedule applies to one or more of: <ul style="list-style-type: none"> <li>- 'All'</li> <li>- 'FI' - for Financial institutions including banks, brokers and dealers,</li> <li>- 'IN' - for Insurance rating type,</li> <li>- 'CO' - for Corporate issuers that do not belong to FI or IN classes.</li> </ul>
10	Asset class of the fee schedule	When reporting structured finance ratings indication whether the fee schedule applies to ratings within one of these industry segments: (i) RMBS, (ii) ABS, (iii) CMBS, (iv) CDO, (v) ABCP, (vi) other.	Mandatory. Applicable only if 'T' in field 8 'Rating type scope of the fee schedules'	Indication whether the fee schedule applies to one or more of: <ul style="list-style-type: none"> <li>- 'All'</li> <li>- 'RMBS' for RMBS ratings;</li> <li>- 'ABS' for ABS ratings;</li> <li>- 'CMBS' for CMBS ratings,</li> <li>- 'CDO' for CDO ratings</li> <li>- 'ABCP' for ABCP ratings</li> <li>- 'OTH' other</li> </ul>
11	Sector of the fee schedule	When reporting sovereign and public finance ratings indication whether the fee schedule applies to ratings within one of these industry segments: (i) State rating, (ii) Regional or local-authority rating, (iii) supranational organisations (other than international financial institu-	Mandatory. Applicable only if 'S' in field 8 'Rating type	Indication whether the fee schedule applies to one or more of: <ul style="list-style-type: none"> <li>- 'All'</li> <li>- SV - State rating</li> <li>- SM - Regional or local-authority rating</li> </ul>

No.	Field name	Description	Type	Standard
		tions), (iv) public entities, (v) International financial institutions.	scope of the fee schedules'	SO - Supranational organisations rating other than 'IF' PE - Public entities rating. IF - International financial institutions
12	Sub-asset of the fee schedule	Defines the sub-asset classes for ABS, RMBS and CDO ratings.	Mandatory. Applicable only if 'T' in field 8 and 'Asset class' = 'ABS' or 'RMBS' or 'CDO' or 'OTH'.	Indication whether the fee schedule applies to one or more of: - 'All' ABS: Credit card receivable backed securities ALB - If ABS: Auto loan backed securities CNS - If ABS: Consumer loan backed security SME - If ABS: Small and medium sized enterprises loan backed securities LES - If ABS: Leases to individual or business backed security OTH - Other HEL - If RMBS: Home equity loans PRR - If RMBS: Prime RMBS, NPR - If RMBS: Non-prime RMBS CFH - If CDO: Cash flow and hybrid CDOs/CLOs SDO - If CDO: Synthetic CDOs/CLOs MVO - If CDO: Market value CDOs SIV - If OTH: structured investment vehicles ILS - If OTH: insurance-linked securities DPC - If OTH: derivative product companies SCB - If OTH: structured covered bonds
13	Previous Fee sched-	The identification of the prior fee schedule which the current policy replaces.	Applicable if the current	Fee schedule identifier in format "FS_[internal fee schedule identifier]"



No.	Field name	Description	Type	Standard
	ule		fee schedule changes the scope of application of a previous fee schedule	
14	Fee schedule file name	Fee schedule file name. Shall be reported in a zip format	Mandatory.	

**Table 3: Reporting of fee programmes per rating class in force and subsequent material updates**

No.	Field name	Description	Type	Standard
1	CRA identifier	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory	
2	CRA scope	Identification of the CRAs applying the fee programme.	Mandatory	ISO 17442
3	Fee programme identifier	Unique identifier of the fee programme that shall be maintained over time. All changes other than the scope of the rating types or type of programme covered by the fee programme should maintain the same unique identifier. Changes in the scope require a new fee programme identifier.	Mandatory	Fee programme identifier in format "FP_[internal fee programme identifier]"

No.	Field name	Description	Type	Standard
4	Pricing policy identifier	Identification of the pricing policy which the fee programme is meant to implement. This pricing policy identifier must correspond to the identifier(s) set out under Table 1 of Annex I.	Mandatory	Pricing policy identifier in format "PP_[internal pricing policy identifier]"
5	Fee programme validity date	The date from which the fee programme is valid.	Mandatory	ISO 8601 Date Format (YYYY-MM-DD)
6	Fee programme end date	The end validity date of the fee programme.	Mandatory	- ISO 8601 Date Format (YYYY-MM-DD) or or 9999-01-01
7	Indication of model	Indication of whether fee programme relates to issuer-pays ratings or investor-pays or subscriber pays model.	Mandatory	- 'T' for issuer pays model, and /or - 'S' for investor-pays or subscriber pays model
8	Rating type scope of the fee programme	Description of the type of ratings or ancillary services included in the fee programme.	Mandatory	Indication whether the fee programme applies to one or more of: - - 'All' - - 'C' for corporate ratings (excluding covered bonds); - - 'S' for sovereign and public finance ratings; - - 'T' for structured finance ratings - - 'B' for covered bond ratings - - 'O' other types of ratings - - 'A' for ancillary services
9	Industry segment of the fee programme	When reporting corporate ratings indication whether the	Mandatory. Applicable only if 'C' in	Indication whether the fee programme applies to one or more of:

No.	Field name	Description	Type	Standard
		fee programme applies to ratings within one of these industry segments: (i) financial, (ii) insurance, (iii) other corporates.	field 8 'Scope of the fee programme'	<ul style="list-style-type: none"> <li>– 'All'</li> <li>– FI - for Financial institutions including banks, brokers and dealers,</li> <li>– IN - for Insurance rating type,</li> <li>– CO - for Corporate issuers that do not belong to FI or IN classes.</li> </ul>
10	Asset class of the fee programme	When reporting structured finance ratings indication whether the fee programme applies to ratings within one of these industry segments: (i) RMBS, (ii) ABS, (iii) CMBS, (iv) CDO, (v) ABCP, (vi) other.	Mandatory. Applicable only if 'T' in field 8 'Rating scope of the fee programme'	Indication whether the fee programme applies to one or more of: <ul style="list-style-type: none"> <li>– 'All'</li> <li>– 'RMBS' for RMBS ratings;</li> <li>– 'ABS' for ABS ratings;</li> <li>– 'CMBS' for CMBS ratings,</li> <li>– 'CDO' for CDO ratings</li> <li>– 'ABCP' for ABCP ratings</li> <li>– 'OTH' other</li> </ul>
11	Sector of the fee programme	When reporting sovereign and public finance ratings indication whether the fee schedule applies to ratings within one of these industry segments: (i) State rating, (ii) Regional or local-authority rating, (iii) supranational organisations (other than international financial institutions), (iv) public entities, (v) international financial institutions.	Mandatory. Applicable only if 'S' in field 8 'Rating type scope of the fee schedules'	Indication whether the fee programme applies to one or more of: <ul style="list-style-type: none"> <li>- 'All'</li> <li>- SV - State rating</li> <li>- SM - Regional or local-authority rating</li> <li>- SO - Supranational organisations rating other than 'IF'</li> <li>- PE - Public entities rating.</li> <li>- IF - International financial institutions</li> </ul>
12	Sub-asset of the fee	Defines the sub-asset classes	Mandatory.	Indication whether the fee pro-

No.	Field name	Description	Type	Standard
	programme	for ABS, RMBS and CDO ratings.	Applicable only if 'T' in field 8 and 'Asset class' = 'ABS' or 'RMBS' or 'CDO' or 'OTH'.	<p>gramme applies to one or more of:</p> <ul style="list-style-type: none"> <li>- 'All'</li> <li>ABS: Credit card receivable backed securities</li> <li>ALB - If ABS: Auto loan backed securities</li> <li>CNS - If ABS: Consumer loan backed security</li> <li>SME - If ABS: Small and medium sized enterprises loan backed securities</li> <li>LES - If ABS: Leases to individual or business backed security</li> <li>OTH - Other</li> <li>HEL - If RMBS: Home equity loans</li> <li>PRR - If RMBS: Prime RMBS,</li> <li>NPR - If RMBS: Non-prime RMBS</li> <li>CFH - If CDO: Cash flow and hybrid CDOs/CLOs</li> <li>SDO - If CDO: Synthetic CDOs/CLOs</li> <li>MVO - If CDO: Market value CDOs</li> <li>SIV - If OTH: structured investment vehicles</li> <li>ILS - If OTH: insurance-linked securities</li> <li>DPC - If OTH: derivative product companies</li> <li>SCB - If OTH: structured covered</li> </ul>

No.	Field name	Description	Type	Standard
				bonds
13	Type of programme included	Description of the type of programme included in the fee programme, such as whether it relates to and/or includes a frequency of use programme, loyalty programme, multi-issuance programmes, purchase of a package or credit ratings or other types of programmes.		Indication whether the fee programme applies to one or more of: - 'All' - 'F' frequency of use; - 'L' loyalty programme; - 'M' multi-issuance programmes; - 'B' for package purchase of a pre-set number of credit ratings - 'OTH' other types of fee programme
14	Previous fee programme	The identification of the prior fee programme which the current policy replaces.	Mandatory. Applicable if the current fee programme changes the scope of application of a previous fee programme.	– Fee programme identifier in format "FP_[internal fee programme identifier]"
15	Fee schedule(s)	Unique identification number of any fee schedule(s) applicable or linked to the fee programme. This fee schedule identifier must correspond to the identifier(s) set out under Table 2 of Annex I.	Mandatory if applicable.	Fee schedule identifier in format "FS_[internal fee schedule identifier]"
16	Fee programme file name	Fee programme policy file name. Shall be reported in a zip format	Mandatory.	

**Table 4: Reporting of pricing procedures in force and subsequent material updates**

No.	Field name	Description	Type	Standard
1	CRA identifier	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory.	
2	CRA scope	Identification of the CRAs applying the pricing procedure.	Mandatory.	ISO 17442
3	Procedure identifier	Unique identifier of the pricing procedure that shall be maintained over time.	Mandatory.	
4	Pricing policy identifier	Identification of the pricing policy or policies which the pricing procedure is meant to implement. This pricing policy identifier must correspond to the identifier(s) set out under Table 2 of Annex I.	Mandatory.	Pricing policy identifier in format "PP_[internal pricing policy identifier]"
5	Fee schedule identifier	Identification of the schedule(s) which the pricing procedure is meant to implement. This fee schedule identifier must correspond to the identifier(s) set out under Table 2 of Annex I.	Mandatory. If applicable.	Fee schedule identifier in format "FS_[internal pricing policy identifier]"
6	Fee pro-	Identification of the fee programme(s) which the pricing	Mandatory.	Fee programme identifier in format "FP_[internal

No.	Field name	Description	Type	Standard
	programme identifier	ing procedure is meant to implement. This fee programme identifier must correspond to the identifier(s) set out under Table 3 of Annex I.	If applicable.	pricing policy identifier]”
7	Pricing procedure validity date	The date from which the pricing procedure is valid.	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD)
8	Pricing procedure end date	End date of validity of the pricing procedure	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD) or 9999-01-01
9	Pricing procedure file name	Pricing procedure file name. Shall be reported in a zip format	Mandatory.	



