

**Response to BCBS/IOSCO Consultative Document
"Criteria for identifying simple, transparent and
comparable securitisations"**

Frankfurt am Main, February 2015

■ **Opinion of True Sale International GmbH (TSI) on the Consultative Document of BCBS and IOSCO “Criteria for identifying simple, transparent and comparable securitisations”**

True sale and synthetic corporate debt securitisation, as well as the securitisation of sales financing, leasing (especially in the car sales industry), factoring and trade receivables, have the potential to play a decisive role in shaping the future of Europe’s business financing. Regulations foresee tighter rules for banks with regard to balance sheet, liquidity and capital. Hence, to support and maintain sufficient lending volumes to the real economy, ABS will provide banks with an important tool to achieve such goals also for risk management purposes; capital market financing for Europe’s business sector will be strengthened as a logical consequence.

Yet none of this will happen without securitisations backed by real economy assets. Revitalising the European securitisation market for all types of business-related securitisations should therefore be a main focus in the creation of a European capital markets union.

TSI therefore welcomes the approach proposed by the Task Force on Securitisation Markets (TFSM) that involves the use of simple, standardised and comparable securitisations to create secure and attractive framework conditions for investors and originators.

While we fundamentally agree with the principles for true sale term transactions, we consider there to be a need for small changes in regard to true sale term transactions so that marketable securitisations, which, from the investor’s perspective, already meet the requirements of simple, transparent and comparable securities, are not excluded from being recognised as “qualifying securitisations”. Otherwise there could be negative consequences for these securities, which have been successfully established on the term securitisation market. We particularly welcome and support the development that sees the “qualifying securitisation” classification as not being defined by the seniority of the securitisation and would like to encourage the TFSM to continue along those lines. This will prevent “cliff effects” from occurring in capital requirements.

However, we also believe that, given the need to improve the framework conditions, which is the subject of intensive debate in Europe, this can only be the first step.

The framework conditions in the European financial markets and in the economic structure imply that the intended European capital markets union needs to be based on an intelligent network of bank and capital market financing if the close connection between banks and enterprises is to be maintained. The elements of a network of this kind are already in place and can be clearly seen. A leading role is played by the instrument of securitisation.

Securitisations are thus excellently suited to a bank-based corporate financing system and at the same time enable banks to ease the strain on their balance sheets, their equity and their key financing ratios by resorting to the capital market and thus to comply with the Basel III criteria.

It should not be complicated for banks to use true sale and standardised synthetic securitisations to raise corporate and sales finance. This would ease their equity situation as well as their refinancing. It should also be possible for industrial, commercial and leasing enterprises to have easy access to the securitisation markets as a means of diversifying their working capital financing and becoming less dependent on bank loans. Corresponding ABCP platforms are provided to that end by many banks in Germany and more than 100 larger German SMEs are already making use of the programmes.

The TFSM paper deals only with true sale securitisations. This makes sense because clear experience can be drawn upon in that respect. Tried and tested criteria have also been established through the work of the standard setters TSI and PCS in these areas.

Moreover, the initial impression is that the types of securitisations beyond term true sale transactions are more difficult to standardise and to typify. However, for these securitisations there are also powerful arguments in favour of establishing clear compliance criteria, which would allow such securitisations to benefit from a corresponding regulatory regime.

At present the banks' reluctance to contribute to long-term business finance is not driven by a lack of favourable refinancing terms for their SME financing but by the need for regulatory equity relief. This can be achieved more easily and less expensively through synthetic securitisation rather than through true sale securitisation. In addition, Germany's experience with KfW's PROMISE/PROVIDE platform has shown that it is relatively straightforward to enforce standardisation criteria even in the case of synthetic securitisations. Likewise, only synthetic securitisations can help to give smaller, regional banks, such as Germany's savings and cooperative banks, whose customer relations

would be seriously strained by true sale securitisation, new scope to grant loans to their customers in the SME sector and to prevent them from being hampered by concentration risks.

