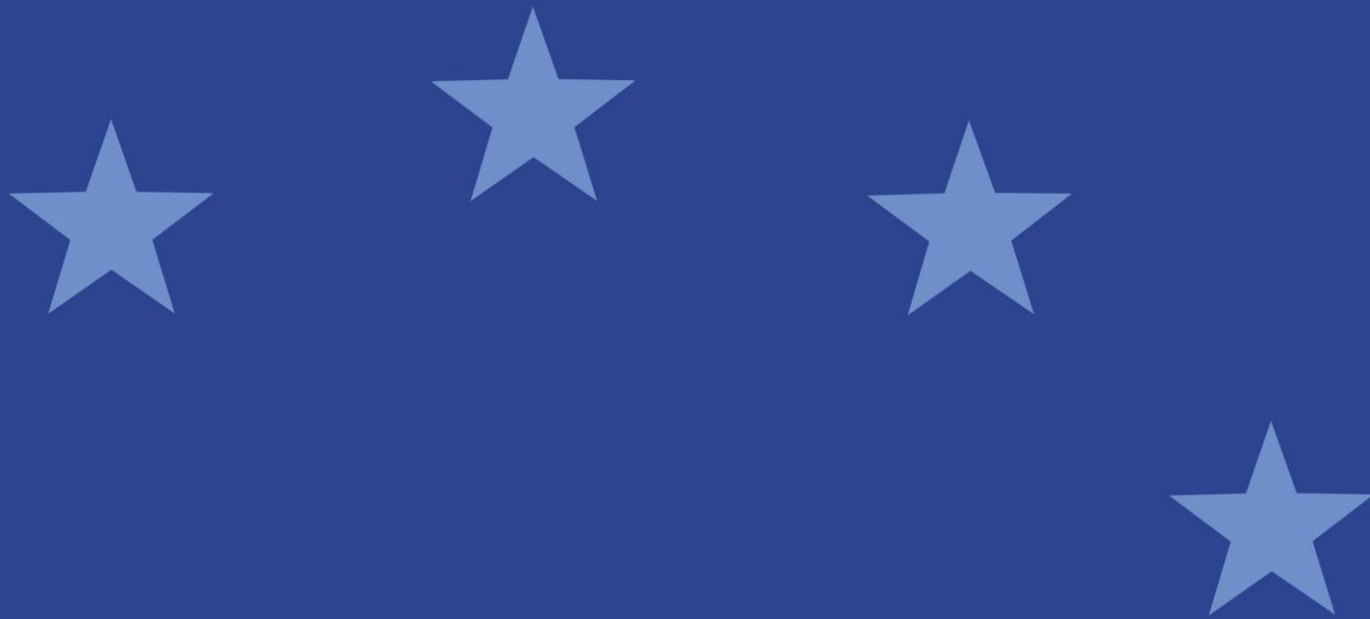


# Final Report

**Securitisation Regulation technical standards on securitisation repository  
application requirements, operational standards, and access conditions**



## Table of Contents

1	Executive Summary .....	4
2	Consultation process .....	9
3	Feedback on operational standards for collecting and verifying securitisation data, and on data access conditions .....	10
3.1	Overall messages .....	10
3.2	Detailed feedback .....	11
4	Feedback on application requirements for securitisation repositories .....	34
4.1	Overall messages .....	34
4.2	Detailed feedback .....	34
5	Annexes .....	45
5.1	Annex I: Legislative mandates to develop technical standards .....	45
5.2	Annex II: List of respondents to the consultation papers .....	50
5.3	Annex III: Cost-benefit analysis .....	51
5.4	Annex IV: Draft RTS on securitisation repository operational standards for data collection, aggregation, comparison, access and verification of completeness and consistency .....	61
5.5	Annex V: Draft RTS on information to be provided in the application for registration of a securitisation repository .....	74
5.6	Annex VI: Draft ITS on the format of information to be provided in the application for the registration of a securitisation repository .....	97

## Acronyms and definitions used

ABCP	Asset-Backed Commercial Paper
ABS	Asset-Backed Security
AIFMD	Alternative Investment Fund Managers Directive Directive 2011/16/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
AnaCredit Regulation	Regulation (EU) 2016/867 of the European Central Bank of 18 May 2016 on the collection of granular credit and credit risk data (ECB/2016/13)
CBA	Cost-Benefit Analysis

CP on operational standards	Consultation Paper on 'Draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation' <a href="https://www.esma.europa.eu/sites/default/files/library/esma33-128-107_consultation_paper_disclosure_and_operational_standards_0.pdf">https://www.esma.europa.eu/sites/default/files/library/esma33-128-107_consultation_paper_disclosure_and_operational_standards_0.pdf</a>
CP on repositories application requirements	Consultation Paper on 'Draft technical standards on the application for registration as a securitisation repository under the Securitisation Regulation' <a href="https://www.esma.europa.eu/sites/default/files/library/esma33-128-109_consultation_paper_securitisation_repositories_application.pdf">https://www.esma.europa.eu/sites/default/files/library/esma33-128-109_consultation_paper_securitisation_repositories_application.pdf</a>
CRA	Credit Rating Agency
CRA3 Regulation; CRAR	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 Text with EEA relevance
EBA	European Banking Authority
ECB	European Central Bank
EMIR	European Market Infrastructure Regulation (Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories)
ESA Regulation	Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union
ESCB	European System of Central Banks
ESMA	European Securities and Markets Authority
ESMA Regulation	Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC, as amended.
ESRB	European Systemic Risk Board
EU	European Union
Final report on disclosure technical standards	Final report on 'Technical standards on disclosure requirements under the Securitisation Regulation' <a href="https://www.esma.europa.eu/sites/default/files/library/esma33-128-474_final_report_securitisation_disclosure_technical_standards.pdf">https://www.esma.europa.eu/sites/default/files/library/esma33-128-474_final_report_securitisation_disclosure_technical_standards.pdf</a>
Final report on STS notification	Final report on Draft RTS and ITS on STS Notification under Regulation (EU) N° 2017/2402 <a href="https://www.esma.europa.eu/sites/default/files/library/esma33-128-477_final_report_on_sts_notification.pdf">https://www.esma.europa.eu/sites/default/files/library/esma33-128-477_final_report_on_sts_notification.pdf</a>
ISO	International Organization for Standardization
ITS	Implementing Technical Standards
JC	Joint Committee of the European Supervisory Authorities
LEI	Legal Entity Identifier
NACE Regulation	Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council

	Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains
NUTS Regulation	Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS)
Private Securitisation	A securitisation referred to in the third subparagraph of Article 7(2) of the Securitisation Regulation, namely a securitisation “ <i>where no prospectus has to be drawn up in compliance with Directive 2003/71/EC</i> ”.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
RTS	Regulatory Technical Standards
Securitisation Regulation	Regulation 2017/2402 of the European Parliament and of the Council laying down common rules on securitisation and creating a European framework for simple, transparent, and standardized securitisation and amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, and Regulations (EC) No 1060/2009 and (EU) No 648/2012
SFI	Structured Finance Instrument
SFT	Securities Financing Transactions
SFTP	SSH File Transfer Protocol
SFTR	Securities Financing Transactions Regulation  Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012
SMSG	Securities and Markets Stakeholder Group
SSPE	Securitisation Special Purpose Entity
SWIFT	Society for Worldwide Interbank Financial Telecommunication
T2S	Target 2 Securities
TR	Trade Repository
TS	Technical Standards
UTC	Coordinated Universal Time
XML	eXtensible Markup Language

---

# 1 Executive Summary

## Reasons for publication

The European Securities and Markets Authority (ESMA) issued on 19 December 2017 a Consultation Paper (CP) on ‘Draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation’. In addition, on 23 March 2018 ESMA issued a CP on ‘Draft technical standards on the application for registration as a securitisation repository under the Securitisation Regulation’. Both of these CPs aimed to fulfil certain requirements of the Securitisation Regulation.

According to Articles 10 and 17 of the Securitisation Regulation, ESMA is mandated to draft Regulatory and Implementing Technical Standards covering the application requirements for firms seeking to register with ESMA as securitisation repositories, operational standards for the handling of disclosures by securitisation repositories, and the terms and conditions of access for users obtaining securitisation disclosures via securitisation repositories. ESMA is mandated to submit these draft standards to the Commission by 18 January 2019.

## Contents

This Final Report provides an overview of the feedback to the CPs received from stakeholders during the public consultation and public hearing as well as ESMA’s response to that feedback, together with the final version of the RTS. In order to ensure a fully-consistent package on all of ESMA’s deliverables relating to securitisation repositories, this Report covers both draft RTS. ESMA welcomes the predominant support on the approaches outlined in the CPs and the proposed requirements. Following the public consultation process, which is further set out in Section 2 of this Final Report, ESMA further developed and clarified some requirements in the draft technical standards.

### RTS on operation standards and access conditions

Section 3 presents the feedback received and ESMA responses concerning the RTS on securitisation repository operational standards and access conditions.

Overall, market participants were in favour of the majority of ESMA’s proposals in this RTS and, in these cases, ESMA generally did not adjust its proposals. This includes ESMA’s proposals on the use of XML format and templates and the use of secure machine-to-machine connections between securitisation repositories and data users (which ESMA has extended to explicitly cover the provision of data by reporting entities to securitisation repositories). Respondents also supported ESMA’s proposals regarding the use of SFTP for the transmission of information and the possibility and

---

---

ways by which users could design their own ‘ad hoc’ ways to query the vast data expected to be stored by repositories. There was also widespread agreement with ESMA’s proposed deadlines for repositories to supply data to users following a specific request as well as the deadlines for providing feedback messages to reporting entities following a submission. Lastly, ESMA’s proposals regarding what information should be provided free of charge, as well as the amount of data access to be provided to specific user groups set out in the Securitisation Regulation were also supported.

At the same time, ESMA has modified several of the RTS provisions, in light of feedback received as well as its own mandates of investor protection, orderly markets, and financial stability. This includes:

- The development of XML schema that are consistent with ISO (but not ISO 20022) standards, in line with the justification provided in ESMA’s final report on securitisation disclosure technical standards (see paragraphs 112-119 therein). Nevertheless, ESMA emphasizes that the use of XML in the present draft RTS, rather than ISO 20022, is linked with the specific situation regarding loan-level reporting, is not aimed to be a precedent and does not signal a departure from its overall support for ISO 20022 as a common format.
- The consolidation and further refinement of provisions relating to securitisation repository procedures to verify the completeness and consistency of data submitted to the repository. This restructuring also reflects consultation feedback, whereby market participants emphasized the need for greater clarity on certain aspects of the verifications (e.g. requesting further clarity on the ‘legitimate’ use of the ND5 ‘Not applicable’ option). ESMA has set out greater clarity on both the notions of “completeness” and “consistency” as well as the procedural steps to be used by the repository in the event that these checks are not met. In particular, ESMA has taken note of market feedback on the need for a tolerance threshold to capture legitimate situations resulting in a small number of entries in a data submission not being able to be provided (i.e. the need for reporting entities to use the ‘No data’ options mentioned in the Final Report on securitisation disclosure technical standards).

ESMA agrees with this feedback and has revised the provisions to include a system of reference thresholds, which aim to limit abuse of the ‘No data’ options in a data submission while at the same time granting certain flexibility for reporting entities. The actual type of thresholds specified in the RTS (percentage of underlying exposures and number of fields where No Data options have been reported in the underlying exposures data submission) aims to reflect experiences gained by existing securitisation reporting initiatives. To ensure a minimum amount of data completeness, submissions that do not comply with the thresholds would be rejected by the repository, whereas submissions that comply with them would be accepted by the repository.

The actual specification of the thresholds is aimed to be dynamic over time, in order to balance the necessary considerations of ensuring sufficient data quality for investors while at the same time understanding the legitimate realities faced

---

---

by reporting entities, particularly given the short time available to implement the reporting templates. ESMA plans to set out the reference thresholds in good time on its website, and to regularly evaluate their adequacy in light of the evolution in the use of 'No data' options in data submissions. ESMA also plans to consult market participants on the thresholds, both with regard to the initial thresholds and to their evolution over time. In doing so, ESMA expects to establish as smooth a transition path as possible towards a long-term arrangement that balances the legitimate considerations of all actors in securitisation markets (e.g. reporting entities, investors, potential investors, and public authorities).

- The removal of detailed provisions as regards the written confirmation text to be used by the repository to confirm that securitisation documents provided to it are complete and consistent, with a view to retaining further flexibility on this language. ESMA will instead leverage its role as supervisor of securitisation repositories to work toward common practices across repositories, should this prove necessary. ESMA has also set out more clearly the procedures to be followed by a securitisation repository regarding these written confirmations, which includes timing considerations on when the written confirmation should be requested by repositories, as well as the introduction of a short 'grace period' whereby a repository, having not received a written confirmation, would send a warning to the reporting entity that its written confirmation has not been provided and, if no written confirmation has been received within the following two weeks, would notify registered users of the securitisation repository.
- In addition, ESMA has also set out certain verifications for STS notifications submitted to the securitisation repository, as per its mandate under Article 10(2) of the Securitisation Regulation. These checks aim to respect the allocation of responsibilities and 'self-certification' nature of the STS notifications, and focus on ensuring that there is compliance of the STS notification with the formats and structure set out in ESMA's final report on STS notification.
- Elsewhere, ESMA removed certain provisions on data modifications set out in its draft technical standards contained in the CP, for clarity of legal drafting. At the same time, ESMA understands that the general prohibition on securitisation repositories correcting or adjusting information reported to them under the Securitisation Regulation may lead to uncertainty. Generally-speaking, ESMA considers that additional, separate, and clearly-identified products developed by a securitisation repository that are based on information made available to the repository by reporting entities and that include corrections or adjustments to this information would not normally be considered to be corrections or adjustments to information reported by a reporting entity and, therefore, not be prohibited according to these technical standards.

#### TS on application requirements

Section 4 contains the consultation feedback and ESMA treatment regarding the RTS/ITS on securitisation repository application requirements, whose proposals were supported by the majority of respondents.

---



---

On certain Articles of the RTS, feedback was provided that a more streamlined approach could be adopted, for example via the provision by an applicant of a simple confirmation that the Article in question is being complied with. ESMA fully supports the aim of ensuring that application requirements are streamlined and adapted to the nature of securitisation repository services. However, in ESMA's view, the provision of documents providing simple confirmations, in contrast to documents that evidence the applicant's compliance with the requirements of the Securitisation Regulation, are generally considered to be of less value considering ESMA's mandate to examine an application under Article 12 of the Securitisation Regulation. ESMA would generally expect to have difficulty in assessing whether the various necessary policies and procedures in this context were "adequate" if simple confirmations were only provided by applicants. Furthermore, ESMA notes that the provisions in these articles are consistent with ESMA's draft technical standards or existing requirements in other Regulations, including under EMIR, SFTR, and CRAR. In ESMA's supervisory experience of assessing applications under these Regulations, these provisions have proven essential in demonstrating compliance with the requirements in each Regulation.

At the same time, ESMA has adjusted the provisions of the draft RTS in a few key respects, including:

- Stipulating that an application should include detailed example test cases, including graphics, that demonstrate the applicant's ability to adequately perform a number of essential procedures, including verification of the completeness and consistency of information submitted to the applicant and the production of data completeness scores;
- Obtaining further clarity to help ESMA determine compliance with the Securitisation Regulation requirement that both users and other service providers shall have non-discriminatory access to information maintained by the securitisation repository. This includes specifying that an application should describe any access restrictions, including variations in these across reporting entities or across the different categories of users listed in Article 17(1) of the Securitisation Regulation;
- Setting out clearer provisions on demonstrating the operational separation between an applicant's business lines that comprise the provision of securitisation repository services under the Securitisation Regulation and its remaining business lines, regardless of whether those business lines are run by the applicant, an affiliated entity, or another entity with which the applicant has concluded a material agreement in respect of its securitisation business line.
- Drafting provisions to allow ESMA to better understand the extent of the applicant's arrangements that are manual or automated and, where processes are manual, the extent to which these are scalable from the perspective of smooth system functioning even under increases in both information to process and access requests.

---

This final report is accompanied by Annexes that include the list of respondents to both



---

CPs, a cost-benefit analysis, and ESMA's final draft technical standards.

### **Next Steps**

These draft RTS and ITS are submitted to the European Commission for endorsement.

---

## 2 Consultation process

1. Regulation 2017/2402 of the European Parliament and of the Council laying down common rules on securitisation and creating a European framework for simple, transparent, and standardized securitisation and amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, and Regulations (EC) No 1060/2009 and (EU) No 648/2012 ('the Securitisation Regulation') was published in the Official Journal of the European Union on 28 December 2017.
2. As set out in the Securitisation Regulation, ESMA is mandated to submit, by 18 January 2019, certain delegated acts to the European Commission ('the Commission') for adoption.
3. Article 10 of the ESMA Regulation<sup>1</sup> requires ESMA, where appropriate, to conduct open public consultations on draft technical standards, analyse the potential related costs and benefits, and request the opinion of the Securities and Markets Stakeholder Group (MSG).
4. Following Articles 10(7)(a) and 17(2)(b)-(d) of the Securitisation Regulation, ESMA's Consultation Paper (CP) on 'Draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation' (hereafter 'CP on operational standards') was published on 19 December 2017 and the consultation period closed on 19 March 2018. ESMA received 26 responses from entities (or representative bodies) in the following market segments: investors, banks, repositories, servicers and agency services providers, public authorities, and rating agencies—a detailed list is provided in Annex II. The answers received on the CP are available on ESMA's website unless respondents requested their responses to remain confidential.<sup>2</sup> In addition, on 19 February 2018, ESMA held a public hearing on the proposed delegated acts enclosed in that CP.
5. Following Articles 10(7)(b)-(c) and 10(8) of the Securitisation Regulation, ESMA's Consultation Paper (CP) on 'Draft technical standards on the application for registration as a securitisation repository under the Securitisation Regulation' (hereafter 'CP on repositories application requirements') was published on 23 March 2018 and the consultation period closed on 23 May 2018. ESMA received 7 responses from entities (or representative bodies) in the following market segments: exchanges and trading systems, repositories, and public authorities. A detailed list of responses to each CP is provided in Annex II. The answers received to each CP are available on ESMA's website unless respondents requested their responses to remain confidential.

---

<sup>1</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority)

<sup>2</sup> For responses to the CP on operational standards: <https://www.esma.europa.eu/press-news/consultations/consultation-disclosure-and-operational-standards> and for the CP on application requirements: <https://www.esma.europa.eu/press-news/consultations/consultation-draft-rti-application-registration-securitisation-repository>

In addition, on 13 April 2018, ESMA held a public hearing on the proposed delegated acts enclosed in the CP on repositories application requirements.

6. Elsewhere, the MSG decided not to provide a formal opinion.
7. The draft technical standards have been developed on the basis of the requirements of the Securitisation Regulation, and have been adjusted where relevant following the feedback received in the consultation process. The final draft technical standards are included in Annexes IV, V, and VI of this Report.

### **3 Feedback on operational standards for collecting and verifying securitisation data, and on data access conditions**

#### **3.1 Overall messages**

8. Responses to the consultation indicated broad support for the proposed operational standards and access conditions, subject to certain specific amendments discussed in the next section.
9. Overall major points in the consultation feedback received related to the following items:
  - (a) Procedures for verifying the completeness and consistency of data submitted to the repository,
  - (b) Arrangements for the data completeness score calculations and tolerance for the use of 'No Data Option' values in the disclosure templates, and
  - (c) The arrangements surrounding the written confirmation regarding the completeness and consistency of documentation submitted to the repository.

#### *ESMA's response*

10. ESMA would first like to emphasize its appreciation for each entity that made the effort of providing their views (including those providing feedback via industry associations).
11. ESMA has provided further clarifications on the major points in its response to the specific questions in the following sub-sections. In certain situations, ESMA has introduced new provisions or amended draft provisions, in order to reflect comments received during the consultation process while respecting the objectives and requirements set out in both the Securitisation Regulation and the ESMA Regulation.
12. In addition to the detailed feedback below, ESMA has closely considered the operational arrangements by securitisation repositories that would help balance the need to ensure adequate data quality for users while ensuring a smooth operational procedure for reporting entities, also in light of ESMA's final report on disclosure

technical standards. This has also led to further adjustments on the provisions relating to completeness and consistency checks.

13. Regarding the written confirmation, with the benefit of feedback provided during the consultation, ESMA considers that it is preferable to remove any detailed provisions of the written confirmation text from the technical standard, with a view to retaining further flexibility on this language. ESMA will instead use its role as supervisor of securitisation repositories to work toward common practices across repositories, should this prove necessary. ESMA has also further clarified the procedural steps to be taken by the securitisation repository in the detailed feedback below.

## 3.2 Detailed feedback

14. The following sections summarise the responses received for each question in the operational standards section (2.2) of ESMA's CP on operational standards, as well as ESMA's view on those responses, together with any changes to the draft RTS.

**Q 18: Do you agree with the contents of the item type and code table? Do you have any remarks about a system of item codes being used in this manner?**

*[As set out in its final report on securitisation disclosure technical standards, based on consultation feedback ESMA has transferred this topic to those technical standards. Further discussion of feedback provided, ESMA's response, and the related provisions in the draft technical standards are located in section 3 (pages 40-41) of that report.]*

**Q 19: Do you agree with the proposal to require the use of XML templates for securitisation information collected by securitisation repositories?**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
12	7	2	3

15. The majority of respondents agreed with the proposal to require the use of XML templates for securitisation information collected by securitisation repositories. Alternatives highlighted included the use of more recent formats such as JSON.

### ESMA's response

16. In light of feedback received, ESMA continues with the proposal set out in the draft technical standards published in its CP on operational standards, namely that XML should be a required minimum standard for data collection by securitisation repositories (i.e. a required minimum standard for reporting of data to securitisation

repositories by reporting entities). In other words, reporting of data (i.e. information covered under the templates set out in ESMA's final report on disclosure requirements) must at least always be done using XML, which will be the minimum common data collection format available at all times across all repositories. ESMA considers that this will ensure a level playing field and avoid issues of compatibility across securitisation repositories. In this regard, ESMA notes that XML is a widely-used syntax, including by existing firms providing services similar to securitisation repositories and, consequently, this will facilitate both the work of individual (registered) securitisation repositories in their interactions with market participants, as well as the overall functioning of the securitisation repository market as a whole (for example, as regards establishing and adhering to portability arrangements).

17. ESMA furthermore recalls that, as set out in its CP on operational standards (section 2.2.2.2), the use of other formats in addition to (i.e. supplementing) XML, such as .csv or JSON, are not excluded for collecting information by repositories in parallel, in the event that those additional formats are deemed useful by repositories and/or reporting entities/users. This implies that additional reports of the same data could in principle be sent to securitisation repositories in addition to XML, should this course of action be deemed desirable by reporting entities and made possible by individual securitisation repositories. Nevertheless, as per the draft technical standards set out in this final report, all data submissions to securitisation repositories should be done using XML.
18. Finally, to ensure maximum clarity, ESMA wishes to emphasize that the use of XML refers to the provision of data to securitisation repositories and not to the provision of documentation (such as information set out in Article 7(1)(b) of the Securitisation Regulation) to securitisation repositories.