## ANNEX II to the draft regulatory technical standards on fees charged by CRAs to their clients

**Table 1: Data to be reported to ESMA for each individual credit rating assigned under the issuer-pays model**

No.	Field name	Description	Type	Standard
1	CRA unique identifier	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory.	ISO 9362
2	Reporting year	The calendar year to which the reporting period refers.	Mandatory.	Format: YYYY
3	Rating identifier	Unique identifier of the rating. It shall be maintained unchanged over time and correspond to identifier reported under the COMMISSION DELEGATED Regulation (EU) No [.../2013] [to be inserted reference to ERP RTS]	Mandatory.	--
4	Contract rating start date	Date of the initial contract for the rating service. Typically would correspond to the date on which the fees for the credit rating service are set.	Mandatory.	ISO 8601 Extended Date Time Format: YYYY-MM-DD
5	Fee schedule used	Unique identifier of the fee schedule under which the fees were set. This fee schedule identifier must correspond to the identifier(s) set out under Table 2 of Annex I. Where no fee schedule has been used	Mandatory.	[fee schedule in format "FS [internal fee schedule identi-

No.	Field name	Description	Type	Standard
		to set the price, then the pricing policy identifier must be used. This pricing policy identifier must correspond to the identifier(s) set out under Table 1 of Annex I. If neither a pricing policy or fee schedule has been applied then 'N' should be used.		fier] or pricing policy identifier Pricing policy identifier in format "PP_[internal pricing policy identifier]" 'N' Non-applied
6	Person(s) responsible for pricing	Internal identifier assigned by the CRA to the person(s) responsible for setting the fees relating to the rating, either by applying the applicable fee schedule and/or fee programme or the person approving exceptions or discounts to the fee schedule and/or fee programme.	Mandatory.	[The internal identifier of the person responsible]
7	Client Identifier	Unique code assigned by the CRA to identify the Client. Typically this should correspond to the issuer of the instrument or entity, however in no cases shall it be an SPV. For Structured Finance instruments the unique code should identify the originator or other entity that from an economic point of view (e.g. arranger), directly or indirectly via an SPV or SIV, effectively negotiates the fees with the credit rating agency. This shall correspond to one Client Identifier identified in Table 2 of Annex II.	Mandatory.	
8	Indication of whether the individual rating benefited from fee exemption or reduction	Certain credit ratings might not pay an individual direct fee / or might benefit from a reduction as the Client might have paid for a set of ratings, an	Mandatory.	– 'C' – covered by Group Fee

No.	Field name	Description	Type	Standard
		annual (or other set period) nominal issuance amount, flat fee or be part of a “package” of ratings (“Group Fee”). This field identifies whether the individual rating is covered by such an arrangement with the Client.		arrangement – ‘N’ not covered by Group Fee arrangement
9	Total amount of fees charged	Identifies the total amount of fees billed for the rating during the prior calendar reporting year. Where no fee was paid for the individual credit rating the amount should be 0 for all but one of the ratings benefitting from the Group Fee.	Mandatory.	Amount in euros
10	Amount of initial fees paid	Identifies the amount of up-front / initial fees billed during the prior calendar reporting year.	Mandatory.	Amount in euros
11	Surveillance fees paid	Identifies the annual surveillance/monitoring fees billed in prior calendar year.	Mandatory.	Amount in Euros
12	Other fees charged for rating service	Identifies total of other fees or compensation billed in prior calendar year.	If applicable.	Amount in Euros
13	Description of other fees	Indication of whether the fees billed included any consideration or fees for a rapid turnaround request by the Client for the rating service.	Mandatory. Applicable if “Other fees charged” was filled in response to field “Other fees charged for rating service”	– ‘Y’ – where rapidity fee applied – ‘N’ – where no rapidity fee applied

No.	Field name	Description	Type	Standard
			(field 12).	
14	Negotiation links with other ratings	Identifies whether the rating fee negotiations was linked to other existing ratings of the Client and that led to variations in the final fees applied and paid for by the Client. This would include credit rating services provided in relation to vehicles set up to facilitate issuance, such as an MTN programme.	Mandatory.	<ul style="list-style-type: none"> <li>– ‘Y’ for Yes</li> <li>– ‘N’ for No</li> </ul>
15	Identification of the linked rating(s)	Unique identifier of the rating(s) linked to the rating being reported (e.g., in the case of structured finance a master trust structure and its series)	Mandatory. Applicable if ‘Y’ was filled in response to field 14.	<ul style="list-style-type: none"> <li>– List of identifiers</li> </ul>
16	Fee programme	Indication of whether the Client benefits in lower individual fees from a frequency or other fee programme.	Mandatory.	<ul style="list-style-type: none"> <li>– ‘Y’ for Yes</li> <li>– ‘N’ for No</li> </ul>
17	Identification of fee programme	Identification of the fee programme under which the rating is priced. Should identify the fee programme which must match with the identifier set out in the applicable fee programme set out under Table 3 of Annex I.	Mandatory if ‘Y’ was reported in field 16.	<ul style="list-style-type: none"> <li>– Pricing policy identifier in format "PP_[internal pricing policy identifier]"</li> </ul>

**Table 2: Data to be provided to ESMA for fees received on a per client basis for rating services and ancillary services**

No.	Field name	Description	Type	Standard
1	CRA unique identifier	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory.	ISO 9362.
2	Client identifier	Unique code assigned by the CRA to identify the Client. Clients may be issuers, rated entities and/or originators, and/or include entities that from an economic point of view, directly or indirectly via an SPV or SIV, negotiates the fees with the credit rating agency in the context of credit rating arrangements. For clarification purposes it should be noted that in no instances shall a Client be an SPV or SIV. The Client shall retain the same unique identifier in all these cases.	Mandatory.	
3	Legal entities	List of legal entities that are included in the Client Identifier field.	Mandatory.	List of names of legal entities
4	Total overall fees billed	Total fees billed from the Client in the prior calendar year for issuer-pays rating services.	Mandatory.	Amount in Euros
5	Client ratings	Identifies how many credit ratings the Client has with the credit rating agency at 31 <sup>st</sup> December of the prior calendar year.	Mandatory.	Number of ratings
6	Total fees for programmes	Total fees billed from the Client in the prior calendar year for rating services not derived from an individual rating but from a frequency issuance, relationship or other type of flat fee programme and excess issuance fees, which may cover one or more ratings.	Mandatory.	Amount in Euros
7	Identification of	Identification of ratings issued under or covered by fees	Mandatory.	List of ratings identifier

	ratings	programmes in the prior calendar year.		
8	Fees received for ancillary services	Total fees billed by the CRA group of companies from the Client for ancillary services in the previous calendar year.	Mandatory.	Amount in Euros
9	Main ancillary services	Identification of the three main services provided by the CRA group to the Client in the prior calendar year, in revenue terms.	Mandatory. If more than 0 answered to field 8 'fees received for ancillary services'.	List of ancillary services
10	Ranking of ancillary services	Ranking of the ancillary services for the top three main services identified in field 10 'main ancillary services', in revenue terms.	Mandatory. If more than 0 answered to field 8 'fees received for ancillary services'.	Ranking of ancillary services
11	Other services	Indication of whether account was taken for the setting of fees for the credit rating services provided to the Client of any services provided by any entities belonging to the credit rating agency's group within the meaning of Articles 1 and 2 of Directive 83/349/EEC as well as any entity linked to the credit rating agency or other company of the credit rating agency's group by a relationship within the meaning of Article 12(1) of Directive 83/349/EEC.	Mandatory.	<ul style="list-style-type: none"> <li>– 'Y' for Yes</li> <li>– 'N' for No</li> </ul>

### ANNEX III to the draft regulatory technical standards on fees charged by CRAs to their clients

**Table 1: Data to be provided to ESMA for fees received for subscription or investor-pays based rating services**

**This is to be provided on a per client basis for: (i) the top 100 Clients in revenue terms for this type of credit rating service, (ii) as well as all other Clients who are subscribers or pay for ratings as an investor and are also rated by the credit rating agency group.**

No.	Field name	Description	Type	Standard
1	CRA unique identifier	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory	ISO 9362
2	Client identifier	Code used internally by the system to identify the client who is paying, being invoiced or otherwise negotiating rates with the credit rating agency to receive the credit rating service.	Mandatory	
3	Fees per client	Total fees billed from the Client for subscription based rating services provided in prior calendar year.	Mandatory	Amount in Euros
4	Identification of pricing policy	Identification of the pricing policy under which the CRA charged its Client. The pricing policy must match with the identifier set out in the applicable pricing policy set out under Table 1 of Annex I to this RTS.	Mandatory. If applicable	- Pricing policy identifier in format "PP_[internal pricing policy identifier]"
5	Identification of fee schedule	Identification of the three main fee schedules under which the CRA charged its Client. The fee schedule must match with the identifier set out in the applicable fee schedule part of the pricing policy set out under Table 3 of Annex I to this RTS.	Mandatory. If applicable	- Fee schedule identifier in format "FS_[internal fee schedule identifier]"
6	Identification of fee programme	Identification of the three main fee programmes under which the CRA charged its Client. The fee schedule must	Mandatory. If applicable	- Fee programme identifier in format "FP_[internal fee

		match with the identifier set out in the applicable fee programme part of the pricing policy set out under Table 4 of Annex I to this RTS.		programme identifier]”
7	Issuer or rated entity	Indication of whether the Client is also an issuer, rated entity, or otherwise a Client under Table 2 of Annex II.	Mandatory.	- ‘Y’ for Yes - ‘N’ for No
8	Top client indication	Indication of whether the Client was one of top 100 subscription clients in revenue terms in the prior calendar year.	Mandatory Applicable only if answered ‘Y’ to field	- ‘Y’ for Yes - ‘N’ for No
9	Fees received for ancillary services	Total fees billed by the CRA group of companies from the client for ancillary services in the prior calendar year.	Mandatory	Amount in Euros



## **Annex IV: Cost-benefit analysis**

This cost-benefit analysis provides a quantitative and qualitative reasoning for the technical policy choices taken to draft the three RTS as required in the CRA3 Regulation. ESMA has consulted with stakeholders and with established working groups within the parameters of the Regulation (EU) No 1095/2010 establishing ESMA in the following ways:

- In order to gather evidence and market participants' views for the initial drafting of the RTS, ESMA published on 10 July 2013 a Discussion Paper (ref. ESMA/2013/891). The period of consultation included a public hearing held on 25 July 2013. Responses to the DP were mainly received from CRAs, financial institutions and trade associations representing the financial sector;
- On 11 February 2014 ESMA published a Consultation Paper (ESMA/2014/150), which presented a first draft of the three RTS as well as a draft Impact Assessment. The consultation paper was accommodated by a second public hearing on 14 March 2014. Responses to the CP were mainly received from CRAs, financial institutions and trade associations representing the European ABS and banking industry;
- National competent authorities were involved actively during the draft of the DP, CP and this Final Report through the channel of the CRA Technical Committee.
- In addition, ESMA sought advice from the Securities and Markets Stakeholders Group (SMSG) on specific topics regarding the RTS throughout the drafting of the DP, CP and this Final Report.

### **1. Cost-benefit analysis draft RTS on structured finance instruments**

#### **1.1. Introduction**

Article 8(b) paragraph 1 of the CRA3 Regulation states that, the issuer, originator and sponsor of a structured finance instrument established in the Union shall, on the website set up by ESMA pursuant to paragraph 4, jointly publish information on the credit quality and performance of the underlying assets of the structured finance instrument, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure as well as any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures.

As stipulated in Article 8(b)(3), ESMA's RTS shall specify:

- a) The information that the issuer, originator and sponsor of a structured finance instrument established in the European Union must publish in order to comply with the obligation resulting from Article 8(b)(1) of Regulation (EC) No 1060/2009 in accordance with Article 8(b)(2) of Regulation (EC) No 1060/2009;
- b) the frequency with which the information referred to in point (a) is to be updated;
- c) the presentation of the information referred to in point (a) by means of a standardised disclosure template.

## 1.2 Problem identification

The financial crisis has revealed problems with the level of transparency on the underlying assets of SFI. As such, CRAs evidently failed to recognize the weakened risk profile of structured finance instruments. Where the information about underlying assets is insufficiently granular, in stressed market conditions investors are unable to fully appreciate the risk of complex securities, which in turn can lead to a contraction of liquidity in secondary markets for ABS products.

