gfma afme/ asifma sifma

6 August 2012

Mr Tim Pinkowski
General Secretariat
International Organization of Securities Commissions (IOSCO)
Calle Oquendo 12
28006 Madrid
Spain

Submitted via email: gdsr@iosco.org

Dear Mr Pinkowski,

Global Developments in Securitisation Regulation

On behalf of the Global Financial Markets Association (**GFMA**)[1], we welcome the opportunity to comment on the IOSCO consultation report entitled "Global Developments in Securitisation Regulation" (the **Consultation Report**), and the corresponding proposed policy recommendations set out therein.

We support IOSCO's efforts to analyse the various regulatory and industry initiatives which have been put forward in key jurisdictions thus far with respect to risk retention, transparency and disclosure standardisation in the context of securitisation. Amongst other things, we support IOSCO's efforts to identify and address material differences in relevant risk retention initiatives.

Given the global nature of the asset-backed market and the importance of cross-border liquidity to this market, we consider IOSCO's comparative work on risk retention to be particularly important.

Summary and general comments

Risk retention

As a starting point, we support the general acknowledgement in the Consultation Report of the issues which will arise from a cross-border perspective if there are significant differences in the retention requirements which apply under the EU and US regimes. In practice, it appears that it will be necessary for market participants to comply with both the EU and the US requirements if they wish to place deals on a cross-border basis. Given the liquidity implications of this, and the critical importance of preserving securitisation as a global funding tool for real economy assets, the ability to comply with both regimes in a manner which does not compromise the economic efficiency of relevant cross-border transactions is an area of key concern.

[1] The Global Financial Markets Association (GFMA) brings together three of the world's leading financial trade associations to address the increasingly important global regulatory agenda and to promote coordinated advocacy efforts. The Association for Financial Markets in Europe (AFME) in London and Brussels, the Asia Securities Industry & Financial Markets Association (ASIFMA) in Hong Kong and the Securities Industry and Financial Markets Association (SIFMA) in New York and Washington are, respectively, the European, Asian and North American members of GFMA. For more information, please visit http://www.gfma.org.

For the purposes of this response, we have based our analysis of the -US position on the proposed rules which were published in 2011. However, given the extensive comments raised by market participants on the proposed rules and that the relevant US agencies have not yet responded to those comments (via the publication of further proposals or the final rules), it is difficult to comment with certainty on the differences arising between the EU and the US regimes and where the key areas of concern will arise. Further analysis will be required as more information is made available with respect to the US regime. We respectfully request that the conclusions drawn by the IOSCO task force on the differences are also qualified in this manner.

While a comparison of the EU retention requirements and the US proposals reveals few points which (on their face) directly conflict, the differences between the regimes are significant. We consider that these differences will affect the ability of market participants to comply in practice with both regimes in the context of various transactions (particularly those transactions which are not well suited to retention via the "base case" holding options such as via a first loss position or a vertical slice) and will give rise to significant "frictional" issues including uncertainty as to how compliance may be achieved, increased costs and possible barriers to market access.

Following on from this, we note that, when considering and comparing the EU regime and the US proposals, we do not consider it to be appropriate to focus only on circumstances where direct conflicts would arise. Instead, when considering the points which give rise to significant differences for these purposes, we encourage IOSCO to take account of points of departure which are likely to result in practice in major compliance difficulties and/or significant additional costs for market participants.

The differences in the exemptions under the regimes are just one example of this and we consider that other points will also give rise to significant compliance challenges in practice. Such other points arise, for example, in circumstances where it is possible to comply with both regimes but this may only be done by using two separate retention methods (i.e. a different method to comply with each regime, each of which will come with its own conditions and costs). Please see our detailed response below for a discussion of certain key mismatches in the context of a number of different types of transactions.

We also wish to note that our members strongly favour a mutual recognition and acceptance process with respect to risk retention. We regard such a process as necessary to preserve the global nature of the asset-backed market and to enhance global liquidity.

The policy recommendation on risk retention in the Consultation Report does not call for action to ensure appropriate cross-border cooperation and instead refers to what appears to be a "wait and see" approach based on monitoring industry experience and views. Given the significance of the relevant issues to the asset backed market, we consider that a more proactive policy recommendation is warranted. We encourage IOSCO to acknowledge the wider potential significant differences between the EU and US regimes and to adopt a policy recommendation which seeks a more meaningful resolution of the mismatch issues.

