Basel Committee on Banking Supervision and Board of the International Organization of Securities Commissions Consultative Document "Criteria for identifying Simple, Transparent and Comparable Securitisations"

This document provides the responses of the Dutch Securitisation Association on the BCBS/IOSCO Consultation, dated 11 December 2014.
We welcome the opportunity to respond on this Consultative Document.
This response has been drafted in coordination and agreement with securitisation representatives of the NVB Dutch Bankers Association.
In our view, the Consultative Document is a major step forward in the efforts to establish a properly regulated, but also sustainable, Global securitisation market.

DSA Background

The Dutch Securitisation Association (DSA) was established in 2012 as representative body of the Dutch securitisation industry. Our membership includes issuers of securitisations both from the insurance and the banking industry, and we are operating in close cooperation with the Dutch investor community.
Our purpose is to create a healthy and well-functioning Dutch securitisation market. We try to achieve this i.a. by providing a standard for documentation and reporting of Dutch RMBS transactions, promoting (in close cooperation with PCS) further standardisation and improvements in transparency, and active involvement in consultations about future regulation of the securitisation market.
Against this background, we would like to comment, on behalf of all Dutch RMBS issuers joined in the DSA, on the Consultative Document.
Our comments are provided in the order of the questions raised; comments on the criteria are provided after Question 2.

Questions

1.Do respondents agree that the criteria achieve the goals they aim to achieve? In particular, do respondents believe that the criteria could help investors to identify “simple”, “transparent” and “comparable” securitisations?

The members of the DSA are of the opinion that criteria like the ones proposed in the Consultative Document are very useful in determining which securitisations could be “qualifying” (for more favorable regulatory treatment), “high quality” ,”Simple, standard and transparent” or “Simple, transparent and comparable”.

We do welcome the recognition of the efforts by PCS, DSA, TSI and others to promote the concept of qualifying etc. securitisations, but also note that this recognition comes late and in a seemingly uncoordinated way. Time is running out for the securitisation industry, so we ask for urgency and coordination in setting the right criteria and deciding on the accompanying regulatory treatment. As the Consultative Document rightly describes, securitisation issuance is depressed, the investor base has shrunk and the main reason for this negative development (with a 70% score) is regulatory treatment and regulatory uncertainty.
A proper regulatory treatment should, in our view, result in capital charges for the most senior classes of RMBS which, as suggested in the recent EBA Discussion Paper on simple. standard and transparent securitisations, more closely mimic those for Covered Bonds.

2. Do respondents agree with the STC criteria set out in the annex of this paper? In particular, are they clear enough to allow for the development by the financial sector of simple, transparent and comparable securitisations? Or do respondents think they are too detailed as globally applicable criteria? The annex provides guidance on each criterion. Which additional criteria would respondents consider necessary, if any, and what additional provisions would be useful or necessary to support the use of the criteria? What are respondents’ views on the “additional considerations” set out under some criteria in the annex? Should they become part of the criteria? Are there particular criteria that could hinder the development of sustainable securitisation markets due, for example, to the costliness of their implementation?

The DSA will comment on each of the individual criteria. We do not miss any specific criteria, but we would like to be able to comment on any additional criteria to be applied in specific “modular” applications, especially the ones to be added for regulatory applications.
Furthermore, we note that there are too many criteria is and that they are sometimes too detailed to create a workable qualification system. In this respect we would also like to point to the fact that for many criteria it is difficult to check the boxes: legal opinions are not always black or white and cannot be used by investors; also different law firms provide different opinions on the same issue; anyway, many interpretation issues may arise.
In order for the initiative to be successful, it is key that eligibility is easily verifiable by investors. It would be helpful for instance if an entity (either inside the regulatory world, or a non-profit organization like, in Europe, PCS) could quickly check all the boxes: an investor cannot wait for weeks, pending confirmation (from ?) that a deal qualifies, before making an investment decision.
Also we would like to state explicitly, that qualification can only be determined at the start of a transaction. Ongoing surveillance of the criteria would further add to the operational complications and even more importantly would create uncertainty for investors about the cliff effects of changing qualification of investments they hold in their portfolio. Finally, while we comment on many criteria, we would like to mention as most problematic :
-5. Transfer, and especially the burden of proof associated to issues like enforceability and clawback risk;
-10. Voting rights, and how to sell junior notes if maximum control is given to senior bondholders; and
-11. Documentation disclosure, both the timing (prior to issuance) and extent (the number of documents with limited materiality/relevance for investor due diligence to be disclosed (note 13 of the Consultative Document)).