The general policy decision to introduce improved disclosure requirements for SFI has been made within Level-1 legislation (the CRA3 Regulation). The general impact of such policy decision has been analysed by the European Commission in the Impact Assessment accompanying its legislative proposal<sup>11</sup>. The associated costs and benefits of the policy decision can briefly be described as follows:

- I
  - individual investors and financial firms would benefit from increased product information;
  - sovereigns/taxpayers would benefit from possible reduced capital market volatility;
  - competition between CRAs would be enforced, leading to an improvement of their credit ratings quality and an increase in the number of unsolicited ratings; and
  - investors' dependence on credit ratings would be reduced.
- C
  - issuers would face compliance costs for their disclosure and they may reduce the information available for external credit ratings;
  - national supervisors (SCA, as specified in Art 25a introduced by the CRA3 Regulation) might have difficulties in ensuring in their supervisory processes that disclosure rules are applied.

The below table provides a summary of the problem identification and market failure analysis with respect to SFI:

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<sup>11</sup> [http://ec.europa.eu/internal\\_market/securities/docs/agencies/SEC\\_2011\\_1354\\_en.pdf](http://ec.europa.eu/internal_market/securities/docs/agencies/SEC_2011_1354_en.pdf)

<b>What is the problem?</b>	Lack of sufficient information to make an individual assessment of the creditworthiness of the SFI.
<b>Is the issue identified likely to have an EU-wide impact on market participants and on the smooth functioning of the single market?</b>	<ul style="list-style-type: none"> <li>- The policy measure will have a direct impact on issuers, originators and sponsors of SFI that are established in the European Union;</li> <li>- The policy measure will have a potential impact on profits of CRAs specialized in the analysis of SFI credit risk and in the provision of solicited credit ratings;</li> <li>- The policy measure is likely to have an impact on the issuance of SFI in the primary market and the liquidity of the secondary SFI market.</li> </ul>
<b>Is the issue identified likely to have an EU-wide impact on market participants and on the smooth functioning of the single market?</b>	<ul style="list-style-type: none"> <li>- The policy measure will have a direct impact on issuers, originator and sponsors of SFI that are established in the European Union;</li> <li>- The policy measure will have a potential impact on profits of CRAs specialized in the analysis of SFI credit risk and in the provision of solicited credit ratings;</li> <li>- The policy measure is likely to have an impact on the issuance of SFI in the primary market and the liquidity of the secondary SFI market.</li> </ul>
<b>What evidence shows that the problem is significant?</b>	The secondary market of SFI exhibited a freeze-up of liquidity when SFI and their ratings underperformed during the recent financial crisis.
<b>Is the problem due to market failure? What is the market failure?</b>	Yes. Due to asymmetric information on credit quality, debtors are better informed on the default probability of their debt obligations than creditors. Information asymmetries are currently reduced by CRAs, who provide an independent credit opinion. Credit opinions by CRAs represented by ratings are the only established alternative to internal risk assessments.
<b>Is the problem due to regulatory/supervisory failure?</b>	No.
<b>What regulatory objective is put at risk by the problem?</b>	Financial market stability and investor protection. Global regulators have committed themselves to reduce overreliance on external credit ratings.
<b>Is it or is it not likely that the problem will be solved over time without a new regulatory policy? Give reasons.</b>	Two of the main SFI disclosure regimes that are currently in place in the EU are BoE and the ECB requirements on disclosure of the underlying asset quality to grant access to central bank funding. The potential impact of an additional disclosure requirement can be determined only after implementation of the RTS.
<b>Is the case for regulatory/supervisory action justified?</b>	Article 8(b) of the CRA3 Regulation sets out ESMA's legal mandate.

### 1.3 Cost-benefit analysis

Increasing the availability of information on the underlying assets of SFI is critical to enable investors to make an informed assessment of the credit quality and performance of SFI. Improved transparency would also reduce investors' dependence on external credit ratings, mitigating adverse consequences arising from mechanistic reliance on ratings.

Beyond a strengthening of an investor's ability to conduct internal risk assessment, the RTS is expected to have a positive impact on competition in the credit ratings industry. Provided that the information disclosed meets the requirements of CRAs to assign SFI ratings, an increase in the issuance of unsolicited credit ratings should be observed. The availability of information would enable CRAs to issue unsolicited ratings and enter the market of SFI ratings.

However, when introducing increased transparency requirements a likely trade-off between liquidity in primary and secondary markets of ABS needs to be considered (see for example Pagano / Volpin (2010)<sup>12</sup>). As such:

- Higher transparency is likely to increase liquidity in secondary markets, as judgments of asset quality are more likely to be possible in difficult market conditions, thus reducing the risk of markets freezing up in difficult market conditions.
- On the other hand, higher asset pool transparency is likely to reduce issuance of SFI compared to the pre-crisis period, mainly because issuers may not want to publish detailed information.

The incremental impact of this RTS on the issuance and trading of SFI would arise to the extent that the reporting requirements defined in the RTS would diverge from other EU reporting requirements currently in place i.e. the ABS loan-level requirements of the ECB and BoE.

Bearing in mind that increased transparency with respect to the underlying pool of assets can, in principle, have a significant impact on market activity, it will be important to monitor issuance and trading of SFI after the introduction of this RTS and to assess whether market developments are attributable to the implementation of the RTS or other policy measures.

With respect the implementation of Article 8b, ESMA considers the following three aspects of importance to define:

1. the content, format and current requirements of loan-level information disclosure;
2. the information necessary to conduct comprehensive and well-informed stress tests on SFI;
3. the most efficient frequency of reporting.

The following sections analyse the economic impact of each of these three aspects, including the costs and benefits of different options of achieving their objective.

### **1.3.1 The content, format and current requirements of loan-level information disclosure.**

On 19 July 2010 the BoE launched an initiative regarding greater transparency in relation to asset-backed securities and covered bonds as part of the eligibility criteria for instruments accepted in the Sterling

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<sup>12</sup> Pagano, Marco, and Paolo Volpin. "Credit ratings failures and policy options." *Economic Policy* 25, no. 62 (2010): 401-431.



monetary framework. According to the decision<sup>13</sup>, loan-level information will have to be made publicly available in a standardized format determined by the BoE in order to qualify for their eligibility requirements for instruments accepted in its operations. The first loan-level disclosure templates came into effect on 2 October 2012.

Similarly, on 16 December 2010, the ECB decided to establish loan-level reporting templates in the Eurosystem collateral framework, providing investors (including central banks) and credit rating agencies timely and consistent access to loan-level information that is needed to update credit and cash-flow models for ABS products. The reporting templates are intended to improve transparency with respect to SFI and are designed to ensure compliance with data protection, banking secrecy and confidentiality regulation. The first loan-level reporting requirements for RMBS and SME ABS entered into force on 3 January 2013. Other loan-level reporting templates covering different asset classes were introduced in the course of 2013 and 2014.

As the BoE and ECB provide lending in their operations only against collateral of sufficient quantity and quality, it is therefore assumed that the loan-level reporting templates set out by BoE and ECB provide the baselines for credit quality and liquidity assessment for ABS products. ESMA further assumes that the publication of that information is sufficient to enable investors to perform internal risk assessment and to inform themselves of counterparty credit risk related to ABS exposure.

The options of how to implement Article 8(b) of the CRA Regulation with regard to the content, format and current requirements of loan-level information disclosure can therefore be narrowed down to two broad possible options - *Following the ECB or BoE loan-level templates* - for which the incremental costs and benefits are analysed further below.

The outside option of developing individual ESMA specific templates to satisfy article 8(b) was discounted for efficiency and time reason as well as avoidance of reporting duplication. It is considered that a consistent and timely implementation of Article 8(b) of the CRA Regulation can only be achieved by leveraging on the expertise of existing disclosure requirements. This should be viewed strongly against the background that the development of the BoE and ECB templates consumed two years of time. However, ESMA will issue standardised disclosure templates for other asset classes in the future if this is deemed necessary and appropriate. The tables below summaries the costs and benefits of the different technical options and highlight the preferred option:

<b>Policy Objective</b>	Reducing reliance on external credit ratings: Increasing transparency with respect to the underlying pool of assets of SFI.
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<sup>13</sup> Bank of England Market Notice: Information Transparency for Asset-Backed Securities (<http://www.bankofengland.co.uk/markets/Documents/marketnotice100719a.pdf>)

Option 1	<u>ECB approach</u> : the ECB already requires specific loan-level information for SFI accepted as collateral in Eurosystem credit operations. The information is provided voluntarily through a standardised template which provides detailed information on the SFI posted as collateral at the ECB.
Option 2	<u>BoE approach</u> : the BoE has implemented transparency requirements as part of its collateral eligibility criteria for its operations, including loan-level information requirements.
Preferred Option	<b>Option 1</b> , the ECB approach: in terms of regulatory costs, option 1 is the cost-efficient solution, both for the market as well as for the regulator. The ECB template satisfies ESMA's mandate to a relatively higher degree than option 2, therefore is deemed to be more effective. Opting for an established template increases market confidence for both issuers and investors.

Option 1	ECB approach	
	Qualitative description	Quantitative description
Benefits	<ul style="list-style-type: none"> <li>- Market confidence with regard to existing requirements to SFI in the Eurozone.</li> <li>- Issuers pledging SFI as collateral at the ECB already have the information to be submitted readily available.</li> <li>- Similarity between ECB and BoE templates implies that a share of UK SFI products may also have loan level information readily available.</li> </ul>	<ul style="list-style-type: none"> <li>- According to ESMA calculations, 79% of all Eurozone SFI in the EU could qualify for the ECB eligibility criteria, hence may be covered by the ECB templates (see Table 2).</li> </ul>
Costs to regulator:	<ul style="list-style-type: none"> <li>- Compared to option 2, implementation costs would be lower, as ESMA would adopt the ECB template which has a broader effective coverage than the BoE templates.</li> <li>- ESMA would need to validate and incorporate any changes to the ECB templates in the RTS in accordance with its legal mandate, which requires human resources and IT capacities.</li> </ul>	
Compliance costs:	<ul style="list-style-type: none"> <li>- Market coverage of the ECB templates is likely higher than for the BoE templates (see below). Therefore, the majority of loan level information for SFI is already available. Implementation costs for issuers, originators, and sponsors will be lower than for option 2.</li> </ul>	<ul style="list-style-type: none"> <li>- In addition to the disclosure requirements by the BoE, all UK issuers will have to follow the ECB templates.</li> </ul>

Other impacts:	<ul style="list-style-type: none"> <li>- The majority of loan level information for SFI is already available, limiting the compliance costs for issuers, originators, and sponsors. The ECB templates cover a large part of the SFI market in the EU, but not all SFI covered by the RTS.</li> </ul>	<ul style="list-style-type: none"> <li>- According to ESMA calculations 21% of Euro-zone SFI do not qualify for the ECB eligibility criteria, hence are not covered by the ECB templates.</li> <li>- Separate templates might have to be designed and implemented accordingly. Potential impacts would have to be assessed when applicable.</li> </ul>
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<b>Option 2</b>		
BoE approach		
	Qualitative description	Quantitative description
Benefits	<ul style="list-style-type: none"> <li>- Market confidence with regard to existing definitions of SFI in the UK.</li> <li>- Issuers pledging SFI as collateral at the BoE already have the information to be submitted readily available.</li> </ul>	<ul style="list-style-type: none"> <li>- According to ESMA calculations, 79% of all UK SFI could qualify for the BoE eligibility criteria, hence could be covered by the BoE templates (see Table 2).</li> </ul>
Costs to regulator:	<ul style="list-style-type: none"> <li>- Compared to option 1, implementation costs would be higher, as the BoE templates have a smaller effective coverage ratio. ESMA would need to validate and update any changes to the BoE templates in accordance to its legal mandate, which requires human resources and IT capacities.</li> </ul>	
Compliance costs:	<ul style="list-style-type: none"> <li>- Market coverage across the EU of the BoE templates is likely lower than for the ECB templates (see Table 2 below). Though the majority of loan level information for SFI is already available, aggregate implementation costs for issuers, originators, and sponsors will be higher than under option 1.</li> </ul>	<ul style="list-style-type: none"> <li>- In addition to the disclosure requirements by the ECB, all Euro-zone issuers would have to follow the BoE templates as well.</li> </ul>
Other impacts	<ul style="list-style-type: none"> <li>- The BoE templates cover a large part of the ABS market in the UK, but not all SFI covered by the RTS.</li> </ul>	<ul style="list-style-type: none"> <li>- According to ESMA calculations 21% of all UK SFI do not qualify for the ECB eligibility criteria, hence are not covered by this template. Separate templates might</li> </ul>

		have to be designed and implemented accordingly. Potential impacts would have to be assessed when applicable.
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### **Assessment of the current SFI disclosure requirements and their market coverage**

According to information available to ESMA, presently a great majority of SFI issued in the EU and especially in the Euro area is covered by the ECB template. Bearing in mind that the loan-level disclosure requirements of the ECB are built on strong incentives rather than mandatory reporting, the coverage of these numbers may vary in both directions. Depending on various factors such as financial innovation, the state of the economy or the central bank's monetary policy, fewer or more SFI may be posted as collateral at the central bank.