Transparency

We support the findings of the IOSCO task force that, in general, well developed regulatory requirements with respect to disclosure are in place in many jurisdictions.

However, we note that it is not entirely clear what the references to stress testing and scenario analysis in the Consultation Report are intended to extend to. Further details would be necessary in order for our members to fully respond to the proposed policy recommendation. Heightened concerns would arise to

the extent that the intention is to go beyond a simple waterfall programme to be used for stress testing purposes, as one tool among many other elements in the investment decision.

Indeed, taking a step back, we would generally encourage the IOSCO task force to adopt a cautious approach when considering policy recommendations related to further transparency measures for ABS at this juncture. A number of initiatives have already been proposed (and some already implemented). The cumulative impact of these other measures is not yet known and sufficient time has not yet passed for this to be assessed.

While of course we support a high level of transparency in the asset-backed market, in this context we respectfully remind IOSCO of the following. First, transparency and good availability of data have always been a feature of the "real economy" ABS market, even before the financial crisis. Second, transparency is not in and of itself a "magic bullet" which can prevent further crises: certain market sectors which performed poorly (e.g. US sub-prime mortgages) nevertheless displayed a high level of transparency before the crisis yet transparency did not prevent the problems in those sectors. Third, the industry has already taken significant steps to improve transparency even further compared with pre-crisis levels. Fourth and last, it is not sufficient simply to disclose information but also for time to be given for investors to learn to digest, manage and build systems in order to be able to make practical use of such information in their investment decision.

The introduction of any further disclosure requirements should involve a balancing of interests and a clear cost benefit analysis and in particular to confirm that any benefit to investors clearly justifies the corresponding costs to originators/sponsors. To the extent that further input is sought from investors on their information needs, a corresponding consultation exercise should be undertaken with respect to originators and sponsors to ensure that the costs are also properly factored in.

Standardisation

The Consultation Report refers to standardisation with respect to both asset data and ABS documentation (including risk disclosures), although the policy recommendation does not clearly differentiate between these important (separate) topics and does not clearly outline those specific areas where standardisation should be considered.

In general, in response to any proposed further action to be taken with respect to standardisation, we would (once again) suggest that a cautious approach should be adopted.

To the extent that it is suggested that the securitisation market should move towards the use of a standardised summary document (or key information document, along the lines of those being introduced in the EU for certain retail structured products), members have expressed concerns with this in principle. A number of initiatives have already been put forward in general with respect to ABS disclosures and it is not clear that further work is required and/or that use of standardised disclosures could be sensibly adopted in a securitisation context (particularly as between jurisdictions).

We note that the Consultation Report refers to encouraging industry to work with their counterparts in other jurisdictions to ensure consistent and harmonised approaches but does not expressly refer to the need for coordination on the part of national regulators. We consider coordination in this regard to be essential in the context of loan-level disclosure requirements. To the extent that it is not possible to fully harmonise such standards (e.g. as would likely be the case as between US and EU requirements, as such requirements will reflect the inherent differences in local assets), a mutual recognition process should be available.

With respect to industry initiatives, we note that a number of projects have already been taken up by relevant trade bodies as considered appropriate (working independently or with certain authorities). In many cases, the projects represent an appropriate response in the context of the local securitisation market, but not on a wider or global basis.

Specific comments

1. Risk retention

Significant differences between the two regimes; identifying the appropriate standard

While a comparison of the EU retention requirements and the US proposals reveals few points which directly conflict,[2] the differences between the regimes are significant. As acknowledged in the Consultation Report, the basic approach of the regimes is different, with one framed as a restriction on investors and the other as a direct obligation on sponsors. While we appreciate that it may be difficult for this difference in approach to be revisited at this stage, the inherent tension created by this should be highlighted. In particular, several of our investor members have asked us to highlight the potential investment disincentives which come with a retention regime which imposes obligations on investors.

In addition, significant differences arise between the EU requirements and the US proposals with respect to (i) the scope of transactions covered by the respective regimes, (ii) the entities which may validly retain the required interest and (iii) the retention holding options and forms which may be used to satisfy such options. A number of these differences are likely to give rise to frictional issues for market participants in the context of certain cross-border transactions and, in particular, will affect the ability of such parties to comply in practice with both regimes.

