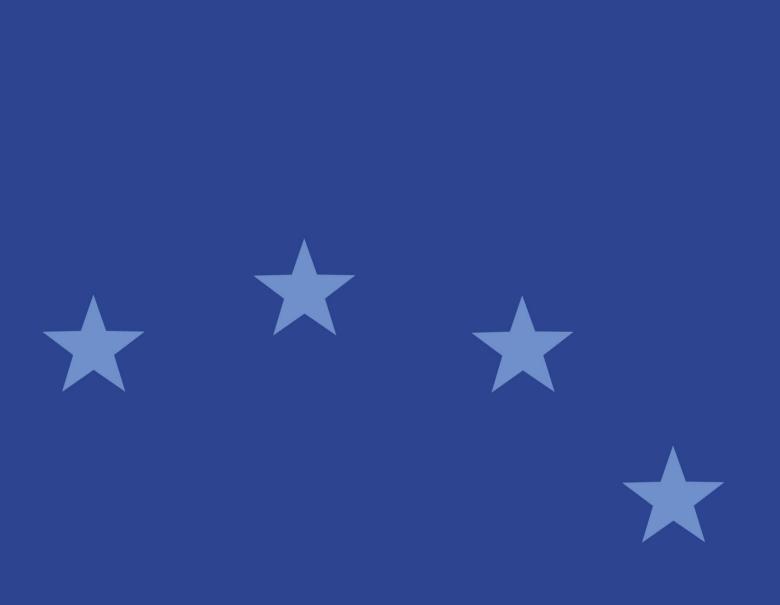# Consultation Paper

On CRA3 implementation

Responding to this paper

ESMA invites comments on all matters in this paper. Comments are most helpful if they:

- contain a clear rationale;

- include quantitative elements to support any concern; and

- describe any alternatives ESMA should consider, including alternative drafts.

ESMA will consider all comments received **by 11 April 2014**.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Consultations'.

Publication of responses

All contributions received will be published following the close of the consultation period, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publically disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading 'Disclaimer'.

Who should read this paper

Users and producers of credit ratings and anybody who is involved in the issuance of structured finance instruments (issuers, originators and sponsors) or interested in the up-to-date individual rating data or in competition in the credit market should read this paper. This includes institutional and retail investors, investment firms, asset management firms, issuers of any kind of debt, central banks, supervisory bodies but also academics and any stakeholder engaged in SFI activities.

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Acronyms used

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

	ty for the purpose of facilitating clearing and settlement of trades
DP	Discussion paper
EBA	European Banking Authority
ECAI	External Credit Assessment Institutions
ECB	European Central Bank
EIOPA	European Insurance and Occupational Pensions Authority
EMIR	Regulation (EU) No 648/2012 of the European Parliament and the Council of 4 July 2012 on OTC derivatives, central counterparts and trade repositories
ERP	European Rating Platform
ESMA	European Securities and Markets Authority
ESMA Regulation	Regulation (EU) No 1095/2010 of the European Parliament and Council of 24 November 2010 establishing a European Securities and Markets Authorities, amending Decision No 719/2009/EC and repealing Commission Decision 2009/77/EC
EU	European Union
ISIN	International Securities Identification Number: A 12-character alpha-numerical code that uniquely identifies a security. It is defined by ISO code 6166.
ISO	International Organization for Standardization
IT	Information Technology
ITS	Implementing Technical Standards
LEI	Global Legal Entity Identifier
LOU	Pre-Local Operating Unit
MAD	Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2008 of insider dealing and market manipulation (market abuse)
MiFID	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on market in financial instruments
NCAs	National Competent Authorities
OTC	Over-the-counter

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

I. Executive Summary

Reasons for publication

1. This consultation paper seeks stakeholders' views on the draft RTS ESMA is required to adopt under the CRA3 Regulation. The input from stakeholders will help ESMA in drafting the final report. Respondents to this consultation are encouraged to provide the relevant data to support their arguments or proposals.

Content

2. Section II of this consultation paper contains the feedback statement to the discussion paper published by ESMA on 10 July 2013 (ESMA/2013/891).

Annex I submits for public consultation a first version of the draft RTS on SFI.

3. The CRA Regulation states that the ability of investors to make an informed assessment of the creditworthiness of SFI would be improved if investors were provided with sufficient information on those instruments.

4. The CRA Regulation (Article 8b (1)) provides that the information on the assets backing the SFI must cover their credit quality and performance, the structure of the transaction, the cash flows and any collateral supporting a securitisation exposure as well any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures. Article 8b also specifies that the information requested must be made available on a public website established by ESMA.

5. This consultation paper has been drafted on the basis of Article 8b (3) that requires ESMA to develop draft RTS specifying: (i) the information that the issuer, originator and sponsor of an SFI must publish; (ii) the frequency with which this information is to be updated; (iii) the presentation of the information by means of a standardised disclosure template.

6. The draft RTS presented in this consultation paper applies to all SFI that fall under the definition of Article 3 of the CRA Regulation: a financial instrument or other assets resulting from a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranched, having both of the following characteristics: (a) payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; and (b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme.

7. Moreover, the draft RTS is characterised by the following features:

   - the disclosure obligations apply to all SFI on condition that one of the three entities mentioned in Article 8b, i.e. the issuer, originator or sponsor, is established in the Union:

   - the issuer, originator, and sponsor are jointly responsible for complying with the requirements of the RTS;

   - the issuer, originator, and sponsor shall designate the entity that shall materially provide the information to ESMA;

- the RTS incorporates, where possible, existing disclosure and reporting requirements to avoid duplication and overlap;

- depending on the type of information to be reported, the draft RTS provides for different frequencies of reporting;

- the disclosure obligations also provide for standardised investor reporting, cash flow models and disclosure of transaction documents.

Annex II submits for public consultation a first version of the draft regulatory technical standards on the European Rating Platform.

8. Article 21(4a)(a) of the CRA Regulation requires ESMA to submit to the European Commission for adoption by 21 June 2014 draft regulatory technical standards concerning the content and the presentation of the information, including structure, format, method and timing of reporting that credit rating agencies are to disclose to ESMA in accordance with Article 11a(1).

9. This draft RTS also include a reformulation of the SOCRAT and CEREP RTS in order to allow ESMA to integrate them within the ERP database. This will allow more efficient data processing for ESMA and a simplification of the data reporting for registered and certified CRAs.

10. The CEREP database already provides historical and periodic ratings and performance statistics. As provided in the CRA3 Regulation, the ERP will be established and run by ESMA as a public platform. The ERP will display, among other things, timely information on all rating actions that are not exclusively produced for and disclosed to investors for a fee including: rating and outlook of the rated instrument or entity; press releases accompanying rating actions; reports accompanying sovereign rating actions; type of rating action; date and hour of publication; information on rated entities or instruments. As regards the frequency of the reporting, the ratings issued between 19:00:00 UTC the previous day and 18:59:59 UTC current day should be reported until 20:59:59 UTC the current day, so as to allow for one daily update of the ERP outside EU business hours.

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

Annex III submits for public consultation a first version of the draft regulatory technical standards on fees charged by CRAs to their clients.

12. The CRA3 Regulation has as one of its aims mitigating conflicts of interest and facilitating fair competition in the credit rating market by ensuring that fees charged by credit rating agencies to clients are not discriminatory and are based on actual cost. Moreover, fees charged for credit rating services to a given issuer should not depend on the results or outcome of the work performed.

13. This consultation paper has been drafted on the basis of article 21(4a)(b) of the CRA Regulation that requires ESMA to develop draft RTS to specify the information content and format that credit rating agencies have to provide on fees charged by credit rating agencies for the on-going supervision by ESMA.

14. This consultation paper also follows Article 11(3) and point 2 of Part II of Section E of Annex I of the CRA Regulation which require credit rating agencies to annually disclose to ESMA the list of fees charged to each client for individual credit ratings and any ancillary services, as well as its pricing poli-

cy, including the fee structure and pricing criteria in relation to credit ratings for different asset classes.

15. The information required in this draft RTS is aligned with the information requested in the draft RTS concerning the European Rating Platform in order to reduce the amount of individual information requested from credit rating agencies.

16. The information collected will offer a screening tool to allow ESMA to undertake effective oversight of fees charged by credit rating agencies and detect any fees charged which would require more in-depth investigation or supervisory action. This should improve the efficiency, effectiveness and timeliness of the intervention from ESMA, enhancing the quality of its supervision.

Annex IV provides the draft impact assessment.

Next steps

17. On the basis of the responses to this consultation paper, ESMA will update the draft technical standards and the impact assessment and submit the final report to the European Commission for endorsement. The final report will also be published on the ESMA website.

II. Feedback Statement

18. ESMA received 26 responses to the DP on CRA3 Implementation (ESMA/2013/891).[1] Out of the 26 respondents, 15 respondents provided answers to the first part of the discussion paper concerning the draft RTS on SFI, 21 provided answers to the second part referring to the draft RTS on the European Rating Platform, and 15 respondents provided answers to the third part concerning the draft RTS on fees charged by CRAs to their clients.

19. Responses were mainly received from credit rating agencies, financial institutions and associations representing the financial sector. The full text of the non-confidential responses received is available on the ESMA website.[2]

Draft RTS on structured-finance instruments

General comments about the draft RTS on Structured Finance Instruments

20. Article 8b of the CRA Regulation stipulates that the issuer, sponsor and originator of a structured finance instrument established in the Union shall jointly publish information on the credit quality and performance of the underlying assets of the SFI, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure as well as any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures.

21. Many respondents supported policies aimed at increasing transparency on the assets backing SFI to allow market participants to perform their own risk assessment and reduce overreliance on credit ratings. However, a majority of the respondents indicated that it could be worthwhile to limit the scope of application of Article 8b of the CRA Regulation to SFI (a) with a credit rating and (b) that have been offered to the public or admitted to trading on a regulated market, i.e. those SFI covered by the PD and the TD, thereby exempting private unlisted transactions from the disclosure requirements.

22. To avoid negative effects on the market, many respondents considered that the disclosure regime for SFI must aim mainly at ensuring consistency and generating synergies and avoiding potential overlaps with other existing disclosure requirements in Europe. For instance, Article 409 of CRR includes, among others, disclosure requirements for securitisation transactions. Other examples are the requirements issued by the ECB and the BoE for asset-backed securities accepted as collateral in central bank credit operations.

Categorisation of the SFI asset classes and scope of application of Article 8b

Q1: Which categorisation of SFI asset classes should ESMA apply while developing the disclosure requirements?

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[1] http://www.esma.europa.eu/system/files/2013-891_discussion_paper_on_cra3_implementation.pdf
[2] http://www.esma.europa.eu/consultation/Discussion-Paper-CRA3-Implementation#responses

Q2: [In light of paragraph 13], do you consider that the scope of Article 8(b) should be limited to those SFIs which are covered by the Prospectus Directive and Transparency Directive, or that its scope should not be limited to those Directives and should cover all SFIs traded in the EU?

Q3: Do you consider that assets underlying SFIs composed of mixed pools should be disclosed as part of a specific category? If so, please elaborate.

Q4: To which tranching mechanisms should the disclosure requirements be applied? (e.g. single-tranche transactions?)

Q5: Do you have any other comments on the categorisation of SFIs?

Asset class categorisation

23. Respondents generally welcomed the approach to align, where possible, the RTS with the requirements of the ECB and BoE as this would prevent duplication of requirements. Most of the respondents considered firstly that a coordinated approach with other initiatives (ECB and BoE) is needed and secondly that the draft RTS should take the list of asset classes already used as collateral under the central bank credit operations as a starting point. Where necessary this could be supplemented by the categories used in ESMA's CEREP. The majority of the respondents also stressed the need to exclude bonds linked to current quotes of an index[3] or benchmarks.

24. These products should not be classified as SFI as default risk is only dependent on issuer's solvency and not the underlying indices or benchmarks i.e. benefiting from a measurable credit quality. In addition, as these products do not have different tranches or classes of notes, i.e. there is no waterfall mechanism with respect to loss or risk allocation, the subordination provisions defined under CRR do not qualify them as a securitisation transaction.

25. Respondents also mentioned the need to adopt a pragmatic approach and to exclude assets that do not meet the definition of securitisation as provided by CRR under Article 4(1)(61) e.g. single tranche SFI. More generally, most of the respondents were in favour of limiting the scope of application of Article 8b of the CRA Regulation to rated SFI covered by PD and TD. This would exempt money-market instruments (e.g. ABCP programmes) from the scope of application (as these do not qualify as "transferable securities" under PD), but also private and unlisted SFI. Other respondents considered that in the specific case of ABCP, it is not necessary to request information on the underlying assets especially when the ABCP programme forms part of a full support transaction.

26. As regards mixed pools of assets backing SFI, respondents mentioned that it would be difficult to build sustainable templates covering all possible asset types and combinations thereof. Respondents also pointed out the interest for a principle-based approach, where issuers would be allowed to determine which information should be disclosed. Other respondents suggested creating an extra category of

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[3] Financial products referring to indices or other benchmarks are issued as bearer bonds, whereby all notes are fungible amongst each other. Capital and/or interest payments under such notes are usually virtually linked to current quotes of an index (e.g. the Euro Stoxx 50) as published in public media. In addition, notes are exposed to the same risk depending on the performance of the respective underlying index or benchmark.

templates or to classify mixed pools in the asset class category which reflects the majority of assets underlying the SFI.

Scope of application

27. Most of the stakeholders stressed the need to limit the scope of application of Article 8b to publicly-rated SFI that are the subject of a public offer or admission to trading on a regulated market, as most of the European securitisation transactions are undertaken on this basis. One stakeholder also suggested that expanding the scope of application beyond TD and PD should be justified by means of an appropriate cost-benefit analysis since the disclosure requirements already in place (ECB and BoE) cover most of the European securitisation market.

28. In their responses, most of the stakeholders sought clarification as to how the term "instruments traded in the EU" should be defined, considering that according to Article 1 of the CRA Regulation, the scope of application of Article 8b should be limited to issuers, originators and sponsors established in the Union. Some respondents supported the principle that Article 8b should be aimed at covering all SFI traded in the EU to create a level-playing field for all these SFI in the European Union.

29. Respondents were of the view that the scope of application should not be extended to SFI involving non-EU subsidiaries and branches of EU entities, which would result in an additional burden for entities already covered by requirements in other jurisdictions, for example the US SEC Rule 17g-5 under the Securities Exchange Act of 1934.

30. ESMA has given due consideration to the responses received. At the same time, the draft RTS to be adopted by ESMA has to comply with the relevant requirements of the Level-1 legislation, i.e. Article 8b of the CRA Regulation.

31. Article 8b of the CRA Regulation applies to all SFIs for which the issuer, originator or sponsor is established in the Union. The definition of SFI in Article 3(1)(l) of the CRA Regulation defines SFI as financial instruments or other assets resulting from a securitisation transaction or scheme referred to in Article 4(36) of Directive 2006/48/EC.[4] As this definition refers to financial instruments, the scope of Article 8b of the CRA Regulation goes beyond PD, which only covers transferable securities.

32. The requirements of Article 8b of the CRA Regulation apply irrespective of whether SFIs are offered to the public or subject to a private placement, or admission to trading. They also apply to private transactions, as Article 8b of the CRA Regulation is silent on whether they should be excluded from the scope of application. In addition, ABCPs that are defined under CRR as a "programme of securitisation" are also covered.

33. By disclosing this information, the issuer, originator and sponsor will allow investors to perform their own due diligence. Furthermore, such disclosure will be on-going throughout the life of the SFI, con-

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[4] As of 1 January 2014 this provision was replaced by Article 4(1)(61) of CRR.

trary to the information disclosed pursuant to the PD, which is only provided and kept up to date at the time of a request for admission to trading on a regulated market or during a public offer.

34. The term "investors" refers to every potential and effective holder of the SFI during its lifetime. These holders should have access to this information in order to enable them to make their own risk assessment before taking an investment decision. Therefore, the information to be published on the website to be set-up and run by ESMA should be publically available. The availability of this information should not depend on whether the holder purchases the SFI at issuance or on the secondary market or OTC.

35. In addition, the obligation of Article 8b of the CRA Regulation applies jointly to issuers, originators and sponsors. The relevant factor is whether the statutory seat of the issuer, originator or sponsor is within the European Union and not where the SFI are to be traded.

Type of information to be published

Q6: In your view, which information is required to ensure a meaningful description of the SFI?

Q7: What kind of indicators/ratio do you think would be necessary to better monitor and modelling the performance of the underlying assets? Please indicate the relevant indicators for each of the asset categories?

Q8: For which category of SFI should the disclosure requirements be adapted (e.g. where the underlying assets backing the SFI are poorly granular)?

Q9: Do you have any other comments on the content of information to be disclosed?

36. Article 8b of the CRA Regulation stipulates that the issuer, the sponsor and the originator of a SFI established in the Union shall jointly publish information on the credit quality and performance of the underlying assets of the structured finance instrument, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure as well as any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures.

37. In the DP, stakeholders were asked by ESMA to provide feedback on which information is required to ensure a meaningful description of the SFI as well as the kind of indicators/ratios which would be necessary to better monitor the performance of the assets backing the SFI and to which category of SFI should Article 8b of the CRA Regulation be adapted.

38. Most respondents noted that the information to be published depends on the structure of the transaction and the nature of the underlying assets. In particular, they considered that "loan-level" information, widely seen as the most suitable indicator, is not necessarily required or appropriate where the pool of assets backing the SFI is highly granular (e.g. credit card ABS) or made up of revolving assets. In such circumstances, loan-level information might prove burdensome and without material benefit.

39. Other stakeholders considered that where loan-level information is not available, then indicators of delinquencies and prepayment should be requested. Some stakeholders suggested that issuers should

be required to publish all metrics or parameters requested by CRAs in their assessment of SFI credit ratings including debt capital structure, credit enhancements, interest coupon, legal maturity of each tranche and priority of payments and indicator of pool performance for ABS, RMBS, CDO, and CMBS.

40. ESMA takes note of the concern expressed by stakeholders related to the information to be published.

41. Regarding whether some issuers, originators, or sponsors could be exempted from disclosing some requested elements, ESMA considers that, irrespective of the structure of the transaction or the nature of the assets backing an SFI, loan-level information is the approach to be applied. This is supported by the objectives of Article 8b of the CRA Regulation, which are increasing competition between CRAs, reducing overreliance on ratings in the area of SFI and providing investors with more information on the underlying assets to allow them to perform a comprehensive and well-informed risk assessment. In addition, the approach adopted by ESMA is consistent with the approaches developed by the ECB and the BoE, which should limit costs for market participants.

Frequency of reporting and disclosure

Q10: Do you have any comments on the alternative approaches outlined above (i.e. "event based" vs. periodic disclosure or a mix of both) regarding the frequency of the reporting?

Q11: In case of "event-based" approach, what (material) events should trigger a reporting update? In particular, please provide your views on SFI-specific events (e.g. performance of tranches and/or under-lying assets)?

Q12: Should certain market events and thresholds (e.g. volatility, price movements, etc.) be identified ex ante that would trigger a reporting update? If so, please specify.

Q13: Please provide your views on whether the disclosure requirements should apply to SFIs that are "live" at the date of the RTS coming into force or only to SFIs issued after that date?

Q14: If the reporting obligation were to apply to "live" SFIs, what do you think would be an appropriate phase-in period or schedule?

Q15: Do you have any other comments on the frequency of the reporting? Do you think any other ap-proach should be considered?

42. Article 8b (3) (b) of the CRA 3 Regulation requires ESMA to specify in the draft RTS the frequency with which the information is to be updated by the issuer, sponsor and originator of a SFI established in the Union.

43. In the DP, stakeholders were asked to give their views on the frequency of reporting and whether it should reflect an "event-based" approach, a periodic disclosure or a mix of both and, in case of an "event based" approach, what material events should trigger a reporting update.

44. In their responses, most of the stakeholders expressed their preference for a periodic disclosure. They considered that an event-based approach could be inconsistent with the aims of the Regulation and that a periodic disclosure approach is particularly appropriate given the nature of SFI. In the specific

case of CLO, one respondent considered that periodic reporting is also preferable since monthly reports contain the requested information.

45. As regards the material events which could trigger a reporting update, most of the respondents stressed the difficulty to have an exhaustive list of events for the event-based approach. One respondent considered that specific events must be taken into consideration such as changes in credit rating, adverse events affecting collateral performance, an erosion of credit enhancement, and default on the underlying assets.

46. Some respondents also mentioned that it would be difficult to define relevant "material changes" for these purposes in an appropriate manner for the full possible range of SFI without drawing on concepts referred to under the Market Abuse Directive (e.g. significant effect on price, etc.). If improvements are considered appropriate to the existing market abuse regime, then this should be advanced through the current review of the Directive, rather than through Article 8b of the CRA Regulation.

47. As regards whether the disclosure requirements should apply to "live" SFI at the date the RTS will enter into force or only to SFIs issued after that date, most of the respondents expressed their preference for the second option i.e. that Article 8b should only apply to new SFI as a retroactive application will place a disproportionate burden on market participants. However, if the disclosure requirements were to apply to live SFI, one respondent suggested using a phase-in period of one year while another respondent suggested a phase-in period of two years for ABCP programmes and revolving structures (Master Trusts) and that Article 8b of the CRA Regulation should only apply if new assets are added to the programme.

48. ESMA notes the concerns of market participants on the frequency of the publication of the information. ESMA agrees with market participants that periodic disclosure should be the starting point of a disclosure regime for SFI in light of the nature of SFI, which are monitored by investors by looking at the developments in the underlying assets. However, certain events, for example the default of a counterparty should be disclosed to investors on an ad-hoc basis. Therefore, ESMA considers that any significant change or event that is likely to affect the creditworthiness or the risk characteristics of the underlying exposures or of the instruments, or representing a breach of transaction documentation of the SFI, should be disclosed to investors without delay.

49. In order to answer to the need for clarity expressed by stakeholders in their responses, ESMA considers it appropriate that only SFI issued after the date of entry to force of the RTS should comply with the disclosure requirements included in the draft RTS.

Coordination with existing ECB templates

Q16: Are different templates needed for each of the asset classes subject to the disclosure requirements?

Q17: Do you consider that the scope and content of the ECB templates set to report loan-level data are appropriate for addressing CRA 3's disclosure requirements?

Q18: Do you consider that the data collected through the ECB templates would allow other investors to conduct comprehensive and well-informed stress tests for their own specific requirements on the cash flows and collateral values supporting the underlying exposures? If not, explain what further information should be reported (e.g. prospectus, transaction summary, pool performance data, credit support information, investor reports, due diligence reports) and, if applicable, please consider other relevant reporting requirements.

Q19: Apart from the national or Union law governing the protection of confidentiality of information, should the context of local securitisation framework for specific asset classes be also considered?

Q20: Do you have any other comments on the provision of Article 8b (3) (c) concerning the standardisation of the information to be used?

50. Article 8b (3) (c) of CRA3 Regulation requires ESMA to develop draft RTS to specify the presentation of the information requested by means of a standardised disclosure template.

51. In the DP, stakeholders were asked to give their views on whether: i) a specific "one-size fits-all template" could be used; ii) the information requested in the ECB templates is appropriate for addressing the disclosure requirements stipulated in the CRA3 Regulation; and iii) if so, whether the scope and content of the ECB templates would allow investors to conduct stress tests.

52. As regards the need for templates which are specific to each asset class, stakeholders considered that if ESMA decides to develop its own templates, it should focus on key asset classes. Some stakeholders considered that similar templates can be used with specific fields allowing to capture the specificities of the underlying assets. However, respondents emphasised the need to involve and consult the industry when developing new templates.

53. In their responses, most stakeholders expressed the need to build on the existing ECB templates. Some stakeholders considered that the ECB templates would allow investors to conduct comprehensive and well-informed stress tests. To assess the risk of each tranche, some investors considered that the transaction summary and monthly investor report should be made available.

54. Having duly considered the existing initiatives and disclosure requirements in the EU including the loan-level templates issued by ECB and BoE, ESMA has adopted a pragmatic approach by taking the ECB templates as a starting point for the draft RTS. Where necessary, ESMA could introduce templates for other asset class categories through a phased-in approach.

55. In order to fully meet the objectives of Article 8b of the CRA3 Regulation, other information, like investor reports, cash flow models and transactions summaries, are also part of the disclosure requirements of the draft RTS.

Protection of confidentiality of information

56. Article 8b (2) of CRA 3 Regulation provides that the obligation to publish information shall not extend to where such publication would breach national or Union law governing the protection of confidentiality of information sources or the processing of personal data.

57. In the discussion paper, stakeholders were asked to give their views on whether local securitisation frameworks must be taken into account when complying with the confidentiality requirements.

58. In their responses, most of the stakeholders considered that there is no need to take into account local securitisation frameworks. Respondents pointed out that data protection requirements should be observed, which means that if the publication of certain information would breach Union or national law governing the protection of confidentiality of information sources or the processing of personal data, then this information should not be disclosed to the public.

59. ESMA understands that there is no need to add additional requirements in the RTS regarding the protection of the confidentiality of the information or the processing of personal data. By including existing loan-level templates in the draft RTS, ESMA builds on the work already done in this area.

Draft RTS on the European Rating Platform (ERP)

Containing complete information on ratings and outlooks and related rating actions

a) Classification of rating information

Q21: Particularly for users of ratings: Taking into consideration the rating classification described above, could you suggest (including a detailed reason): a. other rating types not captured in the above categorisation; b. which rating categories or rating components should ERP cover; c. other actions or events affecting the ratings, that should be published on the ERP.

60. The majority of the respondents welcomed the classification of credit ratings as it is currently applied under CEREP and SOCRAT. The differentiation into corporate, sovereign, structured finance as well as covered bond ratings captures all relevant rating types.

61. In the responses received, the respondents mentioned also other rating types that could fall within the scope of the ERP: Money market funds, financial stability ratings for insurance companies, guarantee coverage ratings, bank financial strength ratings, viability ratings, etc.

62. As regards the categorization at issuer level, respondents expressed mixed opinions. Whereas some respondents preferred the current categorization into long-term and short-term and local and foreign currency, others requested a more detailed description to allow assessing credit ratings accurately. An indication of the solicitation status or the existence of external support for a rated instrument was viewed as beneficial. On the other hand, while it was generally recognized that more information leads to a better understanding of ratings, it was questioned whether the typical user of the ERP would be able to internalize the bulk of the information.

63. ESMA considers that keeping the same coverage of rating types ensures consistency with the current IT infrastructure and it also limits potential misunderstandings from having various definitions in place.

b) Supporting rating information

Q22: For displaying the press release information, which of the two options do you prefer and why? Particularly for CRAs: Can you provide evidence on costs that you would incur under the two proposed options? Could you suggest other ways of retrieving, storing?

64. In general, rating users would agree with both alternatives as long as availability and accessibility are guaranteed. However, they considered the alternative of having the press release stored on the ERP as preferable, as files are more reliable while the links can change over time.

65. CRAs were more in favour of having only the link to the CRA's website published in the ERP. Therefore, no press release information should be submitted directly by the CRAs to ESMA, but the users should go to the CRA's own webpage to search for this information.

66. As regards the costs incurred from either option, ESMA observes that in several cases it is not possible to provide a direct link to the relevant page in the CRA's website. Providing the press release in the ERP would then allow users to have a central access point that would reduce information costs substantially.

67. Also, concerns were expressed related to the language in which the press release should be submitted to ESMA. In some cases, only the local language version is available at the moment of rating publication.

68. ESMA considers that no language constraint can be put in the ERP reporting. Therefore, the press release shall be reported to ERP in English if available at the moment of rating issuance. Otherwise, the press release shall be reported in the local language.

Q23: Shall the ERP provide supporting rating information in addition to the press releases/report? If so, what kind of information on the rating / rating action would be beneficial?

69. Answers were divided between producers and users of credit ratings. Individual users of ratings supported the need to acquire extensive supporting information which includes inter alia rating reports, methodologies, and historic performances of rated entities or policy documents. A statement as regards the context of each rating action (in form of a brief argumentation) was required by two respondents. CRAs considered the release of additional information other than press releases unnecessary. Such measures would surpass the ERP's legislative mandate. It could also violate property rights in connection with private information.

70. ESMA takes note of the comments received and will not require any further supporting information besides press releases and sovereign reports.

Displaying up-to-date rating information

Q24: Particularly for users of ratings: Which option do you consider as the best option for displaying the data on the new ERP? Please specify the specific time frames (if different from the proposed ones).

Q25: Particularly for users of ratings: As regards options (c) and (d), in case of the ratings reported on a Friday or before a bank holiday, when the rating information has to be made available on the ERP: on the next calendar day or the next working day?

71. As regards question 24, ESMA received 12 responses both from CRAs and users of ratings. Most of the responses considered that a daily update of the rating data on the ERP is the best time frame.

72. ESMA takes note of the responses received and has decided to require daily updates outside of business hours.

73. Considering option c) and d), the majority of the stakeholders preferred the rating information to be displayed on the next working day. It should be considered that the bank holidays differ across the EU. Therefore, the publishing should occur also during bank holidays.

74. Also, CRAs should not be required to submit information during their local bank holidays, when the local markets are closed. Moreover, the ERP should publish the rating information outside the EU market hours.

75. The CRAs will be requested to submit the rating data in the time frame stated in the draft RTS: until 9PM UTC for the ratings issued between 7 PM UTC on the previous day and 7 PM on the current day. In case the rating is issued after 7 PM UTC, it can be reported until 7 PM UTC on the following day. If the following day is a bank holiday or weekend, CRAs will be still required to report the rating to ESMA, to ensure that the information published on the ERP is up to date. On the ERP side, the rating information will be published automatically shortly after the expiration of the submission deadline, regardless of weekends or bank holidays.

Q26: Particularly for CRAs: which of the two possible ways of sending the new rating/outlook information to the ERP is more suitable to be integrated in your IT system: the real-time automatic data-feeds or one daily batch? Please provide a detailed motivation for your choice and include in your answer also reference to the actual costs that you would incur under the different submission options.

Q27: Can you suggest any other options for reporting the rating information to ESMA and for the publishing of the received rating information on the ERP?

76. The replies received indicate a strong preference to submit data in one batch. Such procedure is currently integrated by most CRAs and therefore would not create any significant overheads from an IT perspective. On the contrary, real-time data feeds would add significant and unnecessary cost and complexity to the process. Investments into infrastructure, IT development and staff would be necessary to meet compatibility with existing systems. Since some CRAs do not have frequent rating actions, real-time updates would not be applicable anyway. Beyond the cost component, a transmission via a daily batch and a time lag would give the opportunity to correct errors before sending information to ESMA.

77. One CRA suggested that, in order to avoid the correction of previously submitted data, ESMA could accept a daily batch that contains the complete universe of ratings, including rating history, rather than incremental feeds.

78. Most of the CRAs suggested that ESMA should publish only the credit rating and should redirect users to the public CRA website where ratings and supporting information are disclosed in accordance with the CRA Regulation. ESMA should also consider the possibility to collaborate with existing commercial providers who offer a similar service such as Bloomberg.