**Q 20: Do you agree with the requirement that securitisation repositories produce unique identifiers that do not change over time?**

*[As set out in its final report on securitisation disclosure technical standards, based on consultation feedback ESMA has transferred this topic to those technical standards. Further discussion of feedback provided, ESMA's response, and the related provisions in the draft technical standards are located in section 3 (pages 41-42) of that report.]*

**Q 21: Do you agree with the usefulness and contents of the end-of-day report?**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
11	5	2	4

19. The majority of respondents agreed with the usefulness and contents of the end-of-day report. Some respondents commented a preference to be able to choose whether or not the report would be sent to them, rather than automatically receiving it. Certain

respondents also commented that receiving information on new securitisations only would be sufficient.

### *ESMA's response*

20. In light of feedback received, ESMA continues with the proposal set out in the draft technical standards published in its CP on operational standards. ESMA also clarifies that indeed the intention is that the end-of-day report is made available to users, without having additional provisions for notification of the report to users. ESMA also notes that, although certain market participants may only be interested in receiving information about new securitisations, it appears preferable to include all securitisations in the end-of-day report, since existing securitisations may also evolve, for example as regards compliance with data completeness arrangements, and this may also be relevant information for other market participants than those seeking information only on new securitisations. Therefore, to avoid the unnecessary creation of multiple end-of-day reports, ESMA considers that the scope of the present proposal remains appropriate, in view of the variety of users listed in Article 17(1) of the Securitisation Regulation.
21. Finally, ESMA understands that, based on current market practices, there may be instances where a reporting entity may make a new data submission at a later date, but that is based on the same data cut-off date as a previous data submission. Such a situation may occur, for example, in the event of modifications or corrections that are deemed necessary by the reporting entity. In certain limited cases, the date of the most recent submission might exceed the maximum period allowed under the timeliness requirements in Article 10 of the disclosure technical standards, whereas in reality the data submission complied with these requirements via its initial data submission based on the same data cut-off date.<sup>3</sup> To avoid the risk of false conclusions of non-compliance, ESMA has modified the end-of-day report contents to make clear that, where there are multiple data submissions for a securitisation referenced against the same data cut-off date, the end-of-day report should clearly include the submission timestamps of both the initial and most recent data submissions, as well as the number of submitted versions.

**Q 22: Do you agree that securitisation repositories should, at a minimum, offer a secure machine-to-machine connection platform for the users listed in Article 17(1) of the Securitisation Regulation? If not, please explain why and what you would propose instead as a minimum common operational standard.**

---

<sup>3</sup> For example, in line with Table 3 of ESMA's CP on disclosure requirements<sup>3</sup> a non-ABCP securitisation with an interest payment date on 5 January 2018 would be required to submit completed templates by 5 February 2018, with a data cut-off date not older than 5 December 2017. In this scenario, let's assume a first submission is made on 4 February 2018 with a data cut-off date of 15 December 2017. It may happen, however, that a reporting entity wishes to make a subsequent data submission with some adjustments, say on 6 February 2018, still with the same data cut-off date of 15 December. If only the date of this second (most recent) data submission was recorded by the repository, it would appear that the data submission was not compliant with the provisions of the disclosure requirements technical standards. However, in fact, the first (earlier) data submission did comply.

**Q 23: Do you believe that other channels besides SFTP (such as messaging queue), are more appropriate? If so, please outline your proposal and explain why.**

Q	Number of respondents	Industry representative body	Providers of repository services	Other market participants
22	10	5	2	3
23	10	5	2	3

22. The majority of respondents agreed that securitisation repositories should, at a minimum, offer a secure machine-to-machine connection platform for the users listed in Article 17(1) of the Securitisation Regulation. One industry association commented that its members were concerned that a machine-to-machine connection could involve additional costs for installing necessary software, and that a web-based platform would be more easily accessible.
23. The majority of respondents agreed with the use of SFTP, although several comments were made regarding the ability for repositories to provide additional access channels (such as a web portal).

#### *ESMA's response*

24. In light of feedback received, ESMA continues with the proposal set out in the CP on operational standards. ESMA notes that a web-based platform would generally be far slower than machine-to-machine connections for large datasets and, furthermore, that such connections do not automatically imply the installation of additional costly software beyond what is already available to market participants handling/receiving large datasets. ESMA also notes that such software is often supplied already by existing firms providing repository services, as part of their offering of features to facilitate client uploads.
25. ESMA also emphasizes, in view of certain specific comments received, that the proposal is meant to establish a required set of access channels that ensures common access conditions for all users. However, this proposal does not exclude the possibility that securitisation repositories and relevant entities agree amongst themselves to employ additional access channels, including other secure machine-to-machine connections and/or internet/web-based portals, once the capabilities for the required SFTP method are in place.
26. Lastly, ESMA considers it worthwhile to make clear a secure machine-to-machine platform should be offered by securitisation repositories to reporting entities, as well as to users.



**Q 24: Do you agree with the available fields for creating ad hoc queries? Are there other fields that you would like to include? Please explain why if so.**

**Q 25: Do you agree with the deadlines for securitisation repositories to provide information, following a data access query? Please explain if not and provide an alternative proposal and justification.**

Q	Number of respondents	Industry representative body	Providers of repository services	Other market participants
24	9	4	2	3
25	9	5	2	2

27. The majority of respondents agreed with the available fields for creating ad hoc queries. One respondent raised concerns that ad hoc queries could lead to result sets that would contain millions of underlying exposure records and instead proposed to limit the use of ad-hoc queries only when the result set is lower than 100,000 underlying exposures.

28. The majority of respondents also agreed with the proposed deadlines. One respondent raised concerns regarding possible performance issues in the event of multiple complex queries and instead proposed a queue-based arrangement whereby users would be given an estimated time of processing and delivery of query results.

#### *ESMA's response*

29. In light of feedback received, ESMA continues with the proposals set out in the CP on operational standards. As regards the concerns raised, ESMA notes that these arrangements are in line with existing requirements for trade repositories under EMIR and SFTR and that, in the case of EMIR, millions of records are also able to be retrieved using ad hoc queries under the same deadlines.

30. Therefore, from a performance perspective and from a consistency perspective, ESMA considers that the present proposals are adequate, and also strike an appropriate balance between flexibility for data users and smooth functioning of securitisation repositories' systems (as further set out in section 2.2.3.4 of ESMA's CP on operational standards).

**Q 26: Do you agree with the 60 minute deadline for securitisation repositories to validate data access queries and provide a standardised feedback message? Please explain if not and provide an alternative proposal and justification.**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
9	5	2	2

31. The majority of respondents agreed with the proposed deadline.

### ESMA's response

32. ESMA also wishes to confirm that, as set out in section 2.2.3.4 of its CP on operational standards, this deadline pertains to automated query requests but does not pertain to the delivery of actual query results. The delivery of the query results are governed by the deadlines discussed in the CP section that related to question 25 (paragraph 120 on page 53 of the CP), i.e. the provision of information by 12:00:00 UCT on the following day (for securitisations that have not yet fully matured or have only matured in the past year), and so forth.

**Q 27: Do you agree with the mandatory use of XML format templates and XML messages? If not, please explain why and please provide another proposal for a standardised template and data exchange medium.**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
9	5	2	2

33. The majority of respondents agreed with the mandatory use of XML format templates and XML messages.

### ESMA's response

34. In light of feedback received, ESMA continues with the proposal set out in the CP on operational standards to have a mandatory common standard of XML templates and XML messages for providing data to users. ESMA also wishes to confirm that, as set out in section 2.2.3.5 of its CP on operational standards, the requirement of a common standard does not exclude the additional separate use of non-XML format templates, such as comma separated values (csv) or text (txt) files, to the extent that this is deemed desirable by securitisation repositories and users.

**Q 28: Do you agree with the use of the ISO 20022 format for all securitisation information made available by securitisation repositories? If not, please explain why and please provide another proposal for a standardised information format.**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
11	6	2	3

35. Respondents had mixed views regarding the use of the ISO 20022 format for all securitisation information made available by securitisation repositories. Whereas a number of respondents agreed, others pointed out that information on actual fields in the draft reporting templates (see ESMA's final report on disclosure technical standards) would be better handled by XML.

### *ESMA's response*

36. As also discussed in its final report on disclosure technical standards (see response to Question 17 therein), ESMA has closely considered feedback provided on this question.
37. In light of feedback received, ESMA has modified its draft technical standards to require XML, instead of ISO 20022, as the common format for information to be made available by securitisation repositories to data users. As set out in section 2.2.3.6 of its CP on operational standard, ESMA considers that adopting a harmonised standard that is already widely-used has clear benefits for market participants that are both active in securitisation markets and also operating in other market segments (even those having developed ISO 20022-compliant systems).
38. However, ESMA is also mindful that there are several aspects of the reporting templates: namely underlying exposure information (e.g. loan-level, collateral-level, and tenant-level templates) as well as information on the rest of the securitisation (e.g. investor report, inside information, and significant event templates). Whereas information on the rest of the securitisation could potentially be associated with ISO 20022 standards, information on underlying exposures appears to be problematic as regards standardising the format for providing access. Indeed, based upon further investigations conducted during and after the consultation process, it appears that in the EU there is little convergence as regards the format of loan-level information being available. For example, users seeking to access information made available via existing securitisation repositories have non-ISO 20002-compliant XML templates at their disposal (as well as additional formats such as .csv).
39. Moreover, there appears to be a discrepancy between the ISO 20022 standard and the formats currently used for loan-level data reporting, in the context of 'No Data' options, also as further discussed in the final report on disclosure technical standards (under Question 17). Requiring that information made available by securitisation repositories adhere to ISO 20022 formats would thus involve a departure from current securitisation reporting practices, which could cause confusion among market participants and added complexity from the perspective of users' systems. This also reflects the fact that ISO 20022 has not as of yet been developed to handle substantial information on loans/borrowers/etc. In contrast, ISO 20022 relates mainly to information on securities, including derivatives. The relative reporting burden in the context of securitisation disclosures is likely to be higher for reporting the underlying exposures templates (rather than the investor report, inside information, or significant event templates), and thus this appears a strong argument in favour of not pursuing ISO 20022 compliance (though being as close as possible to these standards) in this specific one-off situation.
40. Given these considerations, ESMA proposes to instead adopt XML as the minimum required format for all securitisation information made available by securitisation repositories. At the same time, as discussed in its response to the feedback on Question 5 in its final report on disclosure technical standards, ESMA has set the format of the template fields be as consistent as possible with ISO standards (e.g. fields containing lists of options to be selected). In ESMA's view, the present arrangements proposed in this final report strike an appropriate balance between

facilitating compatibility across systems, while ensuring flexibility to cater for the ‘No Data’ options system and consistency with existing reporting practices by data collectors and with other standard-setters in the EU.

41. Nevertheless, ESMA emphasizes that the use of XML in the present draft technical standards, rather than ISO 20022, is not aimed to be a precedent and does not signal a departure from its overall support for ISO 20022 as a common format. The use of XML reflects the particular considerations mentioned above, in particular given that the greatest source of effort for users in these technical standards is likely to relate to obtaining underlying exposures information (which ISO 20022 has not been developed yet to handle comprehensively) rather than accessing other information on the securitisation (i.e. investor reports, inside information, or significant events).

**Q 29: Do you agree with the data completeness score provisions? Are there additional features that you would recommend, based on your institution’s needs as per the Securitisation Regulation?**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
13	8	2	3

42. The majority of respondents agreed with the use of the scoring system set out. In line with the responses to Question 16 in ESMA’s CP on operational standards, many respondents raised concerns with the possibility of meeting the A1 score provisions.
43. Further clarity was also requested on the manner in which the use of ‘ND5’ (‘Not applicable’) ‘No data’ option would be legitimate. For example, one possibility raised would be that a regulatory authority would ensure that the use of “ND5”-values is legitimate, rather than securitisation repositories. Alternatively, ESMA could ensure a level playing field across securitisation repositories by, in its role as the supervisor of securitisation repositories, providing a guideline to specify for which field attributes and under which instances ‘ND5’-values would be legitimate to use.

#### *ESMA’s response*

44. In light of feedback received, ESMA continues with the proposal set out in the CP on operational standards. ESMA’s response to the feedback received in Question 16 (see the final report on disclosure technical standards) also applies to the present question. Moreover, ESMA recalls that the aim of the data completeness score is, as set out in section 2.2.4.1 of ESMA’s CP on operational standards, to function as an indicator of the amount of the information made available, as set out in Article 10(2) of the Securitisation Regulation and, furthermore, to be useful to the entities listed in Article 17(1) of the Regulation.
45. To recall, the data completeness score calculates the percentage of fields in a data submission (i.e. across all data being submitted at the same time) that include at least

one 'No Data' option values ND1 to ND4, relative to all fields where such values are permitted to be entered. Because the ND1 option is of a different nature than options ND2-ND4 (i.e. the former relates to information never being collected, while the latter relates to information that exists but is not retrievable at the data cut-off date), there are two inputs to the data completeness score: the percentage number of fields in a data submission that contain at least one instance of ND1 (e.g. at least one loan reporting ND1 for a given field or fields) and the percentage number of fields containing either ND2, ND3, or ND4 values in the same data submission. An A1 score indicates that the percentage of ND1 values in this way is 0% and the percentage of ND2-ND4 values in that same submission is also 0%, i.e. the disclosure requirements are fully met. In the event that an A1 score is not achieved, ESMA considers it desirable and possible that the national competent authority supervising the originator, sponsor, or SSPE's compliance with these provisions would, as part of its regular monitoring, seek to understand the underlying reasons for the A1 score not being achieved and decide on remedial measures.

46. As regards further clarity on the legitimate use of 'ND5', ESMA notes that this aspect touches upon both the role of the competent authority in ensuring adequate compliance with transparency arrangements, as well as the role of the securitisation repositories to "verify the completeness and consistency" of the information reported to it. As discussed also in ESMA's responses to the next question, ESMA has adjusted the RTS provisions on the repository "completeness and consistency" verifications to more clearly set out the types of verifications that must be performed, which also touches upon the legitimate use of the 'ND5' option.

**Q 30: Do you agree with the data 'consistency' provisions? Are there additional features that you would recommend be examined?**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
10	5	2	3

47. The majority of respondents agreed with the data 'consistency' provisions.
48. The role of the securitisation repository in rejecting submissions was also brought up, in particular the extent to which securitisation repositories could reject data submissions that do not comply with data consistency and completeness provisions.
49. Finally, ESMA was requested to confirm at what point the timeline for feedback to a reporting entity should be provided (regarding section 2.2.4.4 of ESMA's CP on operational standards).

## *ESMA's response*

### *Clarifications on "completeness and consistency"*

50. ESMA has consolidated and adjusted provisions of the draft RTS in the CP that relate to verifications of "completeness and consistency", in light of feedback received and further consideration of developing a straightforward arrangement that meets the objectives of the Securitisation Regulation. These adjustments include clarifying that:

- (a) For all types of information submitted, a securitisation repository must verify that the entity submitting information under Article 7(1) of the Securitisation Regulation matches the registered reporting entity name. This provision is similar to ESMA's draft RTS on operational standards under SFTR.
- (b) For all types of information submitted to the repository, a securitisation repository must verify that the information submitted has an item code that matches one of the codes set out in the RTS on disclosure requirements (see Table 4 in Annex 1 of that RTS, in ESMA's final report).
- (c) There are different completeness and consistency checks that must be performed by the repository depending on the type of information submitted under Article 7(1) of the Securitisation Regulation. ESMA considers that this more clearly delineates the reasonable checks that may be expected across, at a high level, data submissions (under ESMA's draft RTS on disclosure requirements) and document submissions. As regards document submissions, a further distinction is made between information under Article 7(1)(b) of the Securitisation Regulation, such as the prospectus, and information under Article 7(1)(d) (i.e. the STS notification), which also includes a template as set out in ESMA's Final Report on the STS notification. The following paragraphs explore these topics in greater detail.

51. With respect to verifications of "completeness" of data submissions, the draft RTS contain further clarifications (relative to the version in the CP) that these verifications should include:

- (a) Confirming the timeliness of data submissions, in light of the provisions set out in Article 10 of ESMA's draft RTS on disclosure requirements (i.e. data submissions may not have a data cut-off date that is more than two calendar months prior to the submission date);
- (b) Calculating the percentage data completeness score (as further discussed in ESMA's response to Question 29 above and also later in ESMA's feedback to this question);
- (c) Calculating both the number of underlying exposures and number of fields in an underlying exposure data submission that contain any 'No Data Option'—discussed further down in ESMA's response to the feedback provided on this question;
- (d) Lastly (as also set out in ESMA's CP on operational standards), checking the data submission's compliance with the structure and formats of the applicable templates, as set out in the templates in the Commission Implementing Regulation



using as a basis ESMA's Final Report on securitisation disclosure technical standards.

52. With respect to verifications of “consistency” for data submissions, ESMA notes that “consistency” is a relative term, which therefore requires a reference point, and can be applied to examining data provided in the templates set out for underlying exposures, investor reports, inside information, and significant information. In this respect, there appears to be three possible such reference points, using as an example checks on underlying exposures: (i) within the same data submission, either other fields for that underlying exposure or the same field for other underlying exposures (‘internal consistency’), (ii) the same field in a previous data submission for the same underlying exposure in that securitisation (‘time consistency’), and (iii) the same field in data submissions for underlying exposures in other securitisations (‘external consistency’).
53. These three reference points are more clearly set out in the draft RTS and will also be developed further in validation rules. In doing so, ESMA considers that this (as well as the “completeness” provisions) obviates the need for the previous clause set out in the CP regarding verifying the “legitimate” use of ‘No data’ option ND5 (‘Not applicable’), as further discussed in Question 29 above. This is because the draft RTS sets out more clearly the categories of checks that are expected of securitisation repositories. In doing so, the notion of “legitimate” use of ND5 is encompassed within those checks (for example, it will be inconsistent if certain fields are reported as ‘Not Applicable’ when others are completed), thus rendering the clause on ND5 mentioned in the CP no longer necessary.
54. Lastly as regards “consistency” checks for data submissions, ESMA also expects to set out in detailed validation rules (also discussed below) for repositories’ field-level checks that, in addition to the checks on “completeness and consistency” discussed in the preceding paragraphs, these should include confirming the consistency of:
- (a) LEIs submitted in the applicable template fields with the LEIs and legal names available in the Global Legal Entity Identifier Foundation database (e.g. for the originator LEI, reporting entity LEI, etc.);
  - (b) For template fields with field format {ESA} (i.e. ESA code fields), the codes entered with the corresponding list set out in the ESA Regulation;
  - (c) For template fields with field format {NACE} (i.e. NACE code fields), the codes entered with the corresponding list set out in the NACE Regulation;
  - (d) For template fields with field format {NUTS} (i.e. geographic region NUTS fields), the codes entered with the corresponding list set out in the NUTS Regulation, and using the year classification to find the appropriate NUTS classification produced by Eurostat.
55. With respect to verifications of “completeness and consistency” for documentation submissions, as mentioned above ESMA notes that these can be distinguished between information submitted under Article 7(1)(b) of the Regulation (e.g. prospectus) and under Article 7(1)(d) (i.e. the STS notification). In this respect, the draft RTS makes clear that:



- (a) Securitisation repository procedures to verify the “completeness and consistency” of documentation submitted under Article 7(1)(b) of the Regulation should be verified using the written confirmation (as further discussed in Questions 31 and 32 below).
- (b) Securitisation repository procedures to verify the “completeness and consistency” of STS notifications submitted under Article 7(1)(d) should be limited, in line with the distribution of mandates in the Securitisation Regulation, to verifying that both the structure and format of the applicable templates set out in ESMA’s Final Report on the STS notification are being respected.

*Clarifications on repository actions when “completeness and consistency” cannot be verified*

- 56. The draft RTS has also been adjusted to further clarify the procedural steps that repositories must take when the above-mentioned “completeness and consistency” checks are failed (i.e. “completeness” and/or “consistency” cannot be verified). The draft RTS considers two high-level actions: rejections of the information submission and notification of the situation to registered users.
- 57. As regards the rejections that a securitisation repository could or could not perform upon verifying the ‘completeness and consistency’ of a submission of data using the disclosure templates, ESMA wishes to confirm that submissions that do not comply with the applicable XML schema and accompanying validation rules would be automatically rejected (with the exception of ‘time’ and ‘external’ inconsistencies, as also discussed in paragraphs 52 above and 69 below), in a similar manner to existing arrangements (e.g. SFTR). This would apply both to submissions of data using the templates set out in the Commission Implementing Regulation (using as a basis ESMA’s Final Report on securitisation disclosure technical standards) as well as submissions of the STS notification using the templates set out in the Commission Implementing Regulation (using as a basis ESMA’s Final Report on STS notification).
- 58. ESMA has also used the consultation period to further examine existing practices that may be of use for developing appropriate provisions for securitisation repositories to verify the completeness and consistency of data submissions. ESMA’s aim in this regard has continued to be ensuring sufficient data quality for users to meet their obligations under the Securitisation Regulation (especially investors and potential investors) while also recognising the need for flexibility in certain clearly-defined cases where information may not be available, as further discussed in ESMA’s final report on securitisation disclosure technical standards. In this context, ESMA has noted the presence of certain tolerance thresholds set out in central bank collateral frameworks, with respect to eligibility criteria for ABSs not able to meet minimum data completeness score requirements.
- 59. ESMA has also taken note of market feedback provided via the consultation on this subject. In particular, market participants requested a tolerance threshold—discussed in particular in Questions 5, 14, and 16 of ESMA’s final report on securitisation

disclosure technical standards. The threshold proposed by market participants was a long-term threshold of 1% of template fields containing missing information.

60. ESMA has accordingly modified the draft RTS to include the notion of thresholds for data completeness and consistency purposes. The threshold concept aims to govern the extent to which the 'No Data' options can be used in a submission of underlying exposures information (where the specific template field allows such options to be entered<sup>4</sup>). In the event that a securitisation submission of underlying exposures information does not comply with the thresholds, the securitisation repository would reject the data submission. ESMA considers that this arrangement adequately balances the provision of a measure of tolerance with the understandable need for safeguards against abuse of that tolerance.

61. As regards the design of the thresholds, ESMA has set out two complementary arrangements:

(a) A 'percentage' threshold, which is calculated by measuring the total number of active underlying exposures<sup>5</sup> in a submission containing a 'No Data' option value (ND1-ND4) relative to the total number of active underlying exposures in that same submission. This threshold aims to address situations where some data may not be available for a few underlying exposures in the data submission, for example because those underlying exposures were originated far earlier than the remaining underlying exposures in the securitisation. This threshold aims to ensure that the share of active underlying exposures containing 'No data' option values is not excessive (i.e. information is available for the remaining active underlying exposures in the data submission).

