



## Press release

Press enquiries: +41 61 280 8188  
press@bis.org  
www.bis.org

Ref no: IOSCO/MR39/2014

11 December 2014

---

### **Criteria for identifying “simple, transparent and comparable” securitisations: consultative document issued by the Basel Committee and IOSCO**

The Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO) released today a consultative document on Criteria for identifying simple, transparent and comparable securitisations. The framework is available on the websites of the Bank for International Settlements and IOSCO.

The purpose of these criteria is to identify – and to assist the financial industry’s development of – simple, transparent and comparable securitisations structures, as well as to help parties involved in a securitisation transaction evaluate the risks of a particular securitisation as part of their due diligence on securitisations.

Criteria promoting simplicity refer to the homogeneity of underlying assets with simple characteristics, and a transaction structure that is not overly complex.

Criteria on transparency provide investors with sufficient information on the underlying assets, the structure of the transaction and the parties involved in the transaction, thereby promoting a more thorough understanding of the risks involved. The manner in which the information is available should not hinder transparency, but instead it should support investors in their assessment.

Criteria promoting comparability could assist investors in their understanding of such investments and enable more straightforward comparison between securitisation products within an asset class.

The proposed criteria have been mapped to key types of risk in the securitisation process: (i) generic criteria relating to the underlying asset pool (asset risk); (ii) transparency around the securitisation structure (structural risk); and (iii) governance of key parties to the securitisation process (fiduciary and servicer risk).

The proposed approach is a modular one. The criteria published today may be supplemented or expanded (eg with criteria related to credit risk of the underlying securitised assets) based on specific needs and applications, such as investor mandates, regulatory applications or central bank collateral frameworks. The implementation of such criteria, including its potential impact on regulation, is not within the scope of this consultation.



Mr Greg Medcraft, Chairman of the IOSCO Board and of the Australian Securities and Investments Commission said: “Investors’ confidence in securitisations has diminished since the onset of the financial crisis. Securitisations are perceived as too complex and insufficient information is available to investors to perform their risk assessments. The proposed criteria in this paper try to address some of these issues.”

Comments on the proposals should be provided by Friday 13 February 2015, uploading them through the following [BCBS link](#), or by e-mail to IOSCO’s [Consultation-2014-10@iosco.org](mailto:Consultation-2014-10@iosco.org). All comments will be published on the websites of the Bank for International Settlements and the International Organization of Securities Commissions unless a respondent specifically requests confidential treatment.