79. ESMA will accept submission of rating information either in a daily batch or in multiple instalments during the submission period.

Allowing the possibility to compare all ratings available for a given issuer / instrument

    a) *Business issue: Comparing across different rating definitions and methodologies*

Q28: Particularly for users of ratings: Which information should be added to the rating information to facilitate the comparison across ratings from different CRAs on the same entity while avoiding misun-

derstanding on the meaning of each rating? Under which form should this information be displayed (full reports, aggregated information, direct links, reference to the CRAs website, etc)?

80. The inclusion of a mapping would facilitate comparison between credit ratings of different CRAs. This requires a common identifier for every entity. Given the particularities of each CRA with respect to the definition of credit ratings and underlying methodology, a disclaimer and a link to the relevant section of the public CRA's website could be provided to avoid misunderstandings. If needed, ERP users should access the individual website in order to view supplemental credit rating information. Alternatively, supplemental information could be stored and displayed centrally, on the ERP website (i.e.: specific definition of default). The provision of information would be costly for CRAs, but would guarantee continuity and availability of data.

   b) Technical issue: attributing common identifiers to any rated entity or instrument

Q29: Particularly for CRAs: Do CRAs envisage any difficulties on mapping your current internal identifiers with the new LEI for the rated entities?

81. Some respondents envisaged difficulties in the mapping of internal identifiers with the LEI. In most cases this concerned the backfilling of information, mapping of entities across CRAs and requesting LEIs for rated entities which require substantial cost and effort. On the other hand, most CRAs did not foresee difficulties in the mapping of internal identifiers with LEI as long as LEI is available.

Q30: Particularly for CRAs: Are there other common issuer identifiers that the ERP could use in order to allow for a mapping of rated entities?

82. Currently there are no common issuer identifiers in place that could sufficiently satisfy the scope and coverage of the ERP initiative. Several national or industry-related references were suggested to function as identifier. For example, the BaFin insurance code, Bloomberg's in-house reference code or fiscal IDs. In any case, only identifiers should be allowed which are free to use and publicly available. Ideally, the ERP initiative should be in accordance with the Directive 2012/17 regarding the interconnection of central, commercial and companies' registers.

83. Moreover, while ISIN is a widely used identifier for securitisations, not all rated instruments qualify for such an identifier. Also, in North American countries, the instruments are identified by CUSIP. Therefore, respondents submitted that a solution to commonly and uniquely identify all instruments needs to be identified.

84. ESMA considers the LEI as the only feasible solution to allow for a unique identification of rated entities. For identifying the rated instruments, ISIN codes will be required. Where an ISIN is not available for a specific instrument, another common identifier or a unique combined key will be required. The ERP will also include information on CRAs' methodologies to allow users to compare ratings from different CRAs.

Providing an easy access to information to all users

Q31: Particularly for users of ratings: Could you provide suggestions on how ERP could present the rating information so as to allow an easy access and understanding of the rating data? If possible please provide a clear description and/or a visual representation like the one given above.

85. Answers to this question can be divided into technical improvements and content-specific adjustments to promote the ERP objective. As regards IT, respondents submitted that users should have the opportunity to download rating information in standard formats including CSV, XML, TXT, or Excel or the possibility of having an automatic machine-to-machine access to the website. Rating alerts and automated news updates could facilitate the flow and spread of rating information. Investors or institutions who would access the ERP frequently to validate ratings in large quantities may find a list-format of rating information more applicable than the visual presentation displayed in the DP. Easy comparison could be achieved by implementing a template at instrument/issuer level (double-entry matrix). The outcome could then be displayed in a standardized format. Some respondents raised concerns that the ERP would duplicate existing content from CRAs' website. This would come at the risk of potential inconsistency and would produce unnecessary costs. Some respondents requested a reduced version of the ERP, proportional to the minimum bounds of the legislative mandate (credit rating + link to individual CRA website). Too much information might entail confusion in the market and could trigger an unintended overreliance on the ERP.

Q32: Particularly for users of ratings: Besides the access via a web page, which other means of accessing the ERP do you consider relevant?

86. It was noted that technological advancements beyond the scope of the Regulation should be thoroughly reviewed under a cost/benefit analysis. Some users might find mobile applications useful. The ERP should also allow for downloads of complete databases or parts thereof.

87. ESMA will take into account the needs of different categories of users. The specificities of academic users will also be satisfied.

One data feed: incorporate CEREP/SOCRAT into the ERP

Q33: Particularly for CRAs: Would you agree with having just one individual data feed to ESMA in order to report to the ERP, CEREP and SOCRAT?

88. Nearly all the responses received from the CRAs on this question acknowledged the potential benefit of having a single data feed in place. Advantages stem from economies of scale as well as simplification in reporting, both for CRAs as well as the regulator. Whether or not a standardized approach is successful depends on the complexity of information required under the specific RTS. When merging the individual data feeds, the different frequencies of reporting of CEREP, SOCRAT and the ERP need to be considered.
89. Special attention was requested to the treatment of data that contains both confidential and public information. Therefore, the new rating platform should include data security features to ensure the confidentiality of the data submitted for supervision purposes only.

90. ESMA has proposed in the consultation paper the merger of the three different databases: ERP, SO-CRAT, and CEREP, taking into consideration the applicable confidentiality requirements.

Historical data

Q34: Particularly for users of ratings: do you agree with the proposed option? (Please state the reasons for your preference).

91. Users of ratings would generally value the availability of historic information in the ERP. Such data is often not accessible free of charge and requires premium subscription to individual CRAs' web pages. From the CRA perspective the inclusion of historic information is outside the scope of the Regulation as the Regulation is meant to publish "up-to-date" ratings.

92. ESMA will provide access in the ERP to the historical data already provided in CEREP as the best cost-benefit option.

Mapping of credit ratings

Q35: Particularly for rating users: Do you consider it of use that the ERP would provide for a mapping of rating scales to improve the comparability of ratings of different CRAs?

93. For the sake of comparability, a mapping exercise would be much appreciated by rating users. However, respondents also identified the potential costs linked to such an option (see next paragraph below).

Q36: Are there any risks or implications with regard to mappings of rating scales in view of the distinct methodologies employed by CRAs? How should such risks be mitigated?

94. The responses received indicated that the exercise of mapping involves inevitable risks and substantial effort, for instance the consideration of qualitative and quantitative factors for each methodology and every CRA. A mapping could create overreliance and could also lead to a false perception in the market that there is one "correct" view of credit risk. One respondent raised concern whether such an approach would create the impression that ratings from various CRAs are fungible, and over time create powerful incentives that would lead to a harmonisation of credit ratings. The market and investors benefit from having more than one approach of credit risk assessment. Given the different rating scales and methodologies, a meaningful outcome of the mapping exercise was questioned. To mitigate the risk associated to a potential credit rating mapping, the producer of the mapping should provide supplemental information on what basis the mapping was carried out. In addition it might be useful to make periodic studies on the comparability of rating scales.

Q37: What features should a mapping of credit ratings have? Which methodology should be followed?

95. Respondents emphasised that at this stage a separate ESMA mapping might be premature and outside the scope of the ERP. ESMA should take into account the work being done by EBA and also by the ECB (ECAI). The views as regards specific features of the mapping varied among the respondents. It was suggested to focus on the probability of default for the determination of credit risk.

96. ESMA takes note of the comments received which will be used in the preparation of the separate ESMA report that is due by June 2015.

Draft RTS on fees charged by CRAs to their clients

Fees charged by CRAs are required to be non-discriminatory

a) *Assessment of non-discriminatory fees*

97. The CRA3 Regulation provides that CRAs should ensure that fees charged to their clients are not discriminatory, in order to mitigate conflicts of interest and facilitate fair competition in the credit rating market. In the discussion paper, stakeholders were asked by ESMA to provide feedback on how to identify and assess possible discriminatory practices:

Q38: Do you consider that identification of "common practices" (within a CRA and across the CRA market) can help to identify discriminatory and non-discriminatory practices?

Q39: Do you agree on the proposed periodic reporting illustrated above to be submitted by CRAs to ESMA on the application of their pricing policies and calculating their fees? Do you think there are other relevant criteria that should be included to allow ESMA to monitor the non-discrimination requirement?

Q40: What is the frequency with which such reporting should be provided to ESMA?

Q41: Particularly to CRAs: what are the criteria you are applying or plan to apply to ensure fees are non-discriminatory?

98. Most respondents supported the identification of common practices in order to assess potential conflict of interests and discriminatory practices. When applying pricing policies, respondents stressed that common practices should be the rule rather than an exception within a CRA. However, a significant number of respondents questioned the reasonability and achievability of identifying common practices across CRAs. Given the heterogeneous business models in the CRA market, identification of common practices across the credit rating market whilst informative of the market practices might not offer the full picture.

99. Nearly all respondents also believed that all criteria listed in the DP are relevant to allow ESMA to monitor the non-discrimination requirement. However, it was also emphasised that additional reporting activity is linked to additional administrative costs which might represent a disproportionate burden for smaller CRAs. One respondent noted that the current disclosure requirements already enable the regulator and clients to determine and assess CRAs' pricing policies and fees. Another respondent suggested that pricing policies should also be disclosed on CRAs' websites so that clients could make their own assessments.

100. As regards the frequency of the reporting, the majority of respondents believed that reporting on fees should be on an annual basis. Additionally, some respondents asked for a combination of annual reporting supplemented by ad-hoc reporting in case of modifications of pricing policies. One respondent stressed that periodic reporting is too burdensome from an administrative perspective. Reporting should only be done initially and whenever changes to the first provided information occur.

101. In the discussion paper CRAs were in particular asked about what criteria they are applying or planning to apply to ensure non-discriminatory fees. The overall CRAs' view was that the existing require-

ments in the CRA Regulation with regard to fees (such as separation of sales and analysis functions or remuneration of rating analysts to be independent from rating outcomes and revenues) already contribute to the objective of non-discrimination. In addition, consistent application of the CRAs' fee schedules ensures further that fees are non-discriminatory. Some respondents also highlighted that due to the variety of factors applied for the calculation of fees, fees may differ across CRAs. Nevertheless, fees charged by CRAs always include costs and hence are cost-based.

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102. ESMA takes note of the general support for the criteria listed in the discussion paper on how to identify and assess discriminatory practices. ESMA will assess common practices within CRAs and not across CRAs, even though it will benefit from an understanding of the industry practices. ESMA will combine annual reporting requirements with ad-hoc reporting requirements in case of material changes to the pricing policies.

103. Regarding the criteria already applied by CRAs to ensure non-discriminatory fees, ESMA understands that the CRA Regulation already contains some requirements in this regard. However, the CRA3 Regulation is clear about reporting requirements on both individual fees and pricing policies and procedures that are to be given substance (content and format) by the regulatory technical standard to ensure that fees are non-discriminatory.

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b) *Fees are not dependent on the level of the credit rating issued by the CRA or on any other result or outcome of the work performed or on the provision of ancillary services.*

104. The CRA3 Regulation requires that fees charged for credit rating services to a client should not be dependent on the level of the credit ratings issued by the credit rating agency or on any other result or outcome of the work performed. In the discussion paper, stakeholders were asked by ESMA to provide feedback on possible approaches to identify and assess both cases.

Q42: Do you agree on the approach to assess whether fees are dependent on the level of the credit rating issued by the credit rating agency or on any other result or outcome of the work performed? Do you consider that other approaches or criteria should be applied? What cases do you think should be comprised in the concept "any other result or outcome of the work performed"?

Q43: Do you agree on the approach to assess whether fees are dependent on the provision of ancillary services? Do you consider other approaches or criteria should be applied too? Do you consider that a risk indicator (percentage) between ancillary services fees and the rating and follow-up fees from a rated issuer or any related party can help to identify possible discriminatory practices? If so, what percentage do you consider appropriate? What would you consider a "significant" percentage?

Q44: Particularly to CRAs: what are the criteria or practices you are applying or plan to apply to ensure fees are not dependent on the level of the rating issued by your agency or on any other result or outcome of the work performed? What are the criteria or practices you are applying or plan to apply to secure fees are not dependent on the provision of ancillary services?

Q45: Particularly to CRAs: do you have cost synergies between rating services and non-rating services other than ancillary services? In that case, please specify what these synergies are and how costs for non-rating and non-ancillary services are allocated to your rating services?

105. Regarding how to assess that fees charged for ratings are not dependent on the credit rating issued or the outcome of the work performed, the majority of respondents supported an assessment through the consistent application of the pricing policies to actual fees charged in individual cases and an analysis of the contractual clauses. Respondents found it difficult to identify cases under the concept of "any other result or outcome of the work performed". Some examples might be where a CRA inflates the supportive text (such as the key elements underlying a credit rating) in exchange for an inappropriate commission or where a CRA provides other feedback to a client during the rating process (such as how a particular transaction feature would be treated under the CRA's rating criteria).

106. Regarding how to assess that fees charged for ratings are not dependent on the provision of ancillary services, respondents had different views. Whereas some respondents considered that establishing a fixed risk indictor as a proportion of fees from credit rating activities and ancillary services might be useful, others questioned its effectiveness. Respondents disagreed with using a fixed percentage indicator among others for the following reasons: (i) each CRA applies different fees, which also vary over time. As a consequence, a general indicator could not be practical and in case of fixing an indicator, it should be calculated over a sufficient long period of time; (ii) it is difficult to determine an adequate size of such an indicator; and (iii) fixed ratios can be easily eluded by increasing fees for credit ratings. According to some respondents ancillary services can be significant regardless of the outcome of the credit rating. In addition, some respondents highlighted that a clear definition of ancillary services needs to be adopted in order to identify which kinds of services can be classified as such and calculate the indicator.

107. In the discussion paper CRAs were asked in particular which criteria they are applying or planning to apply to ensure fees are not dependent on the level of the rating issued or on any other result or outcome of the work performed. The majority of CRAs claimed to already ensure the independence of the rating fee from the level of the rating issued or any other result or outcome of the work performed through: (i) the consistent application of their pricing policies and procedures and related internal controls; (ii) the establishment of Chinese walls between the sales and marketing activities and the analytical activities; and (iii) the establishment of rating fees before starting material analytical work. One respondent stressed that it does not provide ancillary services and another respondent stated that it does not intend to take any further steps on this matter.

108. As regards possible cost synergies between rating services and non-rating services other than ancillary services, CRAs had different views on which cost synergies exist and how synergies might affect the rating activity. Some respondents recognised cost synergies among their activities although they claimed that those synergies do not influence credit ratings. On the contrary, such synergies might be a helpful indirect input into the rating activity. One respondent stated that where synergies exist with regard to the same client, credit ratings should not be assigned to that client. Another respondent submitted that it does not have any cost synergies.

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109. ESMA takes note of the general support on assessing independent fees through the consistent application of pricing policies and procedures by CRAs.

110. ESMA also understands the disadvantages of using fixed percentages indicators and will not take them on board. However, ESMA will collect information on ancillary services for its on-going supervisory actions in order to verify that credit rating service fees are not dependent on those.

Fees charged by CRAs are required to be cost-based

111. The CRA3 Regulation states that credit rating agencies shall ensure that fees charged to its clients for the provision of services are based on actual cost. Recital 38 of the CRA3 Regulation states that any differences in fees charged for the same type of service should only be justified by a difference in the actual costs when providing the service to different clients. In the discussion paper, stakeholders were asked by ESMA to provide feedback on how to approach and determine that fees are based on actual costs:

Q46: What are your views towards the approach that different business models and fee structures should be taken into account when assessing whether fees are cost-based?

Q47: What are your views on the above approach to CRAs' cost-structure? Do you consider other approach or criteria should be applied? If you agree with the above approach, what cost and non-cost components do you consider should be taken into account and periodically reported to ESMA to identify CRAs' fee structure?

Q48: Do you agree on identifying average costs per component, average cost per service and average costs per asset class in order to assess whether fees are cost-based?

Q49: What is the frequency with which such reporting should be provided to ESMA?

Q50: Particularly to CRAs: what is your current cost and fee structure? What are the relevant costs when issuing a rating? What are the criteria you are applying or plan to apply to demonstrate that fees are based on costs?

112. All respondents strongly supported ESMA's approach to consider different business models when assessing that fees are based on actual costs. One respondent noted that a strict distinction between pure issuer-pays model and pure investor-pays business model is not always feasible. Some credit rating agencies may have a mixed model operating under both models and generating revenues from issuers as well as subscribers.

113. However, the majority of respondents did not recognize the merits of ESMA's approach to ask for the CRAs' cost structure described in the DP. Respondents expressed that the credit rating business is "service-driven", meaning that costs cannot be divided into fixed costs, operational costs and variable costs as it is the case for tangible goods in other markets. The provision and evaluation of costs would represent a large burden not only for credit rating agencies, but also for the regulator. In addition, it might also represent an entry barrier for small and medium agencies.

114. As an alternative, respondents considered that ESMA should monitor the establishment of fees against established pricing policies and procedures. In case significant deviations are identified, they should be justified by the CRA if necessary with detailed explanations. One respondent also suggested establishing a standard complaint procedure for market participants to capture market violations from the published pricing policy.

115. The large majority of the respondents also indicated that the identification of average costs per component, average cost per services and average costs per asset class is unreasonable and too burdensome. Information on costs and cost-structure would involve high and disproportionate fixed costs to CRAs. One respondent highlighted that the CRA Regulation does not request CRAs to either provide information on costs or establish a cost-accounting system but only to provide information on fees.

116. Stakeholders were also asked to give their views on the frequency of the reporting. Respondents considered that the reporting frequency should be in accordance with the regulation and correspond to the general market practice where prices are revised annually. One respondent suggested submitting information only when changes or exceptions in the application of the reported rules occur.

117. In the discussion paper CRAs were in particular asked about their current cost and fee structure and what criteria they are applying or planning to demonstrate that fees are based on actual costs. The majority of CRAs considered that a consistent application of pricing policies ensures that fees are cost-based and non-discriminatory. CRAs' business is a service industry and consequently, fees cannot be broken down into fixed components such as tangible goods. Respondents identified, among others, the following costs as relevant for the industry: fixed costs, costs of specialized analytical employees (analysts/ lead analyst/rating committee involved in the credit rating assignment procedure), costs of control functions and costs of support staff (units involved in database maintenance, sales, HR/ training, IT, administrative costs).

118. ESMA takes note of the different business models and structures in the CRA market and of the different information to be requested in relation to them.

119. ESMA also understands the difficulties and associated cost that information requirements on CRAs' cost, cost structures and average costs might create in the CRA market, in particular should this be included as a standard request for all CRAs to be provided periodically. ESMA will develop a screening tool for collecting information and detect deviations in fees charged which would require more in-depth investigation or supervisory action, which might include cost information where necessary.

On-going supervision on CRAs' fees by ESMA

120. The information to be submitted by credit rating agencies should allow ESMA to undertake effective supervision in order to ensure that CRAs do not charge discriminatory fees, fees do not depend on the level of the credit rating issued by the CRA or on any other result or outcome of the work performed and do not depend on the provision of ancillary services and fees are cost-based. In the discussion paper, stakeholders were asked by ESMA to provide feedback on the frequency and basis to provide the requested information.

Q51: Do you agree CRAs should periodically report to ESMA on the above list of information? Which frequency do you think it is more appropriate? Do you think any other information should be reported to ESMA?

Q52: Do you agree that CRAs should report on an "event-based" basis to ESMA when relevant deviations from their pricing policies occur? Do you agree that CRAs should report on an "event-based" basis to ESMA when ancillary services fees exceed a pre-defined percentage with respect to ratings and follow-up fees?

121. The majority of the respondents considered that reporting obligations should be on an annual basis. However, respondents expressed different views with regard to the kind of information to be provided. In particular, respondents did not agree with reporting on costs. Some respondents also stressed that reporting obligations are connected to administrative cost and burdens to CRAs which are even higher

for small and medium CRAs. Some respondents considered that reporting requirements should be proportionate to the size and number of ratings of CRAs.

122. Respondents also expressed different views with regard to the reporting obligations on an "event-based" basis. The majority of the respondents supported the provision of the information on an event-based basis in case of modification of the pricing policies. However, respondents questioned such obligation where ancillary services fees exceed a predefined percentage with respect to rating fees. One respondent did not agree that "event-based" reporting to ESMA is necessary when deviations from pricing policies occur provided that the CRA documents deviations from its pricing policy and makes that documentation available to ESMA upon request.

123. ESMA takes note of the general support on reporting obligations on an annual basis.

124. ESMA also takes note of the administrative costs and burdens attached to the information requirements and will reduce the information required from credit rating agencies by aligning this draft RTS with the information requested by other regulatory technical standards.

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

2014/[...] (COD)

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

OF [...]

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

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

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

Whereas:

(1)   Article 8b of Regulation (EC) No. 1060/2009 requires the European Securities and Markets Authority (hereinafter 'ESMA') established by Regulation EU No. 1095/2010 to submit by 21 June 2014 draft regulatory technical standards to be adopted by the Commission regarding certain information that issuers, originators and sponsors of structured finance instruments, established in the European Union, jointly have to make available on a public website established by the ESMA. The information that has to be provided relates to the credit quality and performance of the underlying assets of the structured finance instrument, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure as well as any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures.

(2)   Investors should receive sufficient information on the quality and performance of their underlying assets with a view to enabling them to perform an informed assessment of the creditworthiness of

structured finance instruments. This would also reduce investors' dependence on credit ratings and should facilitate the issuance of unsolicited credit ratings.

(3) As specified in Article 3(l) and Article 8b of Regulation (EC) No 1060/2009, this RTS should apply to all financial instruments or other assets resulting from a securitisation transaction or scheme as referred to in Article 4(61) of Regulation EU No 575/2013 on prudential requirements for credit institutions and investment firms on condition that one of the three entities mentioned in Article 8b CRA, i.e. the issuer, originator or sponsor, is established (and for that purpose has its statutory seat) in the Union. This means that e.g. private and bilateral transactions are within the scope of this Regulation, as well as transactions that are not offered to the public or admitted to trading in the EU as long as either the issuer, originator and sponsor of the structured finance instrument is established in the EU.

(4) As specified in Article 3(l) and 8(b) of Regulation (EC) No 1060/2009, the scope of this Regulation is not limited to the issuance of structured finance instruments that qualify as securities, but also includes other financial instruments, such as money-market instruments (e.g. asset-backed commercial paper programmes). In addition, this Regulation applies to structured finance instrument with and without credit ratings assigned by an EU registered credit rating agency and.

(5) The obligation to publish information pursuant to this Regulation should not extend to where such publication would breach national or Union law governing the protection of confidentiality of information sources or the processing of personal data.

(6) Any significant change or event either likely to affect the creditworthiness, or the risk characteristics of the underlying exposures or of the instruments, or representing a breach of transaction documentation of the structured finance instrument, should be disclosed to investors without delay. An example of such change or event could be a change in or default of one of the counterparties to a structured finance instrument.

(7) The requirements of this Regulation shall only apply to structured finance instruments issued after the date of entry into force of this Regulation. With respect to structured finance instruments issued by means of master issuance programmes, any structured finance instruments issued after the date of entry into force on this basis should comply with the requirements of this Regulation for the entire programme as of the first issuance under the programme after the date of entry into force of this Regulation.

(8) The requirements of this Regulation introduce a joint responsibility for the issuer, the originator and the sponsor to publish the required information. Hence, those parties will keep joint legal responsibility as regards the accuracy and completeness of information covered by this Regulation.

(9) For practical purposes, issuers, originators or sponsors of a structured finance instrument established in the European Union should jointly agree upon and designate the entity responsible for providing the information referred to in Article 4 of this Regulation to the website to be set-up by ESMA. As part of the first submission, ESMA should be informed of the designated entity's name. The designated entity should provide the information for the entire life of the structured finance instrument unless there is a significant change or event making it necessary to change it, in which case ESMA should be notified without delay. The designation of the responsible entity facilitates the ef-

fective implementation and supervision of the requirements of this Regulation but will not affect the responsibility of the other entities for providing the information.

(10) The disclosure requirements contained in this Regulation apply only to the categories of SFIs provided for in Article 5. Where necessary due to financial innovation or market developments, an amendment to this Regulation containing additional disclosure requirements for existing or new types of structured finance instruments will be issued.

(11) The information to be provided to ESMA pursuant to this Regulation should be compiled in a standard format to allow for automatic processing of the data on the website to be set-up by ESMA. The information shall be published in a format that is easily accessible for any user of the webpage. ESMA will ensure that Sectoral Competent Authorities have access to the website so as to carry out the tasks assigned to them under Article 25a of the CRA Regulation.

(12) A number of technical reporting instructions concerning among others the transmission or the format of the files to be submitted by issuers, originators and sponsors may have to be communicated by ESMA and updated through specific communications or guidelines.

(13) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the Commission in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council.

(14) ESMA has conducted an open public consultation from ** to ** on the draft regulatory technical standards on which this regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established by Article 37 of Regulation (EU) No 1095/2010.

HAS ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

In accordance with Article 8b(3) of Regulation (EC) No 1060/2009 this Regulation lays down the rules regarding:

(a) the information that the issuer, originator and sponsor of a structured finance instrument established in the European Union must publish in order to comply with the obligation resulting from Article 8(b)(1) of Regulation (EC) No 1060/2009 in accordance with Article 8(b)(2) of Regulation (EC) No 1060/2009;

(b) the frequency with which the information referred to in point (a) is to be updated;

(c) the presentation of the information referred to in point (a) by means of a standardised disclosure template.

Article 2

Scope

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

2. This Regulation shall apply to structured finance instruments issued after the date of entry into force of this Regulation. With respect to programmes for the issuance of structured finance instruments, a programme shall comply with the requirements of this Regulation for all the structured finance instruments issued pursuant to that programme from the first issuance of structured finance instruments by the issuer after the date of entry into force of this Regulation.

CHAPTER II

DISCLOSURE REQUIREMENTS

Article 3

Principles

1. The issuer, originator or sponsor of a structured finance instrument so long as one of these parties is established in the Union shall comply with the requirements established by this Regulation and shall be responsible for the accuracy, completeness and availability of the information provided to the website to be set up by ESMA.

2. The requirements of this Regulation shall jointly apply to issuers, originators and sponsors of a structured finance instrument established in the European Union. Issuers, originators or sponsors of a structured finance instrument, established in the European Union, are required to jointly agree upon and designate the entity responsible for providing the information requested pursuant to Article 4 of this Regulation to the website set-up by ESMA. As part of the first submission, ESMA shall be informed of the designated entity's name. The designated entity shall provide the information for the entire life of the structured finance instrument unless there is a significant change or event making it necessary to designate another entity, in which case ESMA must be notified without delay. The designation of the responsible entity shall be without prejudice to the responsibility of the other entities to which this Regulation jointly applies.

3. The issuer, originator and sponsor shall be allowed to outsource the duties referred to in paragraph 2 to the servicer or the management company of a structured finance instrument. The issuer, originator and sponsor shall remain responsible for complying with this Regulation, regardless of whether the duties referred to in paragraph 2 has been outsourced to a third party.

Article 4

Information to be reported

The entity designated in accordance with Article 3(2) of this Regulation, shall provide the following information to the website set up by ESMA:

(a) loan level information through the standardised disclosure template included in Annex 1 to 7;

(b) where applicable to a structured finance instrument, the following documents:

   i.   the final offering document or prospectus, together with the closing transaction documents, including any public documents referenced in the prospectus or which govern the workings of the transaction (excluding legal opinions);

   ii.   the asset sale agreement, assignment, novation or transfer agreement (and any relevant declaration of trust);

   iii. the servicing, back-up servicing, administration and cash management agreements;

   iv.   the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement;

   v.   any relevant inter-creditor agreements, swap documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

   vi.   any other relevant underlying documentation;

(c) a transaction summary including:

   i.   the issues relating to deal structure;

   ii.   the asset characteristics, cash flows, credit enhancement and liquidity support features;

   iii. the note holder voting rights, the relationship between note holders and other secured creditors in a transaction;

   iv.   the triggers in the transaction and the consequences of them being breached;

   v.   the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;

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

(e) the cash flow models shall contain the information included in Annex 9.

Article 5

Asset class categories of structured finance instruments

For the purpose of this Regulation, the structured finance instruments falling under the scope of this Regulation will be attached to one of the following asset class categories:

(a) residential mortgage backed securities. This asset class includes prime and non-prime residential mortgage-backed securities and home equity loans. For this class of structured finance instruments the template included in Annex 1 has to be completed;

(b) commercial mortgage backed securities. This asset class includes retail or office property loans, hospital loans, care residences, storage facilities, hotel loans, nursing facilities, industrial loans, and multifamily properties. For this class of structured finance instruments the template included in Annex 2 has to be completed;

(c) asset-backed securities backed by loans to small and medium sized enterprises. For this class of structured finance instruments the template included in Annex 3 has to be completed;

(d) asset-backed securities backed by auto-loans. For this class of structured finance instruments the template included in Annex 4 has to be completed;

(e) asset-backed securities backed by consumer loans. For this class of structured finance instruments the template included in Annex 5 has to be completed;

(f) asset-backed securities backed by credit card-loans. For this class of structured finance instruments the template included in Annex 6 has to be completed;

(g) asset-backed securities backed by leases to individuals and/or businesses. For this class of structured finance instruments the template included in Annex 7 has to be completed.

If a structured finance instrument falling under the scope of this Regulation cannot be attached to one of the above mentioned asset class categories an amendment to this Regulation, where appropriate and needed, containing additional disclosure requirements for existing or new types of structured finance instruments will be issued.

CHAPTER III

REPORTING PROCEDURES

Article 6

Frequency of Reporting

1. The information set out in Article 4(a) shall be made available on a quarterly basis.

2. The information set out in Article 4(b), (c) and (e) shall be made available on issuance of a structured finance instrument, without delay after the issuance of a structured finance instrument.

3. The information set out in Article 4(d) shall be made available on a monthly basis.

4. Any significant change or event either likely to affect the creditworthiness or the risk characteristics of the underlying exposures or of the structured finance instrument or representing a breach of transaction documentation of the structured finance instrument shall be disclosed under the responsibility of the issuer, originator or sponsor, without delay on the website to be set up by ESMA.

Article 7

Procedures

1. With reference to the applicable asset class category as defined in Article 5 of this Regulation, the issuer, originator and sponsor or the entity to which the disclosure duties are outsourced, shall provide the information to the website to be set up by ESMA in accordance with the format specified in Annex 1 to 9.

2. The issuer, originator and sponsor or the entity to which the disclosure duties are outsourced, shall store the files sent to and received by ESMA in electronic form for at least five years. Upon request, these files shall be made available by the issuer, originator or sponsor to the Sectoral Competent Authorities as defined in Article 3(r) of Regulation (EC) No 1060/2009.

3. Where an issuer, originator or sponsor identifies factual errors in the data that has been referred to ESMA, they shall cancel and replace the relevant data without delay.