(b) A 'number of fields' threshold, which refers to the number of fields in a given underlying exposure data submission that contain one or more ND1-ND4 values. The rationale for this threshold is that, for a few fields, data may not be available for the majority or even all of the underlying exposures in the securitisation submission, for example due to information on these fields being stored in another database that cannot be accessed by the reporting entity but may become accessible in the future. This threshold aims to limit the number of fields where such a situation is accepted, thus ensuring that an investor, potential investor, or other user listed in Article 17(1) of the Securitisation Regulation can perform a thorough analysis on *all* of the underlying exposures for the many remaining fields in the underlying exposures data submission.

62. Importantly, these thresholds constitute a conditional system and would lead to a rejection of the data submission by the repository. The following sub-paragraphs

---

<sup>4</sup> See paragraphs 93-104 in ESMA's final report on disclosure technical standards for further background

<sup>5</sup> See Article 1(7)-(8) of the Disclosure RTS, set out in ESMA's Final Report on disclosure technical standards (page 65).

(7) 'active underlying exposure' means an underlying exposure which, at the data cut-off date, may be expected to generate cash inflows or outflows in the future;

(8) 'inactive underlying exposure' means an underlying exposure that has defaulted with no further recoveries expected or that has been redeemed, prepaid, cancelled, repurchased or substituted;

illustrate the mechanism, and a numerical example is provided subsequently in paragraph 63 below:

- (a) The securitisation repository would reject a data submission where the following two conditions are simultaneously met:
- the percentage of active underlying exposures using a No Data option is greater than zero but below a (to-be-specified) 'percentage' threshold; and
  - the number of fields in the underlying exposure data submission that contain at least one 'No Data' option (for any underlying exposure in the pool) is above a (to-be-specified) 'number of fields' threshold.

This aims to cover for the situation where a limited number of underlying exposures are unable to provide information for several fields. This situation is similar to the 'legacy assets' situation described in the ECB's loan-level ABS page<sup>6</sup>, and illustrated in Figure 1 below.

**Figure 1: Illustration of a data submission including 'legacy assets'**

	Field 1	Field 2	Field 3	Field 4	Field 5	...	...	...	...	...	...	Field N-3	Field N-2	Field N-1	Field N
Legacy assets	Loan 1	●	●	●	●	●	■	■	■	■	●	●	●	●	●
	Loan 2	●	●	●	●	●	■	■	■	■	●	●	●	●	●
	Loan 3	●	●	●	●	●	■	■	■	■	●	●	●	●	●
	Loan 4	●	●	●	●	●	■	■	■	■	●	●	●	●	●
	Loan 5	●	●	●	●	●	■	■	■	■	●	●	●	●	●
	...	●	●	●	●	●	■	■	■	■	●	●	●	●	●
	...	●	●	●	●	●	■	■	■	■	●	●	●	●	●
Non-legacy assets	...	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	...	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	...	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	...	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	...	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	...	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Loan M-2	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Loan M-1	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Loan M	●	●	●	●	●	●	●	●	●	●	●	●	●	●

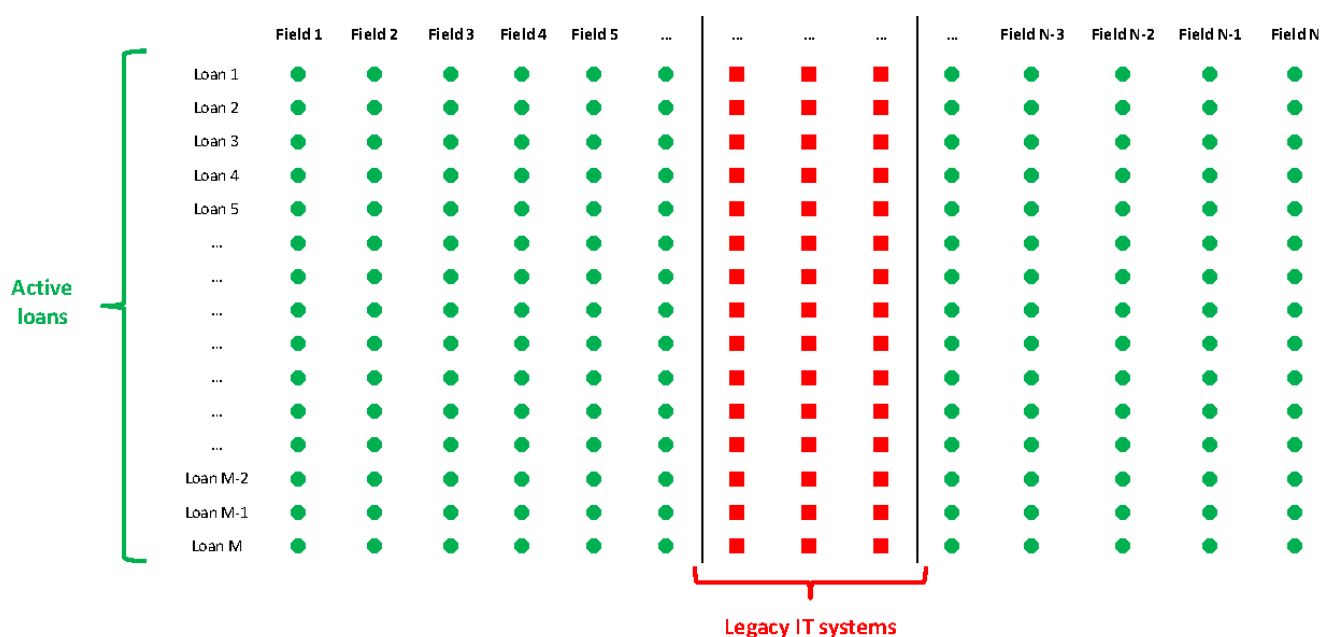
- (b) Alternatively, the securitisation repository would reject a data submission where the following two conditions are simultaneously met:
- the percentage of active underlying exposures using a No Data option is above a (to-be-specified) 'percentage' threshold; and
  - the number of fields in the underlying exposure data submission that contain at least one 'No Data' option (for any underlying exposure in the pool) is above

<sup>6</sup> See the tab entitled 'Special provisions relating to RMBS, SME ABS, auto, leasing, consumer finance and credit cards ABS' in the following link: <https://www.ecb.europa.eu/paym/coll/loanlevel/implementation/html/index.en.html>

a *second* (to-be-specified) ‘number of fields’ threshold (i.e. a different ‘number of fields’ threshold to the one mentioned in point (a)(ii) above in this paragraph).

This aims to cover for the situation where many or all underlying exposures are unable to provide information for a limited number of fields (e.g. because such information is stored in other databases and cannot be retrieved in the short run without significant disproportionate expense by reporting entities). Such a case is similar to the ‘legacy IT systems’ situation described in the ECB’s loan-level ABS page, and illustrated in Figure 2 below.

**Figure 2: Illustration of a data submission including 'legacy IT systems'**



63. This implies that three thresholds would be set by ESMA: one ‘percentage’ threshold and two ‘number of fields’ thresholds. The ‘percentage’ threshold determines which of the different possibilities mentioned in points (a) and (b) of paragraph 62 above would be considered (i.e. which second stage of the conditional system applies). For example, assuming the ‘percentage’ threshold is 10% and the two ‘number of fields’ thresholds are 9 and 4 fields<sup>7</sup> then, according to the above:

- (a) an underlying exposures data submission would be rejected if there are more than 9 fields in which the percentage of active underlying exposures reporting ‘No Data’ options is greater than 0% but lower than 10%. In other words, if the share of active underlying exposures containing ‘No Data’ values for a given field is positive but relatively lower (i.e. above 0% but less than 10% of the active underlying exposures in that submission), then this situation must occur in 9 fields or less.

<sup>7</sup> These numbers are purely illustrative and are in no way meant to signal the future initial thresholds to be set by ESMA.

This is similar to the 'legacy assets' case described in point (a) of paragraph 62 above.

- (b) an underlying exposures data submission would be rejected if there are more than 4 fields in which the percentage of active underlying exposures reporting 'No Data' options is equal to or above 10%. In other words, if the share of active underlying exposures containing 'No Data' values for a given field exceeds 10% of the active underlying exposures in that submission, this situation must occur in 4 fields or less. This is similar to the 'legacy IT systems' case described in point (b) of paragraph 62 above.

64. This approach aims to replicate the existing practices for thresholds used in securitisation markets. For example, as already mentioned, the first combination respectively explained and illustrated in paragraphs 62(a) and 63(a) above is similar to the 'legacy assets' threshold set in the ECB's loan-level initiative. In this situation, the ECB denotes the following arrangement for underlying exposures that were originated prior to 2013Q3 (for RMBS and SME ABS) or prior to 2014 Q3 (for auto, leasing, consumer finance and credit cards ABS):

- (a) The number of underlying exposures reporting at least one 'No Data' option must be less than  $\leq 7\%$  of all the active underlying exposures in the securitisation, and
- (b) No more than 7 mandatory fields in the underlying exposures data submission may contain one or more 'No Data' value.

65. Similarly, the second combination respectively explained and illustrated in paragraphs 62(b) and 63(b) **Error! Reference source not found.** is similar to the ECB's 'legacy IT systems' threshold, which currently stipulates that no more than 3 mandatory fields in the underlying exposures data submission may be filled with 'No Data' values for all of the underlying exposures in that submission.

66. These thresholds are envisaged to be set by ESMA, be made public and thus be known in advance by reporting entities. ESMA also aims to consult market participants on the thresholds, both with regard to the initial thresholds and to their evolution over time, with a view to avoiding unintended consequences and 'cliff-edge' situations. In doing so, ESMA expects to establish as smooth a transition path as possible towards a long-term arrangement that balances the legitimate considerations of all actors in securitisation markets (e.g. reporting entities, investors, potential investors, and public authorities). In other words, the thresholds are envisaged to also evolve over time as data quality improves, in the same way that ESMA periodically updates its validation rules as reporting practices and supervisory experience evolves and feedback is received<sup>8</sup>.

67. ESMA will publish the first instance of the thresholds at the appropriate juncture, aiming to do so ahead of the application of the respective Commission Delegated and Implementing Regulations on disclosure requirements. However, ESMA emphasizes

---

<sup>8</sup> For example, validation rules under EMIR can be found here: [https://www.esma.europa.eu/sites/default/files/library/esma70-145-63\\_emir\\_validation\\_rules\\_for\\_revised\\_rts\\_its.xlsx](https://www.esma.europa.eu/sites/default/files/library/esma70-145-63_emir_validation_rules_for_revised_rts_its.xlsx)  
ESMA's validation rules under MiFIR can be found here: ([update of the rules](#)) ([earlier version](#))

that the thresholds are not expected to be relaxed over time, and would instead converge steadily towards as little use of the 'No Data' values as possible, where fields in the underlying exposure templates allow these values to be entered.

68. ESMA recognises that this arrangement has not been formally consulted upon. However, ESMA has taken note of market feedback of the challenging regulatory landscape facing all market participants, namely the apparent lack of a transition period for market participants to adapt their reporting systems to the new reporting regime<sup>9</sup>. ESMA has thus worked towards developing an arrangement that can evolve over time and continually balance the legitimate cases of reporting entities with the due diligence and monitoring needs of data users. ESMA also notes that this approach has the benefit of being in line with existing practices in EU securitisation markets that have been in place for a number of years and have benefited a number of market participants while still ensuring substantial data quality.
69. Elsewhere, the draft RTS also make clear the consequences where a data submission is deemed to be inconsistent by the repository. This relates to the different types of consistency discussed in paragraph 52 above. In this regard,
- (a) Achieving 'internal consistency' appear to be under the control of a reporting entity and, therefore, where there are cases of inconsistency in this category there should be a rejection by the securitisation repository.
  - (b) 'Time consistency' may be more difficult to fully distinguish in such a clear manner, for example where there are sharp relative increases or decreases in the values reported in the same field for an underlying exposure over different time periods. Thus, rather than a repository rejecting a submission where 'time consistency' is under question, ESMA considers it appropriate that the repository should only notify the users of the securitisation repository that an inconsistency has been detected. Should such an inconsistency subsequently be revealed as justifiable, the repository's notification could be amended.
  - (c) In addition, 'external consistency' would depend on the information provided by the reporting entity relative to the information provided by other reporting entities. ESMA considers that it would be problematic to subject a reporting entity's compliance with the consistency requirement in Article 10(2) (and hence the acceptance of the entity's data submission by the securitisation repository) to the actions or inactions of other reporting entities. Therefore, in a similar manner to situations where 'time consistency' is being questioned, ESMA considers that, where a repository considers that there are 'external consistency' issues, users should only be notified of that inconsistency. Should such an inconsistency subsequently be revealed as justifiable, the repository's notification could be amended.
70. The repository arrangements regarding the written confirmation also involve a notification to users (following a limited turnaround period) and are further discussed in the feedback to Questions 31 and 32 below.

---

<sup>9</sup> As further discussed in paragraphs 18 and 19 of ESMA's Final Report on disclosure technical standards.



71. Elsewhere, ESMA wishes to state its understanding that current market practices involve securitisation data submissions being uploaded on a 'preliminary' basis by reporting entities, in order to check whether their submissions comply with securitisation repository checks and verifications. In doing so, a reporting entity can then choose when to 'publish' its data submission. ESMA expects that securitisation repositories will continue to offer such functionalities for reporting entities, which helps ensure that there are few surprises for reporting entities and that they are able to appropriately plan their data submissions to comply with reporting deadlines.
72. Finally, ESMA also confirms that the data completeness score discussed in Question 29 above and the present thresholds are envisaged to operate in parallel. The data completeness score aims to function more as a communication device for data users: i.e. it is a measure by which a user can easily see with a single number how complete the submission is. The use of the data completeness score (A1, B1, etc.) also is being formalised to take on board existing practices by the ECB and euro area central banks (which use that score). In contrast, the above-mentioned thresholds are more technical and function as an operational tool for the repository to take specific actions (e.g. accept a submission, reject a submission, seek clarifications, notify users, etc.).

*Clarifications on the prohibition on repository modification of information made available to them, and on the timelines for providing feedback*

73. Elsewhere, although ESMA has removed certain provisions on data modifications set out in its draft technical standards contained in the CP on operational standards, ESMA notes that this has been done for clarity of legal drafting. At the same time, ESMA understands that the general prohibition in the technical standards on securitisation repositories correcting or adjusting information reported to them under the Securitisation Regulation may lead to uncertainty among firms considering to apply to become securitisation repositories. This is because securitisation repositories may naturally receive requests from data users for additional products and tools that leverage the information reported to repositories—for example, user requests for additional data transformations and aggregations that facilitate comparative analyses of specific securitisations. Generally-speaking, ESMA considers that additional, separate, and clearly-identified products developed by a securitisation repository that are based on information made available to the repository by reporting entities and that include corrections or adjustments to this information would not normally be considered to be corrections or adjustments to information reported by a reporting entity and, therefore, not be prohibited according to these technical standards.
74. As regards timelines for providing feedback to a reporting entity on whether its submission has passed the repository's validation checks, ESMA wishes to confirm that the 60 minute deadline applies from the time that the submission has been uploaded, i.e. after the reception by a securitisation repository of data submission.



**Q 31: Do you agree that the securitisation repository, in order to verify the “completeness” of the securitisation documentation reported to it, should request written confirmation each year, as described above?**

**Q 32: Do you agree that the securitisation repository should verify the “consistency” of documentation reported under points (b), (c), (d), (f), and the fourth subparagraph of Article 7(1) of the Securitisation Regulation by asking for written confirmation of its “consistency” as part of the same “completeness” confirmation request?**

Q	Number of respondents	Industry representative body	Providers of repository services	Other market participants
31	11	7	2	2
32	8	5	1	2

75. Respondents had mixed views on these questions: certain respondents via industry associations agreed with an annual confirmation of completeness. Others agreed with the use of a confirmation, but suggested that an initial confirmation could subsequently be updated only after a restructuring of the terms and conditions of a securitisation had taken place. Others argued that a confirmation would not be sufficient as regards the application of “procedures” by a securitisation repository to verify the completeness and consistency of information reported to it. Respondents also commented that the responsibility of the reporting entity is to provide documentation, but not to attest to its consistency.

#### *ESMA’s response*

76. ESMA clarifies that the annual confirmation would not include information (including data) reported to the securitisation repository under Article 7(1) (a), (d), (e), (f), and (g) of the Securitisation Regulation (i.e. underlying exposure, STS notification investor report, inside information, and significant event data, resp.), since there are separate completeness and consistency checks applied for these information categories using the templates set out in ESMA’s final report on disclosure technical standards and to the STS notification. The scope of the written confirmation only concerns documentation provided under Article 7(1)(b), such as the prospectus, asset sale agreement, and swap agreement, and thus refers to items of a different nature than the data discussed above.

77. Although some stakeholders suggest that the Securitisation Regulation could be interpreted as being less clear on the relative allocation of responsibilities, ESMA notes that securitisation repositories are clearly tasked with establishing “procedures to verify the completeness and consistency” of, inter alia, documentation submitted to them. Insofar as this verification is required, there is a presumption that information submitted by reporting entities to the repositories is complete and consistent. Therefore, ESMA considers that an annual check by repositories strikes an appropriate balance between

minimising reporting burdens for reporting entities, while still ensuring that all relevant parties can meet their obligations under the Securitisation Regulation.

78. ESMA also considers that further refinements to these proposals could help clarify that they constitute “procedures” by repositories. In this regard, ESMA confirms its proposal that, rather than reporting entities having to submit the annual confirmation to their repository (or repositories), it should instead be the securitisation repository that initiates contact with the reporting entities and requests confirmation. ESMA has also adjusted the draft RTS to stipulate that the request should be initiated by repositories within five working days of the first issuance of securities in the securitisation (or programme, in the event of ABCP securitisations), to ensure that investors have sufficient information on which to conduct their review of securitisation documentation. Moreover, in order to ensure that users of securitisation repositories have confidence as to the completeness and consistency of all information made available to them via the repository, if a new item under Article 7(1)(b) of the Securitisation Regulation is made available to the repository within the twelve-month period, this would also trigger a written confirmation request by the repository.<sup>10</sup>
79. In ESMA’s view, this realignment of tasks towards securitisation repositories and away from reporting entities more closely aligns with the “procedures” expected under Article 10(2) of the Regulation, and reduces the risk of creating an additional reporting burden for reporting entities. In the event that confirmation was not provided within an appropriate timeframe, the repository would, in light with the arrangement described under Question 30 above, first send a follow-up request for the written confirmation and, if this was not provided within two weeks, notify the reporting entity and its registered users<sup>11</sup>.
80. ESMA considers that these written confirmation arrangements continue to strike an appropriate balance between minimising reporting burdens while still meeting the requirements of the Securitisation Regulation. ESMA will nevertheless continue to dedicate special attention to the written confirmation provisions, in view of the report to be produced by the JC by 1 January 2021.

**Q 33: Do you see a need to develop standardised language for the written confirmation?**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
6	3	1	2

<sup>10</sup> ESMA confirms that updates to already-provided documentation would not generally be considered a new document in this regard.

<sup>11</sup> i.e. those investors, potential investors, competent authorities and other users listed in Article 17(1) of the Securitisation Regulation that have registered with the repository

81. Respondents generally agreed that standardised language would be useful and provided some example text.

#### *ESMA's response*

82. In light of feedback received, and in view of the amendments proposed in its response to Question 31 above, ESMA understands the desirability of adopting standardised language for the written confirmation. However, ESMA notes that there may be benefits of retaining a certain degree of flexibility with regard to the precise language of the written confirmation. ESMA will therefore aim to monitor the use of written confirmation language during the implementation of these technical standards, with a view to possibly developing Guidelines, if this appears necessary and is in line with ESMA's supervisory objectives.

83. Moreover, ESMA notes its understanding that, according to the Securitisation Regulation provisions, although there are no immediate consequences to a failure to provide written confirmation (i.e. no rejection of documentation submitted to the securitisation repository), the competent authority (or authorities) supervising a reporting entity's compliance with the requirements of Article 7(1) of the Securitisation Regulation might find the lack of a written confirmation useful for its own supervisory activities. Furthermore, as discussed in its response to the previous question, ESMA has made clear in the draft technical standards that a securitisation repository should notify users that a written confirmation has not been provided.

#### **Q 34: Do you agree with these 'free of charge' proposals?**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
7	3	1	3

84. The majority of respondents agreed with the 'free of charge' access proposals. ESMA was requested to confirm that central banks belonging to the ESCB are included in the list of users specified in Article 17(1) of the Securitisation Regulation. Concerns were also raised that disclosing the full technical details on the data quality checks could raise risks of reporting entities seeking to mechanistically fulfil the checks at the expense of a wider focus on data quality.

#### *ESMA's response*

85. In light of feedback received, ESMA continues with the proposal set out in the CP on operational standards. ESMA understands that, as stipulated in Article 17(1)(e) of the

Securitisation Regulation<sup>12</sup>, central banks belonging to the ESCB would fall under the scope of users covered by these ‘free of charge’ proposals. However, this precise point would require interpretation of the Securitisation Regulation, which is outside of ESMA’s mandate for the present draft technical standards.

86. Finally, ESMA clarifies that the validation rules will be made public, as with ESMA’s existing validation rules<sup>13</sup>, because it considers it useful for reporting entities to be aware of the manner in which data quality checks have been calculated, as this will also help other reporting entities planning future data submissions to be aware of the high standards needed and, potentially, to anticipate possible data quality issues and adapt their own data collection arrangements.

**Q 35: Do you agree with the data access conditions for each entity listed in Article 17(1) of the Securitisation Regulation? If not, please explain your concerns and what access conditions you instead consider appropriate.**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
11	5	2	4

87. The majority of respondents agreed with data access conditions for each entity listed in Article 17(1) of the Securitisation Regulation. One respondent requested clarification of the terms “investors” and “potential investors” and also provided recommendations for restricted access depending on whether the user is an ‘institutional investor’, a ‘non-institutional investor’.

#### *ESMA’s response*

88. In light of feedback received, ESMA continues with the proposal set out in the CP on operational standards. ESMA considers that all data users should have the same access conditions, as it may also be beneficial to have access to information outside of the information for securitisations that are not held as investments by the user, in order to perform comparative assessments, due diligence, and/or monitoring.
89. As regards the terms “investors” and “potential investors”, ESMA notes that interpreting these terms is not in ESMA’s mandate. Nevertheless, ESMA understands that “potential investors” would already be limited in terms of Article 3 of the Securitisation Regulation. In other words, Article 3 prohibits most retail investors from investing in securitisations, which already limits the scope of potential investors.

<sup>12</sup> Article 17(1): Without prejudice to Article 7(2), a securitisation repository shall collect and maintain details of the securitisation. It shall provide direct and immediate access free of charge to all of the following entities to enable them to fulfil their respective responsibilities, mandates and obligations: ... (e) the relevant members of the European System of Central Banks (ESCB), including the European Central Bank (ECB) in carrying out its tasks within a single supervisory mechanism under Regulation (EU) No 1024/2013

<sup>13</sup> See also footnote 8 above on page 20.

**Q 36: Do you consider that additional specifications should distinguish ‘direct and immediate’ access to information? If so, please explain why the above provisions are insufficient for your purposes and what you instead propose.**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
8	5	1	2

90. The majority of respondents did not consider that additional specifications should distinguish ‘direct and immediate’ access to information.