The Consultation Report draws in part on the EC/SEC Staff Analysis and refers to the concept of "material incompatibilities". The meaning and scope of this term is not entirely clear, although it appears that the focus in the context of this previous work was on whether market participants could comply with both regimes without conflict (i.e. on points of direct conflict between the regimes). We do not consider that such a threshold provides the most appropriate measure of the key differences from the perspective of market participants. Instead, we support the use of a standard with a more practical focus on points of departure which are likely to give rise to significant cost implications for market participants and/or to impede cross-border issuance in general. We consider that this is the standard that the IOSCO task force should use in its work.

Applying this standard to the EU regime and the US proposals, a number of significant differences can be identified. While the Consultation Report focuses on differences in the exemptions under the regimes (noting that such differences give rise "to costs driven solely by complying with different regulatory requirements"), other relevant differences come up and should also be factored in. Other examples include circumstances where it is possible to comply with both regimes but this may only be done by using two separate retention methods (i.e. a different method to comply with each regime, each of which will come with its own conditions and costs).

[2] Although there are examples of this – e.g., under the EU requirements, in transactions involving multiple non-affiliated originators, retention is required by each originator with reference to the proportion of the total securitised exposures (or by the sponsor, which definition would be relevant primarily in the context of ABCP programme sponsors). In contrast, under the US proposals, one sponsor would be required to comply on behalf of the other sponsors. To the extent that specific conflicts arise, we note that it would not be possible for both regimes to be complied with, thereby resulting in an effective restriction of cross-border market access.

Retaining separate interests in order to simultaneously satisfy different retention requirements could also lead to additional liquidity charges for UK originators and/or otherwise reduce the efficiency of transactions by indirectly making it necessary for additional underlying assets to be put into the programme, thereby effectively increasing asset encumbrance levels.

Other significant differences; limited options for compliance with both regimes

In general, in order to comply with both regimes (which will be necessary for cross-border market access[3]), market participants would need to identify the common points between the two regimes and the more onerous compliance standard in each instance. Being limited in general to compliance via only those options and methods which work under both regimes, rather than just one regime, market participants will effectively be unable to rely on large portions of each regime.

The impact of this inability to rely on *all* aspects of *each* regime may be less pronounced in the context of certain traditional term securitisations, but is more problematic for transactions less suited to a classic or base case retention holding model such as ABCP programmes, master trust transactions, certain CMBS transactions and managed CLOs. We consider below each of these transaction types, the compliance analysis and the corresponding differences and frictional issues which will arise when seeking to comply with both regimes. Information on the size of the markets which may be affected if these issues are not addressed is set out in Annex I.

Transaction type	EU regime compliance analysis	US proposals compliance analysis	Differences and frictional issues
ABCP programmes	Flexibility has been provided under the available holding options for the retained interest to be held in the context of an ABCP programme in certain unfunded forms, including via a liquidity facility or a letter of credit, provided that certain conditions are met. This flexibility is expected to be used as the primary retention holding option in a conduit context. Most conduit arrangements are regarded as "existing	The proposed retention holding options include an originator-seller holding option intended for use in an ABCP programme context. The conditions for use of this holding option are very prescriptive and do not reflect a large number of existing conduit arrangements (including conduits which provide funding for US assets and those which provide funding for EU assets). For further comments on the proposed conditions, please see the response submitted by the originator,	There is a mismatch in the main holding option intended to be available in an ABCP conduit context as between the EU regime and the US proposals. The flexibility for retention through certain unfunded forms under the EU regime would not comply with the US requirements and it is not clear that the originator-seller holding option under the US proposals would comply with the EU regime. In addition, it will not be an option for the retention requirements to be met in practice under each regime via the provision of a letter of credit by a relevant sponsor (thereby satisfying the EU regime) *and* the retention of a first loss interest by each originator-seller

[3] We note that US and EU market participants alike will be required to comply with both regimes in certain circumstances. For example, this would be relevant in the context of a US originated deal where it is necessary or desirable to comply with the EU requirements to ensure that the relevant ABS may be held by an EU regulated bank (or its consolidated entities) and, in the context of an EU regulated deal which involves an offering into the US (such as under Rule 144A), if such deal is also intended to be available for investment by relevant EU regulated entities (as would be the usual position).