CHAPTER IV

FINAL PROVISIONS

Article 8

Entry into force

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

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

Done at Brussels, […].

For the Commission
The President

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

Reporting Template for RMBS

Assets:

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

Borrower Information		
Borrower's Employment Status	List	Employment status of the primary applicant.
Primary Income	Numeric	Primary borrower underwritten gross annual income (not rent).
Income Verification for Primary Income	List	Income verification for primary income.
Loan characteristics		
Loan Origination Date	Date/Numeric	Date of original loan advance.
Date of Loan Maturity	Date/Numeric	The date of loan maturity.
Purpose	List	Loan purpose.
Loan Term	Numeric	Original contractual term (number of months).
Loan Currency Denomination	List	The loan currency denomination.
Original Balance	Numeric	Original loan balance (inclusive of fees
Current Balance	Numeric	Amount of loan outstanding as of pool cut off date, This should include any amounts that are secured by the mortgage and will be classed as principal in the transaction. For example if fees have been added to the loan balance and are part of the principal in the transaction these should be added. Excluding any interest arrears or penalty amounts.
Repayment Method	List	Type of principal repayment.

Payment Frequency	List	Frequency of payments due, i.e. number of months between payments.
Payment Due	Numeric	Periodic contractual payment due (the payment due if there are no other payment arrangements in force).
Payment Type	List	Principal payment type.
Interest Rate		
Interest Rate Type	List	Interest rate type.
Current Interest Rate Index	List	Current interest rate index (the reference rate off which the mortgage interest rate is set).
Current Interest Rate	Numeric	Current interest rate (%).
Current Interest Rate Margin	Numeric	Current interest rate margin (for fixed rate loans this is the same as the current interest rate, for floating rate loans this is the margin over (or under if input as a negative) the index rate.
Interest Rate Reset Interval	Numeric	The interval in months at which the interest rate is adjusted (for floating loans).
Revision Margin 1	Numeric	The margin (%) for the loan at the 1st revision date.
Interest Revision Date 1	Date/Numeric	Date interest rate next changes (e.g. discount margin changes, fixed period ends, loan re-fixed etc. this is not the next LIBOR reset date).
Revision Margin 2	Numeric	The margin (%) for the loan at the 2nd revision date.

Interest Revision Date 2	Date/Numeric	Date of 2nd interest rate change.
Revision Margin 3	Numeric	The margin (%) for the loan at the 3rd revision date. If no data available use the following input ND
Interest Revision Date 3	Date/Numeric	Date of 3rd interest rate change.
Revised Interest Rate Index	List	Next interest rate index.
Property and Additional Collateral		
Property Postcode	Text/Numeric	First 2 or 3 characters must be provided at a minimum.
Property Type	List	Property type.
Original Loan to Value	Numeric	Originator's original underwritten Loan To Value ratio (LTV). For 2nd lien loans this should be the combined or total LTV.
Valuation Amount	Numeric	Property value as of date of latest loan advance prior to a securitisation. Valuation amounts should be in the same currency as the loan.
Original Valuation Type	List	Valuation type at origination.
Valuation Date	Date/Numeric	Date of latest property valuation at time of latest loan advance prior to a securitisation.
Current Loan to Value	Numeric	Originator's current Loan to Value ratio (LTV). For 2nd lien loans this should be the combined or total LTV.
Current Valuation Amount	Numeric	Most recent valuation amount (if e.g. at repossession there were multiple valuations, this should reflect the lowest). Valuation amounts should be in the same currency as

		the loan.
Current Valuation Type	List	Current Valuation type.
Current Valuation Date	Date/Numeric	The date of most recent valuation.
Performance Information		
Account Status	List	Current status of account.
Arrears Balance	Numeric	Current balance of arrears. Arrears defined as: Total payments due to date LESS Total payments received to date LESS any amounts capitalised. This should not include any fees applied to the account.
Number Months in Arrears	Numeric	Number of months this loan is in arrears (at pool cut-off date) according to the definition of the issuer.
Arrears 1 Month Ago	Numeric	Arrears balance (defined as per 'arrears balance') for the previous month.
Arrears 2 Months Ago	Numeric	Arrears balance (defined as per 'arrears balance') two months ago.
Litigation	Y/N	Flag to indicate litigation proceedings underway.
Redemption Date	Date/Numeric	Date on which account redeemed.
Default or Foreclosure	Numeric	Total default amount before the application of sale proceeds and recoveries.
Date of Default or Foreclosure	Numeric	The date of default or foreclosure.
Default or Foreclosure	Numeric	Total default amount before the application of sale proceeds and recoveries.

Date of Default or Foreclosure	Numeric	The date of default or foreclosure.
Sale Price lower limit	Numeric	Price achieved on sale of property in case of foreclosure, rounded down to nearest 10k.
Loss on Sale	Numeric	Total loss net of fees, accrued interest etc. after application of sale proceeds (excluding prepayment charge if subordinate to principal recoveries).
Cumulative Recoveries	Numeric	Cumulative recoveries – only relevant for cases with losses.

Bond Info:

Field Name	Data Type	Field Definition & Criteria
RMBS Fields at Security or Bond Level Data		
Report Date	Date	The date on which the transaction report was issued. All dates take YYYY-MM-DD format.
Issuer	Text	Name of issuer and issue series, if applicable.
Drawings under Liquidity Facility	Y/N	Confirm whether or not there has been a drawing under the liquidity facility in the period ending on the last interest payment date.
RMBS Fields at Collateral Level Data		

Trigger Measurements/Ratios	Y/N	The status of various delinquency, dilution, default, loss and similar collateral measurements and ratios in relation to their early amortisation or other trigger event levels, as at the current determination date. Has any trigger event occurred?
Average Constant Pre-payment Rate	Numeric	The report shall include the Average (Avg) Constant Pre-payment Rate (CPR) speed of the underlying residential mortgage loans. In some jurisdictions, the mortgage pool may also include commercial loans. Avg CPR speed is the amount expressed as an annualised percentage of principal prepaid in excess of scheduled repayments. The Avg CPR speed is calculated by first dividing the Current Residential Mortgage Loan Principal Balance (i.e. the actual balance) by the Scheduled Residential Mortgage Loan Principal Balance assuming no pre-payments have been made (i.e. only scheduled repayments have been made). This quotient is then raised to a power whereby the exponent is the quantity twelve divided by the number of months since issue. Subtract this result from one then multiply it by one hundred (100) to determine the Avg CPR speed. This calculation is expressed as follows: $$\text{Average CPR} = 100 \left[1 - \left(\frac{\text{Current Residential Mortgage Loan Principal Balance}}{\text{Scheduled Residential Mortgage Loan Principal Balance}} \right)^{\frac{12}{\text{Months since issue}}} \right]$$

Transaction Report Contact Information		
Point Contact	Text	Name of the department or the point person(s) of the information sources.
Contact Information	Text	Telephone number & e-mail address.

Bond Info by Tranche:

Field Name	Data Type	Field Definition & Criteria
RMBS Fields at Tranche Level		
Bond Class Name	Text/Numeric	The designation (typically a letter and/or number) given to a tranche of RMBS which exhibit the same rights, priorities and characteristics as defined in the prospectus i.e. Series 1 Class A1 etc.
International Securities Identification Number	Text/Numeric	The international security identification code or codes, or if no ISIN, then any other unique securities code such as a CUSIP, assigned to this tranche by an exchange or other entity. If more than one code, enter comma-delimited.
Interest Payment Date	Date	The periodic date on which a payment of interest to holders of a specific tranche of RMBS is scheduled to occur.
Principal Payment Date	Date	The periodic date on which a payment of principal to holders of a specific tranche of RMBS is scheduled to occur.

Currency	Text	The unit(s) of exchange in which security-level balance(s) and payments are reported.
Reference Rate	List	The base reference interest index as defined in the offering document (e.g. 3 month EURIBOR) applicable to a specific tranche of RMBS.
Bond Issue Date	Date	Date the bonds were issued.

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

Loan Level Data - Reporting Template for CMBS

Loan:

Field Name	Data Type	Field Definition & Criteria
CMBS Loan Identifiers		
Transaction Pool Identifier	Text/Numeric	The unique transaction or deal name
Pool Cut-off Date	Date	Current pool or Portfolio cut-off date.
Securitisation Date	Date	Date of issue of the deal - First bond listing date
Original Loan Terms		
Group Identifier	Text/Numeric	The alpha-numeric code assigned to each loan group within an issue.
Loan Servicer Identifier	Text/Numeric	The loan servicer unique identification string assigned to the loan.
Offering Circular Loan Identifier	Text/Numeric	The offering circular or prospectus unique number or transaction loan name assigned to the loan within the transaction or pool.
Loan Sponsor	Text/Numeric	Loan sponsor.

Loan Origination Date	Date	Date of original loan advance.
Loan Currency	List	Loan currency denomination.
Whole Loan Balance at Origination Date	Numeric	Whole loan balance at origination representing 100% full facility i.e. securitised and unsecuritised / owned and un-owned amount (in loan currency).
Original Term of Loan	Numeric	Contractual term (in months) at Origination date.
Start Date of Amortisation	Date	The date that amortisation will commence on the whole loan (this may be a date prior to the securitisation date).
Interest Rate Index Code	List	Current interest rate index (the reference rate off which the mortgage interest rate is set).
Original Loan Interest Rate	Numeric	Loan all-in interest rate at loan origination date. If multiple tranches with different interest rates then apply a weighted average rate.
First Interest Payment Due Date	Date	The date that the first interest payment was due on the loan following origination date.
Loan Country	List	Country of the Loan.
Loan Purpose	List	Loan purpose.
Mortgage Security	Y/N	Is the Loan secured by-mortgages on the properties?
CMBS Loan Statistics at Securitisation Date		

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

Remaining Term at Securitisation Date	Numeric	Remaining number of months (excluding any extension options) until maturity of loan at Securitisation Date.
Remaining Amortisation Term at Securitisation Date	Numeric	The number of months remaining to maturity of the loan of the amortisation term. If amortisation has not commenced at the Securitisation Date this will be less than the Remaining Term at Securitisation Date.
Loan Maturity Date at Securitisation Date	Date	The maturity date of the loan as defined in the loan agreement. This would not take into account any extended maturity date that may be allowed under the loan agreement, but the initial maturity date.
Actual Principal Balance at Securitisation Date (A-Loan)	Numeric	Actual Principal Balance of the A Note loan at the Securitisation Date as identified in the Offering Circular.
Extension Option	Y/N	Indicate whether there is an option to extend the term of the loan and push out the maturity date.
Duration of Shortest Extension Option	Numeric	Duration in months of the shortest extension option available to the loan.
Nature of extension option	List	Type of extension option.
CMBS Collateral Details		
Number of Properties at Securitisation Date	Numeric	The number of properties that serve as security for the loan at the Securitisation Date.
Number of Properties at Pool cut off Date	Numeric	The number of properties that serve as security for the loan at the pool cut-off date.

Properties Collateralised to the Loan at Securitisation	Text/Numeric	Enter the unique property identifiers (PC1) of the properties that served as security for the loan at the Securitisation Date.
Properties Collateralised to the Loan at Pool cut off date	Text/Numeric	Enter the unique property identifiers (PC1) of the properties that serve as security for the loan at the cut-off date.
CMBS Loan Covenant Details		
Interest Coverage Ratio Method (Whole Loan)	List	Please define calculation of ICR financial covenant requirement at the whole loan level, the inferred method of calculation.
Debt Service Coverage Ratio Method (Whole Loan)	List	Please define calculation of DSCR financial covenant requirement at the whole loan level, the inferred method of calculation.
Loan to Value Method (Whole)	List	Please define calculation of LTV financial covenant requirement at the whole loan level, the inferred method of calculation.
Other Financial Covenant Code (Whole)	List	If there is another code required for ICR or DSCR financial covenant requirement at the whole loan level.
Interest Coverage Ratio Method (A-Loan)	List	Please define the A-Loan Interest Coverage Ratio method of calculation.
Debt Service Coverage Ratio Method (A-Loan)	List	Please define the A-Loan Debt Service Coverage Ratio method of calculation.
Loan to Value Method (A-Loan)	List	Please define the A-Loan Loan to Value Method of calculation.

CMBS Underlying Property Statistics at Securitisation Date		
Revenue at Securitisation Date	Numeric	The total underwritten revenue from all sources for a property as described in the Offering Circular. If multiple properties, sum the values of the properties.
Operating Expenses at Securitisation Date	Numeric	Total underwritten operating expenses for the properties as described in the offering Circular. These may include real estate taxes, insurance, management, utilities, maintenance and repairs and direct property costs to the landlord; capital expenditures and leasing commissions are excluded.
NOI at Securitisation Date	Numeric	Revenue less Operating Expenses at Securitisation Date (Field "Revenue at Securitisation Date" minus "Operating Expenses at Securitisation Date"). If multiple properties, sum the values.
Capital Expenditures at Securitisation Date	Numeric	Capex at Securitisation Date (as opposed to repairs and maintenance) if identified in the Offering Circular.
NCF at Securitisation Date	Numeric	NOI less Capex at Securitisation Date (Field "NOI at Securitisation Date" less "Capital Expenditures at Securitisation Date").
Currency of Financial Reporting at Securitisation	List	The currency used in the initial financial reporting of Fields "Revenue at Securitisation Date" – "NCF at Securitisation Date".
ICR / DSCR Indicator at Securitisation Date	List	How the DSCR is calculated/applied when a loan has multiple properties.
Property Portfolio Value at Securitisation Date	Numeric	The valuation of the properties securing the loan at Securitisation Date as described in the Offering Circular. If multiple properties sum the value of the properties, otherwise ND.

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

Escrow Account Release Conditions	Text	Release conditions of the escrow account.
Conditions of Drawing Cash Reserve	List	When can the Cash Reserve be used.
Escrow Currency	List	Currency of the Escrow payments. Fields "Amounts Held in Escrow at Securitisation Date" and "Target Escrow Amounts / Reserves".

CMBS Loan Grouping & Substitutions Details

Cross-Collateralised Loan	Y/N	Indicate if this is a cross collateralised loan (Example: loans 1 and 44 are cross collateralised as are loans 4 and 47).
Substituted Loan	Y/N	Is this loan a substitute for another loan on a date after the Securitisation Date?
Date of Substitution	Date	If loan was substituted after the Securitisation Date, the date of such substitution.
Grace Days Allowed	Numeric	The number of days after a payment is due in which the lender will not charge a late penalty or report the payment as late.
Additional Financing Indicator	List	Has the whole loan had additional financing/mezzanine debt?

CMBS Loan Interest Rate Details (at Securitisation Date)

Interest Rate Type	List	Type of interest rate applied to the loan.
Interest Accrual Method Code	List	The 'days' convention used to calculate interest.

Interest in Arrears	Y/N	Is the interest that accrues on the loan paid in arrears?
A-Loan Amortisation Type (if applicable)	List	A-Loan amortisation type.
CMBS Whole Loan Amortisation Details (at Securitisation Date)		
Whole Loan Amortisation Type (if applicable)	List	Whole loan amortisation type.
Accrual of Interest Allowed	Y/N	Do the loan documents allow for interest to be accrued and capitalized?
Prepayment Lock-out End Date	Date	The date after which the lender allows prepayment of the loan.
Yield Maintenance End Date	Date	The date after which the lender allows prepayment of the loan without requirement for a prepayment fee or yield maintenance to be paid. Date after which loan can be prepaid without yield maintenance.
Prepayment Premium End Date	Date	The date after which the lender allows prepayment of the loan without requirement for a prepayment fee to be paid.
Prepayment Terms Description	Text / Numeric	Should reflect the information in offering circular. For instance, if the prepayment terms are the payment of a 1% fee in year one, 0.5% in year two and 0.25% in year three of the loan this may be shown in the offering circular as: 1%(12), 0.5%(24), 0.25%(36).
Do Non-payments on Prior Ranking Claims Constitute a Default of the Loan?	Y/N	Do Non-payments on Prior Ranking Claims Constitute a Default of the Loan?

Non-payments on Equal Ranking Loans Constitute Default of Property?	Y/N	Do Non-payments on Equal Ranking Loans Constitute Default of Property?
CMBS Loan Hedging Details (at Securitisation Date)		
Lifetime Rate Cap	Numeric	Maximum rate that the borrower must pay on a floating rate loan as required under the terms of the loan agreement.
Lifetime Rate Floor	Numeric	Minimum rate that the borrower must pay on a floating rate loan as required under the terms of the loan agreement.
Type of Loan Level Swap	List	Describe the type of loan level swap that applies.
Loan Swap Provider	Text	Name of loan swap provider.
Type of Interest Rate Loan Level Swap	List	Describe the type of interest rate swap that applies to the loan.
Type of Currency Loan Level Swap	List	Describe the type of currency rate swap.
Exchange Rate for Loan Level Swap	Numeric	The exchange rate that has been set for a currency loan level swap.
Start Date of Loan Level Swap	Date	Start Date of Loan Level Swap.
End Date of Loan Level Swap	Date	End Date of Loan Level Swap.

Borrower Obligation to Pay Breakage on Loan Level Swap	List	Extent to which Borrower is obligated to pay breakage costs to loan swap provider.
CMBS Loan Rate Adjustment Details (at Securitisation Date)		
Payment Frequency	List	Frequency of interest and amortisation payments on Loan according to original loan documents.
Rate Reset Frequency	List	Frequency with which the interest rate is reset according to original loan documents.
Pay Reset Frequency	List	Frequency with which the P&I payment is reset according to original loan documents.
Index Look Back In Days	Numeric	The number of days prior to the interest payment date that the interest rate is set (e.g. Euribor set 2 days prior to interest payment date).
Index Determination Date	Date	If the Loan Agreement states specific dates for the index to be set, enter the next index determination date.
CMBS Loan Syndication & Participation Details		
Loan Structure	List	Use the Loan Structure Code to describe what structure applies to this loan e.g. whole loan, A/B splits, syndicated.
Syndicated Loan	Y/N	Is the loan part of a syndicated loan?
Percentage of Total Loan Facility being Securitised	Numeric	Percentage of total loan in securitisation at Securitisation Date.
Rights of Controlling Party for	Y/N	Does owner of any participation other than the issuer have the right to make major

Material Decisions		decisions?
Agent Bank of Syndication	Text	Agent bank.

CMBS Misc. Loan Details		
Remedy for Breach of Financial Covenant	List	The remedy for the financial covenant breach.
Loan Originator	Text	Name of the originator/Lender that sold the loan to the Issuer. Name of entity ultimately responsible for the representations and warranties of the loan.
Financial Information Submission Penalties	List	Indicator for penalties for borrower's failure to submit required financial information (Op. Statement, Schedule, etc.) as per loan documents.
Loan Recourse	Y/N	Is there recourse to another party (e.g. guarantor) if the event the borrower defaults on an obligation under the loan agreement?
Rounding Code	List	The method for rounding the interest rate.
Rounding Increment	Numeric	The incremental percentage by which an index rate should be rounded in determining the interest rate as set out in the loan agreement.
Special Servicer Name at Securitisation Date	Text	Special Servicer name at Securitisation date.
Servicing Standard	List	Servicing Standard (Choice). Does the servicer of the loan service the Whole Loan (both the A and B components) or just the A or B component?

CMBS Rate Details		
Current Index Rate (Whole Loan)	Numeric	The index rate used to determine the current whole loan interest rate. The interest rate (before margin) used to calculate the interest paid on the (Whole) Loan Payment Date in Field "Loan Payment Date".
Current Margin Rate (Whole Loan)	Numeric	Margin used to determine the current whole loan interest rate. The margin being used to calculate the interest paid on the (Whole) Loan Payment Date in Field "Loan Payment Date".
Current Interest Rate (Whole Loan)	Numeric	The total interest rate being used to calculate the interest paid on the(Whole) Loan Payment Date in Field "Loan Payment Date" (sum of Field "Current Index Rate (Whole Loan)" and "Current Margin Rate (Whole Loan)" for floating loans).
Current Interest Rate (A-Loan)	Numeric	Gross rate per annum used to calculate the current period scheduled interest on the A portion of the loan.
Next Index Rate (Whole Loan)	Numeric	The next period index rate used to determine the current whole loan interest rate. The interest rate (before margin) used to calculate the interest paid based on the Actual Ending Loan Balance (Whole Loan) "Actual Ending Loan Balance (Whole Loan)". If fixed rate enter ND.
Current Default Rate (Whole Loan)	Numeric	Total interest being used to calculate the default interest paid on the loan payment date in field "Loan Payment Date".
CMBS Principal Details		
Current Beginning Opening Balance (Whole Loan)	Numeric	Outstanding balance at beginning of current period. The outstanding balance of the loan at the beginning of the interest period used to calculate the interest due on the

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

		on the Loan Payment Date.
Total Principal Collections (A-Loan)	Numeric	All payments of principal (A-Loan) received during the current period. The principal payment of the A-Loan due to be paid to the Issuer on the Loan Payment Date in Field "Loan Payment Date" e.g. amortisation but not prepayments.
Actual Ending Loan Balance (A-Loan)	Numeric	Outstanding actual principal balance (A-Loan) at the end of the current period. The principal balance of the A-Loan that would be outstanding following the scheduled principal payment.
Committed Undrawn Facility Loan Balance (Whole Loan)	Numeric	The total whole loan (senior debt) remaining facility/ Undrawn balance at the end of the period. The total whole loan (senior debt) remaining facility at the end of the Interest Payment Date that the borrower can still draw upon.
CMBS Interest Details		
Scheduled Interest Amount Due (Whole Loan)	Numeric	Gross interest for period assuming no repayment in current period for the whole loan. The total interest that is due on the Loan Payment Date, assuming no prepayments are made during the interest period. Interest should be based on the underlying rate as per the loan agreement.
Prepayment Interest Excess/ Shortfall	Numeric	Shortfall or excess of actual interest payment from the scheduled interest payment for the current period that is not related to a loan default. Results from a prepayment received on a date other than a scheduled payment due date.
Other Interest Adjustment	Numeric	Companion field for Other Principal Adjustments (Field "Other Principal Adjustments (Whole Loan)") to show unscheduled interest adjustments for the related collection period.

Negative Amortisation	Numeric	Negative amortisation/deferred interest/capitalised interest without penalty.
Actual Interest Paid (Whole Loan)	Numeric	Whole Loan actual interest paid current period. Total amount of interest paid by the borrower during the interest period or on the Loan Payment Date.
Actual Interest Paid (A-Loan)	Numeric	Total amount of interest paid to the A-Loan during the interest period or on the Loan Payment Date.
Actual Default Interest	Numeric	Whole loan actual default interest paid in current period. Total amount of default interest paid by the borrower during the interest period or on the loan payment date.
Deferred Interest (Whole Loan)	Numeric	Deferred interest on the whole loan. Deferred interest is the amount by which the interest a borrower is required to pay on a mortgage loan is less than the amount of interest accrued on the outstanding principal balance.
Capitalised Interest (Whole Loan)	Numeric	Capitalised interest on the whole loan. Capitalised interest is where interest is added to the loan balance at the end of the interest period in accordance with loan agreement.
Scheduled Interest Amount Due (Whole Loan)	Numeric	Gross interest for period assuming no repayment in current period for the whole loan. The total interest that is due on the Loan Payment Date, assuming no prepayments are made during the interest period.
CMBS Principal & Interest Details		
Total Scheduled Principal & Interest due (Whole Loan)	Numeric	Scheduled principal & interest payment due on the loan for the current period for the Issuer (whole loan). The total scheduled principal and interest due on the Loan Payment Date (sum of Fields AC247 and AC261) - can be used for DSCR calculations.
Total Shortfalls in Principal & Interest Outstanding (Whole	Numeric	Cumulative outstanding P&I amounts due on loan at the end of the current period. The

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

Most Recent Interest Cover Ratio (Whole Loan)	Numeric	Most recent Interest Coverage Ratio (ICR) for the loan (whole) based on the loan documentation.
Most Recent Interest Cover Ratio (A-Loan)	Numeric	Most recent interest coverage ratio calculation for the A-Loan based on the offering documentation.
Most Recent Debt Service Cover Ratio (A-Loan)	Numeric	Most recent debt service coverage ratio calculation for the A-Loan based on the offering documentation.
Most Recent Loan to Value Ratio (A-Loan)	Numeric	Most recent Loan to Value ratio (LTV) for the A-Loan based on the offering documentation.
CMBS Reserve & Escrow Details		
Total Reserve Balance	Numeric	Total balance of the reserve accounts at the loan level at the Loan Payment Date. Includes Maintenance, Repairs & Environmental, etc. (excludes Tax & Insurance reserves Includes LC's for reserves. Should be completed if Field "Collection of Other Reserves" in Loan Set up is "Y" = Yes.
Escrow Trigger Event Occurred	Y/N	Enter Y if an event has occurred which has caused reserve amounts to be established . Enter N if payments are built up as a normal condition of the loan agreement.
Amounts Added to Escrows in Current Period	Numeric	Amount that has been added to any escrows or reserves during Current Period.
Reserve Balance Currency	List	Reserve account currency denomination.
Escrow Currency	List	Escrow account currency denomination.

CMBS Liquidation & Prepayment Details		
Liquidation / Prepayment Date	Date	The date on which an unscheduled principal payment or liquidation proceeds are received.
Liquidation / Prepayment Code	List	Code assigned to any unscheduled principal payments or liquidation proceeds received during the collection period.
CMBS Borrower Level Hedging Details		
Name of Loan Swap Provider (Borrower Level)	Text	The name of the Swap provider for the loan if the Borrower has the direct contract with the swap counterparty.
Actual Ratings of Loan Swap Provider (Borrower Level)	Text/Numeric	Identify the ratings of the Swap Counterparty as of the Loan Payment Date.
Full or Partial Termination Event of Loan Level Swap for Current Period (Borrower Level)	List	If loan swap has been terminated during current period, identify reason.
Net Periodic Payment due to Loan Swap Provider (Borrower Level)	Numeric	Amount of payment made by the borrower to the swap counterparty on the Loan Payment Date as required by the Swap contract.
Net Periodic Payment due from Loan Swap Provider (Borrower Level)	Numeric	Amount of payment made by the swap counterparty to the borrower on the Loan Payment Date as required by the Swap contract.
Breakage Costs Due to Loan Swap Provider	Numeric	Amount of any payment due from the borrower to the swap counterparty for partial of full termination of the Swap.

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

Property Possession Date	Date	The date on which title to (or an alternative form of effective control and ability to dispose of) the collateral property was obtained.
Net Proceeds Received on Liquidation	Numeric	Net proceeds received on liquidation used to determine loss to the Issuer per the Transaction Documents. The amount of the net proceeds of sale received, this will determine whether there is a loss or shortfall on the loan.
Liquidation Expense	Numeric	Expenses associated with the liquidation to be netted from the other assets of issuer to determine loss per the Transaction Documents. Amount of any liquidation expenses that will be paid out of the net sales proceeds to determine whether there will be any loss.
Realised Loss to Securitisation	Numeric	Outstanding balance of loan (plus Liquidation Expenses) less net Liquidation Proceeds Received. The amount of any loss to the Issuer after deducting liquidation expenses from the net sales proceeds.
Number of months in Arrears	Numeric	Number of months this loan is in arrears at the end of the current period according to the definition of the issuer.
Default Amount	Numeric	Total default amount before the application of sale proceeds and recoveries.
Cumulative Recoveries	Numeric	Total recoveries including all sale proceeds.
Special Servicing Status	Y/N	As of the Loan Payment Date is the loan currently being specially serviced?
Default Date	Date	Date the loan defaulted.
Liquidation Currency	List	Liquidation currency denomination.

Currency of Losses	List	Losses currency denomination.
Default / Arrears Currency	List	Default / Arrears currency denomination.
CMBS Loan Modification Details		
Noteholder Consent	Y/N	Is Noteholder consent needed in a restructuring?
Noteholder Meeting Scheduled	Date	What date is the next noteholder meeting scheduled for?
Last Loan Sale Date	Date	The date the loan was sold to the Issuer, if the loan was part of the original securitisation, then this will be the Securitisation Date.
Last Property Securitisation Date	Date	Date the latest property or properties were contributed to this securitisation. If any properties have been substituted, enter the date of the last substitution. If the properties were part of the original transaction, this will be the Securitisation Date.
Date of Assumption	Date	Date the assignment/novation or assumption was executed by the new borrower.
Appraisal Reduction Amount Date	Date	Date the Appraisal Reduction Amount was calculated and approved (initial or updated calculation as of date).
Date of Last Modification	Date	Last effective date the loan was modified.
Modification Code	List	Type of modification.
Modified Payment Rate	Numeric	If the loan has been restructured (probably during a workout process), and the amortisation schedule has been amended, then the new amount, expressed as a percentage of

		the loan balance, should be entered.
Modified Loan Interest Rate	Numeric	If the loan has been restructured (probably during a workout process), and the interest rate/margin has been amended, then the new rate should be entered.

CMBS Special Servicing Details		
Servicer Watchlist	Date	Determination Date that a loan was placed on the Watchlist. If loan came off the Watchlist in a prior period and is now coming back on, use the new entry date.
Most Recent Special Servicer Transfer Date	Date	The date a loan was transferred to the special Servicer following a servicing transfer event. Note: If the loan has had multiple transfers, this should be the last date transferred to special servicing.
Most Recent Primary Servicer Return Date	Date	The date a loan becomes a "corrected mortgage loan", which is the date the loan was returned to the master/primary Servicer from the special Servicer.
Non Recoverability Determined	Y/N	Indicator (Yes/No) as to whether the Servicer/Special has determined that there will be a shortfall in recovering any advances it has made and the outstanding loan balance and any other amounts owing on the loan from proceeds upon sale or liquidation of the property or Loan.
Date of Loan Breach	Date	The date the breach occurred. If multiple breaches, the date of the earliest breach.
Date of Loan Breach Cure	Date	The date the breach cured. If multiple breaches, the date which the last breach cured.
Watchlist Criteria Code	List	Servicer Watchlist Code. If multiple criteria are applicable, please list the most detrimental code.

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

Property:

CMBS Property Collateral Details		
Property Identifier	Text/Numeric	Unique identifier for the property. If multiple properties (such as a block of apartments) this should be a unique identifier which identifies them collectively.
Property Cross-Collateralised Loan Grouping	Text/Numeric	Please enter relevant Offering Circular Loan Identifiers, if one property secures several loans within the transaction or pool then separate IDs with comma delimiters.
Property Name	Text/Numeric	The name of the property that serves as security for the loan. If multiple properties (such as a block of apartments) this should be the name which identifies them collectively.
Property Address	Text/Numeric	The address of the property that serves as security for the loan.
Property City Town	Text	City or town name where the property is located.
Property Post Code	Text/Numeric	The primary property postal code. First 2 - 4 characters must be provided at a minimum.
Property Country	List	The country where the property is located.
Property Type Code	List	The property type or use reference defined in the valuation report or offering documentation.
Year Built	Date	Year the property was built per the valuation report or offering document.