#### **The universe of SFI:**

The relevant definition of SFI is provided by Article 3(1)(l) of the CRA Regulation which in turn refers to Article 4(36) of Directive 2006/48/EC. According to the disclosure requirements laid down in the CRA Regulation, CRAs are requested to provide credit ratings data on SFI to ESMA's Central Repository (CEREP)<sup>14</sup> on the basis of the following categories:

1. Asset-backed securities (ABS): sub-asset classes including auto/boat/airplane loans, student loans, consumer loans, health care loans, manufactured housing loans, film loans, utility loans, equipment leases, credit card receivables, tax liens, non-performing loans, credit-linked notes, recreational vehicle loans, and trade receivables;
2. Residential mortgage-backed securities (RMBS): sub-asset classes including prime residential mortgage-backed securities and non-prime residential mortgage-backed securities and home equity loans;
3. Commercial mortgage-backed securities (CMBS): sub-asset classes including retail or office property loans, hospital loans, care residences, storage facilities, hotel loans, nursing facilities, industrial loans, and multifamily properties.
4. Collateralized debt obligations (CDO): sub-asset classes including collateralised loan obligations (CLOs), collateralised bond obligations (CBOs), collateralised synthetic and hybrid CDOs, single-tranche collateralised debt obligations (CDOs), collateralised fund obligations, collateralised debt obligations of asset-backed securities, and collateralised debt obligations of collateralised debt obligations (CDOs).
5. Asset-backed commercial papers (ABCP).

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<sup>14</sup> Commission delegated regulation (EU) No 448/2012, of 21 March 2012, supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards for the presentation of the information that credit rating agencies shall make available in a central repository established by the European Securities and Markets Authority.





The loan-level data templates published by the ECB<sup>15</sup>, include seven SFI asset classes<sup>16</sup>. The BoE has recognised 7 different asset classes under its collateral eligibility criteria<sup>17</sup>. The categorisation of SFI as defined by ESMA and collateral accepted by the ECB and BoE are summarised in Table 1 below:

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<sup>15</sup> ECB Guideline published on 26 November 2012 available at: [http://www.ecb.int/ecb/legal/pdf/en\\_ecb\\_2012\\_25\\_f\\_sign.pdf](http://www.ecb.int/ecb/legal/pdf/en_ecb_2012_25_f_sign.pdf).

<sup>16</sup> ECB Guideline published on 26 November 2012 available at: [http://www.ecb.int/ecb/legal/pdf/en\\_ecb\\_2012\\_25\\_f\\_sign.pdf](http://www.ecb.int/ecb/legal/pdf/en_ecb_2012_25_f_sign.pdf).

<sup>17</sup> <http://www.bankofengland.co.uk/markets/Pages/money/eligiblecollateral.aspx>

**Table 1: Categorisation and templates of SFI by institution**

ESMA SFI categorization	ECB templates	BoE templates
<ul style="list-style-type: none"> <li>Asset-backed securities (ABS)</li> <li>Residential mortgage-backed securities (RMBS)</li> <li>Commercial mortgage-backed securities (CMBS)</li> <li>Collateralized debt obligations (CDO)</li> <li>Asset-backed commercial papers (ABCP)</li> </ul>	<ul style="list-style-type: none"> <li>RMBS: sub-asset class including prime and non-conforming RMBS</li> <li>CMBS: sub-asset class applicable to all CMBS transactions and covering both stand-alone and revolving structures</li> <li>SME ABS: sub-asset class that applies to all SME transactions including stand-alone and revolving structures with the exception of those where the underlying assets are constituted by leasing contracts;</li> <li>Consumer Finance ABS: sub-asset class which contains all types of consumer loans except credit cards receivables</li> <li>Leasing ABS: sub-asset class which contains leasing ABS transactions</li> <li>Auto-loan ABS: sub asset class which contains Auto loan ABS transactions</li> <li>Credit Cards ABS: sub asset class which contains credit-card ABS transactions</li> </ul>	<ul style="list-style-type: none"> <li>RMBS &amp; Covered Bonds backed by residential mortgages</li> <li>CMBS</li> <li>SME CLO</li> <li>Auto Loan ABS</li> <li>Consumer Loan ABS</li> <li>Leasing ABS</li> <li>ABCP</li> </ul>

There is a large degree of overlap between the categorisation used by the ECB and ESMA for ABS, RMBS and CMBS. Divergence exists in terms of scope with respect to CDOs and ABCP as these two asset categories are currently not listed within the ECB eligible asset classes. The BoE uses very similar templates for ABS (for consumer loans, auto loans or leased assets), RMBS, CMBS and SME ABS. The BoE also includes ABCP but has not created a separate template for this asset class.

### Estimation of the market coverage of the ECB and BoE templates:

There are 993 securitised products (ABS) in Europe that are eligible to be pledged as collateral at the ECB. This corresponds to a notional amount of EUR 837.4bn as of 1Q13, relative to EUR 337.9bn currently pledged<sup>18</sup>. These assets include Euro-denominated ABS only (for consumer loans, auto loans or leased assets), CMBS, RMBS and SME-backed ABS. CDOs are not eligible. The loan-level initiative of the ECB, which requires that for all eligible assets a loan-level template is filled in, in order to be pledged as collateral, is already operational for RMBS, SME ABS and CMBS. It will be implemented for other ABS loans in January 2014. This concerns all existing, as well as future securitised products.

The Bank of England uses very similar templates for ABS (for consumer loans, auto loans or leased assets), RMBS, CMBS and SME ABS, with the same phase-in schedule as the ECB. The BoE also includes ABCO, however to the date no template is implemented.

According to ESMA estimations, the euro area ABS universe amounts to EUR 1059.8bn (likely including some cross-border CDOs). Comparing the ECB eligible ABS universe with the outstanding euro area ABS universe, these numbers lead ESMA to believe that nearly 80% ( $837.4 / 1059.8 = 79\%$ ) of euro area SFI are potentially already using the ECB template. This leaves 222.4bn in ineligible ABS. The eligibility criteria that are not met by these securities likely include, for example, the ECB's minimum credit rating requirement for eligible collateral.

According to ESMA estimations, the UK ABS universe amounts to EUR 429.1bn. The BoE collateral eligibility requirements are comparable to that of the ECB: ABS backed by credit cards, auto loans, equipment leases, student loans or consumer loans, CMBS, RMBS and SME backed ABS. Therefore, using the number calculated above for share of eligible ABS (79%), we estimate the amount of UK ABS eligible for collateral is:  $0.79 * \text{EUR } 429.1 = \text{EUR } 339\text{bn}$ , thus leaving EUR 90.1bn ineligible.

Aggregating this with ESMA's Euro area estimate, leaves an estimated total  $222.4 + 90.1 = 312.5\text{bn}$  ineligible.

Second, eligibility does not necessarily mean pledge-able in the sense that it is not necessarily the case that for an eligible securitised product all the required fields in the ECB templates have been filled out. For a number of legacy assets, for example, holders may not have the necessary information required to pledge the instrument as collateral to the ECB. On the other hand, pledge-ability for use as collateral in transactions with the ECB should increase the value of SFI, therefore creating an incentive to use the relevant templates. Based on the ECB numbers on pledged collateral, we know that there are at least  $337.9 / 1059.8 = 31.9\%$  of SFI that are using the templates, therefore leaving 721.9bn uncertain. Using the same methodology as above, it can be estimated that at least  $0.319 * 429.1 = \text{EUR } 136.9\text{bn}$  in UK securitised products are using the templates, therefore leaving EUR 292.2bn uncertain. If we aggregate this with our euro area estimate, this gives us  $721.9 + 292.2 = \text{EUR } 1014.1\text{bn}$  uncertain.

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<sup>18</sup> [https://www.ecb.int/paym/pdf/collateral/collateral\\_data.pdf?8c1c1a1d849279acfa8e28e38805f041](https://www.ecb.int/paym/pdf/collateral/collateral_data.pdf?8c1c1a1d849279acfa8e28e38805f041)

From this, we therefore conclude that the ECB/BoE templates cover between 32% (pledged) and 80% (eligible to be pledged) of all EU securitised products, leaving between EUR 312.5bn and EUR 1014.1bn in SFI potentially not using the ECB/BoE templates. Note that 31.9% (1014.1bn) is only a floor. To these estimates should be added the outstanding CDO amount, for which it is not possible to produce meaningful estimates due to data limitation. Table 2 summarises the numbers outlined above:

**Table 2: ABS coverage ratios ECB and BoE template**

ABS (EUR bn)	Euro Area	UK	Total
<b>Outstanding</b>	1059.8	429.1	1488.9
<b>Eligible for repo</b>	837.4	339.0	1176.4
<i>% of outstanding</i>	79.0%	79.0%	79.0%
<b>Uneligible</b>	222.4	90.1	312.5
<b>Currently pledged</b>	337.9	136.9	474.8
<i>% of outstanding</i>	31.9%	31.9%	31.9%
<b>Not pledged</b>	721.9	292.2	1014.1

Having considered the costs and benefits of both options, ESMA has decided to propose the approach set out under option 1. SFI asset classes as defined by Article 3(1)(l) of the CRA Regulation that currently are not covered by the ECB template will, if necessary and appropriate, be covered by a separate template which is to be developed in the future and which is subject to a phase-in approach. The economic impacts arising from a separate template will have to be assessed and considered when applicable.

### 1.3.2 Stress-test information

Article 8b(3)(a) requires ESMA to develop a draft RTS containing, among other things, any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures.

The tables below summarise the costs and benefits of the technical options and highlights the preferred option:

Policy Objective	To define the information that is necessary to conduct comprehensive stress tests.
Option 1	Define internally a set of documents relevant for stress testing.
Option 2	Relying on the documents required by the BoE under its collateral eligibility criteria.
Preferred Option	<b>Option 2.</b> As part of its collateral eligibility criteria, the BoE requires detailed information on the credit quality of the underlying assets. This information is necessary to allow investors to perform stress tests on the SFI they invest in. These follow the general approach of considering the impact of stressed assumptions for default rates and losses giving

	en default on the assets underlying an instrument.
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<b>Option 1</b>	Define internally a set of documents relevant for stress testing
Benefits	ESMA would create an individual and independent set of documents allowing for stress tests.
Costs to regulator:	The regulator bears the full costs for the development and implementation of a new set of documents. Compared to option 2 this technical choice is cost intensive.
Compliance costs:	Financial intermediaries that submit stress test information to the BoE will also have to comply with the new information required under this RTS, thereby increasing their compliance costs.
Other impacts	Risk of inconsistency with respect to other requirements relevant for SFI stress tests.