Criteria for identifying simple, transparent and comparable (STC) securitisations

A. Asset risk

1. Nature of the assets

In simple, transparent and comparable securitisations, the assets underlying the securitisation should be credit claims or receivables that are homogeneous with respect to their asset type, jurisdiction, legal system and currency.
As more exotic asset classes require more complex and deeper analysis, credit claims or receivables should have defined terms relating to rental, principal, interest, or principal and interest payments. Any referenced interest payments or discount rates should be based on commonly encountered market interest rates, but should not reference complex or complicated formulae or exotic derivatives.

Agreed.

2. Asset performance history

New and potentially more exotic asset classes are likely to require more complex and heightened analysis. In order to provide investors with sufficient information to conduct appropriate due diligence and access to a sufficiently rich data set to enable a more accurate calculation of expected loss in different stresses, verifiable loss performance data, such as delinquency and default data, should be available for credit claims and receivables with substantially similar risk characteristics to those being securitised, for a time period long enough to permit meaningful evaluation by investors. Sources of and access to data and the basis for claiming similarity to credit claims or receivables being securitised should be clearly disclosed to all market participants.

Agreed.
With regard to historic loss data, a " time period long enough" should however not exceed 5 years.
With regard to the additional consideration "whether the originator, sponsor, servicer and other parties with a fiduciary responsibility to the securitisation have an established performance history…" *we agree as long as this criterion not just applies to the legal entity, but more to the performance history of the team involved; new entrants that hire teams can be regarded as experienced when the team can demonstrate at least 3 years of established performance history .*

3. Payment status

Non-performing credit claims and receivables are likely to require more complex and heightened analysis. In order to ensure that only performing credit claims and receivables are assigned to a securitisation, credit claims or receivables being transferred to the securitisation may not include obligations that are in default, delinquent or obligations for which the transferor or parties to the securitisation are aware of evidence indicating a material increase in expected losses or of enforcement actions.

Agreed; for the definition of "default", we would prefer to use the regulatory definition generally applicable, so for Europe the CRR definition. And in order to maintain consistency over different regulatory approaches, one common definition of performing assets has to be chosen. For European issuers this should be the definition as applicable for securitisations in the (European version of) the LCR.

4. Consistency of underwriting

Investor analysis should be simpler and more straightforward where the securitisation is of credit claims or receivables that satisfy uniform and non-deteriorating origination standards. To ensure that the quality of the securitised credit claims and receivables is not dependent on changes in underwriting standards, the originator should demonstrate to investors that any credit claims or receivables being transferred to the securitisation have been originated in the

ordinary course of the originator's business to uniform and non-deteriorating underwriting standards.
These should be credit claims or receivables which have satisfied uniform and non-deteriorating underwriting criteria and for which the obligors have been assessed as having the ability and volition to make timely payments on obligations; or on granular pools of obligors originated in the ordinary course of the originator's business where expected cash flows have been modelled to meet stated obligations of the securitisation under prudently stressed loan loss scenarios.

Agreed; however "non-deteriorating" needs to be defined properly. Depending on the macro economic environment, requirements with regard to debt servicing or loan-to-value may change; in an improving economic climate, originators may accept lower debt service and higher loan-to-value ratio's; this should not automatically be regarded as deteriorating underwriting standards. But investors have to be well informed on the way an originator adjusts his underwriting to the economic situation.

5. Asset selection and transfer

Whilst recognising that credit claims or receivables transferred to a securitisation will be subject to defined criteria, the performance of the securitisation should not rely upon the initial and ongoing selection of assets through active management on a discretionary basis of the securitisation's underlying portfolio. Credit claims or receivables transferred to a securitisation should be whole portfolios of eligible credit claims or receivables, or should be randomly selected from those satisfying eligibility criteria and may not be actively selected, actively managed or otherwise cherry-picked on a discretionary basis. Investors should be able to assess the credit risk of the asset pool prior to their investment decisions.

In order to meet the principle of true sale, the securitisation should effect true sale or effective assignment of rights for underlying credit claims or receivables from the seller on terms such that the resulting claims on these credit claims or receivables:

- are enforceable against any third party;
- are beyond the reach of the seller, its creditors or liquidators and are not subject to material re-characterisation or clawback risks;
- are not effected through credit default swaps, derivatives or guarantees, but by a legal assignment of the credit claims or the receivables to the securitisation; and
- demonstrate effective recourse to the ultimate obligation for the underlying credit claims or receivables and are not a securitisation of other securitisations.