On the other hand the securitisation of leasing and trade receivables is currently well established in many European countries. In Germany it contributes some EUR 13-14 billion annually to direct business financing. Analyses show that developments in the performance of such transactions in recent years have been outstanding; even in cases of seller insolvencies, no defaults were recorded.

Our view is that it would be fairly straightforward to include the two securitisation instruments in a regulation for a safe and stable securitisation market. The necessary input should be collated by the TFSM in the near future through structured workshops. From a practical perspective, there are indeed arguments that support limiting the definition of simple, transparent and comparable criteria to true sale transactions in the initial stages. However, we believe that, against the background of the EU's efforts to supplement the banking union with a capital markets union, this approach falls far too short.

■ **Our comments in greater detail:**

True sale term transactions

In principle, we agree with the criteria but see some need for slight changes and clarifications to allow for qualification of asset backed securities already perceived as simple, transparent and comparable, for instance, such as auto loan and auto lease securitisations.

1. Asset risks

■ **Criterion 1: Nature of the assets**

Basel Committee

Commonly accounted market interest rates: "Any referenced interest payments or discount rates should be based on commonly encountered market interest rates."

Our Comment:

Commonly accounted market interest rates: In the automobile business loans and leases are subsidised by the car manufacturers or

car dealers to promote the sale of the cars. it should be clarified that loans and leases subsidised, for instance, by the manufacturer and/or the car dealer are not excluded, particularly given the fact that loans or leases e.g. with interest rate subventions show normally a lower default rate.

■ **Criterion 3: Payment status:**

Basel Committee

“Receivables shall be excluded 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.”

Our Comment:

It is common practice of prime Auto-ABS that all receivables are to be excluded being past due. In addition, it is required that at least one instalment has been paid in respect of each of the purchased loan receivables. Partly, even two instalments paid are common for auto loan and auto lease securitisations in combination with the requirement that no loan or lease receivables are past due to ensure high quality of the underlying assets. This practice has proved to maintain low level of losses for the underlying securitised auto loan and auto leasing contracts in the past even under severe stress conditions. In contrast, it was typical for originate-to-distribute model in the US subprime RMBS segment that loan receivables were sold without obtained any payment by the debtor. Thus, it is imperative to continue this practice to ensure high quality of the underlying securitised loan and lease contracts. The phrase “for which the transferor or parties to the securitisation are aware of evidence indicating a material increase in expected losses” should be deleted. It could be difficult to measure and determine a material increase in expected loss. The calculation of expected loss requires the parameter PD, LGD and EAD. However, such parameters are typically calculated by IRB-banks and would exclude banks that use the credit standardised approach. Beyond such practical issues, we doubt whether an increase of the expected loss is an appropriate criterion at all. We understand such requirement if it is the aim to avoid that an originator mainly selects the receivables where he expect a significant increase of the expected losses. However, this should be

better addressed by the requirement that the selection of the receivables has to be carried out randomly and that no adverse selection of receivables is permitted which could hinder the comparison of the performance of the non-securitised portfolio with the expected performance of the securitised loans.

■ **Criterion 4: Consistency of underwriting**

Basel Committee

“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.”

Our Comment:

Underwriting standards can change from time to time because the underwriting standards are part of the credit and acceptance policy. Moreover, the underwriting process will change over time, for instance, due to new recognised risks as to fraud or for the sake of process optimisation. In any case, the underwriting standards for the loans and leases to be securitised and non-securitised should not differ and not deteriorate in substance. Hence, the originator should apply the same sound and well-defined criteria for credit-granting to exposures to be securitised as they apply to exposures to be held in their own book. We propose the following wording: “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 standards with sound and well-defined criteria for credit-granting to exposures to be securitised as they apply to exposures to be held in their own book. In addition, the originator should demonstrate that there is no deterioration of underwriting standards in substance.”

2. Structural risk

■ Criterion 9: Payment priorities and observability

Basel Committee

“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.”

Our Comment:

It should be clarified that the following common priority of payments is eligible:

1. Payment of interests on the senior notes
2. Payment of interests on the junior notes
3. Redemption of the principle amount of the senior notes
4. Redemption of the principle amount of the junior notes

■ Criterion 11: Documentation disclosure and legal review

“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.”