<b>Option 2</b>	Relying on the documents required by the BoE for its collateral risk management.
Benefits	This option makes recourse to an existing best practice identified by the BoE concerning nearly all SFI asset classes that are stipulated by the CRA3 Regulation. This solution would avoid information fragmentation.
Costs to regulator:	This option would minimise the implementation costs for the regulator, since it relies on an existing best practice.
Compliance costs:	Reliance on the existing BoE standard would minimise compliance costs, as the requirements are already in place for a portion of the SFI market. On the other hand, this requirement would be a new one for those market participants that currently submit their collateral to the ECB or to other central banks in the EU.

Having carefully considered the costs and benefits of option 1 and option 2, particularly from a market practice perspective, ESMA decided to propose the approach set out under option 2 for the consultation paper.

### 1.3.3 Frequency of update of the SFI information

Article 8b(3)(b) states that the RTS shall specify the frequency with which the information referred to in Art 8b(3)(a) is to be updated by issuers, sponsors, and originators.

The tables below summarise the costs and benefits of the different technical options and highlight the preferred option:

<b>Policy Objective</b>	<b>To define the frequency with which the SFI information is to be updated by issuers, sponsors, and originators.</b>
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Option 1	Periodic reporting of the information required by the RTS.
Option 2	Periodic reporting of the information required by the RTS combined with disclosure of certain events without delay. Material changes or events affecting the creditworthiness, risk characteristics, underlying exposures or constituting a breach of transaction documentation of the structured finance instrument should be disclosed to investors as soon as possible. However, to avoid duplication with other requirements, this obligation should only apply if MAR does not apply to the SFI, which already requires event-based disclosure under certain conditions. Any disclosure pursuant to MAR should be disclosed on the website to be set up by ESMA.
Preferred Option	<b>Option 2.</b> Issuers, originators and sponsors should disclose the information required by the RTS on a quarterly basis and immediately disclose changes following certain events as set out in Option 2 if MAR does not apply to the SFI.

<b>Option 1</b>	Periodic reporting of the information required by the RTS.
Benefits:	Takes into account that some of the information required by the RTS is relevant only on a periodic basis. As regards the periodicity chosen, the ECB currently requires quarterly updates, no later than one month following the interest payment on the SFI.
Costs to regulator:	Compared to option 2, the quarterly approach would minimise costs for ESMA as it would not need to build a system allowing for event-based disclosure.
Compliance costs:	Periodic reporting of the information would minimise compliance costs for the industry.

<b>Option 2</b>	Quarterly update of the information required by the RTS combined with immediate disclosure of certain events.
Benefits:	<p>Takes into account that some of the information required by the RTS is relevant only on a periodic basis. A real-time update would be an unnecessary burden for issuers, sponsors, and originators. A point-in-time update of information would likely not have any statistical relevance for investors. As regards the periodicity chosen, the ECB currently requires quarterly updates, no later than one month following the interest payment on the SFI. Moreover, material events concerning the structured finance instrument should be communicated without delay to allow for a correct interpretation of the creditworthiness of the SFI. This would require that if MAR applies, any disclosure pursuant to MAR should be disclosed on the website to be set up by ESMA.</p> <p>ESMA considers that this is the only option that satisfies the objectives of the RTS to allow investors to adequately assess the credit quality and performance of the assets backing the SFI.</p>

Costs to regulator:	Receiving quarterly and ad-hoc information would be more costly for ESMA than Option 1, however it would ensure that material changes to the information required by the RTS are communicated to investors adequately. Due to increased effort and time involved in the handling of information, the costs to the regulator are assumed to be higher than under option 1.
Compliance costs:	The quarterly approach combined with ad hoc updates would guarantee disclosure of all relevant information to the investors. The compliance costs for the industry are higher than under option 1.

Having considered the costs and benefits of the options, ESMA decided to propose the approach set out under option 2 for the final report as ESMA is of the opinion that option 2 is the only option that satisfies the objectives of the RTS.

## **2. ERP**

### **2.1. Introduction**

Article 11a(1) of the new CRA3 Regulation requires ESMA to establish a ‘European rating platform’ to publish individual credit rating information in connection with credit ratings and rating outlooks, issued by registered or certified CRAs, excluding the credit ratings or rating outlooks which are exclusively produced for and disclosed to investors for a fee<sup>19</sup>. When publishing a credit rating or a rating outlook, CRAs have to “submit to ESMA rating information, including the credit rating and rating outlook of the rated instrument, information on the type of credit rating, the type of rating action, and date and hour of publication.”<sup>20</sup>

Article 21(4a)(a) requires ESMA to develop draft regulatory technical standards to specify: “the content and the presentation of the information, including the structure, format, method and timing of reporting that credit rating agencies are to disclose to ESMA in accordance with Article 11a(1)”<sup>21</sup>.

### **2.2. Problem Identification**

While the role of credit ratings for credit quality assessment of debt instruments is acknowledged, the use of credit ratings for investment purposes proves to be difficult in application. To view and assess the quality of a specific credit rating, investors have to access, register and monitor each CRA’s website separately. In most cases historical information on the performance of credit rating is not freely available, but requires access to premium sections of CRAs’ website. Transaction costs related to rating news are therefore replicated by every investor. A central platform that is subject to economies of scale could substantially lower the transaction costs for investors.

One of the main objectives of the ERP is to achieve more transparency in the credit rating market, enabling investors to perform risk assessment internally. Facilitating the use of internal risk measures contributes to reducing overreliance on external credit ratings. As the market for credit ratings in the EU exhibits a high level of concentration<sup>22</sup>, the ERP intends also to promote competition by raising attention to the services offered by small and medium-sized CRAs. This will improve the comparability and visibility of ratings of financial instruments rated by all rating agencies registered and certified in the EU.

Increased transparency and competition in the credit rating market are both assumed to allow for efficiency gains. The positive impact of the ERP is characterised by financial market stability, a public good hardly measurable in quantitative terms. Whereas the aggregated value of the European Rating platform was assessed by the European Commission during the level 1 decision<sup>23</sup>, this analysis focuses on the incremen-

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<sup>19</sup> Article 11a(3) of Regulation (EU) No 1060/2009

<sup>20</sup> Article 11a(1) of Regulation (EU) No 1060/2009

<sup>21</sup> Article 21(4a)(a) of Regulation (EU) No 1060/2009

<sup>22</sup> See ESMA’s CRA market share calculation: ESMA/2013/1933

<sup>23</sup> SEC(2011) 1354, page 42 Option 5



tal impact of implementing the ERP. In view of ESMA's policy scope in this RTS and taking into consideration the contributions received from all stakeholders, ESMA has identified five policy objectives in order to ensure the effectiveness of the RTS. Transparency and competition can be achieved, if the ERP:

1. Contains complete ratings/outlooks information;
2. Displays up-to-date rating information;
3. Allows for comparability of all ratings available;
4. Integrates existing reporting standards into one data feed;
5. Includes historical data.

The subsequent sections analyse the economic impacts of the proposed technical options for each of the five policy objectives.

#### **2.2.1. Contain complete rating information**

According to Article 11(a) of CRA3, CRAs should “when issuing a credit rating or a rating outlook, submit to ESMA rating information” including “all available credit ratings per instrument”. In order to define common technical standards for the submission of rating information to the ERP, ESMA needs to define the specific content of the rating information that the platform should display. To conduct this exercise, ESMA considers that it is important to define the specific categories of credit ratings and types of credit ratings that CRAs issue and that should be displayed by the ERP.

Currently, ESMA is collecting rating data via two databases: CEREP<sup>24</sup> and SOCRAT<sup>25</sup>. In both cases, the ratings are reported based on the categorisation included in the relevant RTSs. The problem is to identify whether this categorisation is sufficient to cover all the ratings issued, or if an extension of that categorisation is needed. Therefore, the two options under consideration are:

- Option 1: Maintaining the CEREP and SOCRAT classification currently in practice, including different rating types (long-term/short-term and local/foreign currency), or;
- Option 2: Introducing a new classification that goes beyond the existing reporting standards.

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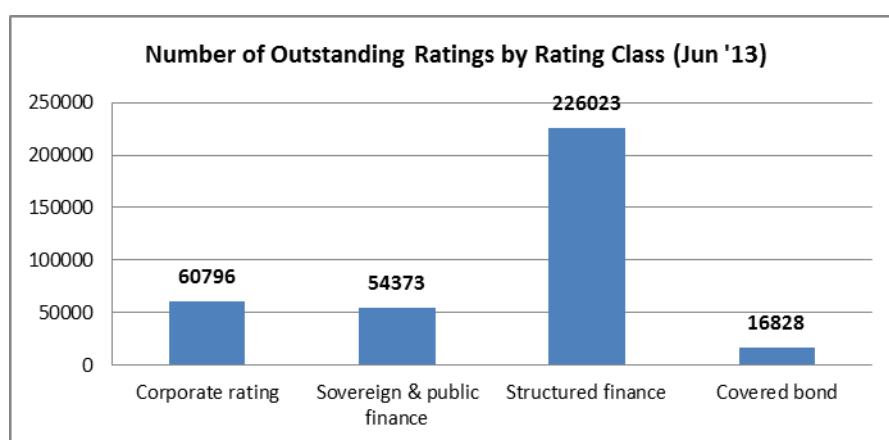
<sup>24</sup> CEREP is the central repository for publishing the rating activity statistics and rating performance statistics of credit rating agencies. All registered and certified CRAs are requested<sup>24</sup> to provide to ESMA their rating activity data on a 6-month basis, according to a pre-established format. The data collected in CEREP is made public on the ESMA website under an aggregated format and offers information on CRAs' rating activity, default rates and transition matrices.

<sup>25</sup> SOCRAT is a database that is used by ESMA for its on-going supervision purposes. All registered<sup>25</sup> and the certified<sup>25</sup> CRAs are required to submit information about their issued ratings and their outlooks on a monthly/bi-monthly basis and following a pre-established format<sup>25</sup>. The data remains confidential and is solely used by ESMA for supervisory purposes.

Current rating classification under CEREP reads as follows: corporate ratings, sovereign ratings, structured finance ratings and covered bond ratings. Each of the four types of ratings includes sub-types, allowing for further refinements. Figure 1 displays the number of outstanding ratings in the four main categories as they are currently collected in CEREP. The number of outstanding ratings totalled 358,020 as of June 2013.

For the purpose of statistical calculation, CEREP only collects the issuer ratings for corporates or sovereign ratings. SOCRAT follows the same asset categorization as CEREP, but collects all individual rating actions data, including all issue ratings of corporates or sovereigns.

**Figure 1**



Source: CEREP

Introducing a new rating classification is excluded from the analysis for cost and incoherency reasons:

- Based on the feedbacks received from the market and the Technical Committee, it was concluded that the existing categories are covering the market and there is no need to further extension.
- The development and implementation of a new rating standard would create an unnecessary cost burden for the regulator and the credit rating industry alike;
- Market confidence associated to existing definitions may be disrupted. A new classification or change of the existing ones runs the risk of creating confusion for the users of the data;
- The integration of data streams having different rating classifications would be a technical a challenge from an IT perspective and could also make it difficult to map the exiting data with the new ERP data.

The tables below summarise the costs and benefits of the technical options and highlights the preferred option:

Policy Objective	Containing complete rating information - Classification
Option 1	Adopt existing classification under CEREP and SOCRAT.
Option 2	Introduce a new classification that goes beyond the existing standard.
Preferred Option	<b>Option 1:</b> The main benefits of this option stem from minimised costs for the development and implementation of the IT structure. Moreover, the differentiation between corporate, sovereign, structured finance as well as covered-bond ratings captures all relevant rating types in the market. The approach ensures consistency with CRAs' current IT-infrastructure and also limits potential misunderstandings from having various definitions in place.