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

Ground Rent Currency	List	Currency of the Ground Rent ("Ground Rent Payable").
Most Recent Valuation Currency	List	Currency of the Most Recent Valuation ("Most Recent Valuation").

CMBS Securitisation Date Details		
Property Securitisation Date	Date	Date the property was contributed to this securitisation. If this property has been substituted, enter the date of the substitution. If the property was part of the original transaction, this will be the Securitisation Date.
Allocated Percentage of Loan at Securitisation Date	Numeric	Allocated loan % attributable to property at Securitisation Date where there is more than one property securing the loan.
Date of Financials at Securitisation Date	Date	The end date of the financials for the information used in the Offering Circular (e.g. year to date, annual, quarterly or trailing 12 months).
Net Operating Income at Securitisation Date	Numeric	Revenue less Operating Expenses at Securitisation Date.
Valuation at Securitisation Date	Numeric	The valuation of the properties securing the loan at Securitisation Date as described in the Offering Circular.
Name of Valuer at Securitisation	Text	Name of valuation firm who performed the property valuation at securitization.
Date of Valuation at Securitisation Date	Date	The date the valuation was prepared for the values disclosed in the Offering Circular.
Vacant Possession Value at Date of Securitisation	Numeric	Vacant possession value at Date of Securitisation.

Commercial Area	Numeric	The total net Commercial rentable area of the property in square metres that serves as security for the loan per the most recent valuation report.
Residential Area	Numeric	The total net Residential rentable area of the property in square metres that serves as security for the loan per the most recent valuation report.
Currency of Financials	List	Loan currency denomination.
Property Most Recent YTD Financial Details		
Current Allocated Loan Percentage	Numeric	Allocated loan % attributable to property at Loan Payment Date where there is more than one property securing the loan, the sum of all % should total 100%. This may be set out in the Loan Agreement.
Current Allocated Ending Loan Amount	Numeric	Apply the Current Allocated % to the Actual Balance outstanding on the Loan.
Most Recent Financial As of Start Date	Date	The first day of the financials used for the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months).
Most Recent Financial As of End Date	Date	The end date of the financials used for the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months).
Last Month of Year used for Reporting Financials	Text/Numeric	Enter the month that the financials for each year (most recent, preceding and second preceding) will end.
Most Recent Financial Indicator	List	This field is used to describe the period for which the most recent financial data is reflected.

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Most Recent Revenue	Numeric	Total revenues for the period covered by the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months) for all the properties. For multiple properties then sum the revenue.
Most Recent Operating Expenses	Numeric	Total operating expenses for the period covered by the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months) for all properties.
Most Recent Net Operating Income	Numeric	Total revenues less total operating expenses for the period covered by the most recent financial operating statement.
Most Recent Capital Expenditure	Numeric	Total Capital Expenditure (as opposed to repairs and maintenance) for the period covered by the most recent financial operating statement e.g. Monthly, Quarterly, Year to Date or Trailing 12 months) for all the properties.
Most Recent Net Cash Flow	Numeric	Total Net Operating Income less Capital Expenses for the period covered by the most recent financial operating statement.
Most Recent Debt Service Amount	Numeric	Total scheduled payments of principal and interest due during the period covered by the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months).
Most Recent DSCR (NOI)	Numeric	Calculate the DSCR based on NOI for the period covered by the most recent financial operating statement (e.g. Monthly, Quarterly, Year to Date or Trailing 12 months).
Contractual Annual Rental Income	Numeric	The contractual annual rental income derived from the most recent Borrower tenancy schedule.
CMBS Property Occupancy Details		

Occupancy as of Date	Date	Date of most recently received rent roll/ tenancy schedule. (for hospitality (hotels), and health care properties use average occupancy for the period for which the financial statements are reported).
Physical Occupancy at Securitisation Date	Numeric	At Securitisation the available percentage of rentable space actually occupied (i.e. where tenants are actually in occupation and not vacated). Should be derived from a rent roll or other document indicating occupancy consistent with most recent financial year information.
Most Recent Physical Occupancy	Numeric	The most recent available percentage of rentable space actually occupied (i.e. where tenants are actually in occupation and not vacated). Should be derived from a rent roll or other document indicating occupancy consistent with most recent financial year information.
Available Tenant by Tenant Data	Y/N	Is the tenant information available on a tenant by tenant basis?
Weighted Average Lease Terms	Numeric	Weighted average lease terms in years.
Weighted Average Lease Terms (1st Break)	Numeric	Weighted average lease terms (in years) after all 1st Break options
CMBS Top Three Tenant Details		
% Income expiring 1-12 months	Numeric	Percentage of income expiring in 1 to 12 months.
% Income expiring 13-24 months	Numeric	Percentage of income expiring in 13 to 24 months.
% Income expiring 25-36 months	Numeric	Percentage of income expiring in 25 to 36 months.

% Income expiring 37-48 months	Numeric	Percentage of income expiring in 37 to 48 months.
% Income expiring 49+ months	Numeric	Percentage of income expiring in 49 or more months.
Largest Tenant by income (Net)	Text/Numeric	Name of largest current tenant by net rent.
Date of Lease Expiration of Largest Tenant	Date	Expiration date of lease of largest current tenant (by net rent).
Rent Payable by Largest Tenant	Numeric	Annual Rent payable by largest current tenant.
2nd Largest Tenant by Income (Net)	Text/Numeric	Name of second largest current tenant (by net rent).
Date of Lease Expiration of 2nd Largest Tenant	Date	Expiration date of lease of second largest current tenant (net annual rent).
Rent Payable by 2nd Largest Tenant	Numeric	Rent Payable by second largest current tenant.
3rd Largest Tenant by Income (Net)	Text/Numeric	Name of third largest current tenant (by net rent).
Date of Lease Expiration of 3rd Largest Tenant	Date	Expiration date of lease of third largest current tenant (net annual rent).
Rent Payable by 3rd Largest Tenant	Numeric	Rent Payable by third largest current tenant.

Rent Currency	List	Rent currency denomination.

CMBS Foreclosure Details		
Date Asset Expected to Be Resolved or Foreclosed	Date	Estimated date the Special Servicer expects resolution. If multiple properties, enter latest date from the affiliated properties. If in foreclosure = Expected Date of Foreclosure and if Property Possession = Expected Sale Date.
Possession Proceedings Start Date	Date	The date on which foreclosure proceedings or alternative enforcement procedures were initiated against or agreed by the borrower.
Date of Receivership	Date	The date on which title to (or an alternative form of effective control and ability to dispose of) the collateral property was obtained.

Bond Info: Applicable

CMBS Bond General Details		
Transaction Pool Identifier	Text / Numeric	The unique transaction or pool identification string.
Distribution Date	Date	The interest and principal payment date of the bond tranche.
Record Date	Date	Date note class must be held as of to be considered holder of record.
Bond Class Name	Text / Numeric	The designation (typically a letter and/or number) given to a tranche of CMBS which exhibit the same rights, priorities and characteristics as defined in the prospectus i.e.

		Series 1 Class A1 etc.
CUSIP (Rule 144A)	Text / Numeric	The security identification code assigned to each note class or tranche pursuant to standards established by the Committee on Uniform Security Identification Procedures number for Rule 144A requirements or other securities code established by an exchange or other entity.
International Securities Identification Number	Text / Numeric	The security identification code assigned to each note class or tranche pursuant to standards established by the International Standards Organisation (ISIN) or other securities code established by an exchange or other entity.
Common Code (Rule 144A)	Text / Numeric	Nine-digit identification code issued for each note class or tranche jointly by CEDEL and Euroclear.
International Securities Identification Number (Reg. S)	Text / Numeric	The security identification code assigned to each note class or tranche pursuant to standards established by the International Standards Organisation (ISIN) for Regulation S requirements or other securities code established by an exchange or other entity.
Common Code (Reg. S)	Text / Numeric	The security identification code assigned to each note class or tranche pursuant to standards established by the Committee on Uniform Security Identification Procedures number for Regulation S requirements or other securities code established by an exchange or other entity.
Bond Issuance Date	Date	Date of bond issuance.
Legal Maturity Date	Date	The date which note class specific or tranche of must be repaid in order not to be in default.
Currency	List	Type of currency in which the note class or tranche monetary value is expressed.

Original Principal Balance	Numeric	The original principal balance of the specific note class or tranche at the issuance date.
CMBS Bond Principal Details		
Notional Flag	Y/N	"Y" for Notional, "N" if this note class or tranche is interest only i.e. an IO strip.
Beginning Principal Balance	Numeric	The outstanding principal balance of the note class or tranche at the beginning of the current period.
Scheduled Principal	Numeric	The scheduled principal paid to the note class or tranche during the period.
Unscheduled Principal	Numeric	The unscheduled principal paid to the note class or tranche during the period.
Total Principal Distribution	Numeric	The total principal (scheduled and unscheduled) paid to the note class or tranche during the period.
Amortisation Type	List	The amortisation method in which the note class or tranche is paid periodically.
Interest Only Period Duration	Numeric	Length of interest only period in months.
Capitalised Interest	Numeric	Any interest added to the class balance including negative amortisation.
Principal Loss	Numeric	The total principal loss for the reporting period.
Cumulative Principal Losses	Numeric	Principal losses allocated cumulative-to-date.
Ending Principal Balance	Numeric	The outstanding principal balance of the note class or tranche at the end of the current period.

Payment Note factor	Numeric	Principal paid on the note class or tranche in the reporting period as a fraction of the note or tranche original (initial) balance (0<x<1), up to 12 decimal points.
Ending Note factor	Numeric	Ending note class or tranche principal after the payments of the current reporting period as a fraction of the note or tranche original (initial) balance (0<x<1), up to 12 decimal points.
Next Note Payment Date	Date	The next period note class or tranche payment/distribution date.
CMBS Bond Interest Details		
Index Rate Type	List	The base reference interest index as defined in the offering document applicable to the specific note class or tranche. Current interest rate index.
Current Index Rate	Numeric	The current value of the index rate applied to the specific note class or tranche during the current accrual period, to a minimum of 5 decimal places.
Accrual Method	List	The accrual method in which the note class or tranche is calculated periodically.
Current Accrual Days	Numeric	The number of accrual days applicable to the calculation of current period remittance interest.
Interest Accrued	Numeric	The amount of accrued interest.
Available Funds Cap Applicable	Y/N	Does the Note class benefit an Available Funds Cap (AFC) mechanism?
Appraisal Reduction Amount	Numeric	Current appraisal reduction allocated to this class.

Cumulative Appraisal Reduction	Numeric	Total cumulative appraisal reduction allocated.
Other Interest Distribution	Numeric	Other specific additions to interest.
Current Interest Shortfall	Numeric	Interest shortfall amount for this reporting period for this class.
Cumulative Interest Shortfall	Numeric	Cumulative Interest Shortfall to date.
Total Interest Distribution	Numeric	The total interest payment made.
Beginning Unpaid Interest Balance	Numeric	Outstanding interest shortfall at the beginning of the current period.
Short-Term Unpaid Interest	Numeric	Any interest deferred in the current period and payable on the next Payment Date.
Long-Term Unpaid Interest	Numeric	Any interest deferred in the current period and payable on the Maturity Date.
Available Funds Cap Trigger Event	Y/N	Has an Available Funds Cap (AFC) event been triggered?
Next Period Index Rate	Numeric	The next period value of the Index rate.
Next Index Reset Date	Date	The next period Index Rate reset date.
CMBS Bond Ratings Details		
Fitch - Original Rating	Text / Numeric	Original Fitch rating.

Fitch - Most Recent Rating	Text / Numeric	Current Fitch rating.
Fitch - Date of Recent rating from Rating Agency	Date	This represents the latest date that Fitch re-affirmed the rating.
Moody's - Original Rating	Text / Numeric	Original Moody's rating.
Moody's - Most Recent Rating	Text / Numeric	Current Moody's rating.
Moody's - Date of Recent Rating from Rating Agency	Date	This represents the latest date that Moody's re-affirmed the rating.
Standard and Poor's - Original Rating	Text / Numeric	Original S&P rating.
Standard and Poor's - Most Recent Rating	Text / Numeric	Current S&P rating.
Standard and Poor's - Date of Recent Rating from Rating Agency	Date	This represents the latest date that Standard and Poor's re-affirmed the rating.
DBRS - Original Rating	Text / Numeric	Original DBRS rating.
DBRS - Most Recent Rating	Text / Numeric	Current DBRS rating.
DBRS - Date of Recent Rating from Rating Agency	Date	This represents the latest date that DBRS re-affirmed the rating.

CMBS Liquidity Facility Details		
Liquidity Facility - Beginning Balance	Numeric	The beginning balance of the liquidity facility.
Adjustments To The Liquidity Facility	Numeric	Any adjustments to the liquidity facility.
Drawdowns On The Liquidity Facility	Numeric	Amount of drawdown on the liquidity facility.
Repayments To The Liquidity Facility	Numeric	Repayment amounts to the liquidity facility.
Closing Liquidity Facility Balance	Numeric	The closing balance.
Liquidity Facility Currency	List	Currency of the liquidity facility.

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

Loan Level Data - Reporting Template for SME

Assets:

Field Name	Data Type	Field Definition & Criteria
Pool Cut-off Date	Date	Current pool or Portfolio cut-off date.
Pool Identifier	Text/Numeric	The unique transaction or pool identification string / transaction name.
Loan Identifier	Text/Numeric	Unique identifier for each loan.
Originator	Text	Lender that advanced the original loan.
Servicer Identifier	Text/Numeric	Unique identifier per servicer to flag which entity is servicing the loan.
Servicer Name	Text	Servicer name.
Borrower Identifier	Text/Numeric	Unique identifier per borrower - to enable borrowers with multiple loans in the pool to be identified (e.g. further advances / other loans shown as separate entries)
Obligor Information		
Country	List	Country of permanent establishment.

Postcode	Text	First 2 or 3 characters must be provided at a minimum. Do not supply the full postcode.
Obligor Legal Form / Business Type	List	
Borrower Basel III Segment	List	
Originator Affiliate?	Y / N	Is the borrower an affiliate of the originator?
Asset Type	List	
Seniority	List	
Bank Internal Loss Given Default (LGD) Estimate	Numeric	Loss Given Default in normal economic conditions.
NACE Industry Code	Text/Numeric	Borrower industry NACE Code.
Lease characteristics		
Loan Origination Date	Date	Date of original loan advance.
Final Maturity Date	Date	Final maturity date of the loan.
Loan Denomination Currency	List	Loan denomination.
Loan Hedged	Y / N	Has the specific loan been hedged for currency risk?

Original Loan Balance	Numeric	Original total loan balance.
Current Balance	Numeric	Amount of loan outstanding as of pool cut off date, This should include any amounts that are classed as principal in the transaction. For example if fees have been added to the loan balance and are part of the principal in the transaction these should be added. Excluding any interest arrears or penalty amounts.
Securitised Loan Amount	Numeric	Balance of the securitised loan as of the cut-off date
Principal Payment Frequency	List	Frequency of principal payments due, i.e. number of months between payments.
Interest Payment Frequency	List	Frequency of interest payments due, i.e. number of months between payments.
Amortization Type	List	Amortisation Type.
Type of Loan	List	
Balloon Amount	Numeric	The balloon payment amount
Payment type	List	
Interest Rate		
Current Interest Rate	Numeric	Current interest rate (%)

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

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

Amortisation Profile:

Field Name	Data Type	Field Definition & Criteria

	Text/Numeric	Unique identifier for each loan
Loan Identifier		
Outstanding Balance Period 1	Numeric	Amortisation Profile with 0% prepayments
Outstanding Balance Period 1 Date	Date	Date associated with Period 1 Balance
Outstanding Balance Period [2-120]	Numeric	Amortisation Profile with 0% prepayments
Outstanding Balance Period [2-120] Date	Date	Date associated with Period [2-120] Balance

Collateral:

Field Name	Data Type	Field Definition & Criteria
Collateral		
Collateral ID	Text	Unique collateral code for the originating entity.
Loan Identifier	Text/Numeric	Unique loan identifier associated with the collateral. These should match the identifiers from field "Loan Identifier".
Security Type	List	Is there a Fixed or Floating charge over the assets?

Collateral Type	List	Collateral Type.
Original Valuation Amount	Numeric	Property value as of date of latest loan advance prior to a securitization.
Original Valuation Date	Date	Date of latest property valuation at time of latest loan advance prior to a securitization.
Current Valuation Date	Date	This should be the date of the most recent valuation CS4. If No Data available enter ND.
Original Valuation Type	List	Valuation type at origination.
Ranking	Text	
Property Postcode	Text	First 2 or 3 characters must be provided at a minimum.
Origination Channel / Arranging Bank or Division	List	
Collateral Currency	List	This should be the currency relating to the valuation amount in "Collateral Value".
Number of Collateral Items Securing The Loan	Numeric	The total number of collateral pieces securing the loan. The number should reflect the number of collateral reports submitted for the loan in the current file.

Bond Info:

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

SME Fields for Transaction Report Contact Information		
Point Contact	Text	Name of the department or the point person(s) of the information sources.
Contact Information	Text	Telephone number & e-mail address.

Bond Info by Tranche:

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

		SME is scheduled to occur.
Bond Currency	Text	Bond denomination.
Reference Rate	List	The base reference interest index as defined in the offering document (e.g. 3 month EURIBOR) applicable to a specific tranche of SME.
Legal Maturity	Date	The date before which a specific tranche of SME must be repaid in order not to be in default.
Bond Issue Date	Date	Date the bonds were issued.

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

Loan Level Data - Reporting Template for Auto ABS

AUTO ABS ASSETS:

Field Name	Data Type	Field Definition & Criteria
Deal-Specific Information		
Pool Cut-off Date	YYYY-MM-DD	Pool or Portfolio cut-off date. This is the date at which the underlying asset data within the report is referenced.
Pool Identifier	Text/Numeric	Pool or Portfolio identifier / name of transaction.
Servicer Name	Text/Numeric	Unique identifier per servicer to flag which entity is servicing the loan or lease.
Backup Servicer Name	Text	Name of the Backup Servicer.
Loan or Lease-Level Information		
Loan or Lease Identifier	Text/Numeric	Unique identifier for the loan or lease. The ID should not change through the life of the transaction.
Originator	Text	Lender that advanced the original loan or lease.

Borrower Identifier	Text/Numeric	Unique identifier for the borrower or lessee.
Group Company Identifier	Text	Unique group company identifier which identifies the borrower's ultimate parent company.
Loan or Lease Currency Denomination	List	The loan or lease currency denomination.
Borrower's Employment Status	List	Employment status of the primary applicant.
Primary Income	9(11).99	Primary borrower underwritten gross annual income.
Primary Income Currency	List	The income currency denomination
Amortisation Type	List	Amortisation type.
Income Verification for Primary Income	List	Income verification for primary income.
Geographic Region	List	The region where the borrower is located as at underwriting.
Origination Date	YYYY-MM	Date of original loan advance or lease commencement.
Expected Loan or Lease Maturity	YYYY-MM	The expected date of maturity of the loan or expiry of the lease.
Original Loan or Lease Term	Numeric	Original contractual term (number of months).
Pool Addition Date	YYYY-MM	The date that the loan or lease was transferred to the SPV.

Original Principal Balance	9(11).99	Borrower's loan principal balance or discounted lease balance (inclusive of capitalised fees) at origination.
Current Principal Outstanding Balance	9(11).99	Borrower's loan or discounted lease balance outstanding as of the pool cut-off date. This should include any amounts that are secured against the vehicle. For example if fees have been added to the balance and are part of the principal in the transaction these should be added.
Scheduled Payment Due	9(11).99	The next contractual scheduled payment due (the payment due if there are no other payment arrangements in force).
Scheduled Payment Frequency	List	Scheduled Payment Frequency.
Down Payment Amount	9(11).99	Amount of deposit/down payment on origination of loan or lease (this should include the value of traded-in vehicles etc.)
Original Loan to Value	9(3).99	The LTV of the vehicle at origination, which may be rounded to the nearest 5 per cent.
Product Type	List	Product Type.
Option to Buy Price	9(11).99	The amount the borrower has to pay at the end of the lease or loan in order to take ownership of the vehicle.

Interest Rate Reset Interval	9(2).99	Number of months between each interest rate reset date on the loan or lease.
Current Interest or Discount Rate	9(4).9(5)	Total current interest or discount rate (%) applicable to the loan or lease (may be rounded to the nearest half a per cent).
Current Interest Rate Basis	List	Current Interest Rate Basis.
Current Interest Rate Margin	9(4).9(5)	Current interest rate (%) margin of the loan or lease (may be rounded to the nearest half a per cent). For fixed-rate loans, this is the same as Current Interest or Discount Rate. For floating rate loans this is the margin over (or under, in which case input as a negative) the index rate.
Discount Rate	9(4).9(5)	Discount rate applied to the receivable when it was sold to the SPV (may be rounded to the nearest half per cent).
Car Manufacturer	Text	Brand name of the vehicle manufacturer.
Car Model	Text/Numeric	Name of the car model. .
New or Used Car	List	Condition of vehicle at point of loan or lease origination.
Original Residual Value of Vehicle	9(11).99	The estimated residual value of the vehicle, at the date of loan or lease origination. Response may be rounded.

Securitised Residual Value	9(11).99	Residual value amount which has been securitised only. Response may be rounded.
Updated Residual Value of Vehicle	9(11).99	Most recent estimated residual value of vehicle at end of contract. Response may be rounded.
Date of Updated Residual Valuation of Vehicle	YYYY-MM	The date that the most recent updated estimation of the residual value of the vehicle was calculated. If no update has been performed, enter the date of the original valuation.
Customer Type	List	Legal form of customer.
Payment method	List	Usual method of payment (can be based upon last payment received).
Date Removed from the Pool	YYYY-MM	Date that the loan or lease was removed from the pool e.g. on repurchase, redemption, prepayment or end of recovery process.
Interest Cap Rate	9(4).9(8)	If there is a cap to the interest rate that can be charged on this account, enter this cap here – do not include the % symbol.
Interest Floor Rate	9(4).9(8)	If there is a floor to the interest rate that can be charged on this account, enter this floor here – do not include the % symbol.
Arrears Balance	9(11).99	Current balance of arrears.

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

Bond Info:

Field Name	Data Type	Field Definition & Criteria

Security or Bond-Level Information		
Report Date	YYYY-MM-DD	The date on which the transaction report was issued i.e. the submission date of the completed loan-level data template to the data repository.
Issuer	Text	Name of issuer and issue series, if applicable.
All Reserve Accounts at Target Balance	Y/N	Are all reserve accounts (cash reserve, commingling reserve, set-off reserve etc.) at their required levels?
Drawings under Liquidity Facility	Y/N	Has the liquidity facility been used to cover shortfalls in the period ending on the last interest payment date?
Trigger Measurements/Ratios	Y/N	Has any trigger event occurred?
Annualised Constant Prepayment Rate	9(3).99	The annualised Constant Prepayment Rate (CPR) of the underlying receivables based upon the most recent periodic CPR. Periodic CPR is equal to the total unscheduled principal received in the most recent period divided by the start of period principal balance.
Total Receivables Sold to SPV	9(11).99	Sum of principal amount of receivables sold to SPV (i.e. at closing and during the replenishment period if applicable) to date.
Cumulative Gross Defaults –	9(11).99	Sum of all gross defaults since closing, in currency amount.

Pool		
Cumulative Recoveries - Pool	9(11).99	Sum of all recoveries since closing, net of costs, in currency amount.
Revolving Period End Date	YYYY-MM	The date that the revolving period is expected to end, or actually ended.
Transaction Report Contact Information		
Point Contact	Text/Numeric	Name of the department and the point person(s) of the information sources.
Contact Information	Text/Numeric	Telephone number & e-mail address.

Bond Info by Tranche:

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

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

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

Loan Level Data - Reporting Template for Consumer Finance ABS

Assets:

Field Name	Data Type	Field Definition & Criteria
Deal-Specific Information		
Pool Cut-off Date	YYYY-MM-DD	Pool or Portfolio cut-off date. This is the date at which the underlying asset data within the report is referenced. 'No Data' options MUST NOT be used in this field
Pool Identifier	Text/Numeric	Pool or Portfolio identifier / name of transaction. 'No Data' options MUST NOT be used in this field
Servicer Name	Text/Numeric	Unique identifier per servicer to flag which entity is servicing the loan. 'No Data' options MUST NOT be used in this field
Loan Level Information		
Loan Identifier	Text/Numeric	Unique identifier for a particular loan in the pool.
Originator	Text	Lender that advanced the original loan.
Borrower Identifier	Text/Numeric	Unique identifier for a borrower. This must be encrypted (i.e. not the actual identification number) to ensure anonymity of the borrower.

Loan Currency Denomination	List	Loan currency denomination.
Total Credit Limit	9(11).99	For loans with flexible re-draw / revolving characteristics – the maximum loan amount that could potentially be outstanding.
Revolving End Date - Loan	YYYY-MM	For loans with flexible re-draw / revolving characteristics – the date when the flexible features are expected to expire i.e. when the revolving period will end.
Borrower's Employment Status	List	Employment status of the primary applicant.
Primary Income	9(11).99	Primary borrower underwritten gross annual income (not rent). Should be rounded to the nearest 1000 units.
Primary Income Currency	List	The income currency denomination.
Income Verification for Primary Income	List	Income verification for primary income.
Geographic Region	List	The region where the borrower is located.
Origination Date	YYYY-MM	Date of original loan advance.
Expected Loan Maturity	YYYY-MM	The expected date of maturity of the loan. All 'No Data' options may be used in this field
Original Loan Term	Numeric	Original contractual term (number of months).
Pool Addition Date	YYYY-MM	The date that the loan was transferred to the SPV.
Original Principal Balance	9(11).99	Original loan principal balance (inclusive of capitalised fees) at origination.

Current Principal Outstanding Balance	9(11).99	The loan principal balance outstanding as of the pool cut-off date. Exclude any interest arrears or penalty amounts.
Scheduled Payment Due	9(11).99	The next contractual scheduled payment due (the payment due if there are no other payment arrangements in force).
Scheduled Payment Frequency	List	Payment Frequency.
Repayment Method	List	Type of principal repayment.
Interest Rate Reset Interval	9(2).99	Number of months between each interest rate reset date.
Current Interest Rate	9(4).9(8)	Total current interest rate (%) applicable to the loan. Do not include the % symbol.
Current Interest Rate Basis	List	Current interest rate basis.
Current Interest Rate Margin	9(4).9(5)	Current interest rate (%) margin of the loan. For fixed-rate loans, this is the same as Current Interest Rate.
Number of Borrowers	Numeric	Number of borrowers to the loan.
Percentage of Prepayments allowed	9(3).99	Maximum percentage of the outstanding balance allowed annually as a prepayment without incurring a penalty. Do not include the % symbol.
Early Repayment Charges	9(3).99	Percentage of the outstanding balance which is payable as a charge if the prepayment limit is exceeded. Do not include the % symbol.
Customer Type	List	Customer type at origination.
Payment Method	List	Usual method of payment (can be based upon last payment received).

Date Removed from the Pool	YYYY-MM	Date that the loan was removed from the pool e.g. on repurchase, redemption, prepayment or end of recovery process.
Employee	Y/N	Is the borrower an employee of the originator?
Interest Cap Rate	9(4).9(8)	If there is a cap to the interest rate that can be charged on this account, enter this cap here.
Interest Floor Rate	9(4).9(8)	If there is a floor to the interest rate that can be charged on this account, enter this floor here.
Performance Information		
Arrears Balance	9(11).99	Current balance of arrears, defined as the sum of minimum contractual payments due but unpaid by the borrower.
Number of Months in Arrears	9(5).99	Number of months the loan is in arrears as of the pool cut-off date.
Default Date	YYYY-MM	The date of default.
Gross Default Amount	9(11).99	Gross default amount on this account.
Cumulative Recoveries	9(11).99	Cumulative recoveries on this account, net of costs.
Redemption Date	YYYY-MM	Date on which account redeemed or the date that the recovery process was completed for defaulted loans.
Account Status	List	Current status of account.
Arrears Balance Capitalised	9(11).99	Sum of arrears capitalised to date.

Bond Info:

Field Name	Data Type	Field Definition & Criteria
Security or Bond Level Information		
Report Date	YYYY-MM-DD	The date on which the transaction report was issued i.e. the submission date of the completed loan-level data template to the data repository.
Issuer	Text	Name of issuer and issue series, if applicable.
All Reserve Accounts at Target Balance	Y/N	Are all reserve accounts (cash reserve, commingling reserve, set-off reserve etc.) at their required levels?
Drawings under Liquidity Facility	Y/N	Has the liquidity facility been used to cover shortfalls in the period ending on the last interest payment date?
Trigger Measurements/Ratios	Y/N	Has any trigger event occurred?
Annualised Constant Prepayment Rate	9(3).99	The annualised Constant Prepayment Rate (CPR) of the underlying receivables based upon the most recent periodic CPR. Periodic CPR is equal to the total unscheduled principal received in the most recent period divided by the start of period principal balance. This is then annualised as follows: 1-((1-Periodic CPR)^number of periods in a year) Do not include the % symbol.

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

Bond Info by Tranche:

Field Name	Data Type	Field Definition & Criteria
Tranche Level Information		
Bond Class Name	Text/Numeric	The designation (typically a letter and/or number) given to a tranche of bonds which exhibit the same rights, priorities and characteristics as defined in the prospectus i.e. Series 1 Class A1a etc.

International Securities Identification Number	Text/Numeric	The international security identification code or codes, or if no ISIN then any other unique securities code such as a CUSIP, assigned to this tranche by an exchange or other entity. If more than one code, enter comma-delimited.
Interest Payment Date	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which interest payments are scheduled to be distributed to bondholders of this tranche.
Principal Payment Date	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which principal payments are scheduled to be distributed to bondholders of this tranche.
Bond Currency	List	The denomination of this tranche.
Reference Rate	List	The base reference interest index as defined in the prospectus applicable to this specific tranche.
Legal Maturity	YYYY-MM-DD	The date by which this specific tranche must be fully repaid in order not to be in default.
Bond Issue Date	YYYY-MM-DD	Date this bonds was issued.
Interest Payment Frequency	List	The frequency with which interest is due to be paid on this tranche.

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

Loan Level Data - Reporting Template for Credit Card ABS

Assets:

Field Name	Data Type	Field Definition & Criteria
Deal-Specific Information		
Pool Cut-Off Date	YYYY-MM-DD	Pool or portfolio cut-off date. This is the date at which the underlying asset data within the report is referenced.
Pool Identifier	Text/Numeric	Pool or portfolio identifier e.g. Master Issuer plc, or SPV 2012-1 plc.
Servicer Name	Text/Numeric	Name of the entity servicing the account.
Backup Servicer Name	Text/Numeric	Name of the backup servicer (if there is no back-up servicer, use ND,5).
Seller	Text/Numeric	Name of Seller.
Type of Transaction	List	Standalone, Master Trust - Capitalist, Master Trust – Socialist or Other.
Loan Level Information		
Account Identifier	Text/Numeric	Unique identifier for a particular account in the pool; must be encrypted to ensure data protection.
Originator	Text/Numeric	Lender that originated the account. If unknown, please enter Seller.