Our Comment:

It should be clarified that a law firm mandated by the originator and acting as transaction counsel does not conflict with the requirement of “independence”.

■ Criterion 12: Alignment of interest

Basel Committee

“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.”

Our Comment:

For retail auto loan and auto lease securitisation transactions it is common practice that a randomly selected sub-portfolio equivalent to no less than 5 % of the nominal value of the securitised exposures, where such exposures would otherwise have been securitised in the securitisation, is retained provided that the number of potentially securitised exposures is no less than 100 at origination. It should be possible to continue this practice. Thus, we request for clarification that this common practice does not conflict with the risk retention requirement above.

■ **Synthetic securitisations**

According to criterion 5, only those securitisations shall be eligible where the assignment of rights is not effected through credit default swaps, derivatives or guarantees but by a legal assignment of the credit claims or the receivables. Thus, synthetic securitisations would not be eligible.

For the reasons set out above we argue that synthetic transactions should not be excluded from the framework for simple, transparent and comparable securitisations. This holds true, in particular, when the set-up of a securitisation as a synthetic securitisation is the only reason for not meeting the TFSSM’s criteria for simple, standard and transparent securitisations. The essential benefits of synthetic transactions for many originating banks are the transfer of credit risk to third parties when true sale transactions (traditional securitisations) cannot be employed since bank customers do not want the bank to sell their loans (transfer clause limitations), which is often the case for SMEs. Moreover, synthetic transactions are often the only way to manage risks arising from certain off-balance-sheet exposures, e.g. letters of credit or guarantees issued to banks’ customers. This also applies to certain on-balance-sheet exposures such as until-further-notice overdraft facilities, which on average account for more or less 25% of banks’ total SME financing. In other words, synthetic transactions are a highly efficient means of supporting real economy SME transactions as they enable

banks to transfer the risks of various lending products as well as to take account of concerns of banks' clients such as data secrecy or the causeless but widely spread threat of a sale of the relationship to third parties such as hedge funds. Synthetic transactions also support risk-sharing in the financial system.

By comparison with true sale transactions, synthetic transactions have further advantages. Since the securitised assets will not be sold to the SPV, there are no risks such as the legal validity of the receivables, commingling risk, settlement risk and collection risk. This implies that the investor does not suffer any losses arising from such risks since they are not credit default risk. Moreover, if the originator bank defaults, the guarantee or credit default swap will be terminated and the investor receives back the cash provided (from purchased CLN) exceeding any occurred credit events in the underlying portfolio (in contrast to selling the securitised assets or awaiting any scheduled repayments in the portfolio). This is of particular interest for investors who want to buy certain credit risk but not the actual underlyings (and potentially wait for their cash back until all assets are sold).

As mentioned, the German experience shows that synthetic transactions can be structured in a simple and transparent manner. The transactions and associated documentation are often less complex for both issuer and investor as the sale of assets is not involved. By way of example, there fewer parties are involved in a synthetic transaction. A synthetic transaction could therefore be considered to be simple, transparent and comparable under almost the same conditions/criteria as those proposed for true sale securitisation.

In summary, we believe that when synthetic securitisations of bank loans are in keeping with the spirit of the remaining TFSM criteria, the set-up as a synthetic securitisation should not hamper the inclusion of such transactions in the definition of "simple, standard and transparent securitisation" and that regulators should encourage the ability of banks to manage the risks associated with bank-originated loans.

■ Multi-seller conduit ABCP

Although the joint BCBS/IOSCO Task Force on Securitisation Markets (TFSM) explicitly excluded ABCP issued by multi-seller conduits from the scope of the analysis, it asks for information about the development of those markets and proposals for specific comparable criteria that could be applied to those markets (Question 3).

Multi-seller conduits are platforms that predominantly purchase trade or leasing receivables from corporations or leasing companies. The purchase is funded by issuing short-term commercial paper (ABCP). The sponsor bank running the conduit provides liquidity lines that can be drawn on if the ABCP cannot be sold to the market or if losses in the securitised receivables occur. Most of the ABCP issued in Germany are “fully supported”. This means that any losses on the part of the investors are borne by the provider of the liquidity facility.