In applicable jurisdictions, securitisations employing transfers of credit claims or receivables by other means should demonstrate the existence of material obstacles preventing true sale at issuance and should clearly demonstrate the method of recourse to ultimate obligors. In such jurisdictions, any conditions where the transfer of the credit claims or receivable is delayed or contingent upon specific events and any factors affecting timely perfection of claims by the securitisation should be clearly disclosed.
The originator should provide representations and warranties that the credit claims or receivables being transferred to the securitisation are not subject to any condition or encumbrance that can be foreseen to adversely affect enforceability in respect of collections due.

Selection: DSA agrees that assets should not be "cherry-picked", but randomly selected out of a pool of eligible assets and that replenishment practices and practices of substitution of non-compliant exposures in the transaction should be allowed provided that they do not result in a materially different composition of the portfolio.

True sale criteria:
-enforceable: legal opinions in this respect are not always "clean" or "standardised" and are not available to investors; so the question arises how enforceability can be "proven" by the originator.
In our view enforceability cannot be an eligibility criterion; enforceability should be part of the reps and warranties.
Also, claims can only be enforceable against the seller and be beyond the reach of the creditors of the seller (so not "enforceable against any third party").

The word "material" before "re-characterisation of clawback risk" may not solve the problem of how to check this box. We would recommend that regulators give guidance how to determine in which jurisdictions severe clawback risks exist, by providing a list of eligible jurisdictions.

-no CDS, derivative or guarantee: this excludes synthetic transactions. While synthetic securitisations may add more diversity and structuring flexibility to the securitisation market, we appreciate that synthetic securitisations may also add to the perceived complexity of the market as a whole. Against this background we fully understand that the criteria presented in the Consultative Document for now focus on true sale transactions and we therefore agree with the exclusion of synthetic securitisations at this stage.

However, we do believe that synthetics can be a vital component in re-establishing a well-functioning securitisation market, especially in Europe for SME securitisations, and that specific criteria for synthetic transactions (through standardisation of CDS criteria) can be developed, so we recommend to start to work on synthetic criteria soon after completion of the true sale criteria.

6. Initial and ongoing data

To assist investors in conducting appropriate due diligence prior to investing in a new offering, sufficient loan-level data or, in the case of granular pools, summary stratification data on the relevant risk characteristics of the underlying pool should be available to potential investors before pricing of a securitisation.

To assist investors in conducting appropriate and ongoing monitoring of their investments' performance and so that investors that wish to purchase a securitisation in the secondary market have sufficient information to conduct appropriate due diligence, timely loan-level or granular pool stratification data on the risk characteristics of the underlying pool and standardised investor reports should be readily available to current and potential investors at least quarterly throughout the life of the securitisation. Cutoff dates of the loan-level or granular pool stratification data should be aligned with those used for investor reporting.

To provide a level of assurance that the reporting of the underlying credit claims or receivables is accurate and that the underlying credit claims or receivables meet the eligibility requirements, the initial portfolio should be reviewed for conformity with the eligibility requirements by an appropriate independent third party, other than a credit rating agency, such as an independent accounting practice or the calculation agent or management company for the transaction.

Timely (in the sense of within a reasonable time period) provision of loan-level, stratification data and quarterly Investor Reports, and alignment of cut-off dates should be (and is already for most asset classes/jurisdictions) the norm.

As regards the review by an appropriate (as defined in the Criterion) independent third party, we would propose to allow for frequent issuers the alternative of an annual review of the entire eligible pool of the originator (so either a review of the portfolio to be securitised or a review of the originator's general portfolio within the last 12 months prior to the issue date).

B. Structural risk

7. Redemption cash flow

Liabilities subject to the refinancing risk of the underlying credit claims or receivables are likely to require more complex and heightened analysis. To help ensure that the underlying credit claims or receivables do not need to be refinanced over a short period of time, there should not be a reliance on the sale or refinancing of the underlying credit claims or receivables in order to repay the liabilities, unless the underlying pool of credit claims or receivables is sufficiently granular and has sufficiently distributed repayment profiles. Rights to receive income from the assets specified to support redemption payments should be considered as eligible credit claims or receivables in this regard.