Borrower Identifier	Text/Numeric	Unique identifier for a particular borrower; must be encrypted to ensure data protection. This may be the same as the Account Identifier.
Currency Denomination Of Receivable	List	The currency in which the receivable is denominated.
Pool Addition Date	YYYY-MM	Date that the account entered the pool. All 'No Data' options may be used in this field.
Borrower's Employment Status	List	Employment status of the primary applicant.
Primary Income Currency	List	Primary income currency denomination.
Income Verification For Primary Income	List	Income verification for primary income.
Geographic Region	List	The region where the borrower is located.
Employee	Y/N	Is the borrower an employee of the originator or seller?
Account Opening Date	YYYY-MM	The date that the account was opened.
Total Current Balance	9(11).99	What is the total current amount owed by the borrower (including all fees and interest) on the account?
Total Credit Limit	9(11).99	What is the credit limit of the borrower on the account?
Scheduled Payment Frequency	List	What is the minimum frequency with which the borrower are obliged to make payments if they have a balance outstanding.

Next Minimum Contractual Payment	9(11).99	The next minimum scheduled payment due from the borrower.
Current Blended Yield	9(3).99	Total weighted average yield including all fees applicable at last billing date (i.e. this is billed, not cash yield) (%).
Current Interest Rate Basis	List	Current interest rate basis.
Account Status	List	Current status of account.
Arrears Balance	9(11).99	Current balance of arrears, defined as the sum of minimum contractual payments due but unpaid by the borrower.
Arrears Balance Capitalised	9(11).99	Sum of arrears capitalised to date.
Date of Most Recent Arrears Capitalisation	YYYY-MM	Most recent date that arrears were capitalised on this card.
Number Of Days In Arrears	Numeric	Number of days the account is in arrears as of the pool cut-off date.
Payment Method	List	Usual method of payment (can be based upon last payment received).
Date Of Charge Off	YYYY-MM	The date of default.

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

Pool & Bond Info:

Field Name	Data Type	Field Definition & Criteria
Collateral Level Data (To be completed for all structures)		
Gross Charge Offs In The Period	9(11).99	Face value of gross principal charge-offs (i.e. before recoveries) for the period. Charge-off is as per transaction definition, or alternatively per lender's usual practice.
Recoveries In The period	9(11).99	Gross recoveries received during the period. All 'No Data' options may be used in this field.
Delinquencies 30-59 Days %	9(3).99	Based upon total balance of receivables, not number of accounts (%).
Delinquencies 60-89 Days %	9(3).99	Based upon total balance of receivables, not number of accounts (%).
Delinquencies 90-119 Days %	9(3).99	Based upon total balance of receivables, not number of accounts (%).
Delinquencies 120-149 Days %	9(3).99	Based upon total balance of receivables, not number of accounts (%).

Delinquencies 150-179 Days %	9(3).99	Based upon total balance of receivables, not number of accounts (%).
Delinquencies 180+ Days %	9(3).99	Based upon total balance of receivables, not number of accounts (%).
Dilutions	9(11).99	Total reductions in principal receivables during the period i.e. inclusive of S75 and fraud claims.
Revenue Collections In The Period	9(11).99	Collections treated as revenue in the period.
Principal Collections In The Period	9(11).99	Collections treated as principal in the period.
Any Trigger Occurrence	Y/N	Has any trigger event occurred, that is still outstanding? e.g. any pay-out event, any trigger based upon the originator's rating, status or value of delinquencies, yield, dilutions, defaults etc.
SPV Size - Value	9(11).99	Face value of all receivables (principal and charges) in which the trust or SPV has a beneficial interest at the cut-off date.
SPV Size - Number Of Accounts	9(11).99	Number of accounts in which the trust or SPV has a beneficial interest at the cut-off date.
SPV Size - Value - Principal Only	9(11).99	Face value of all receivables (principal only) in which the trust or SPV had a beneficial

		interest at the cut-off date.
Note Balance	9(11).99	Face value of all asset-backed notes, collateralised by the receivables in the trust or SPV.
Transferor Interest %	9(3).99	The actual transferor's interest in the trust, expressed as a percentage.
Excess Spread Amount	9(11).99	The amount remaining after note interest and topping up of any reserve account.
Report Date	YYYY-MM-DD	The date on which the transaction report was issued.
Series Level Information (For master trusts only)		
Investor Interest For This Series At End Of Period %	9(3).9(5)	The investor's interest of this series in the trust, expressed as a percentage.
Revenue Allocated To This Series	9(11).99	Revenue amounts allocated to this series from the trust.
Excess Spread Amount	9(11).99	The amount remaining after the period's collections have been fully applied to cover the issuer's obligations per the revenue waterfall in the transaction documentation.
Investor Interest For This Series At End Of Period %	9(3).9(5)	The investor's interest of this series in the trust, expressed as a percentage.

Transaction Report Contact Information		
Point Contact	Text/Numeric	Name of the department and the point person(s) of the information sources. 'No Data' options MUST NOT be used in this field
Contact Information	Text/Numeric	Telephone number and email address. 'No Data' options MUST NOT be used in this field

Bond Info by Tranche:

Field Name	Data Type	Field Definition & Criteria
Tranche Level Information (For this series only)		
Bond Class Name	Text/Numeric	The designation (typically a letter and/or number) given to a tranche of bonds which exhibit the same rights, priorities and characteristics as defined in the prospectus e.g. 2012 Class A1a etc.
International Securities Identification Number	Text/Numeric	The international security identification code or codes, or if no ISIN then any other unique securities code such as a CUSIP, assigned to this tranche by an exchange or other entity. If more than one code, enter comma-delimited.
Interest Payment Date	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which interest payments are scheduled to be distributed to bondholders of this tranche.

Principal Payment Date	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which principal payments are scheduled to be distributed to bondholders of this tranche.
Bond Currency	List	The denomination of this tranche.
Reference Rate	List	The base reference interest index as defined in the prospectus or final terms applicable to this specific tranche.
Legal Maturity	YYYY-MM-DD	The date by which this specific tranche must be fully repaid in order not to be in default.
Bond Issue Date	YYYY-MM-DD	Date this bond was issued.
Interest Payment Frequency	List	The frequency with which interest is due to be paid on this specific tranche.
Series name	Text/Numeric	Name of series, if part of a master trust. If standalone, use Pool Identifier.

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

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Loan Level Data - Reporting Template for Leasing ABS

Assets:

Field Name	Data Type	Field Definition & Criteria
Deal-Specific Information		
Pool Cut-off Date	YYYY-MM-DD	Pool or Portfolio cut-off date. This is the date at which the underlying asset data within the report is referenced.
Pool Identifier	Text/Numeric	Pool or Portfolio identifier / name of transaction.
Servicer Name	Text/Numeric	Servicer name.
Backup Servicer Name	Text	Name of the Backup Servicer.
Lease-Level Information		
Lease Identifier	Text/Numeric	Unique identifier (ID) for each Lease which should be encrypted to ensure anonymity. The Lease ID should not change through the life of the transaction.
Originator	Text	Lender that advanced the original Lease. Where original originator is not known, for example in case of mergers, name of Seller to be provided.

Lessee Identifier	Text/Numeric	Unique identifier (ID) per Lessee which should be encrypted (not showing the real name) to ensure anonymity - to enable Lessees with multiple Leases in the pool to be identified.
Group Company Identifier	Text/Numeric	Unique group company identifier.
Lease Currency Denomination	List	Lease currency denomination.
Country	List	Country of permanent establishment of the lessee.
Geographic Region	List	The region where the obligor is located as at underwriting.
Lessee Legal Form / Business Type	List	Legal form of lessee.
Borrower Basel III Segment	List	Corporate (1).
Originator Affiliate?	Y/N	Is the borrower an affiliate of the originator?
Syndicated?	Y/N	Is the lease syndicated?
Bank Internal Rating	99(3).99	Bank internal 1 Year Probability of Default.
Last Internal Obligor Rating Review	YYYY-MM	Date of last internal review of obligor as referenced in "Bank Internal Rating".
Bank Internal Loss Given Default (LGD) Estimate	9(3).99	Loss Given Default in normal economic conditions. Do not include the % symbol.

NACE Industry Code	Text/Numeric	Borrower industry NACE Code.
Subsidised	Y/N	Is the lease subsidised (to the best of your knowledge)?
Date Removed from the Pool	YYYY-MM	Date that the lease was removed from the pool e.g. on repurchase, expiry of lease term, prepayment or end of recovery process. If not relevant, use ND,5. All 'No Data' options may be used in this field
Lease characteristics		
Lease Origination Date	YYYY-MM	Date of lease origination.
Date of Lease Maturity	YYYY-MM	The expected expiry date of the lease maturity.
Pool Addition Date	YYYY-MM	Date that the lease was transferred to the SPV. For all leases in the pool as at the date of the pool cut-off in the first report submitted to ED.
Lease Term	99(4).99	Original contractual term (number of months).
Original Principal Balance	9(11).99	Original Principal (or discounted) lease balance (inclusive of capitalised fees) at origination.
Current Principal Outstanding Balance	9(11).99	Principal (or discounted) lease balance outstanding as of the pool cut-off date, including any amounts that have been added to the lease balance and are part of the principal in the transaction.
Securitised Residual Value	9(11).99	Residual value amount which has been securitised only.

Repayment Method	List	Type of principal repayment.
Principal Payment Frequency	List	Frequency of principal payments due, i.e. number of months between payments.
Interest Payment Frequency	List	Frequency of interest payments due, i.e. number of months between payments.
Payment Due	9(11).99	The next periodic contractual payment due (the payment due if there are no other payment arrangements in force).
Option to Buy Price	9(11).99	The amount the lessee has to pay at the end of the lease in order to take ownership of the asset, other than the payment referred to in "Securitised Residual Value".
Down Payment Amount	9(11).99	Amount of deposit/down payment on origination of lease (this should include the value of traded-in equipment etc.).
Amortisation Type	List	Amortisation type.
Payment Method	List	Usual method of payment (can be based upon last payment received).
Product Type	List	The classification of the lease, per lessor's definitions.
Updated Residual Value of Asset	9(11).99	Most recent forecast residual value of the asset at the end of the lease term. Response may be rounded; see "Instructions" tab for details of rounding calculation and rules.
Date of Updated Residual Valuation of Asset	YYYY-MM	The date that the most recent updated estimation of the residual value of the asset was calculated.
Interest Rate		

Interest Rate Reset Interval	9(2).99	Number of months between each interest rate reset date.
Current Interest Rate or Discount Rate	9(4).9(5)	Total current interest rate (%) or discount rate applicable to the lease.
Current Interest Rate Basis	List	Current interest rate basis.
Current Interest Rate Margin	9(4).9(5)	Current interest rate margin of the lease.
Discount Rate	9(4).9(5)	Discount rate applied to the receivable when it was sold to the SPV. .
Interest Cap Rate	9(4).9(8)	If there is a cap to the interest rate that can be charged on this account, enter this cap here.
Interest Floor Rate	9(4).9(8)	If there is a floor to the interest rate that can be charged on this account, enter this floor here.
Performance Information		
Arrears Balance	9(11).99	Current balance of arrears. Arrears defined as: Total payments due to date LESS Total payments received to date LESS any amounts capitalised. This should not include any fees applied to the account.
Number of Months in Arrears	9(5).99	Number of months this Lease is in arrears (at pool cut-off date) according to the definition of the issuer.
Default or Foreclosure on the Lease	Y/N	Whether there has been a default or foreclosure on the lease per the transaction definition, or alternatively, per the lessor's usual definition.

Default or Foreclosure on the Lease per Basel III definition	Y/N	Whether there has been a default or foreclosure on the Lease per Basel III definition.
Reason for Default (Basel III definition)	List	Using Basel III definition, reason for default.
Default Date	YYYY-MM	Date the Lease defaulted per the transaction default definition, or alternatively, per the lessor's usual definition.
Default Amount	9(11).99	Total default amount (per the transaction definition, or alternatively, per the lessor's usual definition) before the application of sale proceeds and recoveries.
Cumulative Recoveries	9(11).99	Cumulative recoveries on this account, net of costs.
Allocated Losses	9(11).99	The allocated losses to date.
Redemption Date	YYYY-MM	Date on which account redeemed or the date that the recovery process was completed for defaulted leases.
Date Loss Allocated	YYYY-MM	The date when the loss was allocated.
Account Status	List	Current status of account.
Arrears 1 Month Ago	9(11).99	Arrears balance (defined as per 'arrears balance') for the previous month.
Arrears 2 Months Ago	9(11).99	Arrears balance (defined as per 'arrears balance') two months ago.
Litigation	Y/N	Flag to indicate litigation proceedings underway (if account has recovered and is no longer being actively litigated this should be re-set to N).

Sale Price	9(11).99	Price achieved on sale of asset in case of foreclosure, in same currency denomination as lease.
Loss on Sale	9(11).99	Total loss net of fees, accrued interest etc. after application of sale proceeds (excluding prepayment charge if subordinate to principal recoveries).
Residual Value Losses	9(11).99	Residual value loss arising on turn-in of asset.
Collateral		
Country of Asset	List	The country where the asset is located.
Asset Manufacturer	Text	Name of the manufacturer.
Asset Name/Model	Text	Name of the asset/model.
New or Used Asset	List	Condition of asset at point of lease origination.
Original Residual Value of Asset	9(11).99	The estimated residual value of the asset at the date of lease origination.
Asset Type	List	Asset Type.
Original Valuation amount	9(11).99	Valuation of asset at lease origination.
Original Valuation type	List	Valuation type at lease origination.
Original Valuation date	YYYY-MM	Date of asset valuation at origination.

Updated Valuation amount	9(11).99	Latest asset valuation.
Updated Valuation type	List	Valuation type at most recent valuation date.
Updated Valuation date	YYYY-MM	Date of latest asset valuation. If no revaluation has occurred since origination, enter original valuation date.

Bond Info:

Field Name	Data Type	Field Definition & Criteria
Security or Bond Level Information		
Report Date	YYYY-MM-DD	The date on which the transaction report was issued i.e. the submission date of the completed loan-level data template to the data repository.
Issuer	Text	Name of issuer and issue series, if applicable.
All Reserve Accounts at Target Balance	Y/N	Are all reserve accounts (cash reserve, commingling reserve, set-off reserve etc.) at their required levels?

Drawings under Liquidity Facility	Y/N	Has the liquidity facility been used to cover shortfalls in the period ending on the last interest payment date?
Trigger Measurements/Ratios	Y/N	Has any trigger event occurred?
Annualised Constant Prepayment Rate	9(3).99	The annualised Constant Prepayment Rate (CPR) of the underlying receivables based upon the most recent periodic CPR. Periodic CPR is equal to the total unscheduled principal received in the most recent period divided by the start of period principal balance.
Total Receivables Sold to SPV	9(11).99	Sum of principal amount of receivables sold to SPV (i.e. at closing and during the replenishment period if applicable) to date.
Cumulative Gross Defaults - Pool	9(11).99	Sum of all gross defaults since closing, in currency amount.
Cumulative Recoveries - Pool	9(11).99	Sum of all recoveries since closing, in currency amount.
Revolving Period End Date	YYYY-MM	The date that the revolving period is expected to end, or actually ended.
Transaction Report Contact Information		
Point Contact	Text/Numeric	Name of the department and the point person(s) of the information sources.
Contact Information	Text/Numeric	Telephone number and e-mail address. 'No Data' options MUST NOT be used in this field.

Bond Info by Tranche:

Field Name	Data Type	Field Definition & Criteria
Tranche Level Information		
Bond Class Name	Text/Numeric	The designation (typically a letter and/or number) given to this tranche of bonds which exhibit the same rights, priorities and characteristics as defined in the prospectus i.e. Series 1 Class A1a etc.
International Securities Identification Number	Text/Numeric	The international security identification code or codes, or if no ISIN, then any other unique securities code such as a CUSIP, assigned to this tranche by an exchange or other entity.
Interest Payment Date	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which interest payments are scheduled to be distributed to bondholders of this tranche.
Principal Payment Date	YYYY-MM-DD	The first occurring date, after the pool cut-off date being reported, upon which principal payments are scheduled to be distributed to bondholders of this tranche.
Bond Currency	List	The denomination of this tranche.
Reference Rate	List	The base reference interest index as defined in the offering document applicable to this specific tranche of Bond.
Legal Maturity	YYYY-MM-DD	The date before which this specific tranche must be repaid in order not to be in default.
Bond Issue Date	YYYY-MM-DD	Date the bonds were issued.

Interest Payment Frequency	List	The frequency with which interest is due to be paid on this tranche.

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

Investor reports

The monthly investor reports shall contain information on:

(a) asset performance;

(b) a detailed cash flow allocation;

(c) a list of all triggers of the transaction and their status;

(d) a list of all counterparties involved in a transaction, their role and their credit ratings;

(e) details of cash injected into the transaction by the originator/sponsor or any other support provided to the transaction including any drawings under or utilisation of any liquidity or credit support and support provided by a third party;

(f) amounts standing to the credit of guaranteed investment contract and other bank accounts;

(g) details of any swaps (e.g. rates, payments and notionals) and other hedging arrangements to the transaction, including any related collateral postings;

(h) definitions of key terms (such as delinquencies, defaults and pre-payments).

Annex 9 to the draft regulatory technical standards on information on structured-finance instruments

Cash flow models

<u>General</u>

- The model shall incorporate data from a pre-configured table of inputs to drive a cash flow model, provided by the issuer, originator or sponsor, and output the resulting cash flows for the expected life of the relevant bond.

- Whilst inputs and outputs are bespoke to each transaction at a minimum inputs shall cover asset specific (e.g. principal and interest received, delinquencies and defaults), liability specific (e.g. note balances, trigger breaches) and sundry factors (e.g. interest and exchange rates). The output of the cash flow model shall clearly show the activities (e.g. waterfall payments, account balances, note balances etc.) for the life of the transaction i.e. until assets have been exhausted under the assumptions being run.

- The model shall incorporate all features of the transaction which are not open to change or interpretation (e.g. note interest margins, waterfalls etc.).

- The model shall be updated should there be any changes to the structure which may impact the cash flows. For example, updates would not be required to reflect the amortisation of notes (note balances should be an input to the model) but will be required if there are changes which may impact the published model or to reflect changes to the transaction which may have occurred (e.g. the breach of a given trigger).

- The issuer, originator, or sponsor may accompany the model with guidance notes, including instructions, assumptions made and further information, however the notes should not be unreasonably long or excessively technical.

<u>Inputs and Outputs</u>

All models shall include the following example inputs and outputs where relevant to a given structured finance instrument. This list is not intended to be exhaustive.

<u>Inputs</u>

a) Static Variable Inputs (single input to reflect the starting position for the model):
    - opening Balances; portfolio, outstanding notes, cash/account balances, ledgers ;
    - starting Guaranteed Investment Contract / cash balances–reserve fund, accumulation.

b) Time Variable Inputs (the user must be able to supply a value for each period of the cash flow run)
    <u>Economic Variables</u>

- Interest rate (% per period);
- Currency Exchange Rates (e.g. EUR/$ or £/EUR per period).

<u>Cash Flows</u>

- Portfolio balances;
- Principal & Revenue received;
- Losses allocated;
- Other income streams (e.g. recoveries, Guaranteed Investment Contract interest etc.) in the event they are applied any differently in the waterfall;
- If applicable to the waterfall or structure, performance variables which may influence payment rules (e.g. CPR, arrears percentages);
- Special loss.

<u>Stress Event Dates</u>

- Originator Downgrade (e.g. AAA, A) or Default (Yes/No);
- Insolvency Event or Post Enforcement Waterfall Trigger breach (Yes/No);
- Transaction specific trigger event dates–where such triggers may not be driven by the liabilities model (e.g. delinquency trigger breach) (Yes/No).

<u>Counterparty</u>

- Counterparty Downgrade (e.g. AAA, A) or Default (Yes/No) (e.g. swap counterparty default occurring in a given period);
- Stressed Service Provider Fees (e.g. servicer, account bank).

Outputs

a) Waterfall payments;

b) Note, account and ledger balances;

c) Swap payments.

Questions:

Q1) Do you agree that issuers, originators or sponsors of a structured finance instrument established in the EU shall jointly agree upon and designate the entity responsible for providing the information to ESMA?

Q2) Do you consider that national laws on protection of personal data could impact the publication of the information contained in this draft Regulation?

Q3) Do you consider the list of information requested pursuant to Article 4 as appropriate?

Q4) Do you consider the frequency of the information to be reported pursuant to Article 6 as adequate?

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

2013/[...] (COD)

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

of dd-month-2014

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

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies[5] and in particular to points (c) and (e) of Article 21(4) and point (a) Article 21(4a) thereof,

Whereas:

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

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(excluding the ratings exclusively produced for and disclosed to investors for a fee).

(2) With a view to allow a more efficient data processing for ESMA and a simplification of the data reporting for registered and certified CRAs, this regulation aims to allow ESMA to integrate all data reported by credit rating agencies in one database. Consequently, this Regulation includes the requirements set out in Article 11(2) of Regulation (EC) No 1060/2009 requiring credit rating agencies to make certain information on historical performance data available in the central repository established by ESMA. In addition, this Regulation includes the requirements set out in point (e) of Article 21(4) of Regulation (EC) No 1060/2009 defining the content and format of the ratings data that credit rating agencies should periodically report to ESMA to allow ESMA to discharge its responsibility with regard to the on-going supervision of credit rating agencies, as established by Article 21(1) of that Regulation. This Regulation then repeals Regulation (EU) No 446/2012 and Regulation (EU) No 448/2012. ESMA will ensure the clear distinction between the public and the confidential information by using secured data storage and data usage principles.

(3) The ERP will display timely information on all rating actions that are not exclusively disclosed to investors for a fee, including: rating and outlook of the rated instrument; press releases accompanying rating actions; reports accompanying sovereign rating actions; type of rating action; date and hour of publication. In particular, press releases are the essential vehicle of rating actions and provide information on the key elements driving the rating decision. All the rating information collected from different CRAs will be merged into the ESMA database so as to offer a global view of the different ratings issued on each rated entity or instrument. Rating users then have a central access point, thus lowering information costs. As regards the frequency of the reporting, the ratings will be collected and published on a daily basis: all rating issued between 19:00:00 UCT the previous day and 18:59:59 UTC current day should be reported until 20:59:59 UCT the current day, so as to allow for one daily update of the ERP outside EU business hours.

(4) The current regulation includes also the data provided for the purpose of point (e) of Article 21(4) of Regulation (EC) No 1060/2009. The collected rating information should allow ESMA to supervise closely the conduct and activities of credit rating agencies, so as to be able to react promptly in case of actual or potential breaches of the requirements of Regulation (EC) No 1060/2009. For this purpose, ratings data should normally be reported to ESMA on a monthly basis. However, in order to ensure proportionality, credit rating agencies that have fewer than 50 employees and that are not part of a group should be able to submit ratings data every two months, instead of every month. ESMA should still be able to require those credit ratings agencies to carry out monthly reporting, in light of the number and type of their ratings, including the complexity of the credit analysis, the relevance of the rated instruments or issuers and the eligibility of the ratings to be used for purposes such as those of Regulation (EU) No 575/2013[6]. ESMA will use the data already reported for the ERP purposes for its on-going supervision, CRAs being required to report only the information that is not covered by the ERP reporting obligations, avoiding therefore duplicated data reporting.

(5) This regulation also includes the extension of the application of Article 21(4)(e) of Regulation (EC) No 1060/2009 introduced by Regulation (EU) No 462/2013 to certified credit rating agencies regarding the periodical reporting to ESMA for its on-going supervision.

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[6] OJ L 176, 27.6.2013, p. 1.

(6) Article 11(2) of Regulation (EC) No 1060/2009 requires credit rating agencies to make certain information on historical performance data available in the central repository established by ESMA. This information is to be provided in a standard form as provided by ESMA and made available by ESMA. ESMA will also publish summary information on the main developments observed. The repealed Regulation (EU) No 448/2012 provided requirements concerning the presentation of the information, including structure, format, method and period of reporting where included in. By the introduction of the current regulation, CRAs will not be requested to report separate data to cover this obligation. ESMA will use the data provided for in the scope of Article 11(2) and Article 21(4)(e) to create and publish the statistics on the historical performance data.

(7) Through the application of the CEREP RTS (Regulation (EU) No 448/2012), ESMA has gathered historical data going as far back as 10 years before the entry into force of the CRA Regulation for all registered and certified CRAs. To further facilitate comparability of the statistics produced, the newly-certified credit rating agencies will be requested to submit the data relating to at least the last 10 years before the certification (or since the start of activity of the credit rating agency). A certified credit rating agency should not be required to report these data, partially or totally, if it can demonstrate that this would not be proportionate in view of their scale and complexity.

(8) The data to be reported following the requirement of this regulation should be compiled in a standard format to allow ESMA to receive and process the records automatically in its internal systems. Due to technical progress over time, a number of technical reporting instructions concerning the transmission or the format of the files to be submitted by credit rating agencies may have to be updated and communicated by ESMA through specific communications or guidelines.

(9) Credit rating agencies that are part of a group should be able to either report their ratings data separately to ESMA, or mandate one of the other agencies within the group to submit the data on behalf of all group members that are subject to the reporting requirements. However, due to the credit rating agencies' highly integrated functional organisation at Union level and in order to facilitate the understanding of the statistics, credit rating agencies should be encouraged to report to the central repository on a global basis for the whole group.

(10) For ESMA's on-going supervision purposes and for the calculation of the CRAs' historical performance statistics, in order to help market participants to better assess the reliability of credit ratings and thereby assist them in taking investment decisions, the database may also accept on a voluntary basis credit ratings issued by third-country credit rating agencies belonging to the same group of credit rating agencies but not endorsed in the Union.

(11) ESMA will propose to the Commission, if necessary due to financial innovation or market developments, amendments to this Regulation containing additional disclosure requirements.

(12) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the Commission pursuant to the procedure laid down in Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council.[7]

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[7] OJ L 331, 15.12.2010, p. 84.

(13) ESMA has conducted an open public consultation on the draft regulatory technical standards on which this Regulation is based and requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010.

Has adopted this regulation:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation specifies the rules for the presentation of the information, including structure, format, method and period of reporting, that registered and certified credit rating agencies are required to make available to the European Securities and Markets Authority ('ESMA') in accordance with:

(a) Article 11a(1) of Regulation (EC) No 1060/2009;

(b) point (e) of Article 21(4) of Regulation (EC) No 1060/2009;

(c) Article 11(2) and paragraph 1 of Part II of Section E of Annex I to Regulation (EC) No 1060/2009.

CHAPTER II

GENERAL REPORTING PRINCIPLES

Article 2

Data to be reported

1. For the purpose of Article 11a(1) of Regulation (EC) No 1060/2009, when issuing a credit rating or rating outlook the registered and certified credit rating agencies shall submit to ESMA rating information. The information shall be published by ESMA on its website as the "European Rating Platform", as required in Article 11a(2) of Regulation (EC) No 1060/2009. The frequency and content of reporting is described in Article 9.

2. All the registered and certified credit rating agencies shall report to ESMA credit rating information for on-going supervision purposes as requested by point (e) of Article 21(4) of Regulation (EC) No 1060/2009. The frequency and content of reporting is described in Article 10.

3. Article 11(2) of Regulation (EC) No 1060/2009 requests ESMA to disclose to the public data on the historical performance of registered and certified credit rating agencies. For the purpose of calculating the statistics credit rating agencies shall submit certain information to ESMA. The frequency and content of reporting is described in Article 11.

4. A credit rating agency shall be responsible for the accuracy, completeness and availability of its reported data. It shall ensure that the reports are provided in due time using appropriate systems developed based on the technical instructions provided by ESMA.

5. Credit rating agencies shall notify ESMA immediately of any exceptional circumstances that may temporarily prevent or delay their ability to report in accordance with this Regulation.

6. Where a credit rating agency belongs to a group of credit rating agencies the members of the group may mandate one of their members to report the required information on behalf of the group. When the mandated group member reports information on behalf of the group it shall identify both itself and the group members on whose behalf it is reporting the information.

7. For the purposes specified in paragraphs 2 and 3, a credit rating agency reporting on behalf of a group of credit rating agencies may include data of third-country credit rating agencies belonging to the same affiliated group which are not used in the Union by means of endorsement. Where a credit rating agency does not report such data it shall give an explanation in its qualitative data report, in the Field 11 of Table1 in Annex1.

8. A credit rating agency shall disclose the solicitation status of each reported credit rating or rating outlook by specifying whether it is solicited, unsolicited with participation or unsolicited without participation, as set out in Article 10(5) of Regulation (EC) No 1060/2009.

Article 3

Reporting of default status and withdrawals

1. For the purpose of Field 6 of Table 3 of Annex 2, a credit rating agency shall report a default in respect of a rating where one of the following events has occurred:

   (a) the rating indicates that a default has occurred according to the credit rating agency's definition of default;

   (b) the rating has been withdrawn due to insolvency of the rated entity or due to debt restructuring;

   (c) any other instance in which the credit rating agency considers a rated entity or rated instrument as defaulted, materially impaired or equivalent.

2. All reported ratings that are withdrawn shall be accorded a reason for withdrawal under field 11 of Table 3 of Annex 2. Ratings that were withdrawn before 7 September 2010 may be accorded in the category 'end of rating due to other reasons'.

Article 4

Rating types

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

   (a) corporate ratings;

   (b) structured finance ratings;

   (c) sovereign and public finance ratings;

   (d) covered bonds.

Article 5

Corporate ratings

1. When reporting corporate ratings a credit rating agency shall classify the ratings within one of these industry segments:

   (a) non-financial;

   (b) financial; or

   (c) insurance.

2. The country code used for the localisation of a rated entity or its issues shall be that of the country of the entity's domicile.

Article 6

Structured finance ratings

1. Structured finance ratings shall relate to a financial instrument or other assets resulting from a securitisation transaction or scheme referred to in Article 4(61) of Regulation (EU) No 575/2013. When reporting structured finance ratings, a credit rating agency shall classify the rating within one of the following asset classes:

   (a) asset-backed securities. This asset class includes auto/boat/airplane loans, student loans, consumer loans, health care loans, manufactured housing loans, film loans, utility loans, equipment leases, credit card receivables, tax liens, non-performing loans, credit-linked notes, recreational vehicle loans, and trade receivables;

(b) residential mortgage-backed securities. This asset class includes prime and non-prime residential mortgage-backed securities and home equity loans;

(c) commercial mortgage-backed securities. This asset class includes retail or office property loans, hospital loans, care residences, storage facilities, hotel loans, nursing facilities, industrial loans, and multifamily properties;

(d) collateralised debt obligations. This asset class includes collateralised loan obligations, credit backed obligations, collateralised synthetic obligations, single-tranche collateralised debt obligations, credit fund obligations, collateralised debt obligations of asset-backed securities, and collateralised debt obligations of collateralised debt obligations;

(e) asset-backed commercial papers;

(f) other structured finance instruments that are not included in the preceding asset classes, including structured investment vehicles, insurance-linked securities and derivative product companies.