ABCP conduits play an important role in business financing. They are advantageous for corporates as well as for banks. Corporates can use the sale of their own receivables as an additional form of funding (especially bonds or bank loans) and diversify their refinancing. Banks can provide additional funding for corporates without expending credit lines. Furthermore, providing a liquidity line is less risky from the banks’ perspective and – at present – has to be backed by less capital. This, consequently, results in better pricings and an increase in available credit lines for the real economy.

While the volume of the conduit business market shrank significantly as a result of the exit of arbitrage conduits and structured investment vehicles (SIVs) following the financial crisis, the share of multi-seller conduits in all conduit issuances has risen considerably. According to Moody’s, multi-seller conduits in Europe securitised trade or leasing receivables totalling EUR 63.3 billion in 2014, thus accounting for 82% of the ABCP market.

The performance of multi-seller ABCP is strong. They have experienced stable and sound development even through the financial and economic crises of 2007-2008 and subsequent years. In Germany no ABCP investor in a multi-seller-conduit has ever suffered a loss.

We are concerned that ABCP will be negatively affected by the new Basel Framework for Securitisations that will come into effect in 2018. In this context a distinction needs to be made between the two roles that banks can play in an ABCP multi-seller conduit transaction: as investors and sponsors. As ABCP cannot be issued without a sponsor bank that provides the liquidity facility, the treatment of these facilities in the capital requirements regime is of utmost importance.

According to our calculations, capital requirements for liquidity banks will triple or quadruple from the figures in the current framework and will exceed those for senior unsecured corporate loans. ABCP financing will thus become unattractive for sponsors and very expensive for sellers.

As we see it, it is therefore of utmost importance for ABCP, as well as the corresponding liquidity facilities, to be recognised as “simple, transparent and comparable securitisations” and for the securitisations concerned to be given special regulatory treatment.

As multi-seller conduits differ from the usual structure of a term securitisation, specific high quality criteria for multi-seller conduits should be developed. We would therefore like to request the TFSM to continue its work on “simple, transparent and comparable securitisation” in order to develop, together with the industry, tailor-made criteria for simple, transparent and comparable ABCP. In the following we would like to illustrate how the criteria proposed by the TFSM should be adjusted in order to better capture the special nature of multi-seller ABCP programmes.

Asset risk: Nature of the assets

In simple, transparent and comparable securitisations, the assets underlying the securitisation must be credit claims or receivables that are homogenous with regard to their asset type, jurisdiction, legal system and currency.

As we see it, in the case of an ABCP programme this criterion will not apply to the securitised assets but to the risk protection scheme or the

risk taker. Therefore, it should be sufficient for the credit risk of the securitised assets to be fully covered by a third party (e.g. by credit insurance or by a fully supported liquidity facility within an ABCP programme). This would enable fully supported ABCP programmes to fulfil the criterion even if the various pools of such multi-seller programmes stem from different originators, asset classes, currencies and legal systems. By way of full credit support, the investor is exposed primarily to the risk of the sponsor bank. This adds enormous simplicity to the investment analyses.

From the perspective of the liquidity bank (which does not benefit from the full support), the homogeneity criterion for trade and leasing pools of real economy originators should be met if the asset type is uniform and if any material risks arising from currency mismatches or different legal systems are covered by adequate measures (FX-hedging, credit insurance or legal opinions). This would enable the real economy to use ABCP structures most efficiently, especially when the trade receivables derive from the cross border delivery of goods and services.

Furthermore, according to the TFSM proposal any referenced interest payment or discount rates should be based on commonly encountered market interest rates but should not reference complex or complicated formulae or exotic derivatives. In order to dispel any doubt, it should be made clear that any leasing receivables with interest rates at subsidised levels may be considered eligible if they are purchased at a discounted purchase price that adjusts the yield to the market rate level.