Transaction type	EU regime compliance analysis	US proposals compliance analysis	Differences and frictional issues
	securitisations" under the requirements and, as such, are not required to comply with the retention requirements until after the end of 2014 in general.	sponsor and dealer members of SIFMA in June 2011[4] and the letter submitted by AFME in April 2012.[5]	(thereby satisfying the US proposals) given that the conditions proposed to apply in respect of the US proposals do not work for most conduit arrangements (including those which fund US and/or EU originated assets). Cross-border market access is very important in a commercial paper context (see Annex I for details).
Master trust transactions	The retention holding options include a seller's share option. This option has been interpreted such that it is available in the context of master trust transactions involving pools of revolving assets (such as credit cards) and master trust transactions involving revolving pools of non-revolving assets (such as UK mortgage master trusts).	The proposed retention holding options include a seller's share option but the proposals limit the availability of this option to revolving asset master trusts. The seller's share holding option definitions assume that the beneficial interest in the trust will be held directly by an issuer entity that issues securities to capital market investors. For further comments on the proposed conditions, please see the response submitted by the originator, sponsor and dealer members of SIFMA in June 2011[6] and the response letters submitted by AFME in July 2011, November 2011 and April 2012.[7]	There is a mismatch in the availability of the seller's share holding option between the EU regime and the US proposals. Under the US proposals, the seller's interest holding option will not be available in the context of revolving pool master trusts involving non-revolving assets (such as UK mortgage master trusts). Such proposals also do not provide sufficient flexibility for master trust structures involving use of an interposed funding entity in the structure (i.e. such that the beneficial interest in the trust is not held directly by the issuer entity that issues securities to capital markets investors), as is common in certain EU master trust structures. Unless changes are made, the proposed limitation will operate in a disproportionately restrictive manner for certain EU market participants and in particular for

[4] http://www.sifma.org/issues/item.aspx?id=25925
[5] http://www.federalreserve.gov/SECRS/2012/April/20120417/R-1411/R-1411_041612_107179_566986220723_1.pdf
[6] http://www.sifma.org/issues/item.aspx?id=25925
[7] http://www.federalreserve.gov/SECRS/2011/October/20111027/R-1411/R-1411_071911_82446_471858155990_1.pdf
http://www.sec.gov/comments/s7-14-11/s71411-318.pdf
http://www.federalreserve.gov/SECRS/2012/April/20120417/R-1411/R-1411_041612_107179_566986220723_1.pdf

Transaction type	EU regime compliance analysis	US proposals compliance analysis	Differences and frictional issues
			UK RMBS originators and sponsors. There are challenges with respect to making the other retention holding options under the US proposals work in an efficient manner in a master trust context and, in general, it would be undesirable for sponsors to have to retain separate positions to satisfy each of the EU and the US regimes. Recent US placements levels for UK mortgage master trust transactions have been significant (see Annex I for details) and it is essential that market access on a cross-border basis remains available.
CMBS transactions	In certain circumstances, including where the transaction does not include an involved originator or sponsor, flexibility has been provided under the EU regime such that a subordinated investor which undertakes certain asset selection and structuring activities may retain the required interest, subject to certain conditions being satisfied (including that such investor is the most appropriate entity to retain). There is some uncertainty as to whether retention of a B-piece would be	The proposals provide flexibility for a B-piece buyer to retain a horizontal residual interest subject to certain conditions being met (including certain restrictions on control rights). For further comments on the proposed conditions, please see the response submitted by the originator, sponsor and dealer members of SIFMA in June 2011.[8]	There is a potential mismatch in the retention holding options intended to be available as between the two regimes in the context of certain CMBS transactions. The flexibility for retention by a party other than the originator or sponsor is not structured in a consistent manner between the regimes and it is not clear that retention in accordance with one regime would satisfy the requirements of the other. The potential mismatch in the regimes will make it difficult for both regimes to be complied with in the context of CMBS transactions which lack an involved originator(s) or a sponsor which may validly retain the required interest.

[8] http://www.sifma.org/issues/item.aspx?id=25925

Transaction type	EU regime compliance analysis	US proposals compliance analysis	Differences and frictional issues
	considered to satisfy the retention requirements as the guidance provided by the EU authorities to date on this point is unclear.		
Managed CLOs	In certain circumstances, including where the transaction does not include an involved originator or sponsor (as will be the case in the context of a managed CLO), flexibility has been provided under the EU regime such that a CLO manager or a subordinated investor which undertakes certain asset selection and structuring activities may retain the required interest, subject to certain conditions being satisfied (including that such manager/investor is the most appropriate entity to retain).	The proposals do not provide for a specific retention holding option in a managed CLO context. In general, managed CLOs lack a relevant sponsor entity to retain the required interest. It has been suggested that a CLO manager would fall within the sponsor definition under the proposed rules but the justification for this conclusion is unclear given that such managers merely select assets to be purchased on behalf of the issuer from many different lenders, rather than actually selling or transferring loans to the CLO.	There is a potential mismatch in the retention holding options intended to be available as between the two regimes in the context of managed CLOs. While consistent references are made to retention by the CLO manager, market participants have indicated that such managers are not sufficiently capitalised to retain the required interest in general. This has placed increased focus on the provisions relating to flexibility for retention by a party other than the originator or sponsor and this is not an option under the US proposals in a managed CLO context.