<b>Option 1</b>	Adopt existing classification under CEREP and SOCRAT
	Qualitative description
<i>Benefits</i>	Captures all relevant categories. Limits potential misunderstandings due to multiple definitions in place for users of ratings. Provides continuity for the data already reported to ESMA and the new data to be reported for ERP scope.
<i>Costs to regulator:</i> <i>One-off</i> <i>On-going</i>	The cost for the regulator would be minimised. Existing IT infrastructure could be partly used and data feeds to CEREP and SOCRAT can be harmonised in the future.
<i>Compliance costs:</i> <i>One-off</i> <i>On-going</i>	CRAs can apply current reporting standards with respect to the classification of ratings. Relative to Option 2 the initial and on-going compliance costs will be minimised.

For the purpose of providing a comprehensive and useful platform for users of ratings, ESMA needs to define whether the ERP should also present supporting rating information. To fulfil the legislative mandate, ESMA considers it necessary to include in the ERP also the press releases or the rating report containing the key elements underlying the credit rating together with the adopted rating/outlook information<sup>26</sup>. In this respect, ESMA has identified two alternative ways to display the supporting rating information on the ERP:

Option 1: ESMA would publish the supporting documents provided by the CRA directly on the ERP. The documents will be reported by the CRAs along with the rating action.

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<sup>26</sup> The publication of such information on the ERP does not cancel the requirement for CRAs to disclose any credit rating information according to Article 10(1) of the CRA Regulation.

Option 2: ESMA would not publish the supporting documents on the ERP but hyperlinks to the documents on the CRA's website. Each time a new press release is available, the CRA shall provide to ESMA the corresponding hyperlink.

Both options involve a transfer of data between CRAs and ESMA which entails compliance costs. Comparing the two options how to submit and store the supporting rating information, the costs for the regulator and CRAs are assumed to be equally large.

Both options will achieve the policy objective. However, the informational value of the ERP is higher under option 1. Redirecting rating users to individual CRA's website would undermine the central objective of the ERP, which is to provide easy access to credit rating information on one website. Different impacts for the regulator, CRA and stakeholder are outlined below:

Policy Objective	Containing complete rating information - Supporting rating information
Option 1	ESMA publishes the press release document directly on the ERP.
Option 2	ERP publishes a hyperlink to the CRA website containing the press release.
Preferred Option	<b>Option 1:</b> This option ensures that rating users have central access to all new press releases/ research reports regarding a specific credit rating. The rating user is not required to visit each individual CRA website, but receives rating information directly through the ERP. The rating reports will be saved for an unlimited time allowing users to refer back to old reports. Main costs arise on the side of the regulator for storing this information and properly displaying it.

	Option 1
<i>Benefits</i>	<ul style="list-style-type: none"> <li>- No significant overheads for CRAs, but costs for the regulator.</li> <li>- The documents are sent together with the rating and saved in time on the ERP and can be accessed directly by the users of ratings.</li> <li>- It does not run the risk of having broken links on the ERP, causing the inaccessibility of the user to the press releases/ report.</li> </ul>
<i>Costs to regulator:</i> <ul style="list-style-type: none"> <li>- One-off</li> <li>- On-going</li> </ul>	<ul style="list-style-type: none"> <li>- The regulator needs ensure server space for storing the documents and to provide the necessary technical solution for a secure document exchange service.</li> </ul>
<i>Compliance costs:</i> <ul style="list-style-type: none"> <li>- One-off</li> <li>- On-going</li> </ul>	<ul style="list-style-type: none"> <li>- The compliance costs for the CRA to submit press releases are equal or marginally lower than in the case of a hyperlink submission. The CRA would save maintenance cost for keeping the "links" alive on the web</li> <li>- In case ESMA requires a certain format for the submission of press releases, this may increase costs for CRAs as different formats would need to be sup-</li> </ul>

	ported.
<i>Costs to other stakeholders</i>	- Rating users have central access to supporting rating information.

	Option 2
<i>Benefits</i>	<ul style="list-style-type: none"> <li>- No significant overheads for the regulator, but costs for each CRA</li> <li>- It avoids the transmission of documents on the internet</li> <li>- Easier technical submission (a text – the link- versus a document)</li> <li>- In case of updates/ correction to the press release, there is not update to be sent to ERP as long as the link remains valid</li> </ul>
<i>Costs to regulator:</i> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	- The regulator has minimum costs in storing and publishing the texts containing the hyperlinks submitted by CRAs
<i>Compliance costs:</i> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	<ul style="list-style-type: none"> <li>- Individual CRAs are responsible for ensuring free and permanent access to the press releases on their websites. This requires resources and IT system representing costs</li> <li>- A meaningful estimate of these costs cannot be made</li> </ul>
<i>Costs to other stakeholders</i>	- Relative to Option 2, this alternative creates transaction costs for rating users. Rating users will be redirected to CRAs where they have to register to access the press releases

### 2.2.2. The ERP should display up-to-date rating information

One of the key features of the ERP, in accordance with the CRA3 Regulation, is to display “up-to-date information” on ratings and outlooks. The timing of the reporting is important not only to investors to be able to make up-to-date risk assessments; it also enhances the ability of the regulator and National Competent Authorities to detect risks that may warrant regulatory response.

In order to apply this regulatory requirement, ESMA identifies two alternative options for the timely reporting of rating information:

#### Option 1: “Real-time” reporting and publication on the ERP

Under this option the rating information would be sent by CRAs “immediately” (in a time frame of several minutes) after the release of the rating action. As soon as the information is received and if it passes all the automatic validations, it would be made available on the ERP. Under this option, adoption time (time the

CRA publishes a rating on the website), submission time and ERP publication time would follow each other within a very limited time lag.

## Option 2: Individual data reporting and a fixed daily publication on the ERP

Under this option CRAs would be required to report the data after the rating action is adopted. All the data referring to actions issued until 7:00PM and reported until 9:00PM would be displayed on the ERP, in one shot, the same day at 10:00PM CET. The submission of data can follow immediately after adoption of the credit rating (so in several submissions during the day) or it can occur in a single batch until 9:00PM. The ERP publication time would take place once per day at 10:00PM (the delay covers the time needed to fix possible errors in the files submitted just at the end of reporting period). The maximum possible time lag between adoption time and publication time would be 27 hours.

Policy Objective	The ERP should display up-to-date rating information
Option 1	“Real-time” publication
Option 2	Daily publication
Preferred Option	<b>Option 2:</b> Option 2 allows for technical and content-related revisions of submitted data that contains errors before it is published on the ERP. Rating users do not have to refresh the ERP to receive rating information, but will be informed about all changes in one shot after the ERP update time (10PM). Reputational risks for ESMA with respect to the quality of information published are minimised. From a technical viewpoint, both separate reporting and a single batch submission incur the same costs to the regulator. Therefore, both submission options are left as possible reporting solution to the CRAs.

Option 1	“Real-time” reporting and publishing on the ERP	
	Qualitative description	Quantitative description
<i>Benefits</i>	<ul style="list-style-type: none"> <li>- The time mismatches between the information available on CRAs’ website and the one provided by the central platform is marginal</li> <li>- Main benefits arise on the side of rating users for having (nearly) real-time access to credit rating news to make informed investment decisions.</li> </ul>	<ul style="list-style-type: none"> <li>- Relative to CEREP and given the new informational content of the central database, the number of ERP users is likely to increase</li> </ul>
<i>Costs to regulator:</i>	<ul style="list-style-type: none"> <li>- One-off: ESMA has to set up an IT-system capable of receiving, vali-</li> </ul>	<ul style="list-style-type: none"> <li>- Additional personnel during non-business hours.</li> </ul>

<ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	<p>dating and publishing data at a high frequency.</p> <ul style="list-style-type: none"> <li>- On-going: IT systems and relevant staff would have to be available during non-business hours to ensure continuous support.</li> </ul>	<ul style="list-style-type: none"> <li>- One-off and on-going costs potentially higher than under option 2 due to the need of constant staff availability.</li> <li>- High costs for the IT solution to process and publish real-time data.</li> </ul>
<p><i>Compliance costs:</i></p> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	<ul style="list-style-type: none"> <li>- One-off: adjusting feeds to automatically send rating information to ESMA.</li> <li>- On-going: correcting data invalidated by ESMA.</li> </ul>	<ul style="list-style-type: none"> <li>- Estimates for incremental compliance costs are not available.</li> </ul>
<p><i>Costs to other stakeholders</i></p>	<ul style="list-style-type: none"> <li>- Rating information providers: High quality and up-to-date information may undermine business of third-parties (ERP is a costless alternative for rating users).</li> </ul>	
<p><i>Indirect costs</i></p>	<p>Reputational risk of displaying false information due to erroneously submitted data or not displaying data in “real-time” due to errors in the submission file needing subsequent correction until it is validated by the system and published on the ERP.</p>	

<b>Option 2</b>	Individual data reporting and fixed daily publication on the ERP	
	Qualitative description	Quantitative description
<i>Benefits</i>	<ul style="list-style-type: none"> <li>- The time lag between the adoption time and the publication time would allow enough time to CRAs to fix all the eventual technical or content errors and resubmit the data. CRAs may correct falsely submitted data until 9:00PM, before it is made public and ESMA has one hour to assure technical coherence. Therefore, reputational risks are minimised.</li> <li>- Rating users can expect one update of rating information per day.</li> </ul>	<ul style="list-style-type: none"> <li>- There is single update of the ERP per day.</li> </ul>

<i>Costs to regulator:</i> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>	<ul style="list-style-type: none"> <li>- One-off: ESMA has to set up an IT-system capable of receiving, validating in high frequencies. Publication will take place at one point in time.</li> <li>- On-going: IT systems and relevant staff would have to be available during non-business hours, however only during reporting hours.</li> </ul>	
<i>Compliance costs:</i> <ul style="list-style-type: none"> <li>- <i>One-off</i></li> <li>- <i>On-going</i></li> </ul>		<ul style="list-style-type: none"> <li>- Estimates for incremental compliance costs are not available, but likely to be lower than under option 1.</li> </ul>

### 2.2.3. Comparability of credit ratings

The Regulation provides that the European Rating platform “should allow investors to easily compare all credit ratings that exist with regard to a specific rated entity” or rated instrument. In order to achieve the objective of comparability of ratings assigned by different CRAs’, the ERP needs to receive the rating information from CRAs on common identifiers for the same rated entity and for the same rated instrument such that investor can view rating information by each rated entity/instrument. The identified options are:

Option1: Establishing a new ESMA unique system of identification

Option2: Request existing identifiers for all the rated entities/ instruments.

For the second option, taking into consideration the viability of existing common identifiers<sup>27</sup>, it was decided to use the Global Legal Entity Identifier (LEI) for issuer ratings and the International Securities Identification Number (ISIN) for rated instruments.

The LEI approach would contemplate the efforts to harmonise securities identifiers across different European and international jurisdictions, different European Supervisory Authorities and among financial institutions. LEIs as common identifiers are already requested by ESMA for the reporting of derivative transactions to the Trade Repositories under European Market Infrastructure Regulation (EMIR). Furthermore, the European Banking Authority considers the implementation of the global LEI system in the context of Implementing Technical Standards on Supervisory Reporting.

<sup>27</sup> Numerous systems for identification used by EU supervisory authorities and central banks could potentially serve the ERP purpose, such as the Monetary Financial Institution (MFI) ID or the Banking Identification Code (BIC)/SWIFT. However these identifiers are mainly restricted to financial institutions and don’t cover the full spectrum of legal entities.