Asset risk: Performance history of the assets

The TFSM suggests that investors should have access to data on loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, over a time period long enough to permit meaningful evaluation by investors. In our view, this requirement should not apply to multi-seller ABCP programmes because of their specific structure. It should be sufficient for investors to have information about the materially relevant data on the credit quality and performance of the underlying assets. Because of the constant pool changes in ABCP programmes (additions/removals) and the coverage

(at least 100%) through liquidity support by the sponsor bank, historical data on single pools is not relevant for investors.

Asset risk: Payment status of the assets

According to this criterion, the securitised portfolio may not include obligations that are in default or delinquent or obligations for which the transferor or parties to the securitisation are aware of evidence indicating a material increase in expected loss or of enforcement actions. In the case of trade and leasing receivable securitisations where the original lender is not a credit institution, a borrower shall only be defined as credit-impaired if the original lender has positive knowledge of circumstances that make it highly unlikely that the borrower will be able to pay its obligation in full. It should be noted that real economy originators, i.e. corporates, do not have systems and procedures in place that enable them to carry out a bank-like underwriting and credit approval process. It should also be taken into account that trade receivables are often covered by a commercial credit insurance company.

Asset risk: Assets selection and transfer

The TFMS proposes that the securitisation should not be characterised by an active portfolio management on a discretionary basis. In order to dispel any doubt, it should be made clear here that the revolving purchase of receivables (e.g. trade receivables) is not to be regarded as active portfolio management, even if maturing or ineligible receivables are replaced.

Furthermore, the securitisation must be characterised by a legal true sale. It should be made clear in that context that the true sale requirement relates only to the legal separability of the securitised assets and not to derecognition under IFRS or local GAAP. Likewise, any tax treatment should have no impact on the recognition of the legal true sale within this context.

In addition, the TFMS requires the original lender to provide representations and warranties that assets being included in the securitisation are not subject to any condition or encumbrance that can

be foreseen as adversely affecting enforceability in respect of collections due. In our view, the representations and warranties of the original lender regarding enforceability of collections with regard to trade receivables should allow for exclusions of such circumstances that ordinarily occur in the original lender's business (e.g. dilutions, set-offs). If the ABCP programme is fully supported, this requirement should be met automatically.

Asset risk: Initial and ongoing data of the assets

The TFSM proposes that investors and prospective investors should have ready access to data on the underlying individual assets on a loan-by-loan level, at inception, before the pricing of the securitisation, and on an ongoing basis.

As we see it, this should not apply to multi-seller ABCP programmes because of their specific structure. Through the regular investor reporting, investors will have aggregated data on the materially relevant data of the underlying assets (e.g. asset type, industry of sellers, currencies, geographical distribution, etc.). Loan-by-loan-level data on trade receivables is virtually undeliverable and already outdated; it is also potentially unwise to disclose such data. It may even be critical in terms of the corporate sellers' business secrets. Furthermore, investors do not benefit from such data as they rely primarily on liquidity support from the sponsor/liquidity bank. Aggregated pool data has proved to be fully sufficient.

Structural risk: Payment priorities and observabilities

The documentation on transactions that feature a revolving period shall include provisions for appropriate early amortisation events or triggers of termination of the revolving period if the originator/sponsor is not able to generate sufficient new underlying exposures of at least similar credit quality (ii). In order to dispel any doubt, it should be made clear that this requirement does not apply to ABCP programmes as they are designed to refinance fluctuating pools of receivables.

Furthermore, the originator or sponsor is to provide investors with a liability cash flow model or information on the cash flow provisions. We

consider that cash flow statements should not be mandatory, especially not within ABCP programmes where assets and liabilities are constantly revolving. Any reporting of cash flow information should be made in a reasonable and sufficient manner to enable the investor to gain a clear picture of all materially relevant aspects regarding his risk position in the investment concerned. Especially in fully supported, multi-seller ABCP programmes with trade or leasing receivables from various real economy companies, certain data may be kept confidential if information memoranda and investor reporting provide all materially relevant information for assessing the investor's risk position. The originator and sponsor should therefore only provide investors with a liability cash flow where applicable.