2. A credit rating agency shall also indicate which specific sub-asset class (if applicable) each rated instrument belongs to (Field 28 of Table 1 in Annex 2).

3. The localisation of structured finance instruments shall be reported as the country of the majority of the underlying assets. Where it is not possible to identify the domicile of the majority of the underlying assets, the rated instrument shall be classified as 'International' (value code 'ZZ').

Article 7

Sovereign and public finance ratings

1. A credit rating agency shall report data concerning sovereign ratings, public entities ratings and other supranational organisation ratings within one of the following sectors:

(a) state rating, as set out in point (v)(i) and (ii) of Article 3(1) of Regulation (EC) No 1060/2009 and where the rating refers to a State;

(b) regional or local authority rating, as set out in point (v)(i) and (ii) of Article 3(1) of Regulation (EC) No 1060/2009 and where the rating refers to a regional or a local authority;

(c) international financial institution ratings, as set out in point (v)(iii) of Article 3(1) of Regulation (EC) No 1060/2009;

(d) supranational organisation ratings such as those of institutions established, owned and controlled by more than one sovereign government shareholder including organisations covered by code U (Activities of extraterritorial organisations and bodies) according to the statistical classification of economic activities in the European Communities (hereinafter 'NACE') and that are not included at point (c);

(e) public entities ratings including those covered by NACE codes O (Public administration and defence; compulsory social security), P (Education) and Q (Human health and social work activities).

2. For the purpose of field 11 of Table 1 of Annex 2, where no specific country can be identified as country of issuance in the case of international or supranational organisations as specified in paragraph (1) (c) and (d), the rated issuer shall be classified as 'International.'

Article 8

Covered bonds

The ratings referring to covered bonds shall be classified as:

(a) covered bonds that fall under the requirements referred to in Article 129 of Regulation (EU) No 575/2013 and Article 52(4) of Directive 2009/65/EC;

(b) structured covered bonds;

(c) other covered bonds.

CHAPTER III

FREQUENCY AND CONTENT OF REPORTING

Article 9

Reporting for the purpose of publication on the European Rating Platform

1. A registered or certified credit rating agency shall report data on any credit rating or rating outlook each time it issues or endorses a credit rating or a rating outlook that are not exclusively disclosed to investors for a fee, as referred to in Article 11a(1) of Regulation (EC) No 1060/2009.

2. The ratings issued between 19:00:00 UTC the previous day and 18:59:59 UTC current day should be reported until 20:59:59 UTC the current day.

Question:

The RTS aims to ensure that investors have up-to-date rating information available on the ERP in accordance with the requirements of Article 11a and the Recitals of the last amendments to the CRA Regulation (Regulation (EU) No 462/2013).

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

3. For each credit rating or rating outlook the accompanying press release shall be reported. Optionally, if the press release was submitted in another language than English, then an English version can also be submitted when available.

4. For the all sovereign ratings referred to in points (a), (b), and (c) of Article 7(1) and in accordance with paragraph (1) Part III Section D of Regulation (EC) No 1060/2009, the accompanying research rating report shall be reported.

Question:

The RTS aims to ensure that investors have easy access and compare credit rating information on the ERP (in accordance with the requirements of Article 11a of Regulation (EC) No 1060/2009).

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

Article 10

Reporting for the purpose of ESMA supervision

1. A registered or certified credit rating agency shall report data on all preliminary ratings, credit ratings and rating outlooks each time it issues or endorses a preliminary rating, credit rating or a rating outlook, as referred to in point (e) of Article 21(4) of Regulation (EC) No 1060/2009.

2. The ratings that are not falling under the scope of Article 9 or the updates to the rating data reported according to Article 9 shall be submitted on a monthly basis and shall provide rating data relating to the preceding calendar month.

3. The credit rating agencies that have fewer than 50 employees and that are not part of a group of credit rating agencies, may provide the rating data specified in paragraph 2 on a bi-monthly basis, unless ESMA informs the credit rating agency that it requires monthly reporting in view of the nature, complexity and range of issue of its credit ratings. The data shall refer to the preceding two calendar months.

4. The data specified in paragraph 2 shall be submitted to ESMA within 15 days of the end of the period which is the subject of the report.

5. Where no action has occurred during the preceding calendar month, the credit rating agency shall not be obliged to submit any notification to ESMA in this respect.

Article 11

Reporting for the purpose of historical performance calculation

All the credit ratings issued by a registered or a certified credit rating agency and reported to ESMA in accordance with Article 9 and Article 10 shall be used by ESMA for computing the historical performance statistics, in accordance with Article 2(3).

Article 12

First time reporting

1. For the purposes referred to in Article 2 paragraph 1 and 2, the credit rating agencies that are registered and certified at the date of applicability of this Regulation shall make a special first time reporting containing all the outstanding credit ratings and rating outlooks. ESMA shall inform the credit rating agencies three months in advance about the technical instructions for this reporting.

2. The credit rating agencies registered or certified after the date of applicability of this Regulation are given a three-month period after the date of registration or certification before they have to comply with the obligations of this Regulation. When making their first reporting, they shall report all the credit ratings and rating outlooks issued from the moment of the registration, as described in Article 9, Article 10 and Article 11.

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

CHAPTER IV

Reporting procedure

Article 13

Data structure

1. A credit rating agency shall provide qualitative data reports in the format specified in Annex 1.

2. In case of credit rating agencies that are part of a group, just one qualitative set of files shall be sent, as set out in Article 2 (6).

3. A credit rating agency shall provide rating data reports for ratings referred to in Article 9, Article 10 and Article 11 and in the format specified in the tables of Annex II.

Article 14

Data submission procedure

1. Registered and certified credit rating agencies shall submit data files in accordance with the technical instructions provided by ESMA and using ESMA's reporting system.

2. Credit rating agencies shall store the files sent to and received by ESMA in electronic form for at least five years. These files shall be made available to ESMA on request.

3. Where a credit rating agency identifies factual errors in the data that has been reported, it shall without undue delay correct the relevant data according to the technical instructions provided by ESMA.

CHAPTER V

FINAL PROVISIONS

Article 15

Repeal

1. The present regulation is repealing the following regulations:

   (a) COMMISSION DELEGATED REGULATION (EU) No 446/2012 of 21 March 2012 supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards on the content and format of ratings data periodic reporting to be submitted to the European Securities and Markets Authority by credit rating agencies;

   (b) COMMISSION DELEGATED REGULATION (EU) No 448/2012 of 21 March 2012 supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards for the presentation of the information that credit rating agencies shall make available in a central repository established by the European Securities and Markets Authority.

2. References to the repealed Regulations set out in paragraph 1 shall be construed as references to this Regulation.

Article 16

Entry into force

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

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

Done at Brussels, […].

[For the Commission
The President]

[For the Commission
On behalf of the president]
[Position]

Annex 1 to the draft regulatory technical standards on the European Rating Platform

List of fields for the qualitative data file

Table 1: CRA and methodology description

No	Field name	Description	Type	Standard	Scope
1	CRA code	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory.		Technical
2	Reporting CRA LEI	LEI code of the credit rating agency sending the file.	Mandatory.	ISO 17442 code	Public
3	Reporting type	Establishes if the reporting represents new information, change or deletion.	Mandatory.	C - if the rating is applicable to corporate ratings S - if the rating is applicable to sovereign ratings T - if the rating is applicable to structure finance ratings B - if the rating refers to a covered bond not included in the definition of structured finance	Technical

No	Field name	Description	Type	Standard	Scope
4	Change reason	The change to reported data can be due to incorrect data (correction) or due to real changes in time of the information (updates). The correction will replace the piece of information while the update is available only from the 'Update date' (the previous value being kept in the historical data).	Mandatory. Applicable for 'Reporting type' = 'CHG'	C - Correction of data U - Update of data	Technical
5	Update date	The date when the update started to be effective	Mandatory. Applicable for 'Change reason' = 'U'	ISO 8601 Date Format (YYYY-MM-DD)	Technical
6	CRA name	Name used to identify the credit rating agency. It shall correspond to the name used by the credit rating agency in the registration process and all other supervisory procedures within ESMA. In case one member of a group of credit rating agencies reports for the whole group it shall be the name referring to the group of credit rating agencies.	Mandatory.		Public
7	CRA Description	Brief description of the credit rating agency.	Mandatory.		Public

No	Field name	Description	Type	Standard	Scope
8	CRA Methodology	Description of the credit rating agency's rating methodology. The credit rating agency has the possibility to describe unique features of its rating methodology.	Mandatory.		Public
9	Solicited and unsolicited ratings policies	Description of the credit rating agency's policy on solicited and unsolicited with or without partici-pation ratings If more than one policy exists, the relevant rating types applicable to each policy shall be specified.	Mandatory.		Public
10	Subsidiary ratings policy	Description of policy regarding the reporting of the rating of subsidi-aries.	Mandatory. Applicable for credit rating agencies issuing corporate ratings.		Public
11	Geographical reporting scope	In the case of a CRA part of a group, they should mention whether they report all the ratings issued by the group (global scope) or not (only the EU and endorsed ratings). If the coverage is not global, the credit rating agency shall explain why not. For all other CRAs it should be reported as "global"	Mandatory.	Y - Yes N - No	Public
12	Geographical reporting scope – reason	Should contain the reason for which a CRA that is part of a group, does not report all the ratings of the group	Mandatory. Applicable when 'Geographical reporting scope' = 'N'		Public

No	Field name	Description	Type	Standard	Scope
13	Definition of default	Describes the definition of default used by the credit rating agency.	Mandatory.		Public
14	Website link	Link to the CRA website	Mandatory.	Should have the format of a valid web page reference.	Public
15	Preliminary rating definition	Describes the type of preliminary ratings issued by the credit rating agency	Optional. To be reported only if the credit rating agency is issuing preliminary ratings.		Confidential

Table 2: Issuer rated debt classification

No	Field name	Description	Type	Standard	Scope
1	CRA code	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA that is part of a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory.		Technical
2	Rated debt classification identifier	Unique identifier for each debt category used for classifying the corporate ratings other than the issuer ones (eg: senior unsecured debt, subordinated unsecured debt, junior subordinated unsecure debt, probability of default, etc).	Mandatory. Applicable if the rating agency is issuing corporate ratings other than issuer corporate rating.		Technical
3	Rated debt classification name	Name of the rated debt category.	Mandatory. Applicable if 'Rated debt classification identifier'		Technical

No	Field name	Description	Type	Standard	Scope
			is reported.		
4	Rated debt classification description	Description of the rated debt category	Mandatory. Applicable if 'Rated debt classi-fication identifier' is reported.		Technical
5	Seniority	Identifies the seniority of the debt class of the issuer or instrument rated.	Optional. Applicable if 'Rated debt classi-fication identifier' is reported. Should be report-ed only for the categories were the classification applies	SE - in case the issuer rating or the instrument rated is senior SB - in case the issuer rating or the instrument rated is subordinated	Public

Table 3: Corporate ratings issue/ program types

No	Field name	Description	Type	Standard	Scope
1	CRA code	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA that is part of a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory.		Technical
2	Corporate issue/ program type identi-fier	Unique identifier for each issue / program used for classifying the corporate ratings.	Mandatory.		Technical
3	Corporate issue/	Issue / program name (Eg: note, medium term	Mandatory.		Technical

No	Field name	Description	Type	Standard	Scope
	program type name	note, bonds, commercial paper, etc)			
4	Corporate issue/ program type description	Issue / program description	Mandatory.		Technical

Table 4: Lead analysts list

No	Field name	Description	Type	Standard	Scope
1	CRA code	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA that is part of a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory.		Technical
2	Lead analyst internal identifier	List of the identifiers of the lead analysts appointed by the credit rating agency.	Mandatory. Applicable for lead analysts that operate in the European Union.		Confidential
3	Lead analyst name	Lead analyst name	Mandatory. Applicable if 'Lead Analyst internal identifier' is reported.		Confidential
4	Lead analyst start date	The date when a the function of lead analyst started	Mandatory. Applicable if 'Lead Analyst internal identifier' is reported.	ISO 8601 Date Format (YYYY-MM-DD)	Confidential

No	Field name	Description	Type	Standard	Scope
5	Lead analyst end date	The date when the function of lead analyst ended. If the employee is currently working in the lead analyst function, it should be reported as 9999-01-01.	Mandatory. Applicable if 'Lead Analyst internal identifier' is reported.	ISO 8601 Date Format (YYYY-MM-DD) or 9999-01-01	Confidential

Table 5: Rating scale

No	Field name	Description	Type	Standard	Scope
1	CRA code	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA that is part of a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory.		Technical
2	Rating scale identifier	Identifies uniquely a specific rating scale of the credit rating agency.	Mandatory.		Technical
3	Rating scale validity start date	The date at which the rating scale starts being valid.	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD)	Public
4	Rating scale validity end date	The last date when a rating scale is valid. For the rating scale that are currently valid, it should be reported as 9999-01-01.	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD) or 9999-01-01	Public
5	Description of the rating scale	Description of the type of ratings included in the scale, including the geographical scope where	Mandatory.		Public

No	Field name	Description	Type	Standard	Scope
		relevant.			
6	Time horizon	Identifies the applicability of the rating scale based on the time horizon.	Mandatory.	L - in case the rating scale is applicable to long term ratings S - in case the rating scale is applicable to short term ratings	Public
7	Rating type	Identifies the applicability of the rating scale based on the rating type.	Mandatory.	C - in case the rating scale is applicable to corporate ratings S - in case the rating scale is applicable to sovereign & public finance ratings T - in case the rating scale is applicable to structured finance ratings B - in case the rating scale is applicable to covered bonds ratings	Public
8	Rating scale scope	Specifies if the rating scale is used for issuing preliminary ratings, final ratings or both	Mandatory.	P - rating scale is used for issuing preliminary ratings only F - rating scale is used for issuing final ratings only B - rating scale is used for issuing preliminary and final ratings	Public
9	Rating scale used for CEREP	Indicates if the rating is to be used by ESMA for CEREP statistics calculations. For any given period, only one rating scale per combination of rating type and time horizon can be used.	Mandatory.	Y - Yes N - No	Technical

No	Field name	Description	Type	Standard	Scope
10	Rating category value	Order of the rating category in the rating scale, considering notches as subcategories.	Mandatory.	The ordinal is an integer value with minimum value 1 and a maximum value of 20. The declaration of the rating categories values must be consecutive. There must be as a minimum one rating category for each rating.	Public
11	Rating category label	Identifies a specific rating category within the rating scale.	Mandatory.		Public
12	Rating category description	Definition of the rating category in the rating scale.	Mandatory.		Public
13	Notch value	Order of the notch in the rating scale. The notch value is the value that is assigned to each rating, to identify the rating at the beginning and at the end of each period.	Optional. To be reported if a notch in rating scale is declared.	The notch value is an integer with minimum value 1 and a maximum value of 99. Values provided must be consecutive. There is an undetermined number of notches belonging to each specific rating category.	Public
14	Notch label	Identifies a specific notch within the rating scale. Notches provide additional detail to the rating category.	Mandatory. Applicable if 'Notch value' is reported.		Public
15	Notch label	Definition of the notch in the rating scale.	Mandatory. Applicable if 'Notch value' is reported.		Public

Annex 2 to the draft regulatory technical standards on the European Rating Platform

List of fields for the rating data file

Table 1: Data describing the rated entity / instrument

No	Field name	Description	Type	Standard	Scope
1	CRA code	Code used to identify the CRA. It is provided by ESMA upon registration. In case one member of a CRA that is part of a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory.		Technical
2	Reporting CRA LEI	LEI code of the credit rating agency sending the file.	Mandatory.	ISO 17442	Confidential
3	Responsible CRA LEI	Legal Identifier Code (LEI) of the entity responsible for the rating, i.e. in case for:	Mandatory.	ISO 17442	Public
4	Rating identifier	Unique identifier of the rating, which shall be maintained unchanged over time. The rating identifier shall be unique in all reports to ESMA	Mandatory.		Technical
5	Reporting type	Establishes if the reporting represents new information, change or deletion.	Mandatory.	NEW - New CHG - Change DEL - Deletion	Technical

No	Field name	Description	Type	Standard	Scope
6	Change reason	The change to reported data can be due to incorrect data (correction) or due to real changes in time of the information (updates). The correction will replace the piece of information while the update is available only from the 'Update date' (the previous value being kept in the historical data).	Mandatory. Applicable for 'Reporting type' = CHG	C - Correction of data U - Update of data	Technical
7	Update date	The date when the update started to be effective	Mandatory. Applicable for 'Change reason' = 'U'	ISO 8601 Date Format: (YYY-MM-DD)	Technical
8	Rating type	Identifies whether the rating is a corporate rating or a sovereign and public finance rating, a structured finance rating or a covered bond rating. It shall be maintained unchanged over time.	Mandatory.	C - if the rating is applicable to corporate ratings S - if the rating is applicable to sovereign ratings T - if the rating is applicable to structure finance ratings B - if the rating refers to a covered bond not included in the definition of structured finance	Public
9	Rated object	Specifies if the rating refers to an entity / issuer of debt, a debt of an entity or an issue of a rated entity/ financial instrument.	Mandatory.	ISR - the rating refers to an entity or issuer of instruments DBT - the rating refers to a debt or financial obligation of an entity INT - the rating refers to an issued financial instrument	Public

No	Field name	Description	Type	Standard	Scope
10	Time horizon	Identifies whether the rating is a short-term or a long-term rating. It shall be maintained un-changed over time.	Mandatory.	L - if the a long term rating, S - if the rating is a short term rating	Public
11	Country	Country code of the rated issu-er/instrument.	Mandatory.	ISO 3166-1 code. The code 'ZZ' shall be used to identify the category 'international'.	Public
12	Currency	Identifies whether the rating is ex-pressed in respect of local or foreign currency.	Mandatory. Applicable for 'Rated object' = 'ISR'.	LC - in case of a local currency rating FC - in case of a foreign currency rating	Public
13	Issuer LEI	Unique LEI code of the issuer. It shall be maintained un-changed over time.	Mandatory.	ISO 17442	Public
14	Internal Issuer identifier	Unique identifier of the issuer. It shall be maintained un-changed over time.	Mandatory.		Confidential
15	Issuer's name	It shall contain appropriate under-standable reference to the legal name of the issuer.	Mandatory.		Public
16	Issuer Parent LEI	The LEI code of the parent company. To be reported only in case the rated issuer is a subsidiary of another entity.	Optional. Applicable for 'Rated object' = 'ISR'.	ISO 17442	Public
17	ISIN	International Securi-ties Identifying Number (ISIN) of the rated instru-	Mandatory. Applicable for 'Rated object' =	ISO 6166	Public

No	Field name	Description	Type	Standard	Scope
		ment. It shall be maintained un-changed over time.	'INT'		
18	Internal instrument identifier	Unique code to identify the financial instrument that is rated. It shall be maintained un-changed over time.	Mandatory. Applicable for 'Rated object' = 'INT'.		Confidential
19	Corporate issue/ program type	Indicates the issue / program type of the rating	Mandatory. Applicable for 'Rating type' = 'C' or 'S'	Valid 'Corporate issue/ program type identifier', previously reported in the qualitative file	Public
20	Rated debt type	Specifies the rated issuer or issued instrument debt type	Mandatory. Applicable for 'Rating type' = 'C' and for 'Rated ob-ject' = 'DBT' or 'INS'	Valid 'Rated debt classifi-cation identifier', previ-ously reported in the qualitative file	Public
21	Issuance Date	Specifies the issu-ance date of the rated instrument. It shall be maintained unchanged over time.	Mandatory. Applicable for 'Rated object' = 'INT'.	ISO 8601 Date Format: (YYY-MM-DD)	Public
22	Maturity Date	The maturity date of the instrument	Mandatory. Applicable for 'Rated object' = 'INT'. If perpetual: 99-99-9999	ISO 8601 Date Format: (YYY-MM-DD)	Public
23	Outstanding issue volume	The outstanding issue volume at start of the rating.	Mandatory. Applicable for 'Rated		Public

No	Field name	Description	Type	Standard	Scope
			object' = 'INT'		
24	Issue volume currency code	The code in which the outstanding issue volume is given	Mandatory. Applicable for issue ratings	ISO 4217	Public
25	Industry	Industry segment of the issuer.	Mandatory. Applicable for 'Rating type' = 'C'.	FI - for Financial institutions including banks, brokers and dealers, IN - for Insurance rating type, CO - for Corporate issuers that do not belong to class 1) or 2).	Public
26	Sector	Specifies subcategories for sovereign and public finance ratings.	Mandatory. Applicable for 'Rating type' = 'S'.	SV - State rating SM - Regional or local-authority rating SO - Supranational organizations rating other than 'IF' PE - Public entities rating. IF - International financial institutions	Public
27	Asset class	Defines the main asset classes for structured finance ratings.	Mandatory. Applicable for 'Rating type' = 'T'.	ABS - for ABS rating RMBS - for RMBS rating CMBS - for CMBS rating CDO - for CDO rating ABCP - for ABCP rating OTH - for Other	Public
28	Sub-asset	Defines the sub-asset classes for ABS, RMBS and CDO ratings.	Mandatory. Applicable for 'Rating type' = 'T' and 'Asset class' = 'ABS' or 'RMBS' or 'CDP' or	CCS - If ABS: Credit card receivable backed securities ALB - If ABS: Auto loan backed securities CNS - If ABS: Consumer loan backed security SME - If ABS: Small and medium sized enterpris-	Public

No	Field name	Description	Type	Standard	Scope
			'OTH'.	es loan backed securities LES - If ABS: Leases to individual or business backed security OTH - Other HEL - If RMBS: Home equity loans PRR - If RMBS: Prime RMBS, NPR - If RMBS: Non-prime RMBS CFH - If CDO: Cash flow and hybrid CDOs/CLOs SDO - If CDO: Synthetic CDOs/CLOs MVO - If CDO: Market value CDOs SIV - If OTH: structured investment vehicles ILS - If OTH: insurance-linked securities DPC - If OTH: derivative product companies	
29	Covered bonds classification	Classification of covered bonds.	Mandatory. Applicable for 'Rating type' = 'B'.	RCB - covered bonds that fall under the require-ments referred to in Article 129 of Regulation (EU) No 575/2013 and Article 52(4) of Directive 2009/65/EC SCB - structured covered bonds OCB - other covered bonds	Public
30	ABS Other	Indicate the other ABS sub-asset class category	Mandatory. Applicable for 'Asset' = 'ABS' and 'Sub-asset' = 'OTH'		Public

No	Field name	Description	Type	Standard	Scope
31	CDO Other	Indicate the other CDO sub-asset class category	Mandatory. Applicable for 'Asset' = 'CDO' and 'Sub-asset' = 'OTH'		Public
32	Other sub-asset class	Indicate the other sub-asset class category, for other assets.	Mandatory. Applicable for 'Asset' = 'OTH' and 'Sub-asset' = 'OTH'		Public
33	Tranche class	Class of the tranche	Mandatory. Applicable for 'Rating type' = 'T'.	[one_letter][ordinal_no]	Public
34	SerieNo/ProgramId	Specifies the serie or the program from each the rated instrument is part of.	Optional. Applicable for 'Rating type' = 'T' or 'B'.		Public
35	Program/ Deal/ Issuance Name	Specifies the program/ deal/ issuance name used in the public issuance documents	Optional. Applicable for 'Rated object' = 'INT'.		Public
36	Preceding preliminary rating	For all the new ratings it specifies if there was a preliminary rating before.	Mandatory. Applicable for 'Rating type' = 'NEW'	Y - Yes N - No	Confidential
37	Preceding Preliminary Rating identifier	If the new rating was preceded by a preliminary rating it indicates the rating id of that rating. The rating Id should be found in the list of preliminary ratings	Mandatory. Applicable for 'Preceding preliminary rating' = 'Y'		Confidential

No	Field name	Description	Type	Standard	Scope
		already reported.			
38	Complexity indicator	Indicates the complexity grade assigned to the ratings considering the number of originators, counter parties, countries, the need to develop, complex colateral, etc.	Mandatory. Applicable for 'Rating type' = 'T'.	S - standard complexity C - additional complexity	Confidential
39	Structured finance transaction type	Indication of whether the instrument refers to a Stand-alone or Master-Trust	Mandatory. Applicable for 'Rating type' = 'T'.	S - Stand-alone transaction M - Master Trust transaction	Confidential
40	Business model	The CRA business model under which the rating is issued	Mandatory.	INV - the rating is exclusively produced for and disclosed to investors for a fee NOT - the rating is NOT exclusively produced for and disclosed to investors for a fee	Confidential

Table 2: List of originators (applicable only for structured finance ratings)

No	Field name	Description	Type	Standard	Scope
1	Rating identifier	Unique identifier of the rating, which shall be maintained unchanged over time. The rating identifier shall be unique in all reports to ESMA	Mandatory.		Technical

No	Field name	Description	Type	Standard	Scope
2	Originator LEI	List of LEI code of the originator.	Mandatory. Applicable for 'Rating type' = 'T' and 'Originator LEI' is not 'Multiple'.	ISO 17442	Confidential
3	Originator Internal Identifier	Unique code assigned by the CRA to the originator.	Mandatory. Applicable for 'Rating type' = 'T'. In case of multiple originators that cannot be individually identified, 'Multiple' should be reported.		Confidential
4	Originator's name	It shall contain appropriate understandable reference to the legal name of the originator (or the parent company of the issuer).	Mandatory. Applicable for 'Rating type' = 'T' and 'Originator LEI' is not 'Multiple'.		Confidential

Table 3: Data about the rating actions of each rating from Table 1

No	Field name	Description	Type	Standard	Scope
1	Rating Action identifier	The unique identifier of a rating action per rated entity/ instrument.	Mandatory.		Technical
2	Rating identifier	Unique identifier of the rating, which shall be maintained unchanged over time. The rating identifier shall be unique in all reports to ESMA	Mandatory.		Technical

No	Field name	Description	Type	Standard	Scope
3	Action validity date and time	The date and time of validity of the action. This shall coincide with the Coordinated Universal Time (UTC) of publication of the action or distribution by subscription.	Mandatory.	ISO 8601 Extended Date Time Format: YYYY-MM-DD (HH:MM:SS)	Public
4	Action communication date and time	The date and time of communication of the action to the rated entity. It shall be expressed as Coordinated Universal Time (UTC). Should be reported only for the ratings issued in the European Union.	Mandatory. Applicable for 'Location of the rating issuance ' = 'I'.	ISO 8601 Extended Date Time Format: YYYY-MM-DD (HH:MM:SS)	Confidential
5	Action decision date	Identifies the date when the action is decided. It shall be the date of preliminary approval (by the rating committee) of the action where this is then communicated to the rated entity before final approval. Should be reported only for the ratings issued in the European Union.	Mandatory. Applicable for 'Location of the rating issuance ' = 'I'.	ISO 8601 Date Format: (YYY-MM-DD)	Confidential

No	Field name	Description	Type	Standard	Scope
6	Action type	Flags that the rating has been generated for the first time during the reporting period.	Mandatory.	NW - in case the rating is issued for the first time UP - in case the rating is upgraded DG - in case the rating is downgraded WD - in case the rating is withdrawn AF - in case the rating is affirmed DF - in case a rated issuer or instrument is assigned to or removed from a default status PR - in case of preliminary rating OT - in case the rating is placed to or removed from the outlook/trend status WR - in case the rating is placed to or removed from the watch/review status	Public
7	Out-look/Watch /Default status	An out-look/Watch/Default status is assigned, kept or removed with respect to the rating,	Mandatory. Applicable for 'Action type' = 'OT' or 'WR' or 'DF'	P - status is placed M - status is maintained R - status is removed	Public
8	Outlook	Identifies the out-look/trend assigned to a rating by the CRA according to its relevant policy.	Mandatory. Applicable for 'Action type' = 'OT'	POS - in case of a positive outlook NEG - in case of a negative outlook EVO - in case of an evolving or developing outlook STA - in case of a stable outlook	Public

No	Field name	Description	Type	Standard	Scope
9	Watch/Review	Identifies the watch or review status assigned to a rating by the CRA according to its relevant policy.	Mandatory. Applicable for 'Action type' = 'WR'	POW - in case of a positive watch/review NEW - in case of a negative watch/review EVW - in case of an evolving or developing watch/review UNW - in case of a watch/review with uncertain direction	Public
10	Watch/Review determinant	Identifies the reason for the watch/review status of a rating. Should be reported only for the ratings issued in the European Union.	Mandatory. Applicable for 'Location of the rating issuance ' = 'I'.	1 - where the watch/review status is due to changes in methodologies, models or key rating assumptions 2 - where the watch/review status is due to economic, financial or credit reasons 3 - where the watch or review status is due to other reasons (e.g. departure of analysts, occurrence of conflicts of interests)	Public

No	Field name	Description	Type	Standard	Scope
11	Withdrawal reason	Reason for where there is an entry in the 'withdrawal' field.	Mandatory. Applicable for 'Action Type' = 'WD'	1 - in case of incorrect or insufficient information on issuer/issue 2 - in case of bankruptcy of the rated entity or debt restructuring 3 - in case of reorganization of rated entity (including the merger or acquisition of the rated entity) 4 - in case of the end of maturity of the debt obligation or early redemption 5 - in case of automatic invalidity of rating due to business model of CRA (such as expiry of ratings valid for a predetermined period) 6 - for end of rating due to other reasons 7 - in case the rating relate to 10% shareholder on an impacted entity (as set out in Annex I, Section B, Point 3 of the Regulation	Public
12	Other withdrawn reason	In case the rating was withdrawn due to other reasons than the ones provided, please specify the reason	Mandatory. Applicable for 'Withdrawn reason' = 6		O
13	Rating scale identifier	Identifies uniquely the scale of the rating.	Mandatory. Applicable for 'Action type' = 'NW' or 'UP' or 'AF' or 'DG' or 'PR'	Valid 'Rating scale identifier', previously reported in the qualitative file.	Technical

No	Field name	Description	Type	Standard	Scope
14	Rating value	Notch value at the end of the reporting period.	Mandatory. Applicable for 'Action type' = 'NW' or 'UP' or 'AF' or 'DG' or 'PR'	Valid 'Rating category value', previously reported in the qualitative file.	Public
15	Location of the rating issuance	Defines by whom the rating is issued.	Mandatory.	I - Issued in the EU E - Endorsed T - Issued in a third country by a certified CRA O - Other (not-endorsed) N - Not available (only valid before 01/01/2011)	Public
16	Lead Analyst identifier	Identifier assigned by the CRA to the lead analyst responsible for the rating. Should be reported only for the ratings issued in the European Union.	Mandatory. Applicable for 'Location of the rating issuance ' = 'I'. Valid 'Lead analyst internal identifier', previously reported in the qualitative file.		Confidential
17	Country of the lead analyst	Identifies the country of the office of the lead analyst competent for the rating.	Mandatory. Applicable for 'Location of the rating issuance ' = 'I'.	ISO 3166-1 code. The code 'ZZ' shall be used to identify the category 'international'.	Confidential
18	Solicited/unsolicited	Solicitation status of the rated entity	Mandatory.	S - if the rating is solicited, U - if the rating is unsolicited P - if the rating is unsolicited with participation	Public

No	Field name	Description	Type	Standard	Scope
19	Press Re-lease	Specifies if the rating was issued with a press release	Mandatory. Applicable for 'Business model' = 'NOT'.	Y - Yes N - No	Public
20	Press Re-lease Lan-guage	Language of the press release	Mandatory. Applicable for 'Press release' = 'Y'.	ISO 639-1	Public
21	Press Re-lease file name	Press release file name. Shall be reported in a zip format	Mandatory. Applicable for 'Press release' = 'Y'.	"PR_[RatingId]_[Action Id]_[Lang].zip"	Public
22	Link to press re-lease	In case the rating is accompanied by the same press release as other rating action, it should state the 'Action identifier' for the action for which the common press release was first submitted.	Optional.	Valid 'Action identifier'	Public
23	Sovereign Research Report	Specifies if the rating was accompanied by a re-search rating report	Mandatory. Applicable for 'Rating type' = 'S' and 'Sector' = 'SV' or 'SM' or 'IF'	Y - Yes N - No	Public
24	Sovereign Research Report Language	Language of the research rating report	Mandatory. Applicable for 'Sovereign Re-search Report' = 'Y'	ISO 639-1	Public
25	Sovereign Research Report file name	Research rating report file name. Shall be reported in a zip format	Mandatory. Applicable for 'Sovereign Re-search Report' = 'Y'	"RR_[RatingId]_[Actio nId]_[Lang].zip"	Public

No	Field name	Description	Type	Standard	Scope
26	Link to sovereign research report	In case the rating is accompanied by the same research report as other rating action, it should state the 'Action identifier' for the action for which the common research report was first submitted.	Optional.	Valid 'Action identifier'	Public

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

2013/[…] (COD)

COMMISSION DELEGATED REGULATION (EU) No […/2013]

OF […]

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

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

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

Whereas:

(1) Point (b) of Article 21(4a) of Regulation (EC) No 1060/2009 requires the European Securities and Markets Authority (ESMA) to submit by 21 June 2014 the draft regulatory technical standards to be endorsed by the Commission concerning the content and format on fees charged by credit ratings agencies to be periodically reported to ESMA.