*ESMA’s response*

91. In light of feedback received, ESMA continues with the proposal set out in the CP on operational standards and has not set out additional specifications.

**Q 37: Do you believe that there should be a specific deadline for reporting entities to be able to make corrections for information submitted to a securitisation repository? If so, please set out the reasons why a principle-based approach is insufficient and, furthermore, what deadline you propose.**

Number of respondents	Industry representative body	Providers of repository services	Other market participants
7	4	1	2

92. The majority of respondents did not consider that a specific deadline was necessary.

*ESMA’s response*

93. In light of feedback received, ESMA continues with the proposal set out in the CP on operational standards.

## 4 Feedback on application requirements for securitisation repositories

### 4.1 Overall messages

94. The majority of respondents supported ESMA's proposals, while one respondent remarked that a number of the application requirements could be streamlined.
95. Mixed views were provided on the general conceptual framework of the application requirements. One respondent indicated that the aim should be to lower barriers so that new entrants could participate in the securitisation repositories market, and expressed the view that it would be possible to establish compliance with the relevant provisions under EMIR Articles 78, 79, and 80 even if less detailed and extensive requirements were set out in these technical standards. On the other hand, another respondent argued that requirements should not be set in such a way that it would make it excessively simple for firms to qualify as securitisation repositories. In the view of this respondent, doing so would avoid the risk that market participants would be forced to access data from a substantial number of repositories in order to have an overview of EU securitisation data across the market.

#### *ESMA's response*

96. ESMA considers that the application requirements, in light of overall feedback received, appear to strike an appropriate balance between the need to ensure a healthy market for the provision of securitisation repository services while also ensuring the necessary standards and safeguards expected under the Securitisation Regulation (and, in line with Article 10(2) of the Securitisation Regulation, the provisions of EMIR). Further details on specific provisions and adjustments are set out in ESMA's responses to the specific consultation questions in the following subsection.

### 4.2 Detailed feedback

#### **Q 1: Do you agree with the general requirements proposed in the draft RTS?**

Number of respondents	Industry Representative Body	Providers of Repository Services	Other market participants
7	1	3	3

97. Respondents overall supported the general requirements proposed in the draft RTS.

98. One respondent—a provider of securitisation repository services—provided detailed feedback on several provisions in the draft RTS, which are summarised below and refer to this specific respondent’s feedback, unless otherwise indicated:

- (a) Article 4.2 (‘Corporate governance’): information about the roles and duties of relevant personnel within an applicant should be sufficient, rather than requiring information on senior management and members of the board.
- (b) Article 5.3 (‘Internal control’): less information should be required about the applicant’s internal audit activities. In the view of this respondent, information about the composition of the internal audit committee, its duties and how often it reports should instead be sufficient.
- (c) Article 6 (‘Conflicts of interest’): the respondent commented that the function of a securitisation repository is automated and objective and thus, by its nature, does not give rise to risks of conflicts of interest. The respondent instead suggested that a statement explaining why the applicant is free from conflicts of interest should suffice, rather than submitting the detailed information set out in Article 6. In contrast, a separate respondent commented the heightened risk of interactions between manual and automated processes within an applicant, given the handling of loan-level information. In this context, this second respondent requested that the technical standards include further disclosure surrounding access conditions (see feedback on Article 18 below).
- (d) Article 9 (‘Policies and procedures’): the respondent suggested that it would suffice to provide a single document confirming that:
  - i. all policies and procedures provided as part of the application are both approved by the SR’s board, communicated to all/relevant personnel, and implemented by its management;
  - ii. personnel are aware of the importance of reporting any violations and the channels for doing so;
  - iii. the applicant undertakes to promptly report any violations to ESMA; and
  - iv. the applicant undertakes to promptly report any planned material changes to its IT systems to ESMA.

According to this respondent, this document should be submitted instead of the separate policies and procedures called for in the draft technical standards in the CP on repositories application requirements.

- (e) Article 10 (‘Regulatory compliance’): the respondent suggested that a requirement for the applicant to commit to regularly investigating and reporting on an annual basis to ESMA on compliance with the Securitisation Regulation would suffice.
- (f) Article 11 (‘Staffing policies and procedures’): the respondent requested that Article 11(1) on the remuneration policy for personnel in senior, risk, and control function roles be deleted, insofar as this was deemed by the respondent to be unnecessarily intrusive.
- (g) Article 12 (‘Fitness and properness’): the respondent remarked that it should suffice for an applicant to submit information about its staff numbers together with



the duties assigned to each role, and that only information about personnel carrying out securitisation repository-related functions should be required.

- (h) Article 17 ('Senior management and members of the board'): the respondent commented that full curriculum vitae are unnecessary and that ESMA should instead require a summary of the applicant's qualifications and experience relevant to the provision of securitisation repository services.
- (i) Article 18 ('Access conditions'): the respondent commented that, in view of cost pressures for securitisation repository services arising from the provisions of the Securitisation Regulation, there should be restrictions on the ability of reporting entities to withdraw consent (once this has been provided) for their data to be used for commercial purposes by securitisation repositories.
- (j) Article 19 ('Pricing policy transparency'): the respondent suggested that Article 19 should further define the scope of ancillary services that are permitted to be performed by securitisation repositories.

99. Another respondent requested further strengthening the application requirements regarding the applicant's arrangements to notify ESMA when it ceases to meet the conditions under which it was registered, pursuant to Article 15 of the Securitisation Regulation. The respondent acknowledged that several notification obligations were already contained under Articles 21(3) and 23(1)(j) of the draft RTS in ESMA's CP on application requirements.

100. The same respondent also commented that, regarding the applicant's data collection and availability mechanisms set out in Article 15 of the RTS in the CP, it is important for an applicant's technical infrastructure to permit automated underlying exposure-level (i.e. loan-level) data collection from reporting entities and automated underlying exposure-level data access and extraction by data users. In the respondent's experience, automated processes and a limitation on manual processing, at least for loan-level data, greatly reduce the operational risks of errors and omissions due to human intervention.

101. The respondent therefore suggested that Article 15(1)(a) and (b) of the RTS in the CP be supplemented to require disclosure of whether the resources, methods and channels are 'manual or automated'. The respondent also suggested that an applicant should demonstrate how these manual processes are 'scalable' within the meaning of Article 14(1)(b) of the RTS in the CP, and moreover that the applicant should set out the procedures it has established, as required by Article 24 of the RTS in the CP, to avoid the risk of the securitisation repository itself introducing inaccuracies, errors or omissions to the information it is collecting and maintaining.

102. The respondent also provided detailed feedback on Article 18 ('Access conditions'). In particular, the respondent:

- (a) suggested that the applicant's data access arrangements set out in Article 18(d) and (e) should be clarified to require an applicant to disclose the following elements in its access policies and procedures for users and other service providers:
  - i. any access restrictions

- ii. any variations in access conditions or restrictions across categories of data users
  - iii. how the access policies and procedures under Article 18(d) and (e) restrict access to the least possible extent and establish fair processes for instances where access is restricted or denied.
- (b) remarked that all documents, policies and procedures, channels and mechanisms described in the application submission in relation to Article 18 should be publicly available. These elements are expressly required to be publicly available by Article 78(7) of EMIR, and as such should, according to the respondent, also be applicable to securitisation repositories. In the view of this respondent, a new Article 18(2) should therefore be added to the RTS in order to specify that the applicant's access conditions under Article 18(1)(a) to (f) should be publicly available.
- (c) pointed out that users of a data repository need to use a much wider array of functions beyond the "access, view, consult, or modify" functions foreseen in Article 18(1) of the draft RTS. In the respondent's opinion, users should be able to (and the applicant's technological infrastructure should facilitate) both:
- i. obtain timestamps of data submissions
  - ii. perform extractions of data by manual and automatic processes
  - iii. perform extractions of multiple loan-level data files in a single download request.
- (d) In the view of the respondent, Article 18(1) could explicitly state that different types of users also includes non-registered users. In the view of this respondent, the draft RTS could stipulate that non-registered users would have access only to a minimum level of public disclosure of non-granular transaction data stored in the securitisation repositories, thus enabling them to understand which transactions are registered in each securitisation repository.
103. Additionally, certain clarifications were requested by respondents, in particular on:
- (a) Article 6 ('Conflicts of interest'): one respondent asked for further clarification on the term 'business function' in Article 6(1)(c), as well as more guidance on the extent of points i) and ii) in Article 6(1)(c).
  - (b) Article 15(e) ('Information Technology resources'): one respondent asked for clarifications that Article 15(e) refers to the applicant's implementation of ESMA-provided schemas and not the implementation of ESMA models in applicant-defined schemas.
  - (c) One respondent also asked that ESMA clarify whether an applicant may rely upon documentation that refers to core functions/processes that are in place for other regulations and not exclusively for securitisation repository services.

### *ESMA's response*

104. With regard to comments on Articles 4-6, and 9-12, ESMA fully supports the aim of ensuring that application requirements are streamlined and adapted to the nature

of securitisation repository services. At the same time, as further discussed in its CP on repositories application requirements, ESMA notes that the provisions in these articles are consistent with ESMA's draft technical standards or existing requirements under EMIR, SFTR, and/or CRAR. In ESMA's supervisory experience of assessing applications from firms under these Regulations, these provisions have proven essential in demonstrating compliance with the applicable requirements set out in each Regulation. ESMA further notes that these provisions were not deemed problematic or excessively intrusive for the several other respondents that also declared, in their response to the CP, an interest in applying to provide securitisation repository services.

105. In particular, ESMA also notes that the documents providing simple confirmations are generally considered to be of less value considering ESMA's mandate to examine an application under Article 12 of the Securitisation Regulation, in contrast to documents that thoroughly demonstrate the applicant's compliance with the Securitisation Regulation's requirements. For example, with regard to Article 10 of the draft RTS ('Regulatory Compliance), ESMA notes that it is required to confirm whether an applicant meets the requirements of Article 78(3) of EMIR, i.e. that "*A [securitisation] repository shall establish adequate policies and procedures sufficient to ensure its compliance, including of its managers and employees, with all the provisions of this Regulation*". ESMA would generally expect to have difficulty in assessing whether policies and procedures in this context were "adequate" if only simple confirmations were provided by applicants.
106. With regard to Article 17 ('Senior management and members of the board') ESMA also is of the view that requiring the precise curriculum vitae of each senior management and board member is a more straightforward application requirement than defining the contents to be included in a 'summary of qualifications' and defining what constitutes 'relevant' experience. ESMA also considers a full curriculum vitae to be necessary to assess the applicant's compliance with Article 78(6) of EMIR, namely that "*The senior management and members of the board of a trade repository shall be of sufficiently good repute and experience so as to ensure the sound and prudent management of the trade repository.*" In ESMA's view, the scope of Article 78(6) of EMIR is broader than the concept of providing securitisation repository services. At the same time, ESMA recognises that obtaining information about personnel carrying out securitisation repository-related functions, rather than information about all personnel, should be sufficient for the purposes of demonstrating the applicant's fitness and properness to provide securitisation repository services under the Securitisation Regulation—Article 12 ('Fitness and properness') has thus been modified accordingly to reflect this aspect of feedback received.
107. As regards feedback received on Article 18 ('Access conditions'):
  - (a) Regarding the nature of commercial consent being provided, ESMA considers that it is not within the scope of its mandates under the Securitisation Regulation to further define restrictions on the ability of reporting entities to revoke consent for the use of their data for commercial purposes by securitisation repositories. ESMA's securitisation repository-related mandates relate to setting out draft technical standards on the operational standards for repositories to collect, verify,

and aggregate specific information, on the (non-discriminatory) access conditions for this information to the entities listed in Article 17(1) of the Securitisation Regulation, and to the application requirements for firms seeking to provide securitisation repository services. In this regard, ESMA considers it important that there exist provisions ensuring that any consent granted by reporting entities for the use of their data can be revoked, insofar as the Securitisation Regulation stipulates that reporting entities are responsible for the information they submit to securitisation repositories. Preventing the revocation of such consent on the grounds of commercial purposes would not be within ESMA's empowerments and would, furthermore, appear disproportionate in view of the relative allocation of responsibilities between reporting entities, securitisation repositories, competent authorities, and ESMA in the Securitisation Regulation. At the same time, ESMA considers that its draft technical standards are adequate to allow it to obtain sufficient information for assessing an applicant's compliance with Article 78(7) of EMIR<sup>14</sup>.

- (b) ESMA agrees that further clarifications can be set out for demonstrating non-discriminatory access, along the lines set out by the respondent. ESMA also agrees that an applicant's access policies and procedures could be publicly-disclosed, with a view to facilitating ESMA's assessment under Article 78(7) of EMIR, namely that there should be "*objective, non-discriminatory and publicly disclosed requirements for access*". ESMA has further modified Article 18 of its draft technical standards to take account of these two aspects.
  - (c) At the same time, ESMA notes that the various functions set out in Article 18(1) of the draft RTS already encompass 'access' to the information set out by the respondent of timestamps of data submissions, whereas the draft operational standards RTS cover the operational standards for users to extract data (in particular the use of ad-hoc queries in a similar manner to those suggested by the respondent). Moreover, whereas non-registered users are also encompassed theoretically by securitisation repositories, ESMA's mandates only relate to specifying access conditions for users listed in Article 17(1) of the Securitisation Regulation (i.e. registered users) and do not extend to setting out what information should be provided by repositories to non-registered users.
108. ESMA also notes that further defining the scope of acceptable ancillary services would not fall within its mandate, which extends only to requesting information on the pricing policy associated with ancillary services provided, as set out in the draft Article 19 in ESMA's CP, with a view to assessing the applicant's compliance with Article 78(8) of EMIR on pricing policy transparency.
109. ESMA agrees that, given the numerous application requirements set out in the draft RTS, it is beneficial to provide more explicit provisions requiring the securitisation repository to demonstrate its arrangements for notifying ESMA when it ceases to meet

---

<sup>14</sup> A trade repository shall have objective, non-discriminatory and publicly disclosed requirements for access by undertakings subject to the reporting obligation under Article 9. A trade repository shall grant service providers non-discriminatory access to information maintained by the trade repository, on condition that the relevant counterparties have provided their consent. Criteria that restrict access shall only be permitted to the extent that their objective is to control the risk to the data maintained by a trade repository.

the conditions under which it was registered. Accordingly, ESMA has modified Article 9(e) of the RTS accordingly to request ‘a description’ of the procedure for notifying ESMA, rather than an ‘indication’ of the procedure.

110. ESMA agrees that, in view of Article 79 of EMIR (‘Operational reliability’) further information on the separation of ‘manual’ and ‘automated’ arrangements, as well as ‘scalability’ arrangements, would be beneficial for assessing, in particular, the extent to which the collection of information by securitisation repositories is ‘timely, structured, and comprehensive’, in view of Article 17(2)(b) of the Securitisation Regulation. ESMA has modified Article 15 accordingly.

111. With respect to the requests for clarifications:

- (a) Regarding Article 15(e): ESMA is indeed of the view that its assessment should focus on the applicant’s implementation of common XML schemas made available to the general public.
- (b) Regarding Article 6(1)(c): ESMA notes that ‘business function’ is a general term for which further definitions would not appear desirable. This is because of the many different organizational structures present across legal entities and, moreover, the fact that securitisation repository services is a new market created by the Securitisation Regulation. ESMA may consider further mechanisms for providing clarifications, such as Q&A, should persistent uncertainties remain after the implementation of the Commission Delegated Regulation based on these draft technical standards.
- (c) Finally, ESMA notes that it is up to applicants to determine which documentation best demonstrate their compliance with the requirements set out in these draft technical standards.

**Q 2: Do you agree with the operational reliability provisions set out in the draft RTS?  
Do you have any further suggestions?**

Number of respondents	Industry Representative Body	Repository Services	Other market participants
7	1	3	3

112. The majority of respondents supported the operational reliability provisions set out in the draft RTS. There was in particular strong support for ESMA’s XML schema/messages to constitute the basis for the submission, collection and making available of data, as well as being the only XML schema/message used for the portability of data across securitisation repositories.

113. One respondent suggested that a description of the applicant’s financial assets in Article 20(1)(b) and (c) was unnecessary. The same respondent also provided feedback that the requirements of Article 20(1)(d) are excessive and could be

simplified, particularly as regards alternative sites, emergencies handling, personnel safety, and crisis management.

114. Another respondent requested the ESMA explicitly mention its ability to access, during the application assessment phase, the applicant's IT platform, in order to assess their suitability and related technical procedures via live demonstrations.
115. A further respondent commented that securitisation repositories needed to fulfil additional requirements for securitisations that were absent under EMIR and SFTR requirements. In the view of this respondent, the proposed securitisation repository application requirements relating to IT environments were disproportionately demanding relative to the other Regulations.
116. A separate respondent requested further clarification on the specific completeness and consistency checks to be developed by applicants.

#### *ESMA's response*

117. ESMA agrees that its XML schema/messages should constitute the basis for the implementation of the templates set out in its final report on disclosure technical standards.
118. ESMA considers that the provisions in Article 20(1)(b) and (c), as well as the provisions of Article 20(1)(d) are crucial in order to allow ESMA to assess the applicant's compliance with Article 79, in particular Article 79(2) on business continuity and recovery plans. As further discussed in the CP, ESMA notes that these provisions have also been set out in similar technical standards for other regulations.
119. As regards ESMA's ability to conduct live demonstrations during the application assessment process, ESMA notes that its mandate under Article 10(7) of the Securitisation Regulation extends to specifying the information that should be provided as part of an application for registration, which in turn may be assessed using the means that best allow ESMA to determine that the compliance is achieved. ESMA also notes that its ongoing supervisory work also enables it to ensure, on an ongoing basis, compliance of the securitisation repository's arrangements with the draft RTS, such as monitoring and examining the ongoing consistency and completeness checks performed by the securitisation repository. Nevertheless, ESMA considers it useful to further specify that an application should include detailed example test cases, including graphics, that demonstrate the applicant's ability to adequately perform a number of essential procedures. These procedures include the verification of the completeness and consistency of information submitted by reporting entities to the applicant, as well as the production of end-of-day reports and data completeness scores.
120. In light of the lack of specific examples in relation to the proportionality of the application requirements related to IT environments, ESMA has not adjusted these draft technical standards from this perspective. At the same time, ESMA considers that, whereas the structure of securitisation information is indeed different to information provided under SFTR and/or EMIR by nature of the different instruments covered under each Regulation, the actual volume of information is likely to be



extremely high in both cases. In ESMA's view, this calls for adequate provisions on IT environments in technical standards across each Regulation, while ensuring that the application requirements in this regard reflect the specificities of the financial product in question (i.e. securitisation, securities financing transactions, and products covered under EMIR).

**Q 3: Do you agree with a centralised approach to develop ISO 20022-compliant XML messages/schema? Do you agree that ESMA is best placed to develop ISO 20022-compliant XML messages/schema? Please explain why if not and provide an alternative proposal.**

Number of respondents	Industry Representative Body	Providers of Repository Services	Other market participants
7	1	3	3

121. All respondents agreed with a centralised approach to developing ISO 20022-compliant XML messages/schema, and that ESMA is best placed to develop ISO 20022-compliant XML messages/schema. Several respondents requested that ESMA involve existing repositories (securitisation and trade repositories) in the development of the XML schema.

122. One respondent remarked that the ISO 20022 standard could be used for daily reporting and providing feedback messages, but using the format for the disclosure template fields would increase the size of data files (especially for the underlying exposures and investor reports), creating performance constraints in terms of data transmission, validation and processing times. The respondent agreed with the use of the ISO 20022 format for all securitisation information made available, such as end-of-day reports and feedback messages. However, the respondent proposed a generic XML format based on the template field identifiers for the underlying exposures and investor report templates.

#### *ESMA's response*

123. In light of feedback received, ESMA has not adjusted its draft technical standards, and will consider the most appropriate way of involving market participants in its arrangements to develop an XML schema.

124. As further discussed in its final report on disclosure technical standards, as well as the previous section on technical standards relating to operational standards, ESMA considers that the development of XML schema that are as consistent with ISO (but not ISO 20022) standards is appropriate. In ESMA's view, it is desirable to adhere to a single standard for information moving from reporting entities to securitisation repositories and for information moving from securitisation repositories to users.



**Q 4: Do you agree with the data safeguarding provisions set out in the draft RTS?**

Number of respondents	Industry Representative Body	Providers of Repository Services	Other market participants
7	1	3	3

125. The majority of respondents agreed with these data provisions.
126. One respondent requested clarification in the RTS that the reference to a (derivatives) contract in Article 80(4) of EMIR should be understood as a reference to a data file in the Securitisation Regulation.
127. Another respondent disagreed with the audit log requirements for staff members of the securitisation repositories, specifically in terms of the nature and purpose of data accessed. According to this respondent, tracking the nature and purpose of staff data access can be difficult. This is because the criteria for selecting information stored by the repository include information to be retrieved across multiple securitisations and, furthermore, data will be accessed frequently by repositories for data quality purposes.

*ESMA's response*

128. ESMA notes that Article 10 of the Securitisation Regulation refers to Articles 78, 79, and 80(1) to (3), (5), and (6) of EMIR and thus that a clarification of Article 80(4) of EMIR in the context of securitisation repositories is not within ESMA's mandate.
129. ESMA understands that, under Article 25 of the draft RTS, recording the nature and purpose of data accessed by staff members presents additional requirements for applicants beyond simply identifying the staff member accessing the data. ESMA also recognises that the scope of users able to access securitisation data under Article 17(1) of the Securitisation Regulation is wider than the corresponding scope of users in EMIR and SFTR (which are essentially limited to public authorities). Nevertheless, ESMA notes that, despite this wider user base, the Securitisation Regulation does not allow securitisation data to be available to all members of the public and, therefore, that some measure of confidentiality is to be expected from securitisation repositories. Consequently, ESMA considers it important to assess the extent to which these confidentiality provisions are able to be monitored by securitisation repositories.

**Q 5: Do you agree with the contents of the simplified application?**

130. The majority of respondents agreed with the contents of the simplified application.
131. One respondent requested that there be a written confirmation from the applicant's senior management that the information previously provided in reference to the applicant's trade repository registration process is still accurate and complete to the

best of their knowledge at the moment of the registration extension request. This requirement (clarification) could be added to Article 28 or Article 29.

#### *ESMA's response*

132. In light of feedback received, ESMA has maintained its draft RTS provisions on this aspect. ESMA does not deem it necessary to receive a further written confirmation stipulating that there are no changes since the time of application for registration regarding information that is both required to be provided under the draft RTS but has not been provided by virtue of being part of an application for extension of registration. In this regard, ESMA notes that:

- (a) There is already a provision in the RTS obliging repositories to provide any further materials to ESMA if they have changed since the time of application for registration;
- (b) ESMA is regularly monitoring its supervised entities and expects to continue to do so in the future for securitisation repositories. As part of this monitoring, ESMA reviews whether the conditions of registration of a repository have changed, which includes all aspects of these technical standards. Therefore, if a firm is already registered as a trade repository and applies for an extension of registration as a securitisation repository, its situation would already be well known to ESMA staff;
- (c) Finally, the spirit of the Securitisation Regulation is clearly that an application for extension of registration should be 'simplified' vs. an application for new registration. ESMA considers that its mandate to design a simplified application under Article 10(7)(b) of the Securitisation Regulation is to avoid requiring additional information specifically for trade repositories applying an extension of registration. In this regard, ESMA notes that the provisions set out in Article 29(2) already cover for the situation where information of relevance provided during a previous application under EMIR and/or SFTR has changed and, therefore, should be provided as part of the application for extension of registration under the present draft RTS.