The responses received from the discussion paper did not provide information on the direct or indirect costs associated to the implementation. As the global LEI system is not yet fully operational, the costs of obtaining the LEI are approximated by the cost of obtaining a pre-LEI from an ROC endorsed provider (“pre-Local Operating Unit” (LOU)). Pre-LEIs serve the purpose of filling the interim period until the global system is launched. The ROC has currently endorsed ten LOUs that issue preliminary LEIs, The names of the providers and the charged fees are listed below<sup>28</sup>

<b>Name of the LOU</b>	<b>Country</b>	<b>Allocation Fee in €</b>	<b>Annual Maintenance Fee in €</b>
WM Datenservice	Germany	150	100
CICI Utility	USA	100	50
INSEE	France	148	74
Takasbank	Turkey	110	55
London Stock Exchange	UK	130	60
Irish Stock Exchange	Ireland	150	100
Russia National Settlement Depository	Russia	140	70
Poland Krajowy Depozyt Papierów Wartościowych	Poland	115	58
Dutch Chamber of Commerce	Netherlands	160	110
National Board of Patents and Registration of Finland	Finland	N.A.	N.A.
<b>AVERAGE FEE</b>		<b>134</b>	<b>75</b>

<sup>28</sup> Prices were taken from providers’ website as well as EBA’s consultation paper: [EBA/CP/2013/42](#)

The analysis assumes that by the time the ERP goes “live”, the LEI system will be fully operational such that all rated legal entities can obtain a unique reference.

As regards ratings for financial instruments, the International Securities Identification Number (ISIN) is a unique standard to identify traded securities. The main benefit from adoption of the ISIN stems from its already widespread use in the market. All financial instruments admitted to trading are identified by their ISIN. However, not all rated instruments are securities and therefore do not have an ISIN code, which means that for this type of financial contract a feasible alternative has to be found. For these instruments, ESMA needs to provide a choice for another existing common identifier or proposing a unique key be created by CRAs (e.g. issuer LEI & date of issuance & debt volume).

ESMA has come to the conclusion that it should proceed using existing common identifiers for credit ratings, desirably using the LEI for legal entities, the ISIN code for financial instruments and an alternative identifier for the SFIs which do not have an ISIN assigned. The development of an internal identification code for all credit ratings is not considered as a feasible option. Such initiative would create significant costs for the regulator and would undermine joint initiatives promoting a harmonized identification scheme on global level.

Preferred Option	Use existing common identifiers	
	Qualitative description	Quantitative description
<i>Benefits</i>	<ul style="list-style-type: none"> <li>- Market confidence.</li> <li>- Commitment to a global approach of identifying financial transactions.</li> <li>- High coverage.</li> </ul>	
<i>Costs to regulator:</i> <ul style="list-style-type: none"> <li>- One-off</li> <li>- On-going</li> </ul>	<ul style="list-style-type: none"> <li>- None for LEI or ISIN.</li> </ul>	
<i>Compliance costs:</i> <ul style="list-style-type: none"> <li>- One-off</li> <li>- On-going</li> </ul>	<ul style="list-style-type: none"> <li>- None for LEI or ISIN</li> </ul>	<ul style="list-style-type: none"> <li>- Unspecified amount of man-hour.</li> </ul>
<i>Costs to other stakeholders</i>	<ul style="list-style-type: none"> <li>- LEI: rated entities are responsible for obtaining the LEI.</li> <li>- ISIN: if not required already, issuers are responsible for obtaining the ISIN.</li> </ul>	<ul style="list-style-type: none"> <li>- LEI: ca. EUR 134 registration fee * number of entity ratings + EUR 75 maintenance fees + transaction costs.</li> <li>- With LEIs becoming legally binding, prices are likely to rise.</li> <li>- ISIN: to be determined.</li> </ul>

#### 2.2.4. Streamlining existing reporting standards

In the context of the new CRA3 Regulation, the reporting of individual ratings and rating actions as they occur implies a new data flow to be prepared and sent by CRAs to ESMA. As the information contained in all three data requests (the two existing ones and the new ERP) have as source the same range of data, ESMA considers that for efficiency reasons the three data requests could be merged into one which would be used to cover the three purposes:

- CRAs performance statistics (CEREP);
- CRAs' supervision by ESMA (SOCRAT);
- European Rating Platform (ERP).

The mean of reporting of credit ratings has a significant impact on the compliance costs of CRAs and the regulator. Efficiency gains can be achieved on both sides, should CRAs be able to make use of existing data streams in order to meet the disclosure requirements under this RTS. For CRAs the integration of the three data sets should ease their maintenance process (one flow instead of three) but would also require an adjustment to the current reporting to comply with the new ERP requirements.

ESMA therefore considered two technical options concerning the reporting means: under Option 1, all data on credit ratings and supporting rating information would be transmitted to ESMA by the CRAs via a new data stream, independent of any other platform (CEREP and SOCRAT) or RTS. Option 2 envisages that CRAs can simply integrate all three data stream to streamline the flow of information between ESMA and the CRAs.

The tables below summarise the costs and benefits of the different technical options and highlight the preferred option:

Policy Objective	Streamlining existing reporting standards
Option 1	Separate data stream: Under this option CRAs maintain the established data streams with ESMA for CEREP and SOCRAT. A new data stream for the disclosure requirement under the ERP however needs to be developed.
Option 2	One data stream: CRAs submit to ESMA information for CEREP, SOCRAT and the ERP in single data stream.
Preferred Option	<b>Option 2</b> is the preferred option as it provides economies of scale for reporting obligations. Having one data feed in place instead of three individual streams, will reduce the compliance costs substantially. Also, IT-overheads for ESMA will be minimised.

Option 1	Qualitative description
Benefits	The existing two data feeds can be further utilized. Instead of one data stream that combines all three reporting obligations, just one data stream for the ERP has to be developed and implemented.

Regulator's costs	The on-going costs will be increased as the regulator will need to maintain three live systems. Development of supplementary data consistency checks between the data contained in three separate databases.
Compliance costs:	CRAs will have to send most of the information about their ratings in three different formats. CRAs will have to ensure that the data sent in the three different datasets is consistent. When corrections or updates are needed to be made, they will have to be made by sending correction files to the three datasets. CRAs will have to align their IT systems to a new reporting requirement for the ERP.

<b>Option 2</b>	Qualitative description
Benefits	Instead of creating a new data feed and format and having three individual data feeds, CRAs send to ESMA information in one single data stream, providing economies of scale. As the rating information submitted under the three separate data feeds covers partly the same content, submitting one pool of rating information avoids duplication of information.
Regulator's costs	ESMA will have higher on-off costs for IT platform development than in option 1. However, once established the on-going IT costs will be significantly lower than under option 1.
Compliance costs:	Considering the three reporting obligations to ESMA, the aggregate compliance costs for CRAs are minimized under this option.
Indirect costs	There should be no differences in the outcome and effectiveness of the supervisory activity of ESMA under the two options. On the basis of the information received through the single data stream ESMA will determine and follow its supervisory obligations (SOCRA), will display aggregate rating information (CEREP) and will display up-to-date rating information (ERP) for investors.

Having carefully considered both options, the preferred technical choice is option 2 as it allows for an optimized flow of information between CRAs and the regulator. Moreover it is the cost-efficient solution as the regulatory burden for submitting the data to ESMA is minimized. The long-term benefits of having one data stream in place are likely to offset the higher on-off costs for IT development of a single data stream.

### 3. Fees

#### 3.1. Introduction

Point (b) of Article 21(4a) of the CRA Regulation requires ESMA to submit draft Regulatory Technical Standards to the Commission concerning the content and format of periodic reporting on fees charged by credit ratings agencies for its adoption in accordance with the procedure set out in Articles 10 and 14 of the ESMA Regulation for the purpose of on-going supervision (hence “RTS on Fee Reporting”).

- This impact assessment provides reasoning for the technical choices taken to achieve the requirements set out in Article 21(4a) the CRA Regulation. ESMA has consulted with stakeholders and with established working groups within the parameters of the ESMA Regulation :
- In order to gather evidence and market participants’ views for the drafting of the RTS on Fee Reporting, ESMA published a Discussion Paper (ref. ESMA/2013/891) on 10 July 2013, with a consultation period of three months. The majority of responses were mainly from Credit Rating Agencies, other respondents included financial institutions and interest groups representing the financial sector. In total, ESMA received 15 responses all of which of a qualitative nature and did not provide quantitative evidence.
- Active involvement of ESMA’s Securities and Markets Stakeholder Group (SMSG) throughout the drafting of the RTS. ESMA exchanged views with the SMSG on several occasions, both during plenary meetings as well at working group level.
- On-going consultation and advice has been sought from CRA Technical Committee (TC) before, during and after the consultation period of the Discussion Paper. This consultation included several general meetings as well as working group level meetings.

#### 3.2. Cost benefit analysis

In carrying out a cost benefit analysis on draft regulatory technical standards it should be noted that:

- The main policy decisions has already been taken under the primary legislation (the CRA Regulation), namely the request for fees received for individual credit ratings and ancillary services, and the impact of such policy decisions have already been analysed by the European Commission;

- ESMA does not have the ability to deviate from its specific mandate set out in the primary legislation;
- ESMA policy choices should be of a pure technical nature;
- ESMA's technical options are limited to the approach it takes to drafting an RTS, in the current case this regards the content and format of periodic reporting obligations from credit rating agencies.

With reference to the quantitative nature of costs and benefits, it should be noted that during the consultation period following the discussion paper respondents did not provide data to allow performing a quantitative impact assessment. As a result, ESMA uses a qualitative analysis to assess the possible options and the final choices made.

In view of ESMA's policy scope in this RTS and taking into consideration the contributions received from the different Stakeholders, ESMA signals three key aspects which significantly influence the effectiveness of the RTS:

- The general approach to be taken as regards using the RTS as a full reporting tool or as a screening tool to identify practices that might warrant further investigation;
- The frequency of disclosure obligations to ESMA;
- The potential synergies with other data feeds to be provided to ESMA, namely with the European Rating Platform.

The following section analyses the incremental impacts of technical options within these three key topics.

### **3.2.1. General approach**

The responses to the discussion paper indicated the data collection exercise for fees charged to clients for ratings would constitute a cost for credit rating agencies, even though there was wide support and understanding of the objectives and the importance of the exercise.

As regards the overall approach, ESMA considered two options to design the RTS such that it fully achieves the underlying policy objectives identified above. Whereas option 1 considers the RTS as a "screening tool", asking for certain pricing points on credit ratings, option 2 would require more detailed information - ESMA's supervision would exclusively or quasi-exclusively be based on the data collected

under the RTS. The two options, the preferred technical choice and potential impacts of the options are summarized in the tables below.

