



This document provides a comment of the Dutch Securitisation Association on the Second Consultation Paper Draft Regulatory Technical Standards on risk-mitigation techniques for OTC derivative contracts not cleared by a CCP under Article 11(15) of Regulation (EU) No 648/2012

DSA Background

The Dutch Securitisation Association (DSA) was established in 2012 as representative body of the Dutch securitisation industry. Our membership includes issuers of securitisations both from the insurance and banking industry, and we are operating in close cooperation with the Dutch investor community.

Our purpose is to create a healthy and well-functioning Dutch securitisation market. We try to achieve this i.a. by providing a standard for documentation and reporting of Dutch RMBS transactions, promoting (in close cooperation with PCS) further standardisation and improvements in transparency, and active involvement in consultations about future regulation of the securitisation market.

Against this background, we would like to comment on your Consultation.

Comment Dutch Securitisation Association (DSA)

Although we appreciate that the comment we want to raise is not directly related to the questions raised by you, we still feel, in the light of developments between the two consultations, that our comment should be stipulated also at this occasion.

Our comment refers, not surprisingly given the background of our organisation, to the *Article 8 GEN – Treatment of derivatives associated to covered bonds for hedging purposes* and more specifically the still missing comparable article on the treatment of securitisations.

On February 8, 2015, the European Commission issued the Consultation Document “An EU framework for simple, transparent and standardised securitisation”.

This EC effort to restart securitisation markets on a more sustainable basis is supported by many parties active in the financial markets.

In their CD, the EC also raises the question (Question 8B) “Should the swaps collateralisation requirements be adjusted for securitisation vehicles issuing qualifying securitisation instruments”.

We had hoped to find a first suggestion for a positive answer on the question in your Second Consultation. We do however appreciate that also other questions have to be consulted on and we are still confident that in the final draft RTS an exemption for securitisation, similar to that for Covered Bonds, will be provided.

This also in line with the desire of many parties, regulators included, to create a more level playing field between securitisation and other funding methods.

The arguments for including an exemption have been well described in reaction on your earlier Consultation, i.a. by AFME.

To summarise the arguments: securitisation issuers do not have access to eligible collateral to post margin, securitisation swaps already contain features that mitigate counterparty risk (senior position in the waterfall, rating agency requirements for hedge counterparties) and consequently securitisation swaps are very similar to Covered Bond swaps.