#### **Q 6: Do you agree with the proposed requirements for the ITS?**

Number of respondents	Industry Representative Body	Providers of Repository Services	Other market participants
5	1	1	3

133. All respondents agreed with the proposed requirement for the ITS.

134. One respondent suggested to include the date of approval for the registration of the trade repository in Annex 2 of the ITS.

### ESMA's response

135. ESMA agrees with the proposal to include the date of approval for the registration of the trade repository in Annex 2 of the ITS, and has modified the draft ITS accordingly.

## 5 Annexes

### 5.1 Annex I: Legislative mandates to develop technical standards

#### Mandate for securitisation repository operational standards and access conditions

Article 10 of the Securitisation Regulation:

[...]

7. *In order to ensure consistent application of this Article, ESMA shall develop draft regulatory technical standards specifying the details of all of the following:*

- (a) the procedures referred to in paragraph 2 of this Article and which are to be applied by securitisation repositories in order to verify the completeness and consistency of the information made available to them under Article 7(1);*
- (b) the application for registration referred to in point (a) of paragraph 5;*
- (c) a simplified application for an extension of registration referred to in point (b) of paragraph 5.*

*ESMA shall submit those draft regulatory technical standards to the Commission by 18 January 2019.*

The Commission is empowered to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

8. *In order to ensure uniform conditions of application of paragraphs 1 and 2, ESMA shall develop draft implementing technical standards specifying the format of both of the following:*

- (a) the application for registration referred to in point (a) of paragraph 5;*
- (b) the application for an extension of registration referred to in point (b) of paragraph 5.*

*With regard to point (b) of the first subparagraph, ESMA shall develop a simplified format avoiding duplicate procedures.*

*ESMA shall submit those draft implementing technical standards to the Commission by 18 January 2019.*

*The Commission is empowered to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.*

Article 17 of the Securitisation Regulation:

*1. Without prejudice to Article 7(2), a securitisation repository shall collect and maintain details of the securitisation. It shall provide direct and immediate access free of charge to all of the following entities to enable them to fulfil their respective responsibilities, mandates and obligations:*

- (a) ESMA;*
- (b) the EBA;*
- (c) EIOPA;*
- (d) the ESRB;*
- (e) the relevant members of the European System of Central Banks (ESCB), including the European Central Bank (ECB) in carrying out its tasks within a single supervisory mechanism under Regulation (EU) No 1024/2013;*
- (f) the relevant authorities whose respective supervisory responsibilities and mandates cover transactions, markets, participants and assets which fall within the scope of this Regulation;*
- (g) the resolution authorities designated under Article 3 of Directive 2014/59/EU of the European Parliament and the Council;*
- (h) the Single Resolution Board established by Regulation (EU) No 806/2014 of the European Parliament and of the Council;*
- (i) the authorities referred to in Article 29;*
- (j) investors and potential investors.*

*2. ESMA shall, in close cooperation with EBA and EIOPA and taking into account the needs of the entities referred to in paragraph 1, develop draft regulatory technical standards specifying:*

- (a) the details of the securitisation referred to in paragraph 1 that the originator, sponsor or SSPE shall provide in order to comply with their obligations under Article 7(1);*
- (b) the operational standards required, to allow the timely, structured and comprehensive:*

- (i) collection of data by securitisation repositories; and
- (ii) aggregation and comparison of data across securitisation repositories;
- (c) the details of the information to which the entities referred to in paragraph 1 are to have access, taking into account their mandate and their specific needs;
- (d) the terms and conditions under which the entities referred to in paragraph 2 are to have direct and immediate access to data held in securitisation repositories.

*ESMA shall submit those draft regulatory technical standards to the Commission by 18 January 2019.*

*The Commission is empowered to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.*

*3. In order to ensure uniform conditions of application for paragraph 2, ESMA, in close cooperation with the EBA and EIOPA shall develop draft implementing technical standards specifying the standardised templates by which the originator, sponsor or SSPE shall provide the information to the securitisation repository, taking into account solutions developed by existing securitisation data collectors.*

*ESMA shall submit those draft implementing technical standards to the Commission by 18 January 2019.*

*The Commission is empowered to adopt the implementing technical standards referred to in this paragraph in accordance with Article 15 of Regulation (EU) No 1095/2010.*

## **Mandate for securitisation repository application requirements**

Article 10 of the Securitisation Regulation:

[...]

7. In order to ensure consistent application of this Article, ESMA shall develop draft regulatory technical standards specifying the details of all of the following:

[...]

- (b) the application for registration referred to in point (a) of paragraph 5;
- (c) a simplified application for an extension of registration referred to in point (b) of paragraph 5.

*ESMA shall submit those draft regulatory technical standards to the Commission by ... [one year from the date of entry into force of this Regulation].*

The Commission is empowered to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

8. In order to ensure uniform conditions of application of paragraphs 1 and 2, ESMA shall develop draft implementing technical standards specifying the format of both of the following:

- (a) the application for registration referred to in point (a) of paragraph 5;
- (b) the application for an extension of registration referred to in point (b) of paragraph 5.

With regard to point (b) of the first subparagraph, ESMA shall develop a simplified format avoiding duplicate procedures.

ESMA shall submit those draft implementing technical standards to the Commission by ... [one year from the date of entry into force of this Regulation].

The Commission is empowered to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.

#### EMIR Article 78 (General Requirements):

1. A trade repository shall have robust governance arrangements, which include a clear organisational structure with well defined, transparent and consistent lines of responsibility and adequate internal control mechanisms, including sound administrative and accounting procedures, which prevent any disclosure of confidential information.

2. A trade repository shall maintain and operate effective written organisational and administrative arrangements to identify and manage any potential conflicts of interest concerning its managers, employees, or any person directly or indirectly linked to them by close links.

3. A trade repository shall establish adequate policies and procedures sufficient to ensure its compliance, including of its managers and employees, with all the provisions of this Regulation.

4. A trade repository shall maintain and operate an adequate organisational structure to ensure continuity and orderly functioning of the trade repository in the performance of its services and activities. It shall employ appropriate and proportionate systems, resources and procedures.

5. Where a trade repository offers ancillary services such as trade confirmation, trade matching, credit event servicing, portfolio reconciliation or portfolio compression services, the trade repository shall maintain those ancillary services operationally separate from the trade repository's function of centrally collecting and maintaining records of derivatives.

6. The senior management and members of the board of a trade repository shall be of sufficiently good repute and experience so as to ensure the sound and prudent management of the trade repository.

7. A trade repository shall have objective, non-discriminatory and publicly disclosed requirements for access by undertakings subject to the reporting obligation under Article 9. A trade repository shall grant service providers non-discriminatory access to information maintained by the trade repository, on condition that the relevant counterparties have provided their consent. Criteria that restrict access shall only be permitted to the extent that their objective is to control the risk to the data maintained by a trade repository.

8. A trade repository shall publicly disclose the prices and fees associated with services provided under this Regulation. It shall disclose the prices and fees of each service provided separately, including discounts and rebates and the conditions to benefit from those reductions. It shall allow reporting entities to access specific services separately. The prices and fees charged by a trade repository shall be cost-related.

EMIR Article 79 (Operational reliability):

1. A trade repository shall identify sources of operational risk and minimise them through the development of appropriate systems, controls and procedures. Such systems shall be reliable and secure and have adequate capacity to handle the information received.

2. A trade repository shall establish, implement and maintain an adequate business continuity policy and disaster recovery plan aiming at ensuring the maintenance of its functions, the timely recovery of operations and the fulfilment of the trade repository's obligations. Such a plan shall at least provide for the establishment of backup facilities.

3. A trade repository from which registration has been withdrawn shall ensure orderly substitution including the transfer of data to other trade repositories and the redirection of reporting flows to other trade repositories.

EMIR Article 80 (Safeguarding and recording), sub-paragraphs (1)-(3) and (5)-(6):

1. A trade repository shall ensure the confidentiality, integrity and protection of the information received under Article 9.

2. A trade repository may only use the data it receives under this Regulation for commercial purposes if the relevant counterparties have provided their consent.

3. A trade repository shall promptly record the information received under Article 9 and shall maintain it for at least 10 years following the termination of the relevant contracts. It shall employ timely and efficient record keeping procedures to document changes to recorded information.

...

5. A trade repository shall allow the parties to a contract to access and correct the information on that contract in a timely manner.



6. A trade repository shall take all reasonable steps to prevent any misuse of the information maintained in its systems. A natural person who has a close link with a trade repository or a legal person that has a parent undertaking or a subsidiary relationship with the trade repository shall not use confidential information recorded in a trade repository for commercial purposes.

## 5.2 Annex II: List of respondents to the consultation papers

### CP on securitisation repository operational standards and access conditions

Industry	Institution
Credit Rating Agencies	Fitch Ratings Limited
Credit Rating Agencies	Moody's Investors Service
Exchanges and Trading Systems	Bolsas y Mercados Españoles
Government	European Central Bank
Industry Representative Body	Association for Financial Markets in Europe
Industry Representative Body	Association of the Luxembourg Fund Industry
Industry Representative Body	Austrian Federal Economic Chamber
Industry Representative Body	BDI - Federation of German Industries
Industry Representative Body	Commercial Real Estate Finance Council Europe
Industry Representative Body	Dutch Securitisation Association
Industry Representative Body	European Savings and Retail Banking Group
Industry Representative Body	French Banking Federation
Industry Representative Body	German Banking Industry Committee
Industry Representative Body	Irish Debt Securities Association
Industry Representative Body	Leaseurope/Eurofinas
Industry Representative Body	Loan Market Association
Industry Representative Body	True Sale International GmbH
Industry Representative Body	Verband der Automobilindustrie e.V.
Issuers	Belfius Bank
Legal and Accountancy	J&A Garrigues
Repository services	EuroABS Limited
Repository services	European DataWarehouse GmbH

## CP on securitisation repository application requirements

Industry	Institution
Exchanges and Trading Systems	London Stock Exchange Group
Fintech	Advanced Blockchain Solutions GmbH
Government, Regulatory and Enforcement	European Central Bank
Industry Representative Body	Dutch Securitisation Association
Repository Services	EuroABS Limited
Repository Services	European DataWarehouse GmbH
Repository Services	REGIS-TR S.A.

## 5.3 Annex III: Cost-benefit analysis

### 5.3.1 Introduction

136. The Securitisation Regulation tasks ESMA with developing technical standards to further implement the provisions set out in the Securitisation Regulation including on operational standards for collecting and verifying securitisation data, on access conditions for securitisation data, and also on application requirements for firms seeking to register with ESMA as securitisation repositories. As part of its mandate to conduct an analysis of the costs and benefits of these proposed RTSs, ESMA has prepared the analysis contained in this section, following on from the preliminary analyses provided in the relevant consultation papers.
137. ESMA is of the view that its proposed draft technical standards are purely technical and do not imply strategic decisions or major policy choices. Indeed, ESMA considers that its options are limited to its specific mandates for drafting these particular technical standards, and the need to ensure compliance with the objectives set out in Securitisation Regulation. The main policy decisions taken under the Regulation have already been assessed and published by the European Commission in its own impact assessment work.<sup>15</sup>
138. ESMA furthermore recalls that it has a mandate to conduct a CBA on Level 2 requirements (i.e. these draft RTSs and ITS), and not Level 1 requirements (i.e. the Securitisation Regulation).
139. The following sections provide separate CBAs to reflect the draft technical standards discussed in each of the sections above. Each CBA reflects the key issues carrying, in ESMA's view, different options for implementation.

<sup>15</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52015SC0185&from=EN>

### 5.3.2 Operational standards for collecting and verifying securitisation data, and access conditions for securitisation data

#### 5.3.2.1 Results of the public consultation and ESMA's response

**Q 40 and Q41: Do you agree with the outcome of this CBA on the operational standards and access conditions? Do you have any more information on one-off or ongoing costs of implementing the turnaround times for responding to reporting entities or to data queries?**

Question number	Number of respondents	Industry representative body	Other market participants
40	6	5	1
41	6	5	1

140. Respondents joined their response to these questions with their feedback to questions 38 and 39 in ESMA's CP on operational standards, and these questions are further discussed in ESMA's final report on disclosure technical standards. The majority of market participants did not provide any specific feedback on these two questions, other than reiterating points already made and responded to in previous questions in the CP (which are also addressed in ESMA's final report on disclosure technical standards). Respondents agreed that substantial up-front costs would be required in order to adapt their reporting systems to meet these reporting requirements, but no specific figures were provided.

#### 5.3.2.2 Data completeness score

141. As discussed in section 2.2.4.1 of the ESMA CP on operational standards, ESMA proposes that securitisation repositories summarise missing information in the disclosure templates by producing a data completeness score (see section 2.1.6.1 in the paper). The options as regards handling missing information are set out below.<sup>16</sup>

Objective	Arrangements for securitisation repositories to handle missing information submitted via the disclosure templates
Option 1	No data completeness score arrangements
Option 2	Harness and summarise missing information using the ECB data completeness score
Option 3	Harness and summarise missing information using another summary measure than the ECB data completeness score

<sup>16</sup> The considerations surrounding the concept of completeness and consistency, including tolerance thresholds, are set out directly in the final report text above (see paragraphs 50 to 72 above for the general discussion), insofar as these relate to ESMA's response to feedback provided by market participants.

Preferred option	<b>Option 2:</b> ESMA is of the view that adopting the ECB's data completeness score would be an effective way to make use of the codes signalling the reasons for missing information in data submissions. This would incentivise reporting entities to make efforts to ensure that their data submissions are seen to be as complete as possible. In addition, using such a score implies an additional tool to compare securitisations. Lastly, the adoption of the ECB's data completeness score ensures consistency with the current approaches.
Option 1	<i>No data completeness score arrangements</i>
Benefits	None: no harnessing of codes used to signal the reasons for missing information
Costs	None: no additional procedures established by securitisation repositories

Option 2	<i>Harness and summarise missing information (using the ECB data completeness score)</i>
Benefits	<ul style="list-style-type: none"> <li>• Improved due diligence for investors and potential investors seeking to quickly assess the overall completeness of the information they examine</li> <li>• Facilitated monitoring by the competent authorities working with originators, sponsors, and SSPEs</li> <li>• Provides another dimension for market participants to compare securitisations</li> <li>• Common approach with the ECB data completeness score ensures that a well-understood measure is adopted</li> </ul>
Costs	<ul style="list-style-type: none"> <li>• Extra one-off effort by securitisation repositories to establish the scoring mechanism in their system.</li> <li>• Extra supervisory costs for ESMA to ensure consistency in the scoring mechanisms developed across securitisation repositories.</li> </ul>

Option 3	<i>Harness and summarise missing information (using another summary measure than the ECB data completeness score)</i>
Benefits	<ul style="list-style-type: none"> <li>• Improved due diligence for investors and potential investors seeking to assess the overall completeness of the information they examine</li> <li>• Facilitated monitoring by the competent authorities working with originators, sponsors, and SSPEs</li> <li>• Provides another dimension for market participants to compare securitisations</li> </ul>
Costs	<ul style="list-style-type: none"> <li>• Extra one-off effort by securitisation repositories to establish the scoring mechanism in their system</li> </ul>

	<ul style="list-style-type: none"> <li>• Extra supervisory costs for ESMA to ensure consistency in the scoring mechanisms developed across securitisation repositories.</li> <li>• Additional efforts necessary by market participants to reconcile and interpret two different scoring approaches (the data completeness score in this option and the widely-used ECB data completeness score)</li> </ul>
--	--

### 5.3.2.3 Turnaround time for securitisation report validation results

142. As discussed in section 2.2.4.4 of the ESMA CP on operational standards, ESMA proposes that, after the reception by a securitisation repository of a securitisation data submission, the repository should provide the reporting entity with feedback on the results of the repository's procedures to verify the completeness and consistency of information submitted by the reporting entity. These procedures include, for example, checking that the data submission complies with the schema, and ensuring that the entity submitting the information matches with an entity registered with the repository. The following turnaround time options have been considered:

Objective	<i>Arrangements for securitisation repositories to provide feedback to reporting entities on the results of repositories' data validation checks</i>
Option 1	No specified maximum turnaround time for response to reporting entities
Option 2	Maximum sixty minute turnaround time for response to reporting entities
Option 3	Longer than sixty minute turnaround time for response to reporting entities
Preferred option	<b>Option 2:</b> ESMA is of the view that a common maximum sixty minute turnaround time for response brings a number of benefits. This includes providing certainty for reporting entities as regards the status of their submissions, which in turn will better help them to organize their reporting processes, thus minimizing unnecessary regulatory burdens.

Option 1	<i>No specified maximum turnaround time for response to reporting entities</i>
Benefits	<ul style="list-style-type: none"> <li>• Flexibility for securitisation repositories to organise their feedback response times as best suits them</li> </ul>
Costs	<ul style="list-style-type: none"> <li>• Lack of predictability for receiving feedback may lead to reporting entities missing deadlines, leading to the negative consequences provided for in the Securitisation Regulation.</li> <li>• Securitisation repositories are not clear on how much technical investment to make as regards the time needed to validate data submissions and communicating feedback.</li> </ul>

	<ul style="list-style-type: none"> <li>Inconsistency across regulations may complicate matters for trade repositories registered under SFTR seeking to apply to be registered as securitisation repositories. This runs counter to the spirit of the Securitisation Regulation (Article 10), which aims to simplify the application process for existing trade repositories.</li> </ul>
Option 2	<i>Maximum sixty minute turnaround time for response to reporting entities</i>
Benefits	<ul style="list-style-type: none"> <li>Predictability for receiving feedback reduces the risk of reporting entities missing deadlines due to not being aware, on a timely basis, of the results of their data submission.</li> <li>Securitisation repositories have a clear target to meet and thus have greater clarity on how much technical investment to make as regards rapidly validating data submissions and communicating feedback.</li> <li>Consistency across relevant regulations (SFTR) is achieved.</li> <li>In line with the spirit of the Securitisation Regulation (Article 10), which aims to simplify the application process for existing trade repositories.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>Additional investment may be necessary for securitisation repositories to meet this target, relative to a situation where there is no timeliness requirement for responses.</li> </ul>
Option 3	<i>Longer than sixty minute turnaround time for response to reporting entities</i>
Benefits	<ul style="list-style-type: none"> <li>Predictability for receiving feedback reduces the risk of reporting entities missing deadlines due to not being aware, on a timely basis, of the results of their data submission.</li> <li>Securitisation repositories have a clear target to meet and thus have greater clarity on how much technical investment to make as regards rapidly validating data submissions and communicating feedback.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>Additional investment may be necessary for securitisation repositories to meet this target, relative to a situation where there is no response timeliness requirement</li> <li>Longer feedback times make it more challenging for reporting entities to have timely information on the status of their data submission, and thus makes it more challenging for these entities to comply with their reporting requirements, in particular when time is limited (e.g. when securitisations are being reported for the first time at the same time as the instruments are being marketed to potential investors).</li> <li>Consistency across relevant regulations (SFTR) is not achieved, leading to internal divergences when existing trade repositories seek to also provide securitisation repository services.</li> </ul>

#### 5.3.2.4 Turnaround time for confirming data queries

143. As discussed in section 2.2.3.4 of the ESMA CP on operational standards, ESMA proposes that, after a securitisation repository receives a data query from a user, the repository should provide the user with feedback (confirmation of receipt and validation of the request) on the results of the data query. The following options have been considered on how to further specify this proposal for providing feedback.

<b>Objective</b>	<i>Arrangements for securitisation repositories to provide feedback to users, following data queries</i>
Option 1	No specified maximum turnaround time for response to users
Option 2	Maximum sixty minute turnaround time for response to users
Option 3	Longer than sixty minute turnaround time for response to users
Preferred option	<b>Option 2:</b> ESMA is of the view that a common maximum sixty minute turnaround time for response brings a number of benefits. The present turnaround time for confirmation of queries increases legal certainty and helps provide certainty for users as regards the status of their submissions, which in turn will better help them to organize their data usage processes and meet their respective mandates and obligations under the Securitisation Regulation.
Option 1	<i>No specified maximum turnaround time for response to users</i>
Benefits	<ul style="list-style-type: none"> <li>Flexibility for securitisation repositories to organise their feedback response times as best suits them</li> </ul>
Costs	<ul style="list-style-type: none"> <li>Lack of predictability for receiving confirmation and validation may lead to difficulties for users to meet their respective tasks and obligations under the Securitisation Regulation. This will complicate matters for users, for example, that are processing large amounts of securitisation data in order to meet their market monitoring objectives, or seeking sufficient information to conduct an effective due diligence.</li> <li>Securitisation repositories are not clear on how much technical investment to make as regards the time needed to validate data queries and communicating feedback.</li> <li>Inconsistency across regulations may complicate matters for trade repositories (handling SFT) seeking to apply to be registered as securitisation repositories. This runs counter to the spirit of the Securitisation Regulation (Article 10), which aims to simplify the application process for existing trade repositories.</li> </ul>
Option 2	<i>Maximum sixty minute turnaround time for response to users</i>
Benefits	<ul style="list-style-type: none"> <li>Predictability for users seeking to meet their respective tasks and obligations under the Securitisation Regulation.</li> <li>Securitisation repositories have a clear target to meet and thus have greater clarity on how much technical investment to make as regards</li> </ul>



	<p>rapidly verifying information submissions and communicating feedback.</p> <ul style="list-style-type: none"> <li>• Consistency across relevant regulations (SFTR) is achieved.</li> <li>• In line with the spirit of the Securitisation Regulation (Article 10), which aims to simplify the application process for existing trade repositories.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>• Additional investment may be necessary for securitisation repositories to meet this target, relative to a situation where there is no response timeliness requirement.</li> </ul>
Option 3	<i>Longer than sixty minute turnaround time for response to users</i>
Benefits	<ul style="list-style-type: none"> <li>• Predictability for users seeking to meet their respective tasks and obligations under the Securitisation Regulation.</li> <li>• Securitisation repositories have a clear target to meet and thus have greater clarity on how much technical investment to make as regards rapidly validating data submissions and communicating feedback.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>• Additional investment may be necessary for securitisation repositories to meet this target, relative to a situation where there is no response timeliness requirement.</li> <li>• Longer feedback times make it more challenging for users to have timely information on the status of their data queries, and thus makes it more challenging for these entities to meet with their respective requirements, in particular when time is limited (e.g. when it is necessary to conduct due diligence or market monitoring under time pressure).</li> <li>• Consistency across relevant regulations (SFTR) is not achieved, leading to internal divergences when existing trade repositories seek to also provide securitisation repository services.</li> </ul>

### 5.3.3 Application requirements for securitisation repositories

#### 5.3.3.1 Results of the public consultation and ESMA's response

144. No specific feedback was received on the cost-benefit analysis options below.

#### 5.3.3.2 Scope of information to be submitted to ESMA

145. The draft RTS discussed in the CP on securitisation repositories application requirements proposed a substantial amount of information to be provided to ESMA. From ESMA's perspective this reflects an orientation to obtain, ex ante, information on many aspects of the applicant's business.