(2) Article 11 (3) and point 2 of Part II of Section E of Annex I of Regulation (EC) No 1060/2009 requires credit rating agencies to annually disclose to ESMA the list of fees charged to each client for individual credit ratings and any ancillary services, as well as its pricing policy, including the fees structure and pricing criteria in relation to credit ratings for different asset classes. The current Regulation details the content to be reported and the format to be used by credit rating agencies in order to discharge their obligation under those disclosure provisions.

(3) The purpose of this periodic reporting is to allow ESMA to exercise its ongoing supervisory powers over credit rating agencies, as established by Article 21(1) of Regulation (EC) No 1060/2009. Under these powers, and in order to mitigate conflicts of interest and facilitate fair competition in the credit rating market, ESMA will ensure that pricing policies, procedures and ultimately fees charged by credit rating agencies to clients are not discriminatory. Differences in fees charged for the same type of service should be justifiable by a difference in the actual costs in providing this service to different clients. Moreover, the fees charged for credit rating services to a given issuer should not depend on the results or outcome of the work performed.

(4) The fee information to be submitted by registered and certified credit rating agencies under this Regulation allows ESMA to identify credit ratings that would require more in depth scrutiny and possible further supervisory follow-up actions. Credit ratings and ancillary services with similar features should have similar fees charged, differences being justified on basis of cost differences. The information collected under this Regulation allows ESMA to identify, for each registered and certified credit rating agency, comparable services and their respective fees and therefore to detect any significant deviations in fees charged. ESMA may then undertake investigations to verify that any such fees are set up according to the pricing policies and procedures and differences on fees are based on cost differences.

(5) Pricing policies and procedures should be reported for each rating type. In order to clearly distinguish each pricing policy and procedure and their respective updates, each version of the pricing policies and procedures shall have an identification number, in a manner that also allows to clearly identify which policy or procedure is updated. The pricing policies shall indicate the fee structure or fee schedule as well as the pricing criteria that can be applied by the person or persons negotiating the fees to be charged for an individual credit rating. Such fee structures or fee schedules shall also include any frequency or other fee programmes from which the rated entity or subscriber may benefit from in terms of different fees charged for an individual rating or a set of credit ratings. Credit rating agencies shall log all instances of when the pricing policies have not been applied and all instances of deviations from the pricing policy as applied to an individual credit rating, with a clear identification of the credit rating involved.

(6) Registered and certified credit rating agencies that are part of a group should be able to either report their ratings data separately to ESMA, or mandate one of the other credit rating agencies within the group to submit the data on behalf of all group members that are subject to the reporting requirements.

(7) For the purpose of this Regulation and the information requirements on fees charged a "client" also includes an entity, its subsidiaries, and associated entities in which the entity has holdings of more than 20%, as well as any other entities in respect of which it has negotiated the structuring of a debt issue on behalf of a client and where a fee was paid, directly or indirectly, to the credit rating agency for the rating of that debt issue.

(8) In order to enable registered and certified credit rating agencies to develop adequate systems and procedures following the technical specifications provided by ESMA in this Regulation, registered and certified credit rating agencies shall initially report on individual fees data nine months after the entry into force of this Regulation in order to ensure complete and correct reporting on fees data. This shall not be construed as a discharge from the obligation on registered and certified credit rating agencies to submit periodic information on fees in accordance with point 2 of Part II of Section E of Annex I of the Regulation (EU) No 1060/2009 in the interim period.

(9) Pricing policies and procedures shall be provided on an on-going basis, so that any material changes are reported without undue delay after their approval for entry into force. The information to be reported should be compiled in a standard format to allow ESMA to receive and process the records automatically in its internal systems. Due to technical difficulties and technical progress over time, a number of technical reporting instructions concerning the transmission or the format of the files to be submitted by registered and certified credit rating agencies might have to be updated and communicated by ESMA through specific communications or guidelines. In those cases where material changes are necessary in the information required from registered and certified credit rating agencies, ESMA will amend the Annexes of this Regulation and submit to the European Commission the updated draft regulatory technical standards for its endorsement.

(10) The information to be submitted to ESMA and the database of information reported to ESMA under the current Regulation will not be made publicly available.

(11) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the Commission, in accordance with Article 10 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council.

(12) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010.

HAS ADOPTED THIS REGULATION:

CHAPTER I

General Provisions

Article 1

Subject matter

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

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

(b) Article 11 (3) of Regulation (EC) No 1060/2009.

CHAPTER II

Reporting principles

Article 2

Reporting principles

1. Registered and certified credit rating agencies shall submit the following types of report to ESMA:

    (a) pricing policies and procedures as set out in Article 3;

    (b) fee data for credit ratings activities provided under the issuers-pays model as set out in Article 4(1);

    (c) fee data for credit rating activities provided under the subscriber or investor-pays model as set out in Article 4(2).

2. Registered and certified credit rating agencies shall comply with the requirements established by this Regulation and shall be responsible for the accuracy and completeness of the information and data reported to ESMA.

3. In the case of a group of credit rating agencies, the members of the group may mandate one member to submit reports required under this Regulation on its behalf and on behalf of the other members of the group. Each registered or certified credit rating agency on whose behalf a report is submitted shall be identified in the data submitted to ESMA.

4. Non-compliance with the reporting requirement may lead to ESMA requesting information by a decision issued under article 23b(3) of Regulation (EC) No 1060/2009, or taking other investigatory measures provided for under that Regulation.

Article 3

Pricing policies and procedures

1. Registered and certified credit rating agencies shall provide to ESMA their pricing policies, fee structure or fee schedules and pricing criteria in relation to those rated entities or financial instruments on which they are issuing credit ratings as well as pricing policies regarding ancillary services.

2. Registered and certified credit rating agencies shall ensure that the pricing policies contain or are accompanied by the following items:

    (a) list of person or persons responsible for the approval and maintenance of the policies;

    (b) any guidelines for application of the pricing criteria contained in the pricing policies relating to the setting of individual fees;

    (c) a detailed description of the fee range or fee schedule and criteria applicable to the different types of fees, including those provided for in the fee schedules;

(d) a detailed description of any relationship programme, frequency of use programme, loyalty programme or other programmes applicable under the pricing policy, including the criteria of application, from which individual credit ratings or set of ratings may benefit in fee terms;

(e) a detailed description of any relationship or link between the fees charged for credit rating services and ancillary or any other services provided to the client by the credit rating agency and/or any of the entities belonging to the credit rating agency's group within the meaning of Articles 1 and 2 of Directive 83/349/EEC as well as any entity linked to the credit rating agency or other company of the credit rating agency's group by a relationship within the meaning of Article 12(1) of Directive 83/349/EEC, and if so the principles and rules to be applied in such cases;

(f) the list of persons authorised to set fees and other charges under the respective pricing policy, including the full name of the person responsible for setting prices, internal identifier and the function and internal department to whom the person belongs.

3. Registered and certified credit rating agencies shall ensure that the pricing procedures contain or are accompanied by the following items:

(a) list of person or persons responsible for the approval and maintenance of the procedures implementing the pricing policies;

(b) a detailed description of the procedures and controls in place to ensure and monitor strict compliance with the pricing policies;

(c) list of person or persons directly responsible for monitoring the application of the pricing policies to individual fees, including the full name of the pricing responsible, internal identifier and the function and internal department to whom the person belongs;

(d) list of person or persons directly responsible to ensure compliance of individual fees with pricing policies, including the full name of the pricing responsible, internal identifier and the function and internal department to whom the person belongs;

(e) a detailed description of the measures to adopt in the event of a breach of pricing policies and procedures;

(f) a detailed description of the procedure for reporting to ESMA any material breach of pricing policies or procedures which may result in a breach of the conditions set out under point 3c of Section B of Annex I to Regulation (EC) No 1060/2009.

Article 4

List of fees charged to each client

1.Registered and certified credit rating agencies providing credit ratings on an issuer-pays model shall provide to ESMA the fees charged to each client for individual credit ratings and any ancillary services per legal entity as well as aggregated by group of companies.

2. Credit ratings provided under the subscriber or investor-pays model will provide, for each client, the total fees received for such services as well as for the ancillary services provided.

3. All deviations from pricing policies and/or fee schedules contained therein, or the non-application of a pricing policy and/or fee schedule to a rating shall be logged by the Registered and certified credit rating agencies, with clear identification of the individual rating involved in the format set out under Table 3. This log is to be made promptly available to ESMA upon request.

Article 5

Credit Rating types

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

CHAPTER III

Method of Reporting

Article 6

Data to be provided

1. Registered and certified credit rating agencies shall provide to ESMA the data set out in Table 1 and Table 2 of the Annex I and Article 3(2) and 3(3) of this Regulation, as well as the pricing policies and procedures themselves in separate files.

2. Registered and certified credit rating agencies shall provide to ESMA the data set out in Table 3 of the Annex I for fees data on each individual credit rating issued in accordance with Article 4(1) of this Regulation.

3. Registered and certified credit rating agencies shall provide to ESMA the data set out in Table 4 of the Annex I on fees received for credit ratings and any ancillary services per client in accordance with Article 4(1) of this Regulation.

4. Registered and certified credit rating agencies that have provided credit ratings on a subscriber model shall provide to ESMA the data set out in Table 1 of Annex II for each subscriber to the credit ratings services provided, in accordance with Article 4(2) of this Regulation.

5. The data specified in Table 1, Table 2, Table 3 and Table 4 of the Annex I and Table 1 of Annex II shall be submitted to ESMA in separate files.

Article 7

Initial reporting

1. Initial reporting on fees submitted in accordance with Article 6(2) of this Regulation shall be submitted to ESMA 9 months after the entry into force of this Regulation by [to be determined] and shall provide the fee data accumulated over the preceding calendar year.

2. Each registered and certified credit rating agency shall provide to ESMA the pricing policies and procedures it is applying for each group of credit rating type in which it is active in accordance with Article 6(1) of this Regulation within 30 days upon entry into force of the current Regulation.

3. Registered and certified credit rating agencies shall provide to ESMA the data set out under Article 6(3) and 6(4) of this Regulation within 90 days upon entry into force of the current Regulation.

Article 8

On-going reporting

1. Reports submitted in accordance with this Regulation shall be submitted on a yearly basis by 31 March and shall provide fees data and pricing policies and procedures relating to the preceding calendar year.

2. Without prejudice to the prior paragraph, material changes to the pricing policies and procedures shall be reported to ESMA on an on-going basis without undue delay after their adoption to come into effect and, at a maximum, within 30 days of their implementation.

3. Registered and certified credit rating agencies shall notify ESMA immediately of any exceptional circumstances that may temporarily prevent or delay their ability to report in accordance with this Regulation.

Article 9

Reporting procedures

1. Registered and certified credit rating agencies shall submit data files in accordance with the technical instructions provided by ESMA and using ESMA's reporting system.

2. Registered and certified credit rating agencies shall store the files sent to and received by ESMA under Article 6 as well as deviation logs set out under Article 4(3) in electronic form for at least five years. These files shall be made available to ESMA on request.

3. Where a registered or certified credit rating agency identifies factual errors in data that has been reported, it shall inform ESMA without undue delay and correct the relevant data according to the technical instructions provided by ESMA.

Question:

Q1. Do you agree with the proposed approach? If not, and given the existing legal framework, please suggest an alternative or alternatives, giving reasons.

Article 10

Entry into force

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

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

Done at Brussels, […].

For the Commission
The President]

[For the Commission
On behalf of the president]
[Position]

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

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

No.	Field identifier	Description	Type	Standard
1	Creation date and time	The date and time when the file is created. It shall be reported as Coordinated Universal Time (UTC).	Mandatory	ISO 8601 Extended Date Time Format: YYYY-MM-DD (HH:MM:SS)
2	CRA unique identifier	Code used internally by the system to identify the credit rating agency. Code used to identify the CRA. It is provided by ESMA upon registration. In case the CRA is part of a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory	ISO 9362
3	Responsible CRA	LEI code of the credit rating agency sending the file.	Mandatory	--
4	Pricing policy identifier	Unique identifier of the pricing policy that shall be maintained over time that includes the list of rates or prices to be applied (fee schedule). All changes other than the scope of the rating types covered by the pricing policy should maintain the same unique identifier. Changes in the scope require a new pricing policy identifier.	Mandatory	-
5	Pricing Policy validity date	The date from which the pricing policy is valid.	Mandatory	ISO 8601 Date Format (YYYY-MM-DD)
6	Pricing Policy end date	The end validity date of the pricing policy.	Mandatory	ISO 8601 Date Format (YYYY-MM-DD)

No.	Field identifier	Description	Type	Standard
7	Indication of model	Indication of whether pricing policy relates to issuer pays ratings or subscriber pays model.	Mandatory	- 'I' for issuer pays model - 'S' for subscriber pays model
8	Scope of the pricing policy	Description of the type of ratings or ancillary services included in the pricing policy, including the geo-graphical scope where relevant.	Mandatory	– Indication whether the pricing policy applies to one or more of: - 'C' for corporate ratings; - 'S' for sovereign and public finance ratings; - 'T' for structured finance ratings - 'B' for covered bond rat-ings - 'O' other types of ratings - 'A' for ancillary services
9	Pricing policy main changes	Main changes in the parameters introduced by the pricing policy being reported (e.g. prices, criteria of application).	Applicable only if there is a change to an exist-ing pricing policy	
10	Previous pricing policy	The identification and dates of validity of the prior pricing policy which the current policy replaces.	Applicable if the cur-rent pricing policy changes the scope of application of a previ-ous pricing policy	– Pricing policy identifier
11	Fee pro-grammes	Unique identification number of any fee programme(s) applicable or linked to the pricing policy. Fee programmes are frequency of use of services of the credit rating agency, loyalty programmes or other equivalent programmes.	If applica-ble	

No.	Field identifier	Description	Type	Standard
12	Person responsible identifier	Identifier assigned by the CRA to person responsible for the pricing policy.	Mandatory	

Table 2: Reporting of pricing procedures in force and subsequent material updates

No.	Field identifier	Description	Type	Standard
1	Creation date and time	The date and time when the file is created. It shall be reported as Coordinated Universal Time (UTC).	Mandatory	ISO 8601 Extended Date Time Format: YYYY-MM-DD (HH:MM:SS)
2	CRA unique identifier	Code used internally by the system to identify the credit rating agency. Code used to identify the CRA. It is provided by ESMA upon registration. In case the CRA is part of a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory	ISO 9362.
3	Responsible CRA	LEI code of the credit rating agency sending the file.	Mandatory	--
4	Procedure identifier	Unique identifier of the pricing procedure that shall be maintained over time.	Mandatory	
5	Pricing policy identifier	Identification of the pricing policy or policies which the pricing procedure is meant to implement.	Mandatory	List of identifiers
6	Pricing procedure validity date	The date from which the pricing procedure is valid.	Mandatory	ISO 8601 Date Format (YYYY-MM-DD)

No.	Field identifier	Description	Type	Standard
7	Pricing procedure end date	End date of validity of the pricing procedure	Mandatory	

Table 3: Data to be reported to ESMA for each individual credit rating assigned under the issuer pays model

No.	Field identifier	Description	Type	Standard
1	CRA unique identifier	Code used internally by the system to identify the credit rating agency. Code used to identify the CRA. It is provided by ESMA upon registration. In case the CRA is part of a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory	ISO 9362
2	Reporting year	The reporting calendar year to which the reporting period refers.	Mandatory	Format: YYYY
3	Rating identifier	Unique identifier of the rating. It shall be maintained unchanged over time and correspond to identifier reported under the COMMISSION DELEGATED Regulation (EU) No [.../2013] [to be inserted reference to ERP RTS]	Mandatory	--

No.	Field identifier	Description	Type	Standard
4	Rating start date	Date of the initial contract for the rating service. Typically would correspond to the date on which initial fees for the credit rating service were set. This date shall be maintained throughout the lifetime of the rating.	Mandatory	ISO 8601 Extended Date Time Format: YYYY-MM-DD (HH:MM:SS)
5	Pricing policy used	Unique identifier of the pricing policy under which the fees were set. This pricing policy identifier must correspond to the identifier(s) set out under Table 1. It shall also include the reference to the applicable fee programme.	Mandatory	- [pricing policy identifier]
6	Person responsible for pricing	Identifier assigned by the CRA to the person responsible for setting the fees relating to the rating.	Mandatory	- [The internal identifier of the person responsible]
7	Internal Client Identifier	Unique code assigned by the CRA to identify the Client. In all cases other than for Structured Finance instruments this should correspond to the issuer of the instrument or entity. For Structured Finance instruments the unique code should identify the originator or other entity that from an economic point of view, directly or indirectly via an SPV or SIV, effectively pays the fees to the credit rating agency. This shall correspond to a Client	Mandatory.	Maximum of 40 alphanumeric characters

No.	Field identifier	Description	Type	Standard
		Identifier identified in Table 4.		
8	Indication of individual rating benefited from individual fee exemption	Certain individual credit ratings might not pay an individual direct fee / or for which the fee for the individual rating might benefit from a reduction as the Client might have paid for a set of ratings, an annual (or other set period) nominal issuance amount, flat fee or be part of a "package" of ratings ("Group Fee"). This field identifies whether the individual rating is covered by such an arrangement with the Client.	Mandatory	– 'C' – covered by Group Fee arrangement – 'N' not covered by Group Fee arrangement
9	Total amount of fees received	Identifies the total amount of fees received for the rating during the applicable calendar reporting year.	Mandatory.	Amount in euros
10	Amount of initial fees paid	Identifies the amount of up-front / initial fees received during the applicable calendar reporting year.	Mandatory.	Amount in euros
11	Surveillance fees paid	Identifies the annual surveillance/monitoring fees paid in applicable calendar year.	Mandatory.	Amount in Euros
12	Other fees charged for rating service	Identifies total of other fees or compensation received in applicable calendar year.	If applicable.	Amount in Euros
13	Description of other fees	Indication of whether the fees received included any consideration or fees for a rapid turnaround	Mandatory.	– 'Y' – where rapidity fee

No.	Field identifier	Description	Type	Standard
		request by the Client for the rating service.	Applicable if "Other fees charged" was filled in re-sponse to field "Other fees charged for rating service"	applied – 'N' – where no rapidity fee applied
14	Negotiation links with other ratings	Identifies whether the rating fee negotiations was linked to other existing or future ratings of the Client and that led to variations in the final fees applied and paid for by the Client.	Mandatory, if applicable.	– 'Y' for Yes – 'N' for No
15	Fee programme	Indication of whether the Client benefits in lower individual fees from a frequency or other pro-gramme. If applicable should identify the fee programme which must match with the identifier set out in the applicable pricing policy set out under Table 1.	Mandatory	– 'Y' for Yes – 'N' for No
16	Identification of fee programme	Identification of the fee programme under which the rating is priced. If applicable should identify the fee programme which must match with the identifier set out in the applicable pricing policy set out under Table 1.	Mandatory. Applicable if 'Y' was reported in field 15.	– [id of fee pro-gramme]

Table 4: Data to be provided to ESMA for fees received on a per client basis for rating services and ancillary services

No.	Field identifier	Description	Type	Standard
1	CRA unique identifier	Code used internally by the system to identify the credit rating agency. Code used to identify the CRA. It is provided by ESMA upon registration. In case the CRA is part of a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory	ISO 9362.
2	Client identifier	Unique code assigned by the CRA to identify the Client. Clients may be issuers, rated entities or originator, or an entity that from an economic point of view, directly or indirectly via an SPV or SIV, effectively pays the fees to the credit rating agency. The Client shall retain the same unique identifier in all these cases.	Mandatory	
3	Legal entities	List of legal entities that are included in the Client Identifier field.	Mandatory	List of names of legal entities
4	Total overall fees received	Total fees received from the Client in the prior calendar year for issuer-pays rating services.	Mandatory	Amount in Euros
5	Client ratings	Identifies whether and how many issues the Client has with the credit rating agency at 31st December of the prior calendar year.	Mandatory	Number of ratings
6	Volume of debt	Indication of the total volume of debt of the Client rated by	Mandatory	Amount in Euros

	rated	the credit rating agency at 31st December of the prior calendar year.		
7	Total fees for programmes	Total fees received from the Client in the applicable calendar year for rating services not derived from an individual rating but from a frequency issuance, relationship or other type of flat fee programme and excess issuance fees, which may cover one or more rating.	Mandatory	Amount in Euros
8	Identification of fee programmes	Identification of fee programmes, relationship or other type of flat fee programme, which may cover one or more rating under which ratings were issued to the Client during the previous calendar year. Should correspond to the identifier of the fee programmes identified in Table 1.	Mandatory	List of fee programmes OR 'N' for Not applicable
9	Identification of ratings	Identification of ratings issued under or covered by fees programmes in the applicable calendar year.	Mandatory	List of ratings using rating identifier
10	Fees received for ancillary services	Total fees received by the CRA group of companies from the Client for ancillary services in the previous calendar year.	Mandatory	Amount in Euros
11	Main ancillary services	Identification of the three main services provided by the CRA group to the Client in the applicable calendar year, in revenue terms, in descending order (most important first).	Mandatory	List of ancillary services
12	Other services	Indication of whether any entities belonging to the credit rating agency's group within the meaning of Articles 1 and 2 of Directive 83/349/EEC as well as any entity linked to the credit rating agency or other company of the credit rating agency's group by a relationship within the meaning of Article 12(1) of Directive 83/349/EEC provide any services other than credit rating services that are taken into account for fee setting for the credit	Mandatory	– 'Y' for Yes – 'N' for No

		rating services provided to the Client.		

ANNEX 2 to the draft regulatory technical standards on fees charged by CRAs to their clients

Table 1: Data to be provided to ESMA for fees received for subscription based rating services on a per client basis

No.	Field identifier	Description	Type	Standard
1	CRA unique identifier	Code used internally by the system to identify the credit rating agency. Code used to identify the CRA. It is provided by ESMA upon registration. In case the CRA is part of a group of credit rating agencies the CRA code is unique for all the members in the group.	Mandatory	ISO 9362.
2	Client identifier	Code used internally by the system to identify the client who is paying, being invoiced or otherwise negotiating rates with the credit rating agency to receive the credit rating service.	Mandatory	
3	Fees per client	Total fees received from the Client for subscription based rating services provided in applicable calendar year.	Mandatory	Amount in Euros
4	Issuer or rated entity	Indication of whether the Client is also an issuer or rated entity of the CRA group of companies.	Mandatory	- 'Y' for Yes - 'N' for No
5	Top client indication	Indication of whether the Client was one of top 100 subscription clients in revenue terms in the applicable calendar year.	Mandatory Applicable only if answered 'Y' to field	- 'Y' for Yes - 'N' for No
6	Top client ranking	Indicate also the revenue ranking position of the Client.	Mandatory Applicable only if	[from 1 to ...]

			answered 'Y' to field	
7	Fees received for ancillary services	Total fees received by the CRA group of companies from the client for ancillary services in the applicable calendar year.	Mandatory	Amount in Euros

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Question:

Q2. Do you agree with the proposed tables and information required? Please explain and should you not agree with any of the fields, please suggest alternatives, giving reasons for the suggestions.

Annex IV: Impact Assessment

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

- In order to gather evidence and market participants' views for the draft RTS, ESMA published on 10 July 2013 a <u>Discussion Paper</u> (DP) (ref. ESMA/2013/891) with a consultation period of three months. Responses were mainly received from Credit Rating Agencies, financial institutions and trade associations representing the financial sector.

- Active involvement of ESMA's <u>Securities and Markets Stakeholder Group</u> (SMSG) throughout the drafting of the RTS.

- Consultation on formal basis with the National Competent Authorities represented by ESMA's <u>Technical Committee</u> (TC) before, during and after the consultation period of the Discussion Paper.

1. SFIs

1.1. Introduction

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

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

a) the information that the issuer, originator and sponsor of a structured finance instrument established in the European Union must publish in order to comply with the obligation resulting from Article 8(b)(1) of Regulation (EC) No 1060/2009 in accordance with Article 8(b)(2) of Regulation (EC) No 1060/2009;

b) the frequency with which the information referred to in point (a) is to be updated;

c) the presentation of the information referred to in point (a) by means of a standardised disclosure template.

1.2 Problem identification

In order to enable investors to make an informed assessment of the creditworthiness of SFI, they should receive sufficient information on the quality and performance of their underlying assets. This would also reduce investors' dependence on credit ratings and should also facilitate the issuance of unsolicited credit ratings

Improving disclosure requirements is important as the financial crisis has revealed problems with the level of transparency on the underlying assets of SFIs chosen by the market. Where the information about underlying assets is not granular enough, in stressed market conditions investors are not fully able to assess the value of complex securities, which in turn might lead to a liquidity crunch in secondary markets.

The general policy decision to introduce improved disclosure requirements for SFIs has been made in Level-1 legislation (the CRA3 Regulation). The general impact of such policy decision has already been analysed by the European Commission in the Impact Assessment accompanying its legislative proposal[8]. The costs and benefits associated with the general policy choice can be summarized as follows:

Pros:

- individual investors and financial firms would benefit from increased product information;
- sovereigns/taxpayers would benefit from possible reduced capital market volatility;
- competition between CRAs would be enforced, leading toand improvement of their rating quality and an increase in the number of unsolicited ratings; and
- investors' dependence on credit ratings would be reduced.

Cons:

- issuers would face compliance costs for their disclosure and they may reduce the information available for external credit ratings;
- national supervisors (sectoral competent authorities, as specified in Art 25a introduced by the CRA3 Regulation) might have difficulties in ensuring in their supervisory processes that disclosure rules are applied.

The expected impact of increased transparency is an increase in competition in the market for credit ratings on SFIs as the availability of information would enable new CRAs issue unsolicited ratings and enter the market. Moreover, investors would be better able to make their own informed assessment of the creditworthiness of SFI. Increased transparency should then lead to reduced over-reliance on credit ratings.

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[8] http://ec.europa.eu/internal_market/securities/docs/agencies/SEC_2011_1354_en.pdf

The problem identification and market failure analysis done at the EC level is reiterated in below table:

What is the problem?	Lack of sufficient information to make individual assessment of the creditworthiness of the SFIs.
Is the issue identified likely to have an EU-wide impact on market participants/end users and on the smooth functioning of the single market?	- The policy measure will have a direct impact on issuers, originator and sponsors of SFI that are established in the European Union; - The policy measure will have a potential impact on profits of CRAs specialized in the analysis of SFI credit risk and in the provision of solicited credit ratings; - The policy measure is likely to have an impact on the issuance of SFIs in the primary market and the liquidity of the secondary SFI market.
What evidence shows that the problem is significant?	The secondary market of SFIs exhibited a freeze-up of liquidity when SFIs and their ratings underperformed during the recent financial crisis.
Is the problem due to market failure? What is the market failure?	Yes. Due to asymmetric information on credit quality, debtors are better informed on the default probability of their debt obligations than creditors. Information asymmetries are currently reduced by CRAs, who provide an independent credit opinion. Credit opinions by CRAs represented by ratings are the only established alternative to internal risk assessments.
Is the problem due to regulatory/supervisory failure?	No.
What regulatory objective is put at risk by the problem?	Financial market stability and investor protection. Global regulators have committed themselves to reduce overreliance on external credit ratings.
Is it or is it not likely that the problem will be solved over time without a new regulatory policy? Give reasons.	Two SFI disclosure requirements are already in place in the EU. The Bank of England (BoE) and the European Central Bank (ECB) require disclosure of the underlying asset quality to grant access to central bank funding. The potential impact of an additional disclosure requirement can be determined only after implementation of the RTS.
Is the case for regulatory/supervisory action justified?	Article 8(b) paragraph 1 to 3 of the CRA3 Regulation sets out ESMA's legal mandate.

1.3 Cost-benefit analysis

Article 8b paragraph 1, introduced by the CRA 3 Regulation, requires issuers, originators and sponsors to publish information on the credit quality and performance of the underlying assets of the SFI, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure as well as any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures. With regard to the information to be disclosed, ESMA considered the following three aspects to be important with respect the implementation of Article 8b:

1. The loan-level information concerning SFIs that should be disclosed and the template to be developed;
2. The supporting information necessary to conduct comprehensive and well-informed stress tests;
3. The most efficient frequency of reporting.