■ Questions

Basel Committee

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

Our Answer:

"In principle, yes we agree. The criteria are rather generic and more principle-oriented. Given the fact that it will be a worldwide global standard and the partly major differences between the European and the US securitisation market, we believe that this is the right level of detail for a global standard. Further ruled based clarifications will be given by the competent supervisory authorities such as EBA in Europe. However, to foster further standardisation and comparability across the national ABS markets, especially between Europe and the US market, we recommend reviewing the more detailed rules by the competent authorities after their implementation in some years to further specify the criteria. For the time being, we advise against further detailing."

Basel Committee

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?

Our Answer:

"Basically, we agree with the principles, but see some need for slight changes and clarifications to allow for qualification of asset backed securities already perceived as simple, transparent and comparable, for instance, such as auto loan and auto lease securitisations. See our comments above.

In addition, we deem it necessary to require at least the payment of one instalment or better even two instalments from all underlying securitised loans and leases to allow for high quality of underlying securitised loans and leases."

Basel Committee

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.

Our Answer:

“According to a study by Moody’s, in mid-2014 approximately EUR 50 billion in receivables generated in Europe were securitised in ABCP programmes. Germany, followed by the UK, Italy and France, account for the largest shares, with 23%, 21%, 13% and 11% respectively. Trade receivables were the most funded assets types in the conduits. A TSI analysis, conducted similarly in mid-2014, revealed that in Germany the securitisation of trade receivables, in particular, has grown dramatically by 75% since 2010, while the securitisation of leasing receivables has grown by around 53%. TSI estimates the market potential for trade receivables at around EUR 50 billion in Germany alone. As a European capital market union develops, the securitisation of trade receivables could thus become a key source of funding for larger SMEs alongside bank loans.”

Basel Committee

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.

Our Answer:

“Excellent examples for prospectuses and investor reports already exist for every asset class. They could provide guidance for the purposes of establishing a minimum standard.”

Conclusion: As said above our view is that it would be fairly straightforward to include synthetic securitisation instruments as well as the securitisation of asset from industrial, commercial and leasing enterprises in a regulation for a safe and stable securitisation market.

The necessary input should be collated by the TFSM in the near future through structured workshops.

From a practical perspective, there are indeed arguments that support limiting the definition of simple, transparent and comparable criteria to true sale transactions in the initial stages. However, we believe that, against the background of the EU's efforts to supplement the banking union with a capital markets union, this approach falls far too short.

TSI – What we do

Securitisation in Germany and TSI – the two belong together. True Sale International GmbH (TSI) was set up in 2004 as an initiative of the German securitisation industry with the aim of promoting the German securitisation market.

Nowadays TSI Partners come from all areas of the German securitisation market – banks, consulting firms and service providers, law firms, rating agencies and business associations. They all have substantial expertise and experience in connection with the securitisation market and share a common interest in developing this market further. TSI Partners derive particular benefit from TSI's lobbying work and its PR activities.

Furthermore TSI's concern has always been to establish a brand for German securitization which is founded on clearly defined rules for transparency, disclosure, lending and loan processing. Detailed guidelines and samples for investor reporting ensure high transparency for investors and the Originator guarantees, by means of a declaration of undertaking, the application of clear rules for lending and loan processing as well as for sales and back office incentive systems. The offering circular, the declaration of undertaking and all investor reports are publicly available on the TSI website, thus ensuring free access to relevant information.



Another objective has always been to give banks an opportunity to securitise loans under German law on the basis of a standardised procedure agreed with all market participants. And finally the goal is to create a platform for the German securitization industry and its concerns and to bridge the gap to politics and industry.

Events and Congress of TSI

Events of TSI provide opportunities for specialists in the fields of economics and politics to discuss current topics relating to the credit and securitisation markets. The TSI Congress in Berlin is the annual meeting place for securitisation experts and specialists from the credit and loan portfolio management, risk management, law, trade and treasury departments at banks, experts from law firms, auditing companies, rating agencies, service providers, consulting companies and investors from Germany and other countries. Many representatives of German business and politics and academics working in this field take advantage of the TSI Congress to exchange professional views and experience. As a venue, Berlin is at the pulse of German politics and encourages an exchange between the financial market and the world of politics.