<b>Objective</b>	<i>Obtaining sufficient information to assess an application to be registered as a securitisation repository</i>
Option 1	Specify limited information requirements in the draft RTS
Option 2	Specify comprehensive information requirements in the draft RTS
Preferred option	<b>Option 2:</b> Despite the higher up-front effort required from applicants, ESMA is of the view that it is preferable to request a comprehensive set of information at the outset. ESMA prefers this proposed approach in order to minimize the frequency of follow-up exchanges for supplementary information between ESMA and the applicant. Although leading to relatively higher up-front costs for applicants, in terms of total costs of information provision the efficiency gains are expected to imply lower total costs under option 2 compared with option 1.

Option 1	<i>Specify limited information requirements in the draft RTS</i>
Benefits	<ul style="list-style-type: none"> <li>Potentially lower up-front cost for applicants.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>Higher potential costs for ESMA and applicants due to potential duplication of efforts required when requesting supplementary information to be provided (such as additional technical documentation, evidence of compliance with technical provisions set out in the Securitisation Regulation and accompanying technical standards and any possible guidelines).</li> </ul>
Option 2	<i>Specify comprehensive information requirements in the draft RTS</i>
Benefits	<ul style="list-style-type: none"> <li>Lower potential costs for ESMA and applicants due to avoided duplication of efforts (arising from the expected need for fewer repeated exchanges).</li> <li>Greater ex ante clarity for all market participants, including reporting entities and data users, on what is expected of securitisation repositories.</li> <li>Consistent in terms of the extent/detail of requirements for Trade Repositories and Credit Rating Agencies.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>Potentially higher up-front cost for applicants.</li> </ul>

### 5.3.3.3 *Is it important to assess outsourcing and ancillary services?*

146. The draft RTS proposes to obtain substantial information on securitisation repositories' reliance on outsourcing for providing key functions, as well as their provision of ancillary services. The following options have been considered when drafting the relevant sections of the proposed RTS.

<b>Objective</b>	<i>Obtaining necessary information as regards the applicant's operational robustness</i>
Option 1	Do not include information on outsourcing arrangements and ancillary services provision
Option 2	Include information on outsourcing arrangements and ancillary services provision
Preferred option	<b>Option 2:</b> Securitisation repositories may find it cost effective to outsource the performance of a number of functions, such as the development and maintenance of certain critical components of their systems. Similarly, the information hosted and associated expertise may also lead to additional ancillary services to be provided to market participants. In both respects, ESMA considers that this information is pertinent to assess the complete organisational profile of an applicant, with a view to ensuring its operational robustness for the provision of expected securitisation repository services.

Option 1	<i>Do not include information on outsourcing arrangements and ancillary services provision</i>
Benefits	<ul style="list-style-type: none"> <li>• Lower initial amount of information would need to be gathered by applicants, potentially leading to additional interest in applying.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>• Less clarity on operational robustness to market events and technical events.</li> <li>• Possibly greater efforts required from applicants if ESMA seeks to obtain further information on a specific application (leading also to higher overall application assessment costs for ESMA).</li> </ul>

Option 2	<i>Include information on outsourcing arrangements and ancillary services provision</i>
Benefits	<ul style="list-style-type: none"> <li>• Greater clarity on operational robustness to market events and technical events.</li> <li>• Possibly fewer efforts required from applicants if ESMA seeks to obtain further information on a specific application (leading also to higher overall application assessment costs for ESMA).</li> <li>• Clearer set of requirements, thus facilitating applicants' initial efforts for preparing application materials.</li> <li>• In line with updated requirements for Trade Repositories.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>• Possibly greater up-front application costs for securitisation repository applicants to prepare the necessary materials.</li> </ul>

#### 5.3.3.4 Is it important to assess knowledge of securitisations as part of an application?

147. The draft RTS proposes to obtain information on the knowledge and experience of the securitisation repository applicant's senior management and board on information technology and on securitisation matters. The following options have been considered when drafting the relevant sections of the proposed RTS.

<b>Objective</b>	<i>Assessing the knowledge and experience of the applicant's senior management and board on information technology and on securitisation matters</i>
Option 1	Do not assess knowledge and experience of securitisation
Option 2	Assess knowledge and experience of securitisation
Preferred option	<b>Option 2:</b> Securitisations are complex instruments and developing/managing the resources (human and technical) needed to provide certain required securitisation repository services—especially on data quality—in turn necessitates substantial knowledge of these products.

Option 1	<i>Do not assess such knowledge and experience</i>
Benefits	<ul style="list-style-type: none"> <li>Less initial amount of information would need to be gathered by applicants, potentially leading to additional interest in applying for registration.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>Risk of less effective securitisation repository services provided in the future, due to the presence of less qualified/experienced staff (if this is not set out as a condition for registration).</li> <li>Possibly greater effort required from applicants in the event that ESMA seeks to obtain further information on a specific application (leading also to higher overall application assessment costs for ESMA).</li> </ul>

Option 2	<i>Assess such knowledge and experience</i>
Benefits	<ul style="list-style-type: none"> <li>Greater reassurance on ability of repositories' management bodies to effectively steer the firm on its core business activities, as well as evolve alongside securitisation market practices (thus also saving future supervisory resources in ESMA and, consequently, lower-than-otherwise fees charged to securitisation repositories).</li> <li>Possibly less effort required from applicants in the event that ESMA seeks to obtain further information on a specific application (leading also to lower overall application assessment costs for ESMA).</li> <li>Clearer up-front set of requirements for applicants.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>Possibly greater up-front application costs for securitisation repository applicants to prepare the necessary materials.</li> </ul>

## **5.4 Annex IV: Draft RTS on securitisation repository operational standards for data collection, aggregation, comparison, access and verification of completeness and consistency**

Draft

COMMISSION DELEGATED REGULATION (EU) .../..

of ...

supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on securitisation repository operational standards for data collection, aggregation, comparison, access and verification of completeness and consistency

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012<sup>17</sup>, and in particular paragraph (a) of Article 10(7) and paragraphs (b) to (d) of Article 17(2) thereof,

Whereas:

- (1) This Regulation sets out a framework for securitisation repositories to collect, process and provide access to relevant disclosures on securitisations that the originator, sponsor or SSPE is required to make available by means of a securitisation repository.
- (2) To ensure confidence in the quality of the information made available to the entities listed under Article 17(1) of Regulation (EU) 2017/2402, this Regulation sets out assessments to be performed by the securitisation repository on the information provided. An overall data completeness score and end-of-day report will also facilitate the aggregation and comparison of information across securitisation repositories in a timely, structured and comprehensive manner. Users should have the ability to define ad-hoc or predefined periodic requests to access the details of a securitisation collected and maintained by a

---

<sup>17</sup> OJ L 347, 28.12.2017, p. 35.

securitisation repository, as well as end-of-day reports, to ensure that the amount of information provided to them is proportionate to their interest in receiving it.

- (3) The variety of securitisation types, features and practices should be reflected in the completeness and consistency verifications performed by securitisation repositories. Therefore, it is appropriate to provide for verifications that are informed by reporting of other similar securitisations, which for example share the same or related originator, underlying exposure type, structural feature or geography.
- (4) Securitisation repositories should request reporting entities to confirm in writing the completeness and consistency of the underlying securitisation documentation made available to them within five working days of the first issuance of securities and, thereafter, every twelve months and within five working days from the date in which a new securitisation document has been provided. For the avoidance of doubt, updates to documentation already reported should not be considered a new securitisation document requiring a written confirmation request.
- (5) To ensure that the entities listed in Article 17(1) of Regulation (EU) 2017/2402 have direct and immediate access to details of securitisations, and that the information is comparable across securitisation repositories in a harmonised and consistent manner, it is appropriate that the details prescribed by this Regulation include the format in which access to data should be provided. Extensible markup language (XML) format should be used for this purpose, as it is widely used in the financial industry.
- (6) In order to ensure confidentiality, any type of data exchange between securitisation repositories and the entities listed in Article 17(1) of Regulation (EU) 2017/2402 should be carried out through a secure machine-to-machine connection by using data encryption protocols. To ensure minimum common standards, an SSH File Transfer Protocol should be used.
- (7) Data concerning the latest securitisation underlying exposures, investor reports, inside information and significant events, as well as indicators of the quality and timeliness of that data, is essential for ongoing monitoring of securitisation investment positions and potential investments, as well as financial stability and systemic risk. Therefore, the relevant entities listed in Article 17(1) of Regulation (EU) 2017/2402 should have access to that data.
- (8) The complex and heterogeneous nature of securitisations, as well as the diversity of users accessing information from securitisation repositories, renders it essential to facilitate the direct and immediate access to specific datasets and information, which should include access, in a machine-readable format where the information relates to data, to all current and historical information on a securitisation stored within a repository. A framework for ad-hoc requests that can be combined to obtain specific information has been created for this purpose. The deadlines by which securitisation repositories should provide data to the relevant users should be harmonised, in order to facilitate efficient data processing by the relevant users and the securitisation repositories.
- (9) The provisions in this Regulation are closely linked, since they deal with standards and procedures relating to the collection and processing of information held by a securitisation repository and access to that information. To ensure coherence between those provisions, which should enter into force at the same time, and to facilitate a comprehensive view and

efficient access for stakeholders, in particular those subject to the obligations, it is appropriate to include them in a single Regulation.

- (10) This Regulation is based on the draft regulatory technical standards submitted by the European Securities and Markets Authority (ESMA) to the Commission.
- (11) 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<sup>18</sup>,

HAS ADOPTED THIS REGULATION:

### *Article 1* **Definitions**

For the purposes of this Regulation, the following definitions shall apply:

- (1) 'reporting entity' means the entity designated among the originator, sponsor and SSPE to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of Regulation (EU) 2017/2402;
- (2) 'data cut-off date' means the reference date of the information being reported according to Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS];
- (3) 'active underlying exposure' means an underlying exposure which, at the data cut-off date, may be expected to generate cash inflows or outflows in the future.

### *Article 2* **End-of-day report**

- 1. Each calendar day, a securitisation repository shall produce an aggregate end-of-day report representing each securitisation reported to it.
- 2. The end-of-day report shall be based on the most recent information provided by a reporting entity to the securitisation repository for each securitisation, with the exception of the entirety of any data submission rejected in accordance with Article 4, which shall be excluded from the end-of-day report.
- 3. The end-of-day report shall include at least the following information for each reported securitisation:

---

<sup>18</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).



- (a) the unique identifier assigned to the securitisation by the reporting entity according to Article 11 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS];
- (b) the ISIN codes of the tranches, bonds or subordinated loans of the securitisation, where available;
- (c) the sum of current principal balances of all tranches, bonds or subordinated loans. The sum shall be provided in EUR, using the exchange rates published on the European Central Bank website for the previous working day;
- (d) the securitisation name;
- (e) whether the securitisation is an ABCP or non-ABCP securitisation;
- (f) whether the securitisation structure type is type 'M' for Master Trust as reported in field SESS9 in Annex 16 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS] or 'S' for all other securitisations;
- (g) whether the securitisation risk transfer method is type 'T' for true sale as reported in field IVSS11 in Annex 12 of that Regulation or 'S' for synthetic as reported in field SESV11 in Annex 16 of that Regulation or 'ABCP' for ABCP securitisations;
- (h) the name and legal entity identifiers of the originator, sponsor and SSPE;
- (i) the most recent interest payment date in ISO 8601 date format;
- (j) the timestamp, in ISO 8601 date and time (UCT) format, to the nearest second, of the most recent data submission received by the securitisation repository or, where there are multiple data submissions referenced against the same data cut-off date, the timestamps, in ISO 8601 date and time (UCT) format, of the earliest and most recent such data submissions having the same data cut-off date;
- (k) the data cut-off date, in ISO 8601 date format, of the most recent data submission received by the securitisation repository;
- (l) the number of data submissions received by the securitisation repository that are referenced against the same data cut-off date set out in point (k);
- (m) the data completeness score set out in Article 3 of the most recent data submission received by the securitisation repository;
- (n) for non-ABCP securitisations, the country of establishment of the originator or original lender or, for ABCP securitisations, the country of establishment of the sponsor. For non-ABCP securitisations, if the securitisation underlying exposures are composed of a combination of exposures from multiple originators or original lenders, the country of establishment is the country of the originator or original lender with the largest amount of exposures in terms of current principal balance;
- (o) the country where the majority of the underlying exposures are located, in terms of underlying exposure current principal balance;

- (p) the most prevalent type of the underlying exposures in the securitisation, in terms of current principal balance.
4. The end-of-day report shall be made available in an XML template.
  5. Timestamps referred to in this Article shall not diverge by more than one second from the UCT issued and maintained by one of the timing centres listed in the latest Bureau International des Poids et Mesures (BIPM) Annual Report on Time Activities.

### *Article 3*

#### **Data completeness score**

1. A securitisation repository shall calculate and assign a data completeness score to each data submission it receives from a reporting entity.
2. A securitisation repository shall calculate the data completeness score using the scoring matrix set out in Table 1 of the Annex and the following inputs:

$$\text{Input 1} = \frac{\sum_i^N ND1}{N}$$

$$\text{Input 2} = \frac{\sum_i^N ND2 + \sum_i^N ND3 + \sum_i^N ND4}{N}$$

Where:

$\sum_i^N NDx$  denotes the total number of fields in a data submission containing the respective “No Data Option”, as set out in Table 1 of Annex 1 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS];

$N$  denotes the total number of fields in the data submission where any ‘No Data Option’ set out in Table 1 of Annex 1 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS] may be entered, as set out in Article 9(3) of that Regulation.

For the purposes of calculating the data completeness score, the securitisation repository shall consider fields completed using the format of ‘ND4-YYYY-MM-DD’ to have been completed as ‘ND4’.

### *Article 4*

#### **Procedures to verify the completeness and consistency of information**

1. A securitisation repository shall verify the completeness and consistency of information made available to it under the first subparagraph of Article 7(1) of Regulation (EU) 2017/2402 by verifying:
  - (a) the identity of the reporting entity as referred to in field IVSS4 of Annex 12 or in field IVAS3 of Annex 13 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS];

- (b) the submission item code as referred to in Table 4 of Annex 1 of that Regulation.
2. A securitisation repository shall verify the completeness and consistency of information made available to it under points (a), (e), (f) and (g) of the first subparagraph of Article 7(1) of Regulation (EU) 2017/2402 by:
- (a) verifying the compliance of the submitted information with the structure and format of the templates set out in Commission Implementing Regulation (EU) .../... [include full reference to the disclosures ITS];
  - (b) comparing entries:
    - i. across different fields for the same data cut-off date and the same underlying exposure, investor report, inside information or significant event information item;
    - ii. across different underlying exposure, investor report, inside information or significant event information items for the same field and the same data cut-off date;
    - iii. across the same underlying exposure, investor report, inside information or significant event information items for the same field and different data cut-off dates;
    - iv. across similar securitisations;
  - (c) comparing the data cut-off date of the information submitted and the timestamp of the submission, with regard to Article 10 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS];
  - (d) calculating the percentage of all active underlying exposures within each field resulting from the number of active underlying exposures for which any 'No Data Option' set out in Table 1 of Annex 1 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS] is reported, relative to the total number of active underlying exposures.
- For ABCP securitisations, references in this paragraph to underlying exposures shall be construed as referring to underlying exposure types.
3. A securitisation repository shall verify the completeness and consistency of documentation made available to it under point (b) of the first subparagraph of Article 7(1) of Regulation (EU) 2017/2402 by requesting a written confirmation from the reporting entity that:
- (a) there is no item set out in Table 4 of Annex 1 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS] and required to be made available under point (b) of the first subparagraph of Article 7(1) of Regulation (EU) 2017/2402, that is both in existence for the securitisation and has not been provided to the securitisation repository;
  - (b) the information provided is consistent with the actual arrangements and features of the securitisation.
4. The repository shall request the written confirmation set out in paragraph 3 within five working days of the first issuance of securities under the securitisation or, for ABCP

securitisations, within five working days of the first issuance of securities under the ABCP programme. From the date of that first request, the repository shall request a further written confirmation set out in paragraph 3 every twelve months and within five working days of a new document made available to it under point (b) of the first subparagraph of Article 7(1) of Regulation (EU) 2017/2402.

5. The repository shall keep a record of the written confirmations received by it.
6. Where the repository has not received a written confirmation within two calendar weeks of the date of request, the repository shall notify the reporting entity and request it to provide a written confirmation within an additional two calendar weeks.
7. A securitisation repository shall verify the completeness and consistency of information made available to it under point (d) of the first subparagraph of Article 7(1) of Regulation (EU) 2017/2402 by verifying the compliance of the submitted information with the structure and format of the templates set out in the Annexes of Commission Implementing Regulation (EU) .../... [include full reference to the STS notification ITS].
8. A securitisation repository shall reject a submission of information that:
  - (a) does not comply with a verification set out in paragraph 1;
  - (b) does not comply with a verification set out in paragraph 2, except for subpoints (iii) and (iv) of point (b);
  - (c) is equal to or above the first applicable threshold set by ESMA for the number of fields for which the percentage of all active underlying exposures calculated according to paragraph 2(d) is greater than 0% and below the applicable percentage threshold set by ESMA;
  - (d) is equal to or above the second applicable threshold set by ESMA for the number of fields for which the percentage of all active underlying exposures calculated according to paragraph 2(d) is equal to or above the applicable percentage threshold set by ESMA; or
  - (e) does not comply with the verification set out in paragraph 7.

Upon rejection, the repository shall assign to the submission of information one of the categories of rejection set out in Table 2 of the Annex.

9. Where a submission of information does not comply with a verification set out in subpoints (iii) to (iv) of point (b) of paragraph 2, or the securitisation repository has not received the written confirmation referred to in paragraph 6, the repository shall notify without undue delay the entities listed under Article 17(1) of Regulation (EU) 2017/2402.
10. No later than one hour after the receipt by a securitisation repository of a submission of information, the repository shall provide the reporting entity with detailed feedback on the results of the verifications performed under paragraphs 1 to 3 and 7. A securitisation repository shall provide these results in an XML template. The results shall include at least the following:

- (a) the unique identifier of the securitisation produced according to Article 11 in the Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS];
- (b) the item code(s) as referred to in Table 4 of Annex 1 of that Regulation;
- (c) the submission timestamp, in ISO 8601 date and time (UCT) format, to the nearest second, of the submission;
- (d) where the submission has been rejected, the rejection category assigned to it set out in Table 2 of the Annex and the reason(s) for assigning that rejection category.

11. A securitisation repository shall keep a record of:

- (a) feedback provided by the securitisation repository to the reporting entity;
- (b) any explanation(s) provided by the reporting entity to the securitisation repository where a submission of information does not comply with the verifications set out in paragraphs 1 to 3, 6 or 7.

12. A securitisation repository shall make available for access by 19.00.00 UCT each Monday a report on all submissions rejected by it since 19.00.00 UCT on the previous Monday. That report shall include at least the following items:

- (a) the unique identifier of the securitisation produced according to Article 11 the Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS];
- (b) the securitisation name;
- (c) the ISIN codes of the tranches or bonds or subordinated loans of the securitisation, where available;
- (d) the name and legal entity identifiers of the originator, sponsor and SSPE;
- (e) the timestamp, in ISO 8601 date and time (UCT) format, to the nearest second, of the submission;
- (f) the submission item code as referred to in Table 4 of Annex 1 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS];
- (g) the rejection category assigned to it set out in Table 2 of the Annex and the reason(s) for assigning that rejection category;
- (h) any explanation(s) for the submission being rejected provided by the reporting entity to the repository before 17.00.00 UCT on the Monday of the report publication date.

13. A securitisation repository shall not make any corrections or adjustments to information reported by a reporting entity.

14. Where a reporting entity corrects information submitted to a securitisation repository in accordance with the second subparagraph of Article 7(2) of Regulation (EU) 2017/2402,

the repository shall record the details of the corrections and cancellations in a reporting log that includes the unique identifier of the securitisation, item code, timestamp of the affected submission, timestamp of the changes and a clear description of the changes (including the previous and new contents of the relevant information) to the securitisation.

#### *Article 5*

##### **Information to be accessed**

A securitisation repository shall provide the entities listed in Article 17(1) of Regulation (EU) 2017/2402 with access free of charge to the following information:

- (a) all information received by the securitisation repository from reporting entities in accordance with Regulation (EU) 2017/2402;
- (b) all information produced and stored by the securitisation repository according to Articles 2 to 4 of this Regulation;
- (c) all formulae, calculation and aggregation methods used to produce that information.

#### *Article 6*

##### **Terms and conditions of access to information**

1. A securitisation repository shall:
  - (a) designate a person or persons responsible for liaising with the entities listed under Article 17(1) of Regulation (EU) 2017/2402;
  - (b) publish on its website its access conditions and instructions for submitting an access request for securitisation information;
  - (c) provide access to information based only on details contained in the access request submitted by those entities;
  - (d) as soon as possible but no later than 30 calendar days, establish the technical arrangements necessary to enable an entity listed under Article 17(1) of Regulation (EU) 2017/2402 to submit requests to access information in accordance with this Article.
2. The access request referred to in point (c) of paragraph 1 shall include the following information:
  - (a) name of the entity;
  - (b) contact person at the entity;
  - (c) identification of the type of entity listed in Article 17(1) of Regulation (EU) 2017/2402;
  - (d) list of users at the entity that are authorised to submit access requests;
  - (e) credentials for secure SSH File Transfer Protocol connection;

- (f) the combination of criteria in paragraph 3;
  - (g) whether the request is an ad-hoc or predefined periodic request;
  - (h) any other technical information relevant to that entity's access to information.
3. Upon an ad-hoc or predefined periodic access request, a securitisation repository shall provide the entities listed in Article 17(1) of Regulation (EU) 2017/2402 with access to the details of any securitisation falling under its responsibilities, based on any combination of the following criteria:
- (a) securitisation type (non-ABCP or ABCP);
  - (b) securitisation structure type (either 'M' for Master Trust or 'S' for all other securitisations);
  - (c) securitisation risk transfer method (either type 'T' for true sale as reported in field IVSS11 in Annex 12 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS] or 'S' for synthetic as reported in field SESV11 in Annex 16 of that Regulation or 'ABCP' for ABCP securitisations);
  - (d) securitisation item code;
  - (e) securitisation underlying exposure type;
  - (f) securitisation underlying exposure section;
  - (g) securitisation investor report template section;
  - (h) securitisation significant event information template section;
  - (i) identifier:
    - i. unique identifier;
    - ii. transaction identifier;
    - iii. International Securities Identification Number;
    - iv. new or original tranche/bond identifier;
    - v. new or original underlying exposure identifier;
    - vi. new or original obligor identifier;
    - vii. originator legal entity identifier;
    - viii. sponsor legal entity identifier;
    - ix. SSPE legal entity identifier;
    - x. original lender legal entity identifier;



- xi. CLO manager legal entity identifier;
  - (j) geography:
    - i. geographic region;
    - ii. governing law;
  - (k) date and time:
    - i. submission timestamp;
    - ii. data cut-off date;
    - iii. tranche/bond issue date;
    - iv. tranche/bond legal maturity;
    - v. underlying exposure origination date;
    - vi. underlying exposure maturity date;
  - (l) currency:
    - i. tranche/bond currency;
    - ii. underlying exposure currency denomination.
4. A securitisation repository shall provide direct and immediate access to information requested by an entity listed in Article 17(1) of Regulation (EU) 2017/2402 on the following basis:
- (a) where the information is on a securitisation that has either not yet been priced, not yet matured or has matured not more than one year before the date on which the request was submitted, a securitisation repository shall fulfil that request no later than 12.00.00 UCT on the first calendar day following the day of receipt of the access request;
  - (b) where the information is on a securitisation that has matured more than one year before the date on which the request was submitted, a securitisation repository shall fulfil that request no later than three working days following the day of receipt of the access request;
  - (c) where the information is on several securitisations falling under both points (a) and (b), the securitisation repository shall fulfil that request no later than three working days following the day of receipt of the access request.
5. By way of derogation to paragraph 4, a securitisation repository shall fulfil an ad-hoc or predefined periodic request for the end-of-day report set out in Article 2 by 19.00.00 Coordinated Universal Time (UCT) of the day to which the report relates.