<b>Objective</b>	<b>Ensuring a comprehensive approach that will allow ESMA to undertake effective supervision of fees charged by credit rating agencies</b>
Option 1: The RTS as a “Screening tool”	The fee information to be submitted by credit rating agencies under this option allows ESMA to identify, for each credit rating agency, comparable services and their respective fees and therefore to detect fees charged that would require more in depth scrutiny and possible further supervisory follow-up actions. Rating fees received should be reported for each credit rating and should indicate and detail any frequency or other fee programmes that influence the fees paid by clients for individual credit ratings. Pricing policies and procedures should be provided separately and on an on-going basis.
Option 2: the RTS as “Full Reporting tool”	In addition to the information provided above, option 2 would require CRAs to report more detailed information on fees as well as all the costs associated with the individual credit rating. This approach would allow ESMA to collect from all registered and certified CRAs all the information needed to undertake a full analysis of all individual credit ratings, irrespective of the practices that each and every CRA might adopt. There are a very significant number of ratings outstanding. It would require a comprehensive choice of data to be collected and a one size fits all approach to a number of parameters on fees and costs for each individual credit rating, irrespective of the practices or business model of each CRA.
Preferred Option	<p><b>Option 1</b></p> <p>Option 2 would entail a high regulatory burden for all credit rating agencies, irrespective of their pricing practices. It would also entail significant risk in that it would require a comprehensive identification of all costs and fee items in the RTS, which might not adequately reflect the cost and fee structures being used by the different credit rating agencies. Option 1 allows for a set of data that will permit to identify those pricing policies, procedures and pricing practices that may require further scrutiny and investigation, so that only those entities will bear the regulatory costs of a full investigation by ESMA. Therefore option 1 is the most cost-efficient solution, whilst also ensuring effective supervision by ESMA.</p>

#### Impact of the proposed policies:

<b>Option 1 - screening tool</b>	Qualitative description
<i>Benefits</i>	Ensures ESMA has sufficient information to identify policies and practices that may require further investigation in order to effectively discharge its supervisory obligations on fees charged by credit rating agencies
<i>Regulator's costs</i>	ESMA has to develop and set up an IT data collection system, the costs of which will be lower as there will be less data collection fields than in option 2. In the event of a supervisory action or on-site visit, additional costs will be incurred.
<i>Compliance costs:</i>	CRAs have to develop, set up and maintain IT systems capable of submitting the requested information periodically. Given that significantly less data collection fields are required in option 1, compliance costs will be reduced, in particular for those entities that will not be subject to subsequent supervisory actions. There is therefore a better targeting of compliance costs.
<i>Indirect costs</i>	There are no differences in the outcome and effectiveness of the supervisory activity of ESMA under the two options.

<b>Option 2 – full reporting tool</b>	Qualitative description
<i>Benefits</i>	Ensures ESMA has full information to identify policies and practices that may not be in line with the regulatory rules without the need for any further investigatory steps.
<i>Regulator's costs</i>	ESMA has to develop and set up an IT data collection system, the costs of which will be higher as there will be significantly more data collection fields than in option 1.
<i>Compliance costs:</i>	CRAs have to develop, set up and maintain IT systems capable of submitting the requested information periodically. Given that significantly more data collection fields are required in option 2, compliance costs will be higher than in option 1 for all credit rating agencies as this approach is a less targeted approach than option 1.
<i>Indirect costs</i>	There are no differences in the outcome and effectiveness of the supervisory activity of ESMA under the two options.

### 3.2.2. Frequency of reporting



The responses to the discussion paper indicated mixed views as regards the frequency of reporting, some respondents defending an event-based approach and others an annualised approach.

ESMA therefore considered two options regarding the frequency of reporting: whereas option 1 considers event-based reporting, asking for pricing information on credit ratings as these are charged or issued, option 2 is an annual reporting system for the individual fees, with major changes being reported on an event base- namely pricing policies and procedures. The two technical options, the preferred technical choice and potential impacts of the options are summarized in the tables below.

<b>Objective</b>	<b>Ensuring an effective frequency of reporting of data on fees</b>
Option 1: event-based reporting	Under this option all data on fees, both pricing policies, procedures as well as individual credit rating fees would be provided to ESMA as and when any changes are introduced.
Option 2: mixed annual and event-based reporting	Option 2 allows for event-based reporting, as pricing policies and procedures are reported on an on-going basis, whilst fees for individual credit ratings are reported only on an annual basis.
Preferred Option	<p><b>Option 2</b></p> <p>Option 1 would entail a higher regulatory burden for all credit rating agencies, irrespective of their practices as they would have constantly be updating the fee data for each and every individual credit rating every time they receive a fee.</p> <p>Option 2 allows ESMA to be aware of any major changes to pricing as these are introduced by the credit rating agencies, whilst obtaining annualised cumulative fee data for individual credit ratings, in this way also ensuring a global annual view as well as an easier comparison of fee data across individual credit ratings.</p>

#### **Impact of the proposed policies:**

<b>Option 1 – event based reporting</b>	Qualitative description
<i>Benefits:</i>	Ensures ESMA obtains information on on-going basis.
<i>Regulator's costs</i>	ESMA will have a one moment in time view of fees, but not a cumulative view of fees that have been charged for an individual rating for a wider period. Unlike option 2, this would require development of an IT platform that allows for the accumulation of data across entries in order to make meaningful comparisons

	between individual credit ratings.
<i>Compliance costs:</i>	CRAs have to constantly update fees data for each and every individual credit rating which would entail higher costs than option 2.
<i>Indirect costs:</i>	There are no significant differences in the outcome and effectiveness of the supervisory activity of ESMA under the two options.

<b>Option 2 – mixed annual and event based reporting</b>	Qualitative description
<i>Benefits:</i>	Ensures ESMA has updated information on major changes in pricing policies and procedures and an account of accumulated fees charged for an individual credit rating in one particular year.
<i>Regulator's costs:</i>	ESMA will have fewer costs on IT platform development than in option 1.
<i>Compliance costs:</i>	CRAs would have fewer costs than in option 1 as they would have to provide information on updated pricing policies and procedures on an on-going basis, but would provide accumulated fees data for a whole year for an individual credit rating and only at the end of the respective calendar year.
<i>Indirect costs:</i>	There are no differences in the outcome and effectiveness of the supervisory activity of ESMA under the two options.

### 3.2.3. Reporting methods

The reporting methods may have a significant impact on the compliance costs of the credit rating agencies given the reporting obligations regarding fees charged by credit rating agencies to their clients provided for under the CRA Regulation. Efficiency gains can be achieved both for CRAs as well as for ESMA, should CRAs be able to make use of existing data streams in order to meet the disclosure requirements under this RTS.

ESMA therefore considered two options concerning the reporting means: under Option 1, all data on fees, pricing policies, procedures as well as individual credit rating fees would be transmitted to ESMA by the CRAs via a separate data stream, independent of any other platform or RTS. Option 2 envisages that CRAs

can simply integrate additional fields to the data stream being provided under other existing disclosure requirements i.e. the European Rating Platform.

The two technical options, the preferred technical choice and potential impacts of the options are summarized in the tables below.

<b>Objective</b>	<b>Efficient flow of information</b>
Option 1: separate data stream	All data on fees, pricing policies, procedures as well as individual credit rating fees would be transmitted using an individual data stream, following a tailored format that enables ESMA to accomplish its supervisory activity.
Option 2: one data feed	ESMA receives the same information as in Option 1, but the data can be transmitted using established data systems, using a number of fields already completed for other disclosure requirements and adding the specific information required for fee disclosure.
Preferred Option	<p><b>Option 2</b></p> <p>The use of a harmonized data stream that combines all reporting requirements reduces the costs of compliance for the development of new IT systems, both for CRAs and the regulator. It also leads to a reduction in the number of data inserts that would need to be undertaken by the CRA, in particular as regards the individual credit ratings. ESMA receives information in a standardised format, which facilitates the analysis of the information received. Option 2 therefore offers a number of efficiencies.</p>

#### **Impacts of the proposed policies:**

<b>Option 1 – separate data stream</b>	Qualitative description
<i>Benefits</i>	ESMA receives information in a standardized format that allows the regulator to carry out its supervisory obligations.
<i>Regulator's costs</i>	ESMA will have to develop, integrate and maintain an additional database, creating additional IT overheads as compared to Option 2.
<i>Compliance costs:</i>	CRAs will have to align their IT systems to the new reporting requirement and the new format and will have to insert all data anew, including for each individual credit rating, even though the CRAs are already reporting data on that credit rating

	through the ERP platform.
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<b>Option 2 – one data feed</b>	Qualitative description
<i>Benefits</i>	ESMA receives information in a standardized format that allows the regulator to carry out its supervisory obligations. Instead of creating a new data feed and format, ESMA receives the information through the ERP platform.
<i>Regulator's costs</i>	ESMA will have fewer costs on IT platform development than in option 1. Instead of developing new IT systems, the existing platform can be used.
<i>Compliance costs:</i>	CRAs would have fewer costs than in option 1 as they can deliver information through already established IT-systems as well as have reduced fields of data to complete for individual credit ratings, which could mean a significant reduction in time and costs of compliance.
<i>Indirect costs</i>	There are no differences in the outcome and effectiveness of the supervisory activity of ESMA under the two options.

The preferred technical choice is option 2 as it allows for an optimised flow of information between CRAs and ESMA. Moreover it is the cost-efficient solution as the regulatory burden for submitting the data to ESMA is minimised.

## **Annex V: Securities and Markets Stakeholder Group (SMSG) reply**

### **1. ESMA Consultation Paper on CRA3 Implementation**

1. SMSG welcomes the consultation paper on CRA3 Implementation and acknowledges the pragmatic approach ESMA has taken which we believe will minimize the cost of compliance for credit rating agencies while at the same time delivering transparency to investors.
2. However we feel it is important to note that the ultimate success for ESMA of delivering against the general objective “to provide enough information to enable investors to make an informed assessment” will be determined by the functionality and usability of the European Rating Platform. We provide more detail on this below.

### **2. Structure Financial Instrument / Annex I**

*Do you agree that issuers, originators or sponsors of structured finance instrument established in the EU shall jointly agree upon and designate the entity responsible for providing the information to ESMA?*

3. Yes. This should ensure that there is no confusion or ambiguity about which entity is responsible for providing the information to ESMA and thus complying with the regulation.
4. However we believe it would be helpful to clarify which part of an organisation (such as internal audit, compliance or risk management) should be responsible for providing the information. Without clear and proper role of internal control system’s task descriptions the effective control supervision might be damaged.

*Do you consider that the national laws on protection of personal data could impact the publication of the information contained in this draft Regulation?*

5. Yes, there are member states where the law of personal data protection is stricter than in other MSs.
6. Do you consider the list of information requested pursuant to Article 4 as appropriate?
7. ESMA has listened to feedback from the industry and adopted templates already in use and consistent with existing compliance requirements elsewhere. This should help keep the cost of compliance with CRA3 to a minimum for those within scope of the regulation.
8. A phase in period of one year, where the Bank of England templates are to be used, so as to give non-UK market participants’ time to prepare could be sensible.
9. Further, bonds linked to indices should be excluded from the SFI and RTS should only be applied to SFIs covered by the Prospectus Directive.

*Do you consider the frequency of information to be reported pursuant to Article 6 as adequate?*

10. Yes. ESMA has struck the right balance between cost of compliance and transparency for investors.

### **3. European Rating Platform / Annex II**

11. We would prefer that information is published according to option C of the ESMA discussion paper (all data reported until midnight will be published in one shot the next day at 11am).

*Do you agree with the chosen frequency of reporting?*

12. Yes. ESMA recommended approach balances the cost of the industry against the needs of investors in a sensible and practical way.

*Do you agree with the choice of including also press releases and sovereign rating reports in the ERP and why?*

13. Yes. If investors are to be able to carry out their own due diligence it is important that they have access to the reasoning as to why that particular rating has been changed. We believe it is also important for investors that this information is kept in one easily searchable central place. ERP must, we believe, give investors the ability to compare the rating of instruments, not only across rating agencies but also across time.
14. Further to this we believe it will be important that the ERP provides investors with the ability to subscribe to email alerts for that specific rating actions (e.g. downgrading of an issuer). We would also suggest that including the capability to download rating action would be of assistance in helping ESMA reduce the mechanistic reliance on ratings by fund management industry.

### **4. FEES / Annex III**

*Do you agree with the proposed approach? If not, and given the existing legal framework, please suggest an alternative or alternative, giving reasons.*

15. We agree that fees should be cost-based.

*Do you agree with the proposed tables and information required? Please explain and should you not agree with any fields, please suggest alternatives, giving reasons for the suggestions.*

16. We support the tables and agree with the specificity of information which ESMA will require.
17. However we have concerns that ESMA will not be able to supervise CRAs with regard to their fees unless sufficiently resourced. Without enough statisticians, to interpret the collected fee information, as well supervisors to follow up and investigate outliers, it will be difficult for ESMA to deliver on this requirement of the CRA3 Regulation.