

COMMISSION ADOPTS SECURITISATION TRANSPARENCY RTS

Since 1 January 2019, the EU Securitisation Regulation has applied, but without technical standards specifying the content of many of the transparency rules it imposes. On 16 October, the European Commission published technical standards to fill this gap, starting the final countdown to the day market participants will be obliged to comply with extremely prescriptive – and potentially quite challenging – disclosure requirements on EU securitisation transactions.

NO MAJOR SURPRISES...

The commission's final [Regulatory Technical Standards](#) (the "RTS") look quite different to the revised draft published by ESMA on 31 January of this year, but the vast majority of the changes to the legal text (excluding the reporting templates themselves) are cosmetic, with the Commission making changes to phrasing rather than substance.

Unfortunately, this means that the Commission did not take advantage of the opportunity to clarify a number of issues that industry has raised since the publication of the 31 January draft. These include any clarification of issues surrounding jurisdictional scope, the timing of inside information/significant event reporting, the precise circumstances in which it will be appropriate to use an ND5 response (meaning "not applicable"), the ability to report more frequently than required (e.g. monthly reporting on a non-ABCP securitisation, where quarterly reporting is all that is required) or the reporting regime applicable to co-funding structures where a transaction is funded from both ABCP and non-ABCP sources. Some of these issues are already addressed in ESMA's [Q&A document](#) on the Securitisation Regulation, but the industry might have appreciated the additional comfort that comes from a legally binding technical standard.

Clifford Chance are still in the process of comparing the final versions of the [reporting templates](#) themselves, but an initial review did not reveal significant differences in those either.

...AND NO TRANSITIONAL RELIEF

As widely trailed beforehand, the RTS includes no transitional relief. The RTS are due to apply on the twentieth day following their publication in the Official Journal of the European Union. Given the three-month "non-objection period" for the Parliament and the Council have just started, that means the earliest

Key issues

- The European Commission published final transparency rules under the Securitisation Regulation on 16 October 2019
- These are very similar in substance to the draft previously published by ESMA
- The European Parliament and the Council have three months in which they can object to the Commission's RTS
- The RTS will apply 20 days after they are published in the Official Journal – meaning a likely application date in late February or early March 2020
- Market participants should ramp up preparations now, because the new rules will apply to reports published from the application date, regardless of the cut-off date for data

the RTS could begin to apply would be the beginning of February 2020. Realistically, though, late February or early March 2020 is more likely. Nonetheless, market participants would be wise to begin ramping up their preparations for the new regime now. It would appear that the new regime will apply in full to reports issued on or after the application date of the regime, regardless of the cut-off date for the data, meaning the changes to data reporting may need to be in place by late December 2019 or early January 2020 in order to produce appropriate reports.

AUTHORS



Andrew E. Bryan
Knowledge Director

T +44 207006 2829
E Andrew.Bryan
@cliffordchance.com



Maggie Zhao
Partner

T +44 207006 2939
E maggie.zhao
@cliffordchance.com

CONTACTS



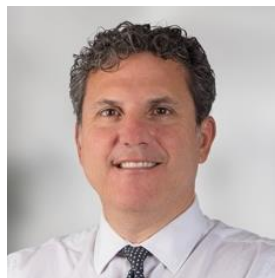
Timothy Cleary
Partner

T +44 207006 144
E timothy.cleary
@cliffordchance.com



José Manuel Cuenca
Partner

T +34 91 590 7535
E josemanuel.cuenca
@cliffordchance.com



Stephen Curtis
Partner

T +44 207006 2281
E steve.curtis
@cliffordchance.com

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www.cliffordchance.com

Clifford Chance, 10 Upper Bank Street,
London, E14 5JJ

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London, E14 5JJ

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Lounia Czupper
Partner

T +32 2 533 5987
E lounia.czupper
@cliffordchance.com



Andrew Forryan
Partner

T +44 207006 1419
E andrew.forryan
@cliffordchance.com



Kevin Ingram
Partner

T +44 207006 2416
E kevin.ingram
@cliffordchance.com



Dr. Oliver Kronat
Partner

T +49 69 7199 4575
E oliver.kronat
@cliffordchance.com



Jonathan Lewis
Partner

T +33 1 4405 5281
E jonathan.lewis
@cliffordchance.com



Jessica Littlewood
Partner

T jessica.littlewood
E christopher.walsh
@cliffordchance.com



Emma Matebalavu
Head of London
Finance

T +44 207006 4828
E emma.matebalavu
@cliffordchance.com



Marc Mehlen
Partner

T 352485050305
E marc.mehlen
@cliffordchance.com



Simeon Radcliff
Partner

T +44 207006 2786
E simeon.radcliff
@cliffordchance.com



Tanja Svetina
Partner

T +39 02 8063 4375
E tanja.svetina
@cliffordchance.com



Pieter van Welzen
Partner

T +31 20 711 9154
E pieter.vanwelzen
@cliffordchance.com



Christopher Walsh
Partner

T +44 207006 281
E christopher.walsh
@cliffordchance.com