It should be noted the differences between the regimes will also be a necessary consideration going forward when transactions are structured. As such, the differences may operate to restrict the development of the market and to reduce structural flexibility, the full effect of which cannot be anticipated now but which, unless remedial action is taken, will further damage the "real economy" financing of residential mortgages, SME, auto and consumer loans that the vast bulk of securitisation supports.

Other differences to note

There are a number of other differences between the EU regime and the US proposals which are controversial and/or which may give rise to compliance challenges (including additional costs) on a cross-border basis.

The premium capture concept referred to under the US proposals has raised significant concerns among market participants. The Consultation Report merely refers to this difference and does not expressly acknowledge the issues which have been raised with respect to premium capture and/or acknowledge that the inclusion of such a concept represents a fundamentally different approach from that taken under the EU regime. For an overview of the issues raised previously with respect to the premium capture concept, please see the response submitted to the US agencies by the originator, sponsor and dealer members of SIFMA in June 2011.[9]

Aspects of the US proposals draw on and refer to certain transaction parties, structures and other concepts that are specific to the US securitisation market. In certain cases, such terms and concepts lack a direct European equivalent and, as a result, there is some uncertainty with respect to how the proposed requirements may be satisfied in the context of a relevant foreign transaction. For example, the proposed limitation on reserve account arrangements to US Treasury securities and deposits in certain FDIC insured institutions would be onerous, costly and impractical for an EU originated transaction given the currency mismatch it would create and other practical problems. An equivalent restriction is not included under the EU requirements.

Mutual recognition

As noted above, we strongly favour a mutual recognition and acceptance process with respect to risk retention. We regard such a process as necessary to preserve the global nature of the asset-backed market and to enhance global liquidity.

As acknowledged by the IOSCO task force in the Consultation Report, while consistency of regulatory approach between jurisdictions is desirable, this needs to be understood in the context of the reality that securitisation markets are (at least in part) heterogeneous. We consider that mutual recognition creates the necessary flexibility to allow national regulators to mandate the risk retention rules that they consider appropriate for domestic transactions, yet still providing for a means of coordination across different regional pools of liquidity.

Given that similar outcomes would arise under the EU regime and the US proposals, and that such regimes demonstrate certain minimum common features that are consistent with a robust retention standard (e.g. a minimum retention level of 5 per cent., retention by the originator or sponsor and a hedging restriction), a recognition or cooperation process should be possible.

We consider that this could be built into each regime via a modified safe harbour or passporting process. For example, under the US proposals, this could be provided for by way of modifications to the proposed predominantly foreign transactions safe harbour such that transactions would be effectively carved out from the US requirements if (i) as under the original proposals, all of the proposed conditions for the predominantly foreign transactions safe harbour were satisfied *or* (ii) all of the proposed conditions for the predominantly foreign transactions safe harbour were satisfied except for the condition which limits sales to US persons and this was instead replaced with a requirement that confirmation be provided of the commitment of the relevant non-US located sponsor to retain a net economic interest in compliance with the EU retention regime.

We acknowledge that the adoption of a mutual recognition process gives rise to certain potentially complex considerations and that work would be required to ensure that the adopted process operated as intended. However, as noted above, we consider this work to be essential for the sensible interaction of the EU and US retention regimes. We encourage the IOSCO task force to acknowledge the importance of a mutual recognition process in its policy recommendations.

[9] http://www.sifma.org/issues/item.aspx?id=25925

Practical examples of types of deals affected

As noted above, Annex I contains data which show the importance of the US markets to, for example, UK master trust RMBS and credit card issuers in recent months. As you can see, since February 2011 more than USD 34 billion of securities were placed with US investors backed by such GBP assets over this period. More than one-third of this total - around USD 10.7 billion - was issued in the first 7 months of 2012. In eleven cases (seven since the start of 2012), 100 per cent. of the issue has been placed with US investors. The prospect of this critical pool of liquidity being cut off by misaligned risk-retention rules, or for any other reason, is frightening.