6. A securitisation repository shall make the following information available to the entities listed in Article 17(1) of Regulation (EU) 2017/2402 using XML format templates:
  - (a) information made available to the repository under paragraphs (a), (d), (e), (f), and (g) of the first subparagraph of Article 7(1) of Regulation (EU) 2017/2402;
  - (b) information produced by the securitisation repository according to Articles 2 and 4 of this Regulation, with the exception of written confirmations received under paragraph 3 of Article 4.

#### *Article 7*

##### **Common standards on data collection and access**

1. A securitisation repository shall use electronic signature and data encryption protocols to ensure the confidentiality, integrity and protection of the data made available to it by reporting entities, transferred to it by other securitisation repositories, as well as the data made available to the entities listed in Article 17(1) of Regulation (EU) 2017/2402.
2. A securitisation repository shall establish, maintain and make available a secure machine-to-machine interface to the reporting entities and the entities listed under Article 17(1) of Regulation (EU) 2017/2402. That interface shall make use of the SSH File Transfer Protocol to submit or receive information.
3. A securitisation repository shall use standardised XML messages to communicate through the interface referred to in paragraph 2 and make the information set out in paragraph 6 of Article 6 of this Regulation available to the entities listed in Article 17(1) of Regulation (EU) 2017/2402.

#### *Article 8*

##### **Entry into force and application**

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

It shall apply from [...].

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

Done at Brussels, [...]

For the Commission  
The President

## ANNEX

### Data completeness scoring matrix and rejection categories

*Table 1*  
**Data completeness scoring matrix**

		Input 1: Percentage of fields entered as 'ND1'			
		Input 1 = 0%	0% < Input 1 ≤ 10%	10% < Input 1 ≤ 30%	Input 1 > 30%
Input 2: Percentage of fields entered as 'ND2', 'ND3', or 'ND4-YYYY-MM-DD'	Input 2 = 0%	A1	B1	C1	D1
	0% < Input 2 ≤ 20%	A2	B2	C2	D2
	20% < Input 2 ≤ 40%	A3	B3	C3	D3
	Input 2 > 40%	A4	B4	C4	D4

*Table 2*  
**Rejection categories**

Rejection categories	Reason
Schema	The submission of information has been rejected because of a non-compliant schema.
Permission	The submission of information has been rejected because the reporting entity is not permissioned/allowed to report on behalf of the originator, sponsor or SSPE.
Logical	The submission of information has been rejected because the item code does not match the available values in Table 4 of Annex 1 of Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS].
Business	The submission of information has been rejected because the data submission is not compliant with one or more content validations.
Threshold	The submission of information has been rejected because it meets the rejection condition in either point (c) or point (d) of Article 4(8).

## **5.5 Annex V: Draft RTS on information to be provided in the application for registration of a securitisation repository**

Draft

COMMISSION DELEGATED REGULATION (EU) .../..

supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the application for registration of a securitisation repository

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012<sup>19</sup>, and in particular paragraphs (b) and (c) of Article 10(7) thereof,

Whereas:

- (1) Rules should be laid down specifying the information to be provided to the European Securities and Markets Authority (ESMA) as part of an application for registration as a securitisation repository.
- (2) Establishing a comprehensive and sound framework for registration of securitisation repositories and extension of registration of trade repositories is essential for the achievement of the objectives of Regulation (EU) 2017/2402 and for the adequate provision of repository functions.
- (3) In order to minimise additional operational costs for market participants, the rules for the registration of securitisation and the extension of registration of trade repositories for the purposes of Regulation (EU) 2017/2402 build on pre-existing infrastructures, operational processes and formats, each of which was introduced with regard to reporting securities financing transactions and derivative contracts to trade repositories. Due to the similar objectives, activities and operational processes between trade repositories and securitisation repositories, as well as the reference in Regulation (EU) 2017/2402 to criteria

---

<sup>19</sup> OJ L 347, 28.12.2017, p. 35.

under Regulation (EU) No 648/2012<sup>20</sup> as a basis for registering securitisation repositories, the provisions for registration of trade repositories under Regulation (EU) No 648/2012 and Regulation (EU) 2015/2365<sup>21</sup> should be used to build the framework for registration of securitisation repositories under Regulation (EU) 2017/2402.

- (4) Securitisation repositories are expected to play a pivotal role in fostering transparency in securitisation markets, as per Regulation (EU) 2017/2402, and are designed to provide information to investors, public entities and reporting entities to meet their respective obligations under that Regulation. It is therefore essential that firms applying to be registered as securitisation repositories demonstrate the adequacy of their staff, systems, controls and procedures, in order to comply with the requirements set out in Regulation (EU) 2017/2402.
- (5) Securitisations are highly complex instruments involving many different types of information, including information on the underlying features of exposures, information on their cash flows, information on the structure of the securitisation and information on the legal and operational arrangements entered into with third parties. It is therefore essential that securitisation repository applicants demonstrate sufficient knowledge and working experience with these products, and capacity to receive, process and make available the required information set out in Regulation (EU) 2017/2402.
- (6) Securitisation repositories that centrally collect and maintain the records of securitisations in accordance with Regulation (EU) 2017/2402 may also provide ancillary securitisation services. Ancillary securitisation services are additional to and enabled by the performance of core securitisation services. At the same time, the use of common resources within a securitisation repository between core securitisation services on the one hand and ancillary securitisation and ancillary non-securitisation services on the other may lead to contagion of operational risks across these services.
- (7) Whereas the validation, reconciliation, processing and recordkeeping of information may require an effective operational separation to avoid such contagion of risks, practices such as common front-end systems, a common access point to information or the use of the same staff working in sales, compliance or a client services helpdesk may be less prone to contagion and hence do not necessarily require operational separation. It is therefore important that securitisation repositories provide sufficient information in their applications on the establishment of an appropriate level of operational separation between the resources, systems or procedures used in those business lines that comprise the provision of securitisation repository services under Regulation (EU) 2017/2402 and remaining business lines, regardless of whether those business lines are run by the applicant, an affiliated entity, or another entity with which the applicant has concluded a material agreement in respect of its securitisation business line.
- (8) This Regulation provides a simplified application for an extension of registration, to allow trade repositories already registered under Regulation (EU) No 648/2012 or under Regulation (EU) 2015/2365 to file a simplified application in order for their registration to

---

<sup>20</sup> Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).

<sup>21</sup> Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (OJ L 337, 23.12.2015, p. 1).

be extended under Regulation (EU) 2017/2402. Therefore, to avoid any duplicate requirements in the case of an application for an extension of registration, the information to be provided by the trade repository as part of an extension of registration should include detailed information on the adaptations necessary to ensure it complies with Regulation (EU) 2017/2402.

- (9) 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<sup>22</sup>.
- (10) 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:

#### *Article 1*

#### **Definition**

For the purposes of this Regulation, ‘user’ means any client of the securitisation repository, including user types listed in Article 17(1) of Regulation (EU) 2017/2402 and reporting entities as defined in Commission Delegated Regulation (EU) .../... [include full reference to the disclosures RTS].

#### *Article 2*

#### **Identification, legal status and type of securitisation**

1. An application for registration as a securitisation repository shall identify the applicant and the activities it intends to carry out which require it to be registered as a securitisation repository.
2. The application for registration as a securitisation repository shall in particular contain the following information:
  - (a) the corporate name of the applicant and legal address as well as the address of any subsidiaries and branches;
  - (b) legal entity identifier (LEI) registered with the Global Legal Entity Identifier Foundation;
  - (c) uniform resource locator (URL) of the applicant’s website;

---

<sup>22</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

- (d) an excerpt from the relevant commercial or court register, or other forms of certified evidence of the place of incorporation and scope of business activity of the applicant, valid at the application date;
  - (e) information on the securitisation types (ABCP or non-ABCP), risk transfer methods (true sale or synthetic) and underlying exposure types (residential mortgage, commercial mortgage, corporate, leasing, consumer, auto loan/lease, credit card, esoteric) for which the applicant wishes to be registered;
  - (f) information on whether the applicant is authorised or registered by a competent authority in the Member State where it is established and, in such case, the name of the authority and any reference number related to the authorisation or registration;
  - (g) the articles of incorporation and, where relevant, other statutory documentation stating that the applicant is to conduct securitisation repository services;
  - (h) the name and contact details of the person(s) responsible for compliance, or any other staff involved in compliance assessments for the applicant;
  - (i) the name and contact details of the contact person for the purposes of the application;
  - (j) the programme of operations, including the location of the main business activities.
3. Upon request by ESMA, the applicant shall also provide additional information during the examination of the application for registration where such information is needed for the assessment of the applicant's capacity to comply with the applicable requirements of Regulation (EU) 2017/2402 and for ESMA to duly interpret and analyse the documentation to be submitted or already submitted.
4. Where an applicant considers that a requirement of this Regulation is not applicable to it, it shall clearly indicate that requirement in its application and also provide an explanation why such requirement does not apply.

### *Article 3*

#### **Organisational chart**

1. An application for registration as a securitisation repository shall contain the organisational chart detailing the organisational structure of the applicant, including that of any ancillary securitisation services.
2. That chart shall include information about the identity of the person responsible for each significant role, including senior management and persons who direct the activities of any branches.

### *Article 4*

#### **Corporate governance**

1. An application for registration as a securitisation repository shall contain information regarding the applicant's internal corporate governance policies and the procedures and



terms of reference which govern its senior management, including the board, its non-executive members and, where established, committees.

2. That information shall include a description of the selection process, appointment, performance evaluation and removal of senior management and members of the board.
3. Where the applicant adheres to a recognised corporate governance code of conduct, the application for registration as a securitisation repository shall identify the code and provide an explanation for any situations where the applicant deviates from the code.

## *Article 5*

### **Internal control**

1. An application for registration as a securitisation repository shall contain detailed information relating to the internal control system of the applicant. This shall include information regarding its compliance function, risk assessment, internal control mechanisms and arrangements of its internal audit function.
2. That detailed information shall include:
  - (a) the applicant's internal control policies and respective procedures related to their consistent and appropriate implementation;
  - (b) any policies, procedures and manuals regarding the monitoring and evaluation of the adequacy and effectiveness of the applicant's systems;
  - (c) any policies, procedures and manuals regarding the control and safeguard of the applicant's information processing systems;
  - (d) the identity of the internal bodies in charge of evaluating the relevant internal control findings.
3. An application for registration as a securitisation repository shall contain the following information with respect to the applicant's internal audit activities:
  - (a) the composition of any internal audit committee, its competences and responsibilities;
  - (b) its internal audit function charter, methodologies, standards and procedures;
  - (c) an explanation of how its internal audit charter, methodology and procedures are developed and applied, taking into account the nature and extent of the applicant's activities, complexities and risks;
  - (d) a work plan for three years following the date of application focusing on the nature and extent of the applicant's activities, complexities and risks.

## *Article 6*

### **Conflicts of interest**

1. An application for registration as a securitisation repository shall contain the following information on the policies and procedures put in place by the applicant to manage conflicts of interest:

- (a) policies and procedures with respect to the identification, management, elimination, mitigation and disclosure without delay of conflicts of interest;
  - (b) a description of the process used to ensure that the relevant persons are aware of the policies and procedures;
  - (c) the separation of duties and business functions within the applicant including:
    - i. measures to prevent or control the exchange of information where a risk of a conflict of interest may arise;
    - ii. the separate supervision of relevant persons whose main functions involve interests that are potentially in conflict with those of a client;
  - (d) any other measures and controls put in place to ensure the requirements referred to in point (a) on conflicts of interest management are met.
2. An application for registration as a securitisation repository shall contain an up-to-date inventory, at the time of the application, of existing and potential material conflicts of interest in relation to any core or ancillary securitisation services as well as any other related services provided or received by the applicant and a description of how these are being managed. The inventory of conflicts of interest shall include conflicts of interest arising from situations where the applicant:
- (a) may realise a financial gain or avoid a financial loss, to the detriment of a client;
  - (b) may have an interest in the outcome of a service provided to a client, which is distinct from the client's interest in that outcome;
  - (c) may have an incentive to prioritise its own interests or the interest of another user or group of users rather than the interests of a client to whom the service is provided;
  - (d) receives or may receive from any person other than a client, in relation to the service provided to a client, an incentive in the form of money, goods or services, other than commission or fees received for the service.
3. Where an applicant is part of a group, the inventory shall include any existing and potential material conflicts of interest arising from other undertakings within the group and how these conflicts are being managed and mitigated.

## *Article 7*

### **Ownership of the securitisation repository**

1. An application for registration as a securitisation repository shall contain:
  - (a) a list containing the name of each person or entity who directly or indirectly holds 5 % or more of the applicant's capital or of its voting rights or whose holding makes it possible to exercise a significant influence over the applicant's management;
  - (b) a list of any undertakings in which a person referred to in point (a) holds 5 % or more of the capital or voting rights or over whose management they exercise a significant influence.
2. Where the applicant has a parent undertaking, the applicant shall:

- (a) identify the name, LEI registered with the Global Legal Entity Identifier Foundation, and legal address of the parent undertaking;
  - (b) indicate whether the parent undertaking is authorised or registered and subject to supervision and, when this is the case, state any reference number and the name of the responsible supervisory authority.
- 3. Where the applicant has an ultimate parent undertaking different to the undertaking named in paragraph 2 of this Article, the applicant shall:
  - (a) identify the name, LEI registered with the Global Legal Entity Identifier Foundation, and legal address of the ultimate parent undertaking;
  - (b) indicate whether the ultimate parent undertaking is authorised or registered and subject to supervision, and when this is the case, state any reference number and the name of the responsible supervisory authority.

#### *Article 8*

##### **Ownership chart**

- 1. An application for registration as a securitisation repository shall contain a chart showing the ownership links between the ultimate parent undertaking, parent undertaking, subsidiaries and any other associated entities or branches.
- 2. The undertakings shown in the chart referred to in paragraph 1 shall be identified by their full name, legal status, legal address and LEI registered with the Global Legal Entity Identifier Foundation.

#### *Article 9*

##### **Policies and procedures**

Policies and procedures that are provided as part of an application shall contain the following items:

- (a) an indication that the Board approves the policies, that the senior management approves the procedures and that the senior management is responsible for the implementation and maintenance of the policies and procedures;
- (b) a description of how the communication of policies and procedures within the applicant is organised, how compliance with the policies will be ensured and monitored on a day to day basis, and the person or persons responsible for compliance in that regard;
- (c) any records indicating that employed and dedicated staff are aware of the policies and procedures;
- (d) a description of the measures to adopt in the event of a breach of policies and procedures together with an indication of the procedure for reporting such breaches to ESMA;

- (e) a description of the procedure for reporting to ESMA any material breach of policies or procedures which may result in a breach of the initial conditions for registration;
- (f) a description of arrangements to promptly notify ESMA of any planned material changes to the applicant's information technology systems prior to their implementation.

#### *Article 10*

##### **Regulatory compliance**

An application for registration as a securitisation repository shall contain the following information regarding an applicant's policies and procedures for ensuring compliance with Regulation (EU) 2017/2402:

- (a) a description of the roles of the persons responsible for compliance and of any other staff involved in the compliance assessments, including how the independence of the compliance function from the rest of the business will be ensured;
- (b) the internal policies and procedures designed to ensure that the applicant, including its managers and employees, comply with all the provisions of Regulation (EU) 2017/2402, including a description of the role of the board and senior management;
- (c) where available, the most recent internal report prepared by the persons responsible for compliance or any other staff involved in compliance assessments within the applicant.

#### *Article 11*

##### **Staffing policies and procedures**

An application for registration as a securitisation repository shall contain the following policies and procedures:

- (a) a copy of the remuneration policy for the senior management, board members and the staff employed in risk and control functions of the applicant;
- (b) a description of the measures put in place by the applicant to mitigate the risk of over-reliance on any individual employee.

#### *Article 12*

##### **Fitness and properness**

An application for registration as a securitisation repository shall contain the following information about the applicant's staff involved in the provision of securitisation repository services:

- (a) a general list of the staff directly employed by the applicant, including their role and qualifications per role;
- (b) a specific description of the information technology staff directly employed to provide securitisation repository services, together with the role and the qualifications of each individual;
- (c) a description of the roles and qualifications of each individual who is responsible for internal audit, internal controls, compliance and risk assessment;
- (d) the identities of dedicated staff members and the identities of staff members that are operating under any outsourcing arrangement;
- (e) details of the training on the applicant's policies and procedures as well as on the securitisation repository business, including any examination or other type of formal assessment required for staff regarding the conduct of securitisation repository services.

The description referred to in point (b) shall include written evidence of the experience in information technology of at least one staff member responsible for information technology matters.

### *Article 13*

#### **Financial reports and business plans**

1. An application for registration as a securitisation repository shall contain the following financial and business information about the applicant:
  - (a) a complete set of financial statements, prepared in conformity with either:
    - i. international standards adopted in accordance with Article 3 of Regulation (EC) No 1606/2002<sup>23</sup>; or
    - ii. national accounting standards of the Member State in which the applicant is established, as required by Directive 2013/34/EU<sup>24</sup>;
  - (b) where the financial statements of the applicant are subject to statutory audit within the meaning given in Article 2(1) of Directive 2006/43/EC<sup>25</sup>, the financial reports shall include the audit report on the annual and consolidated financial statements;
  - (c) if the applicant is audited, the name and the national registration number of the external auditor.

---

<sup>23</sup> Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1).

<sup>24</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

<sup>25</sup> Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87).

2. An application for registration as a securitisation repository shall contain a financial business plan contemplating different business scenarios for the securitisation repository services over a minimum three years' reference period and including the following additional information:
  - (a) the expected revenue from providing core and ancillary services according to the following separation, where applicable:
    - i. core securitisation services;
    - ii. ancillary securitisation services;
    - iii. core functions of centrally collecting and maintaining records of derivatives under Regulation (EU) No 648/2012;
    - iv. ancillary services that are directly related to and arising from centrally collecting and maintaining records of derivatives under Regulation (EU) No 648/2012;
    - v. core functions of centrally collecting and maintaining records of securities financing transactions under Regulation (EU) No 2015/2365;
    - vi. ancillary services that are directly related to and arising from centrally collecting and maintaining records of securities financing transactions under Regulation (EU) No 2015/2365;
    - vii. combined ancillary services that are directly related to and arising from:
      - (1) both core securitisation services and centrally collecting and maintaining records of derivatives under Regulation (EU) No 648/2012;
      - (2) both core securitisation services and centrally collecting and maintaining records of securities financing transactions under Regulation (EU) No 2015/2365;
      - (3) both centrally collecting and maintaining records of derivatives under Regulation (EU) No 648/2012 and of securities financing transactions under Regulation (EU) No 2015/2365;
    - viii. any services provided under any other law.
  - (b) the expected number of securitisations making information available pursuant to the first subparagraph of Article 7(1) of Regulation (EU) 2017/2402, via the applicant;
  - (c) the relevant fixed and variable costs identified with respect to the provision of core securitisation services;
  - (d) positive and negative variations of at least 20 % from the base revenue scenario identified;
  - (e) positive and negative variations of at least 20 % from the base expected number of securitisations scenario identified.
3. Where the historical financial information referred to in paragraph 1 is not available, an application for registration as a securitisation repository shall contain the following information about the applicant:

- (a) the pro-forma statement demonstrating proper resources and expected business status in the following six months after registration is granted;
  - (b) an interim financial report where the financial statements are not yet available for the requested period of time;
  - (c) a statement of financial position, such as a balance sheet, income statement, changes in equity and of cash flows and notes comprising a summary of accounting policies and other explanatory notes.
4. An application for registration as a securitisation repository shall contain the audited annual financial statements of any parent undertaking for the three financial years preceding the date of the application, where available.
5. An application for registration as a securitisation repository shall also contain the following financial information about the applicant:
- (a) an indication of any future plans for the establishment of subsidiaries and their location;
  - (b) a description of the business activities which the applicant plans to carry out, specifying the activities of any subsidiaries or branches.

#### *Article 14*

##### **Information technology resources**

An application for registration as a securitisation repository shall contain:

- (a) a detailed description of the information technology system, in conjunction with the information provided in point 2(e) paragraph 2 of Article 2;
- (b) the relevant business requirements, functional and technical specifications, storage capacity, system scalability (both for performing its functions and handling increases in information to process and access requests), maximum limits on the size of data submissions made in accordance with Commission Delegated Regulation (EU) .../... [include full reference to the operational standards RTS], system architectural and technical design, data model and data flows, and operations and administrative procedures and manuals;
- (c) a detailed description of user facilities developed by the applicant in order to provide services to the relevant users;
- (d) the investment and renewal policies and procedures on information technology resources of the applicant, including the review and development cycle of the applicant's systems and versioning and testing policies;
- (e) the documentation of the applicant's implementation of the reporting templates, via an extensible markup language (XML) schema, set out in the Annexes of Commission Implementing Regulation (EU) .../... [include full reference to the disclosure ITS], the Annexes of Commission Implementing Regulation (EU) .../... [include full reference to the STS notification ITS] and of any additional XML messages, using the specifications made available by ESMA;



- (f) the policies and procedures for handling any changes to the reporting templates set out in the Annexes of Commission Implementing Regulation (EU) .../... [include full reference to the disclosure ITS].