We agree that refinancing risk should be excluded. However, this should not exclude the use of liabilities (notes) that, if not refinanced because there is no market, will be extended (with a step-up coupon), as frequently used in European securitisations.

8. Currency and interest rate asset and liability mismatches

To reduce the payment risk arising from the different interest rate and currency profiles of assets and liabilities and to improve investors' ability to model cash flows, interest rate and foreign currency risks should be appropriately mitigated and any hedging transactions documented according to industry-standard master agreements. Only derivatives used for genuine hedging purposes should be allowed.

The interpretation of "mitigated" may be problematic. We do support efforts to become less dependent on hedging counterparties, since this would increase transparency and reduce complexity.
Structural protection should be an acceptable mitigant if transactions are not fully hedged.

9. Payment priorities and observability

To prevent investors being subjected to unexpected repayment profiles during the life of a securitisation, the priorities of payments for all liabilities in all circumstances should be clearly defined at the time of securitisation and appropriate legal comfort regarding their enforceability should be provided.

To ensure that junior note holders do not have inappropriate payment preference over senior note holders that are due and payable, throughout the life of a securitisation, or, where there are multiple securitisations backed by the same pool of credit claims or receivables, throughout the life of the securitisation programme, junior liabilities should not have payment preference over senior liabilities which are due and payable. The securitisation should not be structured as a "reverse" cash flow waterfall such that junior liabilities are paid where due and payable senior liabilities have not been paid.

To ensure that debt forgiveness, forbearance, payment holidays and other asset performance remedies can be clearly identified, policies and procedures, definitions, remedies and actions relating to delinquency, default or restructuring of underlying debtors should be provided in clear and consistent terms, such that investors can clearly identify debt forgiveness, forbearance, payment holidays, restructuring and other asset performance remedies on an ongoing basis.

To help provide investors with full transparency over any changes to the cash flow waterfall, payment profile or priority of payments that might affect a securitisation, all triggers affecting the cash flow waterfall, payment profile or priority of payments of the securitisation should be clearly and fully disclosed both in transaction documentation and in investor reports, with information in the investor report that clearly identifies the breach status, the ability for the breach to be reversed and the consequences of the breach. Investor reports should contain information that allows investors to easily ascertain the likelihood of a trigger being breached or reversed. Any triggers breached between payment dates should be disclosed to investors on a timely basis in accordance with the terms and conditions of the transaction documents.

Transactions featuring a revolving period should include provisions for appropriate early amortisation events and/or triggers of termination of the revolving period, including, notably: (i) deterioration in the credit quality of the underlying exposures; (ii) a failure to

acquire sufficient new underlying exposures of similar credit quality; and (iii) the occurrence of an insolvency-related event with regard to the originator or the servicer.

Following the occurrence of a performance-related trigger, an event of default or an acceleration event, the securitisation positions should be repaid in accordance with a sequential amortisation priority of payments, in order of tranche seniority, and there should not be provisions requiring immediate liquidation of the underlying assets at market value. To assist investors in their ability to appropriately model the cash flow waterfall of the securitisation, the originator or sponsor should make available to investors, both before pricing of the securitisation and on an ongoing basis, a liability cash flow model or information on the cash flow provisions allowing appropriate modelling of the securitisation cash flow waterfall.

This Criterion consists of several sub parts:
-Priorities of payments: agreed, but subject to a workable interpretation of "appropriate legal comfort".
-No "reverse" cash flow waterfall: agreed.
-Asset performance remedies: with regard to the approach with respect to asset performance, and more specific arrears and defaults, we agree that information to be provided should broadly describe the arrears and default management policy.
We would however oppose to a requirement that would be too prescriptive (and too detailed) describing how all types of solutions would be applied. The files and circumstances of debtors in financial distress can vary a lot and servicers should have full discretion to tailor the best possible solution to a specific case in order to regain the performing status and/or to minimize a potential loss.
-Disclosure of triggers: this should be provided both in the Prospectus (see our comment on Documentation disclosure under 11.) and the Investor Reports. The Investor Reports should indeed provide the breach status and the consequences of a breach. Indicating "the ability for the breach to be reversed" is not desirable: this will feed interpretation and speculation, while an Investor Report is supposed to be factual.
-Revolving transactions triggers: agreed.
-Sequential repayment/no liquidation: agreed.
-Cash flow model: the originator or sponsor has to ascertain that a Cash Flow model will be available through external providers (Bloomberg, Intex etc.). Two models (one company provided, one external) would be extremely confusing for investors.