Access to the US market is also very important for asset-backed commercial paper conduits. European conduits had over USD 72 billion of USD commercial paper outstanding during 2011 (down from nearly USD 100 billion in 2010, for various reaons). See "ABCP Table A" in Annex I. When outstandings are converted to Euros, this USD issuance represents over 54 per cent. of ABCP outstanding, by far the largest share of the European ABCP conduit market and more than double the amount issued in Euros. See "ABCP Table B" in Annex I. As well as having serious implications for issuers, practical problems can also be foreseen on the investor side, particularly given that the EU regime imposes requirements directly on certain regulated investors. For example, a relevant EU investor investing in a US originated ABS will be required to confirm that the EU requirements have been complied with and this may be difficult to do in circumstances where the originator has focused on compliance with the US requirements and there is uncertainty as to whether such compliance would also satisfy the EU requirements.

Provision for mutual recognition would make this process much simpler and clearer. In the absence of mutual recognition, investors will need to build new compliance infrastructure to assess and record whether the EU retention requirements are met in respect of a particular security. This is not impossible to do, but is likely to have cost and resource implications for investors, particularly those which seek to be active on a cross-border basis. If such investors are not able to clearly confirm that the EU requirements have been complied with, this will create general disincentives to invest in ABS. Even more so, for small or medium-sized investors, investing in additional compliance of this kind may be beyond their capabilities and resources, so that the only way for them to ensure compliance is to withdraw from the cross-border market.

Policy recommendation response

The policy recommendation on risk retention in the Consultation Report does not call for action to ensure appropriate cross-border cooperation and instead refers to what appears to be a "wait and see" approach based on monitoring industry experience and views.

Based on our general comments set out above, we consider that a more proactive policy recommendation is warranted. We encourage IOSCO to acknowledge the wider potential significant differences between the EU and US regimes and, in particular, to adopt a policy recommendation which seeks meaningful resolution of the mismatch issues by acknowledging the need for a mutual recognition process.

2. Transparency

Uncertainty with respect to proposals

As noted above, the references to stress testing and scenario analysis in the Consultation Report are not clearly defined the Report refers only by way of example to information which illustrates the performance and risk profile of a securitisation in certain scenarios and under changing economic conditions. Further

details would be necessary in order for our members to fully respond to the proposed policy recommendation.

We would expect the level of member concern to vary based on whether the reference is intended to extend to a simple programme that describes, in accordance with the legal documentation, how projected cashflows from the pool would flow down the payment waterfall (which has been achieved under, for example, the Bank of England transparency requirements) or to extend further to a more complete cashflow engine. In particular, our issuer / originator members would strongly oppose any proposed requirement for them to supply, or suggest assumptions for, key variables, or pre-determined scenario analyses, to be used in stress scenarios as this will present them with serious verification and liability concerns.

In considering the appropriate focus, we would encourage the IOSCO task force to bear in mind the line that should be drawn between the contribution to the investment decision that should reasonably be required of issuers and originators, on the one hand, and investors, on the other. To the extent that the task force may consider providing guidance which refers to requirements for a more complete cashflow engine, we would note that this would sit somewhat awkwardly with certain other recent regulatory initiatives, particularly those initiatives which focus on requiring investors to undertake certain work themselves. For example, under changes introduced to the EU Capital Requirements Directive, certain EU regulated investors are required to perform their own stress tests as appropriate to their securitisation positions (with relevant originators and sponsors being required of course to ensure investors have the information necessary to perform such tests).

Our members would also have concerns regarding any mandated software, filing and/or access requirements, to the extent that any such requirements represented a significant departure from current and/or efficient practice.

Please see the response prepared by SIFMA members to the US Securities and Exchange Commission's Regulation AB 2 proposals for further information on the concerns raised previously in the context of related provisions.[10]

Need to take account of ABS transparency initiatives already put forward

We urge the IOSCO task force to adopt a cautious approach when considering policy recommendations related to further transparency measures for ABS at this juncture.

We are of the view that, prior to any further initiatives being put forward, it is first necessary to take account of all of the various initiatives which have already been put proposed, and some implemented, with respect to ABS disclosure such that the current cumulative position is properly understood.