#### *Article 15*

##### **Information collection and availability mechanisms**

1. An application for registration as a securitisation repository shall contain:
  - (a) a procedure and a description of the resources, methods and channels that the applicant will employ to facilitate the timely, structured and comprehensive collection of data from reporting entities;
  - (b) a description of the resources, methods and channels that the applicant will use to facilitate access to the information under Articles 7 and 17 of Regulation (EU) 2017/2402, including a copy of any user manual and internal procedures;
  - (c) a description of the procedures to calculate the data completeness scores in accordance with Commission Delegated Regulation (EU) .../... [include full reference to the operational standards RTS];
  - (d) with regard to subparagraphs (b) and (c), a description of the resources, methods and channels that the applicant will employ in order to facilitate access to the data contained therein to the entities listed in Article 17(1) of Regulation (EU) 2017/2402, in accordance with Commission Delegated Regulation (EU) .../... [include full reference to the operational standards RTS], along with a copy of any specific manuals and internal procedures.
2. The procedure and description provided in point (a) of paragraph 1 shall:
  - (a) distinguish between automated and manual resources, methods, and channels;
  - (b) where there are manual resources, methods and channels, indicate how those resources, methods and channels are scalable within the meaning of paragraph (b) of Article 14;
  - (c) where there are manual resources, methods, and channels, indicate the specific procedures put in place by the applicant for those resources, methods and channels to comply with Article 24.

#### *Article 16*

##### **Ancillary services**

Where an applicant, an undertaking within its group, or an undertaking with which the applicant has a material agreement relating to securitisation services offers, or plans to offer any non-securitisation services or ancillary securitisation services, its application shall contain:

- (a) a description of the non-securitisation services and ancillary securitisation services that the applicant, or the undertaking within its group, performs or plans to perform, and a

description of any agreement that the applicant may have with companies offering securitisation-related services, as well as copies of such agreements;

- (b) the procedures and policies that will ensure the necessary level of operational separation in terms of resources, systems, information and procedures, between the applicant's securitisation repository services under Regulation (EU) 2017/2402 and other business lines, including those business lines that comprise the provision of services under Union or third country legislation, irrespective of whether that separate business line is run by the applicant, a company belonging to its holding company, or any other company within which it has an agreement in the context of the securitisation business line.

#### *Article 17*

##### **Senior management and members of the board**

1. An application for registration as a securitisation repository shall contain detailed information on the knowledge and experience of the members of senior management and the board on securitisation matters and on information technology management, operations and development.
2. An application for registration as a securitisation repository shall contain the following information in respect of each member of senior management and each member of the board:
  - (a) a copy of the curriculum vitae, including the following information to the extent relevant to an assessment of the adequacy of experience and knowledge to adequately perform their responsibilities:
    - i. an overview of the member's post-secondary education;
    - ii. the member's complete employment history with dates, identification of positions held and a description of the functions occupied;
    - iii. any professional qualification held by the member, together with the date of acquisition and, if applicable, status of membership in the relevant professional body;
  - (b) details regarding any criminal convictions in connection with the provision of financial or data services or in relation to acts of fraud or embezzlement, in particular in the form of an official certificate if available within the relevant Member State;
  - (c) a signed declaration from each member of the senior management and the board that states whether or not they:
    - i. have been convicted of any criminal offence in connection with the provision of financial or data services or in relation to acts of fraud or embezzlement;
    - ii. have been subject to an adverse decision in any proceedings of a disciplinary nature brought by a regulatory authority or government bodies or agencies or are the subject of any such proceedings which are not concluded;

- iii. have been subject to an adverse judicial finding in civil proceedings before a court in connection with the provision of financial or data services, or for impropriety or fraud in the management of a business;
  - iv. have been part of the board or senior management of an undertaking whose registration or authorisation was withdrawn by a regulatory body;
  - v. have been refused the right to carry on activities which require registration or authorisation by a regulatory body;
  - vi. have been part of the board or senior management of an undertaking which has gone into insolvency or liquidation while this person was connected to the undertaking or within a year of the person ceasing to be connected to the undertaking;
  - vii. have been part of the board or senior management of an undertaking which was subject to an adverse decision or penalty by a regulatory body;
  - viii. have been disqualified from acting as a director, disqualified from acting in any managerial capacity, dismissed from employment or other appointment in an undertaking as a consequence of misconduct or malpractice;
  - ix. have been otherwise fined, suspended, disqualified, or been subject to any other sanction in relation to fraud, embezzlement or in connection with the provision of financial or data services, by a government, regulatory or professional body;
- (d) a declaration of any potential conflicts of interests that the senior management and the members of the board may have in performing their duties and how these conflicts are managed.

## *Article 18*

### **Access conditions**

An application for registration as a securitisation repository shall contain:

- (a) the policies and procedures pursuant to which different types of users report and access the information collected, produced and maintained by the applicant, including any process for relevant users to access, view, consult or modify the information maintained by the applicant (including historical information), as well as the procedures used to authenticate the identity of users accessing the applicant;
- (b) a copy of the terms and conditions which determine the rights and obligations of the different types of users in relation to information maintained by the applicant;
- (c) a description of the different categories of access available to users;
- (d) the access policies and procedures pursuant to which users shall have non-discriminatory access to information maintained by the applicant, including:
  - i. any access restrictions;
  - ii. variations in access conditions or restrictions across reporting entities and across different types of entities listed in Article 17(1) of Regulation (EU) 2017/2402;

- iii. how the access policies and procedures under this paragraph restrict access to the least possible extent and establish fair processes for instances where access is restricted or denied;
- (e) the access policies and procedures pursuant to which other service providers may have non-discriminatory access to information maintained by the applicant where the relevant reporting entities have provided their written, voluntary and revocable consent, including:
  - i. any access restrictions;
  - ii. variations in access conditions or restrictions;
  - iii. how the access policies and procedures under this paragraph restrict access to the least possible extent and establish fair processes for instances where access is restricted or denied;
- (f) a description of the channels and mechanisms used by the applicant to publicly disclose to users information on accessing the applicant and to publicly disclose to reporting entities information on making information available via the applicant contained in points (a) to (e) of this Article.

The information referred to in points (a) to (d) shall be specified for each of the following categories of users:

- i. internal users;
- ii. originators, sponsors and SSPEs;
- iii. entities listed in Article 17(1) of Regulation (EU) 2017/2402;
- iv. other service providers;
- v. other categories of users. The information in this category shall be presented separately for each sub-category identified in the classification system of the applicant.

## *Article 19*

### **Pricing policy transparency**

An application for registration as a securitisation repository shall contain a description of the applicant's:

- (a) pricing policy, including any existing discounts and rebates and conditions to benefit from such reductions;
- (b) fee structure for providing any core securitisation services and ancillary securitisation services including the estimated cost of these respective services, along with the details of the methods used to account for the separate cost that the applicant may incur when providing core securitisation services and ancillary securitisation services;
- (c) methods used to make the information publicly-available, including a copy of the fee structure separated according to core securitisation services and, where these are provided, ancillary securitisation services.

For the purposes of point (b), the fee structure shall also include the fees charged by the applicant for transferring information to another securitisation repository or the fees charged for receiving information transferred from another securitisation repository.

## *Article 20*

### **Operational risk**

1. An application for registration as a securitisation repository shall contain:
  - (a) a detailed description of the resources available and procedures designed to identify and mitigate operational risk and any other material risk to which the applicant is exposed, including a copy of any relevant policies, methodologies, internal procedures and manuals;
  - (b) a description of the liquid net assets funded by equity to cover potential general business losses in order to continue providing services as a going concern;
  - (c) an assessment of the sufficiency of the applicant's financial resources with the aim of covering the operational costs of a wind-down or reorganisation of the critical operations and services over at least a nine-months period;
  - (d) the applicant's business continuity plan and an indication of the policy for updating the plan, including:
    - i. all business processes, resources, escalation procedures and related systems which are critical to ensuring the core securitisation services of the applicant, including any relevant outsourced service and including the applicant's strategy, policy and objectives towards the continuity of these processes;
    - ii. the arrangements in place with other financial market infrastructure providers including other securitisation repositories;
    - iii. the arrangements to ensure a minimum service level of the critical functions and the expected timing of the completion of the full recovery of those processes;
    - iv. the maximum acceptable recovery time for business processes and systems, having in mind the deadline for reporting to securitisation repositories as provided for in Article 7(1) of Regulation (EU) 2017/2402 and the volume of information that the applicant needs to process within the quarterly period;
    - v. the procedures to deal with incident logging and reviews;
    - vi. periodic testing programme and the results and follow-up actions resulting from any tests. Such tests shall cover an adequate range of possible scenarios, in the short and medium term, including but not limited to system failures, natural disasters, communication disruptions, loss of key staff and inability to use the premises regularly used. The tests shall also identify how hardware, software and communications respond to potential threats, and shall identify those systems that have been proven unable to cope with the specific scenarios being tested;

- vii. the number of alternative technical and operational sites available, their location, the resources when compared with the main site and the business continuity procedures in place in the event that alternate sites need to be used;
  - viii. information on access to a secondary business site to allow staff to ensure continuity of the service if a main office location is not available;
  - ix. plans, procedures and arrangements for emergencies handling and personnel safety;
  - x. plans, procedures and arrangements to manage crises, to coordinate the overall business continuity efforts and to determine their timely (within the prescribed recovery time objective) and effective activation, mobilisation and escalation capabilities;
  - xi. plans, procedures and arrangements to recover the applicant's system, application and infrastructure components within the prescribed recovery time objective;
  - xii. details on staff training on the operation of the business continuity arrangements, individuals' roles including specific security operations personnel ready to react immediately to a disruption of services;
- (e) a description of the arrangements for ensuring the applicant's core securitisation services in case of disruption and the involvement of its users and other third parties in those arrangements;
- (f) a description of the applicant's arrangements for publishing on its website and promptly informing ESMA as well as the applicant's users, of any service interruptions or connection disruptions as well as the time estimated to resume a regular service;
- (g) a description of the applicant's arrangements permitting its staff to continuously monitor in real-time the performance of its information technology systems.
2. An application for registration as a securitisation repository shall include policies and procedures to ensure the orderly transfer of information to other securitisation repositories and the redirection of reporting flows to other securitisation repositories.

## *Article 21*

### **Outsourcing**

1. Where an applicant arranges for activities to be performed on its behalf by third parties, including undertakings with which it has close links, it shall ensure that the third-party service provider has the ability and the capacity to perform those activities reliably and professionally.
2. The applicant shall specify which of the activities are to be outsourced, including:
  - (a) the scope of those services, the granularity of the activities as well as conditions under which those activities are rendered, and their timelines;
  - (b) service level agreements with clear roles and responsibilities, metrics and targets for every key requirement of the applicant that is outsourced, the methods employed to

- monitor the service level of the outsourced functions, and the measures or actions to be taken in the event of not meeting service level targets;
- (c) a copy of the contracts governing such arrangements, including the identification of the third party service provider;
  - (d) external reports on the outsourced activities, where available;
  - (e) the organisational measures and policies with respect to outsourcing and the risks posed by it as specified in paragraph 4.
3. The application for registration shall demonstrate that the outsourcing does not reduce the applicant's ability to perform senior management or management body functions.
4. The application for registration shall demonstrate how the applicant remains responsible for any outsourced activity and the applicant's organisational measures to ensure:
- (a) that it assesses whether the third party service provider is carrying out outsourced activities effectively and in compliance with applicable laws and regulatory requirements and adequately addresses identified failures;
  - (b) the identification of risks in relation to outsourced activities and adequate periodic monitoring;
  - (c) adequate control procedures with respect to outsourced activities, including effectively supervising the activities and their risks within the applicant;
  - (d) adequate business continuity of outsourced activities.
- For the purposes of point (d), the applicant shall provide information on the business continuity arrangements of the third party service provider, including the applicant's assessment of its quality and, where needed, improvements that have been requested.
5. Where the third-party service provider is supervised by a regulatory authority, an applicant shall provide information demonstrating that the third-party service provider cooperates with that authority in connection with outsourced activities.

## *Article 22*

### **Security**

1. An application for registration shall demonstrate the applicant's procedures and arrangements for physical and electronic security designed to:
- (a) protect its information technology systems from misuse or unauthorised access;
  - (b) minimise the risks of attacks against the information systems as defined in Article 2(a) of Directive 2013/40/EU<sup>26</sup>;

---

<sup>26</sup> Directive 2013/40/EU of the European Parliament and of the Council of 12 August 2013 on attacks against information systems and replacing Council Framework Decision 2005/222/JHA (OJ L 218, 14.8.2013, p. 8).



- (c) prevent unauthorised disclosure of confidential information;
  - (d) ensure the security and integrity of the information.
2. The application shall demonstrate the applicant's arrangements to promptly identify and manage the risks identified in paragraph 1.
  3. In respect of breaches in the physical and electronic security measures referred to in paragraphs 1 and 2, the application shall demonstrate the applicant's arrangements to promptly notify:
    - (a) ESMA and provide an incident report, indicating the nature and details of the incident, the measures adopted to cope with the incident and the initiatives taken to prevent similar incidents;
    - (b) its users that have been affected by the security breach.

### *Article 23*

#### **Verification procedures**

1. An application for registration as a securitisation repository shall contain the policies and procedures put in place by the applicant in order to:
  - (a) authenticate the identity of the user accessing the applicant;
  - (b) authorise and permit the recording of information reported for the relevant securitisation;
  - (c) verify the completeness and consistency of the XML schema definitions of the data reported to it, in accordance with the Annexes of the Commission Implementing Regulation (EU) .../... [include full reference to the disclosure ITS] and the Commission Implementing Regulation (EU) .../... [include full reference to the STS notification ITS], including the individual checks used by the applicant to achieve these aims as well as procedures for interacting with reporting entities following the checks;
  - (d) verify the completeness and consistency of the information made available to it, in accordance with Article 4 of Commission Delegated Regulation (EU) .../... [include full reference to the operational standards RTS];
  - (e) verify and highlight duplicate submissions;
  - (f) identify unreported information on which there is an obligation to report under Articles 7 and 17 of Regulation (EU) 2017/2402;
  - (g) produce the following items, in accordance with Commission Delegated Regulation (EU) .../... [include full reference to the operational standards RTS]:
    - i. end-of-day reports;
    - ii. data completeness scores;
  - (h) provide feedback to the securitisation reporting entities on the verifications performed.
2. The application shall contain documentation providing several detailed example test cases, including graphics, that demonstrate the applicant's ability to adequately perform each of

the procedures set out in paragraph 1. With regard to point (d) of paragraph 1, several detailed example test cases shall be provided for each of the verifications listed in Article 4 of Commission Delegated Regulation (EU) .../... [include full reference to the operational standards RTS].

#### *Article 24*

##### **Quality of information produced**

With respect to information produced by the applicant pursuant to Commission Delegated Regulation (EU) .../... [include full reference to the operational standards RTS] , an application for registration as a securitisation repository shall contain the procedures put in place by the applicant to ensure that it accurately publishes the information received from reporting entities, without itself introducing any errors or omitting information.

#### *Article 25*

##### **Confidentiality**

1. An application for registration as a securitisation repository shall contain the internal policies, procedures and mechanisms preventing any use of information maintained in the applicant:
  - (a) for illegitimate purposes;
  - (b) for disclosure of confidential information;
  - (c) not permitted for commercial use.
2. The internal policies, procedures and mechanisms shall include the internal procedures on staff permissions for using passwords to access the information, specifying the staff purpose and the scope of information being viewed and any restrictions on the use of information.
3. The applicant shall provide ESMA with information on the processes to keep a log identifying each staff member accessing the information, the time of access, the nature of the information accessed and the purpose.

#### *Article 26*

##### **Recordkeeping policy**

1. An application for registration as a securitisation repository shall contain information:
  - (a) on the recordkeeping systems, policies and procedures that are used in order to ensure that information reported is stored in line with Article 80(3) of Regulation (EU) No 648/2012;

- (b) on the recordkeeping systems, policies and procedures that are used in order to ensure that that information reported is modified appropriately and in accordance with relevant legislative or regulatory requirements;
  - (c) about the receipt and administration of information, including any policies and procedures put in place by the applicant to ensure:
    - i. a timely and accurate registration of the information reported;
    - ii. the record-keeping of all reported information relating to the receipt, modification or termination of a securitisation in a reporting log;
    - iii. that the information is maintained both online and offline;
    - iv. that the information is adequately copied for business continuity purposes.
2. The application for registration shall include the applicant's policies and procedures to promptly record and maintain it for at least 10 years following the termination of the securitisation:
- (a) the information received by the applicant under Regulation (EU) 2017/2402;
  - (b) the verifications, validations and information produced by the applicant under Commission Delegated Regulation (EU) .../... [include full reference to the operational standards RTS].

#### *Article 27*

#### **Payment of fees**

An application for registration as a securitisation repository shall contain proof of payment of the relevant registration fees as established in [insert reference to Commission Delegated Regulation to be adopted based on ESMA's technical advice under Article 14 of Regulation (EU) 2017/2402].

#### *Article 28*

#### **Verification of the accuracy and completeness of the application**

1. Any information submitted to ESMA during the registration process shall be accompanied by a letter signed by a member of the board of the applicant and of the senior management, attesting that the submitted information is accurate and complete to the best of their knowledge, as of the date of that submission.
2. The information shall also be accompanied, where relevant, with the relevant corporate legal documentation certifying the accuracy of the application information.

## Article 29

### **Information requirements for a registered trade repository seeking to provide securitisation repository services**

1. Notwithstanding paragraphs (3) and (4) of Article 2, an application for an extension of registration for the purposes of Article 10(5)(b) of Regulation (EU) 2017/2402 in the case of a trade repository already registered under Chapter 1 of Title VI of Regulation (EU) No 648/2012 or under Chapter III of Regulation (EU) 2015/2365 shall include information with regard to the following provisions of this Regulation:
  - (a) Article 2, except point (d) of paragraph (2);
  - (b) Article 3;
  - (c) Article 5, except point (d) of paragraph (2);
  - (d) Article 6;
  - (e) Article 9;
  - (f) Article 10(b);
  - (g) Article 12;
  - (h) Article 13(2);
  - (i) Article 14 to 16;
  - (j) Article 17(1) and
  - (k) Article 17(2)(d);
  - (l) Article 18 to 24;
  - (m) Article 25(2);
  - (n) Article 26 to 28.
2. Information that is required to be provided according to this Regulation and is not mentioned in paragraph 1 shall be provided if there is a difference between the specific element at the time of the application for extension of registration and the version of that same element provided to ESMA most recently prior to the time of application for extension of registration.

## Article 30

### **Entry into force**

This Regulation shall enter into force on the twentieth day following that of 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

## **5.6 Annex VI: Draft ITS on the format of information to be provided in the application for the registration of a securitisation repository**

Draft

COMMISSION IMPLEMENTING REGULATION (EU) .../..

laying down implementing technical standards with regard to the format of applications for registration of securitisation repositories according to Regulation (EU) 2017/2402

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012<sup>27</sup>, and in particular Article 10(8) thereof,

Whereas:

- (1) Any information submitted to the European Securities and Markets Authority (ESMA) in an application for registration of a securitisation repository should be provided in a durable medium, which enables its storage for future use and reproduction.
- (2) To facilitate the identification of the information submitted by a securitisation repository, documents included with an application should bear a unique reference number.
- (3) This Regulation is based on the draft implementing technical standards submitted by ESMA to the European Commission in accordance with Article 10 of Regulation (EU) No 1095/2010<sup>28</sup>.
- (4) ESMA has conducted an open public consultation on the draft implementing 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,

---

<sup>27</sup> OJ L 347, 28.12.2017, p. 35.

<sup>28</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

HAS ADOPTED THIS REGULATION:

#### *Article 1*

##### **Format of the application**

1. An application for registration shall be provided in an instrument which stores information in a durable medium as defined in Article 2(1)(m) of Directive 2009/65/EC<sup>29</sup>.
2. An application for registration shall be submitted using the formats set out in Annex 1.
3. A trade repository already registered under Chapter 1 of Title VI of Regulation (EU) No 648/2012 or under Chapter III of Regulation (EU) 2015/2365 shall submit an application for an extension of registration using the formats set out in Annex 2.
4. An applicant shall give a unique reference number to each document it submits and shall ensure that the information submitted clearly identifies which specific requirement of Commission Delegated Regulation (EU) .../... [include full reference to the application requirements RTS] it refers to, in which document that information is provided and includes a reason if the information is not submitted in the document references section in Table 2 of Annex 1 or Annex 2.

#### *Article 2*

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

This Regulation shall enter into force on the twentieth day following that of 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

---

<sup>29</sup> Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32).



## ANNEX 1

### Formats for an application for registration

Table 1

GENERAL INFORMATION	
Date of application	
Corporate name of securitisation repository	
Place of incorporation and scope of business activity	
Legal entity identifier (LEI) registered with the Global Legal Entity Identifier Foundation	
Legal address of the securitisation repository	
Legal address of any subsidiaries of the securitisation repository	
Legal address of any branches of the securitisation repository	
Uniform resource locator (URL) of the securitisation repository's website	
The securitisation types, risk transfer methods and underlying exposure types for which the applicant repository is applying to be registered	
If the applicant is authorised or registered by a competent authority in the Member State where it is established, the name of the authority and any reference number related to the authorisation or registration	
Name of the person(s) responsible for the application	
Contact details of the person(s) responsible for the application	
Name of person(s) responsible for the securitisation repository compliance (or any other staff involved in compliance assessments for the securitisation repository)	
Contact details of the person(s) responsible for the securitisation repository compliance (or any other staff involved in compliance assessments for the securitisation repository)	
Name of any parent undertaking	
LEI registered with the Global Legal Entity Identifier Foundation of any parent undertaking	
Legal address of any parent undertaking	
Name of the responsible supervisory authority for any parent undertaking	
Reference number of the responsible supervisory authority for any parent undertaking	
Name of any ultimate parent undertaking	
LEI registered with the Global Legal Entity Identifier Foundation of any ultimate parent undertaking	
Legal address of any ultimate parent undertaking	
Name of the responsible supervisory authority for any ultimate parent undertaking	
Reference number of the responsible supervisory authority for any ultimate parent undertaking	

Table 2

DOCUMENT REFERENCES			
Article of Commission Delegated Regulation (EU) .../... [include full reference to the application requirements RTS]	Unique reference number of document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided

## ANNEX 2

### Formats for an application of a trade repository for extension of registration

Table 1

GENERAL INFORMATION	
Date of application	
Date of registration of the applicant as a trade repository	
Corporate name of securitisation repository	
Legal entity identifier (LEI) registered with the Global Legal Entity Identifier Foundation	
Legal address of the securitisation repository	
Legal address of any subsidiaries of the securitisation repository	
Legal address of any branches of the securitisation repository	
Uniform resource locator (URL) of the securitisation repository's website	
Legal Entity Identifier (LEI) registered with the Global Legal Entity Identifier Foundation	
The securitisation types, risk transfer methods and underlying exposure types for which the applicant repository is applying to be registered	
If the applicant is authorised or registered by a competent authority in the Member State where it is established, the name of the authority and any reference number related to the authorisation or registration	
Name of the person(s) responsible for the application	
Contact details of the person(s) responsible for the application	
Name of person(s) responsible for the securitisation repository compliance (or any other staff involved in compliance assessments for the securitisation repository)	
Contact details of the person(s) responsible for the securitisation repository compliance (or any other staff involved in compliance assessments for the securitisation repository)	

Table 2

DOCUMENT REFERENCES			
Article of Commission Delegated Regulation (EU) .../... [include full reference to the application requirements RTS]	Unique reference number of document	Title of the document	Chapter or section or page of the document where the information is provided or reason why the information is not provided