10. Voting and enforcement rights

To help ensure clarity for securitisation note holders of their rights and ability to control and enforce on the underlying credit claims or receivables, in particular upon insolvency of the originator or sponsor or where the obligor is in default on the obligation, all voting and enforcement rights related to the credit claims or receivables should be transferred to the securitisation and investors' rights in the securitisation should be clearly defined under all circumstances, including with respect to the rights of senior versus junior note holders

As regards the suggestion in the additional consideration "that the most senior rights are afforded to the most senior liabilities to ensure that senior bondholders benefit from control of voting and enforcement rights, subject to legislative restrictions over such rights"*, we can accept this in in an enforcement situation, but ongoing control of voting rights by the most senior note holders would have a very negative impact on the distribution of any lower ranking note tranches. Tranches without any control have only been structured to be retained. Third party investor are not likely to buy notes that are completely dependent on the voting behavior of holders of other note classes, since senior note holders could completely neglect the interests of junior note holders.*
On an associated topic, we would like to point to the fact that voting rights can also be provided to third parties, like swap counterparties.

11. Documentation disclosure and legal review

To help investors to fully understand the terms, conditions, legal and commercial information prior to investing in a new offering and to ensure that this information is set out in a clear and effective manner for all programmes and offerings, sufficient initial offering documentation should be provided to investors (and readily available to potential investors on a continuous basis) within a reasonably sufficient period of time prior to issuance, such that the investor is provided with full disclosure of the legal and commercial information and comprehensive risk factors needed to make informed investment decisions. These should be composed such that readers can readily find, understand and use relevant information.
To ensure that the securitisation's legal documentation has been subject to appropriate review prior to publication, the terms and documentation of the securitisation should be reviewed and verified by an appropriately experienced and independent legal practice. Investors should be notified in a timely fashion of any changes in such documents that have an impact on the structural risks in the securitisation.

On disclosure of documentation we do expect problems with confidentiality and data protection issues. Full disclosure also excludes non-public transactions.
All material information should be available in the Prospectus. To the extent that more information on certain transaction characteristics, like the swap structure, is required, this should be added in the content of the Prospectus. We propose to delete the documentation disclosure requirement or at least to limit the disclosure to a subset of ***material and relevant*** *documentation to be agreed between issuers, investors and regulators.*
Providing documentation to investors prior to issuance is certainly not realistic: in practice, documentation is often still turned around right before closing of a transaction. Investment decisions should be made on the basis of the Prospectus. Documentation, if any, can be provided together with Investor Reports as part of the ongoing transparency.
Review by independent legal practice: agreed, as long as this can be the same legal practice that has drafted the documentation.

12. Alignment of interest

In order to align the interests of those responsible for the underwriting of the credit claims or receivables with those of investors, the originator or sponsor of the credit claims or receivables should retain a material net economic exposure and demonstrate a financial incentive in the performance of these assets following their securitisation.

The DSA agrees with the concept of risk retention, but we we are strongly opposed to the unleveled playing field between Europe and the US on retention, especially the exemption for US mortgages as compared to the full 5% retention for prime European RMBS, where loss rates are well below 1%.
The additional consideration requiring that "Parties with a fiduciary responsibility to investors should review and confirm the material economic exposure retained" may not be sufficient for investors to check fulfillment of the retention requirement, at least under European regulation (again, the playing field is not leveled, since US investors are not subject to any such requirement).

C.Fiduciary and servicer risk

13. Fiduciary and contractual responsibilities

To help ensure servicers have extensive workout expertise, thorough legal and collateral knowledge and a proven track record in loss mitigation, such parties should be able to demonstrate expertise in the servicing of the underlying credit claims or receivables, supported by a management team with extensive industry experience. The servicer should at all times act in accordance with reasonable and prudent standards. Policies, procedures and risk management controls should be well documented and adhere to good market practices and relevant regulatory regimes. There should be strong systems and reporting capabilities in place.

The party or parties with fiduciary responsibility should act on a timely basis in the best interests of the securitisation note holders, and the terms of the notes and contractual transaction documentation should contain provisions facilitating the timely resolution of conflicts between different classes of note holders by the trustees, to the extent permitted by applicable law.

The party or parties with fiduciary responsibility to the securitisation and to investors should be able to demonstrate sufficient skills and resources to comply with their duties of care in the administration of the securitisation vehicle.