1.3.1 General consideration regarding the impacts of this RTS

As discussed in section 1.2 increasing the availability of information on underlying assets for SFIs is key to enable investors to make an informed assessment of the creditworthiness of structured finance instruments, However, when introducing increased transparency with respect to the asset pool of SFI's one needs to consider that there is likely to be a trade-off between liquidity in primary and secondary markets (see for example Pagano / Volpin (2010)[9]):

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

The incremental impact of this RTS on issuance and trading activities of SFIs would arise to the extent that:

- the reporting requirements would diverge from the ECB and the BoE reporting requirements; and
- the coverage of instruments in the RTS would differ from the ECB and BoE.

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[9] Pagano, Marco, and Paolo Volpin. "Credit ratings failures and policy options." *Economic Policy* 25, no. 62 (2010): 401-431.

Bearing in mind that increased transparency with respect to SFI asset pools can in principle have significant impacts on market activity, it will be important to monitor issuance and trading after the introduction of this RTS and assess whether any impacts are driven by the RTS or by other market developments.

Finally, this RTS will turn the present voluntary reporting on SFIs into a mandatory one. The reporting obligation to ESMA accommodates transparency in the SFI market continuously over time, irrespective of the monetary policy objectives of the ECB or BoE and/or the economic conditions at any given time.

The following sections analyse the economic impact of each of the three aspects mentioned above, including the costs and benefits of different options.

1.3.2 The loan-level information concerning SFIs that should be disclosed.

The options of how to implement Article 8(b) can be narrowed down to two broad possible alternatives for which the incremental costs and benefits will have to be analysed:

1. ESMA follows the ECB's approach
2. ESMA follows the BoE's approach

The outside option of developing individual ESMA specific templates to satisfy article 8(b) was discarded for efficiency reasons. It is considered that a consistent and timely implementation of the RTS on SFI can only be achieved by leveraging the expertise of the existing disclosure requirements.

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

Policy Objective	Reducing reliance on external credit ratings: Increasing transparency with respect to the pool of assets of SFIs
Option 1	ECB approach: The ECB already requires specific loan-level information for ABS accepted as collateral in Eurosystem credit operations. The information is provided voluntarily through a standardised template which provides detailed information on the SFIs posted as collateral at the ECB.
Option 2	BOE approach: The BoE has implemented transparency requirements as part of its collateral eligibility criteria for its operations, including loan-level information requirements.
Preferred Option	**Option 1,** the ECB approach: In terms of regulatory costs option 1 poses the cost-efficient solution, both for the market as well as for the regulator. The ECB template satisfies ESMA's mandate to a high degree. Opting for an established template increases market confidence for both issuers and investors .

Option 1	ECB approach	
	Qualitative description	Quantitative description
Benefits	- Market confidence with regard to existing definitions of ABS in the Eurozone. - Issuers pledging ABS as collateral at the ECB already have the information to be submitted readily available. - Similarity between ECB and BoE template implies that a share of UK ABS products may also have loan level information readily available.	- According to ESMA calculations, 79% of all Eurozone SFIs in the EU could qualify for the ECB eligibility criteria, hence may be covered by the ECB template (see Table 2).
Costs to regulator:	- Compared to option 2, implementation costs would be lower, as ESMA would adopt the ECB template which has a broader effective coverage than the BoE template. - ESMA would validate and incorporate any changes in the ECB template in the RTS in accordance with its legal mandate, which requires human resources and IT capacities.	
Compliance costs:	- Market coverage of the ECB template is likely higher than for the BoE template (see below). Therefore, the majority of loan level information for SFIs is already available. Implementation costs for issuers, originators, and sponsors will be lower than for option 2.	- In addition to the disclosure requirements by the BoE, all UK issuers will have to follow the ECB template.
Other impacts:	- The majority of loan level information for SFIs is already available, limiting the compliance costs for issuers, originators, and sponsors. The ECB template covers a large part of the ABS market in the EU, but not all structured fi-	- According to ESMA calculations 21% of Euro-zone SFI do not qualify for the ECB eligibility criteria, hence are not covered by the ECB templates. A separate template has to be designed and im-

	nance instruments covered by the RTS.	plemented accordingly. Potential impacts would have to be assessed when applicable.

Option 2	BoE approach	
	Qualitative description	Quantitative description
Benefits	- Market confidence with regard to existing definitions of ABS in the UK. - Issuers pledging ABS as collateral at the BoE already have the information to be submitted readily available.	- According to ESMA calculations, 79% of all UK SFIs could qualify for the BoE eligibility criteria, hence could be covered by the BoE template (see Table 2).
Costs to regulator:	- Compared to option 1, implementation costs would be higher, as the BoE template has a smaller effective coverage ratio. ESMA would validate and update any changes in the BoE template in accordance to its legal mandate, which requires human resources and IT capacities.	
Compliance costs: -	- Market coverage across the EU of the BoE template is likely lower than for the ECB template (see Table 2 below). Though the majority of loan level information for SFIs is already available, aggregate implementation costs for issuers, originators, and sponsors will be higher than under option 1.	- In addition to the disclosure requirements by the ECB, all Euro-zone issuers would have to follow the BoE template as well.
Other impacts	- The BoE template covers a large part of the ABS market in the UK, but not all structured finance instruments covered by the RTS.	- According to ESMA calculations 21% of all UK SFI do not qualify for the ECB eligibility criteria, hence are not covered by this template. A separate template has to be

		designed and implemented accordingly. Potential impacts would have to be assessed when applicable.

Assessment of market coverage of the present provisions on SFI disclosure

According to information available to ESMA, presently the great majority of ABS issued in the EU and especially in the Euro area are covered by the ECB template. On the other hand, in the future, under different market conditions, such coverage might change. Below is a more detailed assessment of the ECB template market coverage.

The relevant definition of SFIs is provided by Article 3 (1) (l) of the CRA Regulation which in turn refers to Article 4(36) of Directive 2006/48/EC. According to the loan-level data templates published by the ECB, SFI include seven asset classes[10]. The BoE has recognised 7 different asset classes under its collateral eligibility criteria[11]. The categorisation of SFI as defined by ESMA and collateral accepted by the ECB and BoE are summarised below:

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[10] ECB Guideline published on 26 November 2012 available at: http://www.ecb.int/ecb/legal/pdf/en_ecb_2012_25_f_sign.pdf .

[11] http://www.bankofengland.co.uk/markets/Pages/money/eligiblecollateral.aspx

Table 1: Categorization and templates of SFIs by institution

ESMA SFI categorization	ECB template	BoE template
• Asset-backed securities (ABS): sub-asset classes including auto/boat/airplane loans, student loans, consumer loans, health care loans, manufactured housing loans, film loans, utility loans, equipment leases, credit card receivables, tax liens, non-performing loans, credit-linked notes, recreational vehicle loans, and trade receivables; • Residential mortgage-backed securities (RMBS): sub-asset classes including prime residential mortgage-backed securities and non-prime residential mortgage- backed securities and home equity loans; • Commercial mortgage-backed securities (CMBS): sub-asset classes including retail or office property loans, hospital loans, care residences, storage facilities, hotel loans, nursing facilities, industrial loans, and multifamily properties; • Collateralized debt obligations (CDO): sub-asset classes including collateralised loan obligations (CLOs), collateralised bond obligations (CBOs), collateralised synthetic and hybrid CDOs, single-tranche collateralised debt obligations (CDOs), collateralised fund obligations, collateralised debt obligations of asset-backed securities, and collateralised debt obligations of collateralised debt obligations (CDOs); • Asset-backed commercial papers (ABCP).	• RMBS: sub-asset class including prime and non-conforming RMBS; • CMBS: sub-asset class applicable to all CMBS transactions and covering both stand-alone and revolving structures; • SME ABS: sub-asset class that applies to all SME transactions including stand-alone and revolving structures with the exception of those where the underlying assets are constituted by leasing contracts; • Consumer Finance ABS: sub-asset class which contains all types of consumer loans except credit cards receivables; • Leasing ABS: sub-asset class which contains leasing ABS transactions; • Auto-loan ABS: sub asset class which contains Auto loan ABS transactions; • Credit Cards ABS: sub asset class which contains credit-card ABS transactions.	• RMBS & Covered Bonds backed by residential mortgages; • CMBS; • SME CLO; • Auto Loan ABS; • Consumer Loan ABS; • Leasing ABS; and • ABCP.

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

There are 993 securitised products (ABS) in Europe that are eligible to be pledged as collateral at the ECB. This corresponds to a notional amount of **EUR 837.4bn** as of 1Q13, relative to EUR 337.9bn pledged[12]. These assets include EUR-denominated ABS only (for consumer loans, auto loans or leased assets), CMBS, RMBS and SME-backed ABS. CDOs are not eligible. The loan-level initiative, which requires all eligible assets to fill a template in order to be pledged as collateral, is already operational for RMBS, SME ABS and CMBS. It will be implemented for other ABS loans from 1 January 2014. This concerns all existing as well as future securitised products.

According to ESMA calculations, the Euro area ABS universe is estimated to be **EUR 1059.8bn** (likely including some cross-border CDOs). Comparing the ECB-eligible ABS universe with the outstanding euro area ABS universe, nearly **80%** (837.4 / 1059.8 = 79%) of euro area SFI are potentially already using the ECB template. This leaves **222.4bn** in ineligible ABS.

It needs to be considered that the UK, the largest single market in the EU in securitised products has not been included in this calculation. Furthermore, the calculations are based on selected ABS as defined by the ECB, implying that the coverage ratio for SFI as defined in ESMA's legislative mandate could be lower.

The table below summarizes the coverage ratios of ABS for the ECB and BoE template. The numbers indicate similar coverage ratios within each monetary framework. Due to the fact that the amount of outstanding ABS that the ECB is taking in its operations is significantly larger, the effective coverage ratio of the ECB template is higher.

Table 2: ABS coverage ratios ECB and BoE

ABS (EUR bn)	**ECB**	**BOE**	**Total**
Outstanding	1059.8	429.1	1488.9
Eligible for repo	837.4	339.0	1176.4
% of outstanding	79.0%	79.0%	79.0%
Uneligible	222.4	90.1	312.5

Source: ESMA

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

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[12] https://www.ecb.int/paym/pdf/collateral/collateral_data.pdf?8c1c1a1d849279acfa8e28e38805f041

1.3.3 Stress-test information

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

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

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

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

Option 2	Relying on the documents required by the BoE for its collateral risk management.
Benefits	This option makes recourse to an existing best practice identified by the BoE concerning nearly all SFI asset classes that are stipulated by the CRA3 Regulation.

	This solution would avoid information fragmentation.
Costs to regulator:	This option would minimise the implementation costs for the regulator, since it relies on an existing best practice.
Compliance costs:	Reliance on the existing BoE standard would minimise compliance costs, as for the requirements are already in place for a portion of the ABS market. On the other hand, this requirement would be a new one for those market participants that currently submit their collateral to the ECB or to other central banks in the EU.

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

1.3.4 Frequency of update of the SFI information

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

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

Policy Objective	**To define the frequency with which the SFI information is to be updated by issuers, sponsors, and originators.**
Option 1	Periodical update of the information required by the RTS.
Option 2	Periodical update of the information required by the RTS combined with disclosure of certain events without delay. Material changes or events affecting the creditworthiness, risk characteristics, underlying exposures or breach of transaction documentation of the structured finance instrument should be disclosed to investors as soon as possible.
Preferred Option	**Option 2**. Issuers, originators and sponsors should disclose the information required by the RTS on a quarterly basis but immediately disclose changes following certain events as set out in Option 2.

Option 1	Periodical update of the information required by the RTS without delay.
Benefits:	Takes into account that some of information required by the RTS is relevant only on a periodic basis. A real-time update would likely be an unnecessary burden for issuers, sponsors, and originators since such point-in-time update would not have high statistical relevance. As regards the periodicity chosen, the ECB currently

	requires quarterly updates.
Costs to regulator:	Compared to the option 2, the quarterly approach would minimise costs for ES-MA.
Compliance costs:	Periodical update of the information would minimise compliance costs for the industry.

Option 2	Quarterly update of the information required by the RTS + immediate disclosure of certain events.
Benefits:	Takes into account that some of the information required by the RTS is relevant only on a periodic basis. A real-time update would be an unnecessary burden for issuers, sponsors, and originators. A point-in-time update of information would likely not have any statistical relevance for investors. As regards the periodicity chosen, the ECB currently requires quarterly updates. Moreover, events concerning the fundamental features of each structured finance instrument should be communicated without delay to allow for a correct interpretation of the loan-level information.
Costs to regulator:	Receiving quarterly and ad-hoc information would be more costly for ESMA than Option 1, however it would ensure that significant changes to the information required by the RTS are communicated to investors adequately. Due to increased effort and time involved in the handling of information, the costs to the regulator are assumed to be higher under option 1.
Compliance costs:	The quarterly approach + ad hoc immediate update would allow to optimise compliance costs for the industry while at the same time guaranteeing full investor disclosure The compliance costs for the industry are higher than under option 1.

Having carefully considered the costs and benefits of the options, ESMA decided to propose the approach set out under option 2 for the consultation paper.

2. ERP

2.1. Introduction

Article 11a(1) of the new CRA3 Regulation requires ESMA to establish a 'European rating platform' to publish individual credit rating information in connection with credit ratings and rating outlooks, issued by registered or certified CRAs, excluding the credit ratings or rating outlooks which are exclusively produced for and disclosed to investors for a fee[13]. When publishing a credit rating or a rating outlook, CRAs have to "submit to ESMA rating information, including the credit rating and rating outlook of the rated instrument, information on the type of credit rating, the type of rating action, and date and hour of publication."[14].

Article 21(4a)(a) requires ESMA to develop draft regulatory technical standards to specify: "the content and the presentation of the information, including the structure, format, method and timing of reporting that credit rating agencies are to disclose to ESMA in accordance with Article 11a(1)"[15].

2.2. Problem Identification

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

One of the main objectives of the ERP is to achieve more transparency in the credit rating market, enabling investors to make investment decisions based on internal risk assessment. Facilitating the use of internal risk measures contributes to reducing overreliance on external credit ratings. As the market for credit ratings in the European Union exhibits a high level of concentration, the ERP also aims to raise attention to the rating services offered by small and medium-sized CRAs. Rating users may benefit from increased competition in various ways e.g. the advantage of comparing different credit opinions for a same instrument/issuer or lower fees for rating services

Higher visibility of smaller CRAs and increased transparency in the credit rating market are both assumed to allow for efficiency gains. The positive impact of the ERP is characterised by financial market stability, a public good hardly measurable in quantitative terms. Whereas the aggregated value of the European

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[13] Article 11a(3) of Regulation (EU) No 1060/2009

[14] Article 11a(1) of Regulation (EU) No 1060/2009

[15] Article 21(4a)(a) of Regulation (EU) No 1060/2009

Rating platform was assessed by the European Commission during the level 1 decision16, this analysis focuses on the incremental impact of implementing the ERP. In view of ESMA's policy scope in this RTS and taking into consideration the contributions received from all Stakeholders, ESMA has identified five policy objectives in order to ensure the ERP's effectiveness. Transparency and competition can be achieved, if the ERP:

1. Contains complete ratings/outlooks information;

2. Displays up-to-date rating information;

3. Allows for comparability of all ratings available;

4. Integrates existing reporting standards into one data feed;

5. Includes historical data.

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

2.2.1. Contain complete rating information

As the CRA3 Regulation requires ESMA to publish on the ERP all the credit ratings and rating outlooks issued by the registered and certified CRAs. ESMA needs to define the specific categories of credit ratings and types of credit ratings that CRAs issue and that should be displayed on the ERP.

Currently, ESMA is collecting structured rating data via two databases: CEREP and SOCRAT. In both cases, the ratings are reported based on the categorisation included in the CEREP and SOCRAT RTSs. The problem is to identify if this categorisation is sufficient to cover all the ratings issued, or further extension of the already in place categorisation should be made. Therefore, the options under consideration are:

Option 1:   Maintaining the CEREP and SOCRAT classification currently in practice, including different rating types (long-term/short-term and local/foreign currency), or;

Option 2:   Introducing a new classification that goes beyond the existing reporting standards.

Current rating classification under CEREP reads as follows: corporate ratings, sovereign ratings, structured finance ratings and covered bond ratings. Each of the four types of ratings includes sub-types, allowing for further refinements. Figure 1 displays the number of outstanding ratings in the four main categories as they are currently collected in CEREP. The number of outstanding ratings totalled 358,020 as of June 2013.
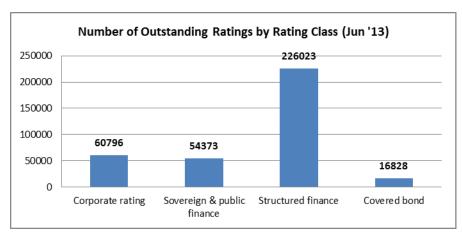
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[16] SEC(2011) 1354, page 42 Option 5

For the purpose of statistics calculation, CEREP for corporates or sovereign ratings only collects the issuer ratings and on a 6 months outstanding basis. On the other hand, SOCRAT covers the same categories as CEREP but collecting individual rating actions data (as requested by CEREP) and including also the rating of the corporate or sovereign issues.

ESMA tried to identify if the rating types and classifications used in SOCRAT do cover the actual credit rating market or further categories need to be implemented for the purpose of ERP rating data collection.

Figure 1

Number of Outstanding Ratings by Rating Class (Jun '13)

Source: CEREP

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

- From the feedbacks received to the discussion paper and the different consultations with the SMSG and the Technical Committee, it was concluded that the existing categories are covering the market and there is no need to further extension.

- The development and implementation of a new rating standard would create an unnecessary cost burden for the regulator and the credit rating industry;

- Market confidence associated to existing definitions may be disrupted. A new classification or change of the existing ones runs the risk of creating confusion for the users of the data;

- The integration of data streams having different rating classifications would be a technical and monetary challenge from an IT perspective and could also make it difficult to map the exiting data with the new ERP data.

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

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

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

Another aspect of ensuring a tool for the users of ratings to be used in their analysis is to be sure that the information that is displayed on the ERP is sufficient for the understanding and easy usage of the platform. For disclosing complete rating information, it is deemed important to also include in the ERP supporting rating information, such as the press releases and the research rating report (sovereign ratings only) containing key elements underlying the credit rating together with the adopted rating/outlook information. In this respect, ESMA has identified two alternatives ways to display the supporting rating information on the ERP:

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

Option 2:   ESMA would not publish the supporting documents but only hyperlinks. Each time a press release is available, the CRA shall provide to ESMA a hyperlink to the press release web page.

Under both options CRAs will incur substantial incremental costs due the need to make disclosures to ESMA for two reasons: firstly, the number of notifications generated will be high; secondly, CRAs may incur on-going staff costs in order to submit relevant documentation to ESMA.

Comparing the two options how to submit and store the supporting rating information, costs for the regulator CRAs are estimated to be equally large. In order to an easier maintenance of the central platform, ESMA's preferred option is the first option . Redirecting rating users to each individual CRA website would not meet the main purpose of the ERP, which is to make all useful rating information directly available on the platform. Also, there is an extra work to ensure that the links remain available in time and that they are updated each time there is a change on the CRA's website, even though the press release itself has remained unchanged.

Both options will achieve the policy objective and impose similar costs on CRAs. The informational role of the ERP is however higher under option 2. Different impacts for the regulator, CRA and stakeholder are outlined below:

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

	Option 1
Benefits	- No significant overheads for CRAs, but costs for the regulator. - The documents are sent together with the rating and saved in time on the ERP and can be accessed directly by the users of ratings. - It does not run the risk of having broken links on the ERP, causing the inaccessibility of the user to the press releases/ report.

Costs to regulator: - *One-off* - *On-going*	- The regulator needs ensure server space for storing the documents and to provide the necessary technical solution for a secure document exchange service.
Compliance costs: - *One-off* - *On-going*	- The compliance costs for the CRA to submit press releases are equal or marginally lower than in the case of a hyperlink submission. The CRA would save maintenance cost for keeping the "links" alive on the web - In case ESMA requires a certain format for the submission of press releases, this may increase costs for CRAs as different formats would need to be supported.
Costs to other stake-holders	- Rating users have central access to supporting rating information.

	Option 2
Benefits	- No significant overheads for the regulator, but costs for each CRA - - It avoids the transmission of documents on the internet - Easier technical submission (a text – the link- versus a document) - In case of updates/ correction to the press release, there is not update to be sent to ERP as long as the link remains valid
Costs to regulator: - *One-off* - *On-going*	- The regulator has minimum costs in storing and publishing the texts containing the hyperlinks submitted by CRAs
Compliance costs: - *One-off* - *On-going*	- Individual CRAs are responsible for ensuring free and permanent access to the press releases on their websites. This requires resources and IT system representing costs - A meaningful estimate of these costs cannot be made
Costs to other stake-holders	- Relative to Option 2, this alternative creates transaction costs for rating users. Rating users will be redirected to CRAs where they have to register to access the press releases

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

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

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

Option 1: "Real-time" reporting and publication on the ERP

Under this option the rating information would be sent by CRAs "immediately" (in a time frame of several minutes) after the release of the rating action. As soon as the information is received and if it passes all the automatic validations, it would be made available on the ERP. Under this option, adoption time (time the CRA publishes a rating on the website), submission time and ERP publication time would follow each other within a very limited time lag.

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

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

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

Option 1	"Real-time" reporting and publishing on the ERP	
	Qualitative description	Quantitative description
Benefits	- The time mismatches between the information available on CRAs' website and the one provided by the central platform is marginal	- Relative to CEREP and given the new informational content of the central database, the number of ERP users is likely to increase

	Qualitative description	Quantitative description
	- Main benefits arise on the side of rating users for having (nearly) re-al-time access to credit rating news to make informed investment decisions.	
Costs to regulator: - One-off - On-going	- One-off: ESMA has to set up an IT-system capable of receiving, validating and publishing data at a high frequency. - On-going: IT systems and relevant staff would have to be available during non-business hours to ensure continuous support.	- Additional personnel during non-business hours. - One-off and on-going costs potentially higher than under option 2 due the need of constant staff availability. - High costs for the IT solution to process and publish real-time data.
Compliance costs: - One-off - On-going	- One-off: adjusting feeds to automatically send rating information to ESMA. - On-going: correcting data invalidated by ESMA.	- Estimates for incremental compliance costs are not available.
Costs to other stakeholders	- Rating information providers: High quality and up-to-date information may undermine business of third-parties (ERP is a costless alternative for rating users).	
Indirect costs	Reputational risk of displaying false information due to erroneously submitted data or not displaying data in "real-time" due to errors in the submission file needing subsequent correction until it is validated by the system and published on the ERP.	

Option 2	Individual data reporting and fixed daily publication on the ERP	
	Qualitative description	Quantitative description
Benefits	- The time lag between the adoption time and the publication time would allow enough time to CRAs to fix all the eventual technical or content errors and resubmit the data. CRAs may correct falsely submitted data until 9:00PM, before it	- There is single update of the ERP per day.

	is made public and ESMA has one hour to assure technical coherence. Therefore, reputational risks are minimised. - Rating users can expect one update of rating information per day.	
Costs to regulator: - *One-off* - *On-going*	- One-off: ESMA has to set up an IT-system capable of receiving, validating in high frequencies. Publication will take place at one point in time. - On-going: IT systems and relevant staff would have to be available during non-business hours, however only during reporting hours.	
Compliance costs: - *One-off* - *On-going*		- Estimates for incremental compliance costs are not available, but likely to be lower than under option 1.

2.2.3. Comparability of credit ratings

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

Option1: Establishing a new ESMA unique system of identification

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

For the second option, taking into consideration the viability of existing common identifiers[17], it was decided to use the Global Legal Entity Identifier (LEI) for issuer ratings and the International Securities Identification Number (ISIN) for rated instruments.

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

The LEI approach would contemplate the efforts for harmonisation of identification codes across the different EU and international jurisdictions, different European Supervisory Authorities and among financial institutions. The use of the LEI has been mandated by ESMA for the reporting of derivative transactions to Trade Repositories under European Market Infrastructure Regulation (EMIR). Furthermore, the European Banking Authority considers the implementation of the global LEI system in the context of Implementing Technical Standards on Supervisory Reporting.

The impact, in monetary terms, can only be assessed by ESMA in terms of the cost for obtaining the LEI. The responses received from the discussion paper did not provide information on the direct or indirect costs associated to the implementation. As the global LEI system is not yet fully operational, the costs of obtaining the LEI are approximated by the cost of obtaining a pre-LEI from an ROC endorsed provider ("pre-Local Operating Unit" (LOU)). Pre-LEIs serve the purpose of filling the interim period until the global system is launched. The ROC has currently endorsed ten LOUs that issue preliminary LEIs, The names of the providers and the charged fees are listed below[18]

Name of the LOU	Country	Allocation Fee in €	Annual Maintenance Fee in €
WM Datenservice	Germany	150	100
CICI Utility	USA	100	50
INSEE	France	148	74
Takasbank	Turkey	110	55
London Stock Exchange	UK	130	60
Irish Stock Exchange	Ireland	150	100
Russia National Settlement Depository	Russia	140	70
Poland Krajowy Depozyt Papierów Wartościowych	Poland	115	58
Dutch Chamber of Commerce	Netherlands	160	110

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[18] Prices were taken from providers' website as well as EBA's consultation paper: EBA/CP/2013/42

National Board of Patents and Registration of Finland	Finland	N.A.	N.A.
AVERAGE FEE		**134**	**75**

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

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

ESMA has come to the conclusion that it should proceed using existing common identifiers for credit ratings, desirably using the LEI for legal entities, the ISIN code for financial instruments and an alternative identifier for the SFIs which do not have an ISIN assigned. The development of an internal identification code for all credit ratings is not considered a feasible option. Such initiative would create significant costs for the regulator and would be inconsistent with respect to established identification standards. Therefore this option is not considered for the impact assessment.

Preferred Option	*Use existing common identifiers*	
	Qualitative description	Quantitative description
Benefits	- Market confidence. - Commitment to a global approach of identifying financial transactions. - High coverage.	
Costs to regulator: - *One-off* - *On-going*	- None for LEI or ISIN.	
Compliance costs: - *One-off* - *On-going*	- None for LEI or ISIN	- Unspecified amount of man-hour.

Costs to other stake-holders	- LEI: rated entities are responsible for obtaining the LEI. - ISIN: if not required already, issuers are responsible for obtaining the ISIN.	- LEI: ca. EUR 134 registration fee * number of entity ratings + EUR 75 maintenance fees + transaction costs. - With LEIs becoming legally binding, prices are likely to rise. - ISIN: to be determined.

2.2.4. Streamlining existing reporting standards

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

- CRAs performance statistics (CEREP);

- CRAs' supervision by ESMA (SOCRAT);

- European Rating Platform (ERP).

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

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

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

Policy Objective	Streamlining existing reporting standards

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

Option 1	Qualitative description
Benefits	The existing two data feeds can be further utilized. Instead of one data stream that combines all three reporting obligations, just one data stream for the ERP has to be developed and implemented.
Regulator's costs	The on-going costs will be increased as the regulator will need to maintain three live systems. Development of supplementary data consistency checks between the data contained in three separate databases.
Compliance costs:	CRAs will have to send most of the information about their ratings in three different formats. CRAs will have to ensure that the data sent in the three different datasets is consistent. When corrections or updated are needed to be made, they will have to be made by sending correction files to the three datasets. CRAs will have to align their IT systems to a new reporting requirement for the ERP.

Option 2	Qualitative description
Benefits	Instead of creating a new data feed and format and having three individual data feeds, CRAs send to ESMA information in one single data stream, providing economies of scale. As the rating information submitted under the three separate data feeds covers partly the same content, submitting one pool of rating information avoids duplication of information.

Regulator's costs	ESMA will have higher on-off costs for IT platform development than in option 1. However, once established the on-going IT costs will be significantly lower than under option 1.
Compliance costs:	Considering the three reporting obligations to ESMA, the aggregate compliance costs for CRAs are minimized under this option.
Indirect costs	There should be no differences in the outcome and effectiveness of the supervisory activity of ESMA under the two options. One the basis of the information received through the single data stream ESMA will determine and follow its supervisory obligations (SOCRAT), will display aggregate rating information (CEREP) and will display up-to-date rating information (ERP) for investors.

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

3. Fees

3.1. Introduction

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

- This impact assessment provides reasoning for the technical choices taken to achieve the requirements set out in Article 21(4a) the CRA Regulation. ESMA has consulted with stakeholders and with established working groups within the parameters of the ESMA Regulation :

- In order to gather evidence and market participants' views for the drafting of the RTS on Fee Reporting, ESMA published a Discussion Paper (ref. ESMA/2013/891) on 10 July 2013, with a consultation period of three months. The majority of responses were mainly from Credit Rating Agencies, other respondents included financial institutions and interest groups representing the financial sector. In total, ESMA received 15 responses all of which of a qualitative nature and did not provide quantitative evidence.

- Active involvement of ESMA's Securities and Markets Stakeholder Group (SMSG) throughout the drafting of the RTS. ESMA exchanged views with the SMSG on several occasions, both during plenary meetings as well at working group level.

- On-going consultation and advice has been sought from CRA Technical Committee (TC) before, during and after the consultation period of the Discussion Paper. This consultation included several general meetings as well as working group level meetings.

3.2. Cost benefit analysis

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

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

- ESMA does not have the ability to deviate from its specific mandate set out in the primary legislation;

- ESMA policy choices should be of a pure technical nature;

- ESMA's technical options are limited to the approach it takes to drafting an RTS, in the current case this regards the content and format of periodic reporting obligations from credit rating agencies.

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

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

- The general approach to be taken as regards using the RTS as a full reporting tool or as a screening tool to identify practices that might warrant further investigation;

- The frequency of disclosure obligations to ESMA;

- The potential synergies with other data feeds to be provided to ESMA, namely with the European Rating Platform.

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

3.2.1. General approach

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

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

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

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

Impact of the proposed policies:

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

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

3.2.2. Frequency of reporting

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

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

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

Impact of the proposed policies:

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

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

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

3.2.3. Reporting methods

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

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

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

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

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

Impacts of the proposed policies:

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

	through the ERP platform.

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

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

Annex V: Summary of questions to the Consultation Paper

SFI

Questions:

Q1) Do you agree that issuers, originators or sponsors of a structured finance instrument established in the EU shall jointly agree upon and designate the entity responsible for providing the information to ESMA?

Q2) Do you consider that national laws on protection of personal data could impact the publication of the information contained in this draft Regulation?

Q3) Do you consider the list of information requested pursuant to Article 4 as appropriate?

Q4) Do you consider the frequency of the information to be reported pursuant to Article 6 as adequate?

ERP

Questions:

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

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

FEES

Questions:

Q1. Do you agree with the proposed approach? If not, and given the existing legal framework, please suggest an alternative or alternatives, giving reasons.

Q2. Do you agree with the proposed tables and information required? Please explain and should you not agree with any of the fields, please suggest alternatives, giving reasons for the suggestions.