To increase the likelihood that those identified as having a fiduciary responsibility towards investors as well as the servicer execute their duties in full on a timely basis, remuneration should be such that these parties are incentivized and able to meet their responsibilities in full and on a timely basis.

First of all we refer to our comment on Criterion 2 regarding the difference between experienced teams and legal entities. As long as the focus is on teams, we agree with most of the Criterion 13.
We have however a potential problem with the requirement regarding remuneration of "those identified as having a fiduciary responsibility". Although we agree that a fair remuneration should be provided for, we do not see how the condition that "remuneration should be such that these parties are incentivised and able to meet their responsibilities in full and on a timely basis" can be made operational. If this would require disclosure of the remuneration we also expect to be confronted with confidentiality issues.
With regard to the additional consideration "whether parties with a fiduciary responsibility should act in the best interests of the majority of note holders" we would like to refer to our comment on Criterion 10 (Voting rights); excessive restriction of the rights of investors in tranches below the most senior one, could seriously disturb the market for those junior tranches.

14. Transparency to investors

To help provide full transparency to investors, assist investors in the conduct of their due diligence and to prevent investors being subject to unexpected disruptions in cash flow collections and servicing, the contractual obligations, duties and responsibilities of all key parties to the securitisation, both those with a fiduciary responsibility and of the ancillary service providers, should be defined clearly in the transaction documents. Provisions should be documented for the replacement of servicers, bank account providers, derivatives counterparties and liquidity providers in the event of failure or non-performance or insolvency or other deterioration of creditworthiness of any such counterparty to the securitisation.

To enhance transparency and visibility over all receipts, payments and ledger entries at all times, the performance reports to investors should distinguish and report the securitisation's income and disbursements, such as scheduled principal, redemption principal, scheduled interest, prepaid principal, past due interest and fees and charges, delinquent, defaulted and restructured amounts, including accurate accounting for amounts attributable to principal and interest deficiency ledgers.

Agreed, please see also our answer on Question 4 below.

Questions (continued)

3. What are respondents' views on the state of short-term securitisation markets and the need for initiatives with involvement from public authorities? Do respondents consider useful the development of differentiating criteria for ABCP, in a manner similar to that of term securitisations? The BCBS and IOSCO would particularly welcome any data and descriptions illustrating the state of short-term securitisation markets by jurisdiction and the views of respondents on concrete comparable criteria that could be applied to short-term securitisations.

While we recognise the importance of the short term securitisation market, we also note that ABCP conduits are so much different from term securitisation bonds, that the content of criteria would not often overlap, so much additional work would be needed to develop criteria for ABCP (or CLO's or CMBS or other asset classes not covered by the "Simple, Transparent and Comparable" criteria currently under review).
However, time is running out for securitisation, so we would urge regulators to focus on a fast development of criteria and the associated regulatory treatment for granular, true sale, term securitisations rather than getting distracted by work on other asset classes.

4. What are respondents' views on the level of standardisation of securitisation transactions' documentation? Would some minimum level of standardisation of prospectuses, investor reports and key transaction terms be beneficial? Do respondents think there are other areas that could benefit from more standardisation? Would a standardised template including where to find the relevant information in the prospectus be helpful? The BCBS and IOSCO would particularly welcome a description, by jurisdiction, of the extent to which different elements of initial documentation are standardised.

The DSA, as a market initiative, has developed standards in most of the areas you have indicated.
Investor feedback on our standards has been very positive, and standards are frequently being reviewed.
In the process of setting our standards it became apparent at an early stage that a standard covering multiple asset classes and/or multiple jurisdictions would face the complications of combining different legal and tax regimes and as a consequence would either be very general or unworkable.
So we have focused on a standard for Dutch RMBS, a market where even in current difficult times some 20 transactions are executed annually.
The standard consists of:
-a template for the Table of contents for the Prospectus.
-a template for the Glossary of defined terms in the Prospectus and the respective Investor Reports; any deviations from the templates will have to be identified and explained.
-a template Notes and Cash Report, detailing (a.o.) the payments to be made and received by the issuer.
-a template Portfolio and Performance Report (together with the Notes and Cash Report, the Investor Reports) detailing the performance of and other developments in respect of a.o .i) the portfolio of receivables backing the notes and ii) the ratings of the counterparties of the issuer.
-a statement that should be included in the prospectus confirming that the contents of the Prospectus and Investor Report are in line with the templates.