In Europe, these initiatives include the originator and sponsor disclosure requirements introduced as part of the EU Capital Requirements Directive (alongside the retention and corresponding investor due diligence requirements), the loan-level reporting requirements being implemented by the European Central Bank as part of its eligible collateral framework, the transparency requirements introduced by the Bank of England as part of its eligible collateral framework and the (potentially wide-reaching) disclosure requirements included in the latest package of proposed amendments to the EU Credit Rating Agency Regulation. In addition, in the U.S., the Dodd-Frank Act includes various provisions relating to ABS transparency and disclosure and the rule-making process in this regard is ongoing. Further details in respect of these initiatives are set out in Annex II.

[10] http://www.sec.gov/comments/s7-08-10/s70810-79.pdf

We consider that it is necessary to allow sufficient time for those other initiatives to become fully established, and for investors to learn to digest, manage and build systems in order to be able to use such information widely, for their full impact to be understood.

This is supported by data provided to AFME by certain UK originators regarding the usage by third parties (including investors) of data disclosed thus far in accordance with the Bank of England's transparency requirements. These took effect from December 2011 for RMBS and include new disclosure requirements with respect to documents, loan-level information and basic cashflow models. The pattern of usage has been variable: while the statistics indicate that investors and banks/broker/dealers have dominated usage (which is encouraging), on the other hand the actual number of "hits" to the websites remains relatively low in absolute terms.

The Consultation Report indicates, in the context of referring to the possible need for stress testing information, that increased transparency "could also contribute to the broader objective of reducing [an] investor's reliance on CRAs". We note that a number of measures have already been put forward to address the ratings reliance point. In Europe, these measures include the disclosure initiatives referred to above, as well as provisions put forward as part of the re-cast EU Capital Requirements Regulation and Directive (CRD4) relating to calculation of own funds requirements and assessments of counterparty credit risk.

We further note that the provision of certain stress testing information and outcomes sits somewhat awkwardly with certain other recent regulatory initiatives, particularly those initiatives which focus on requiring investors to undertake certain work themselves. For example, under changes introduced to the EU Capital Requirements Directive, certain EU regulated investors are required to perform their own stress tests appropriate to their securitisation positions (with relevant originators and sponsors being required to ensure investors have the information necessary to perform such tests).

We consider that it is premature to search for further potential "gaps" in ABS disclosure at this time. Further changes should only be made once there has been sufficient time to reflect upon and meaningfully assess the impact of recent initiatives. To the extent that any further work is undertaken on this topic now, this should focus on ensuring that the various initiatives already proposed are consistent with each other so as to ensure that issuers, originators and sponsors are able to comply without disproportionate resource and cost implications.

Lastly, we would caution the IOSCO task force against taking the view that reforms introduced in certain jurisdictions should provide a model for change on a global basis. For example, while the Bank of England has introduced, as part of its transparency initiative, a cashflow model requirement, it should be noted that an extensive consultation and discussion process was undertaken with UK market participants in advance to ensure that they could sensibly comply. Care was also taken to ensure that the measures sufficiently reflected UK market structures and practices, as well as existing legal requirements for disclosure and protection of borrowers' personal data. A similar process would be needed in other jurisdictions to the extent that any similar reforms were to be adopted.

Need for cost-benefit analysis with respect to any further changes

Moreover, in principle, the introduction of any further disclosure requirements should involve a balancing of interests and a clear cost benefit analysis to confirm that any benefit to investors clearly outweighs the corresponding costs to originators/sponsors. Much good work has already been done by the industry in this regard, and we refer to our comments in the summary section regarding the limits of what further disclosure can achieve.

To the extent that further input is sought from investors on their information requirements, a corresponding consultation exercise should be undertaken with respect to originators and sponsors to ensure that the costs are also properly factored in. We consider that any disclosure requirements need to take account of the information which is meaningful and appropriate for investors and also of the practical ability of originators and servicers to efficiently produce the relevant information (the latter of which may vary as between originators and jurisdictions). In order to assess these positions, it would seem appropriate to include investors, originators and arrangers in any further discussions.

Policy recommendation response

As described above, it is not entirely clear what the references to stress testing in the Consultation Report are intended to mean and, as a result, it is difficult for our members to fully respond to the proposed policy recommendation.

In general, we would encourage the IOSCO task force to adopt a cautious approach when considering ABS transparency at this point. Further need and impact assessment work should be undertaken prior to any action being taken with respect to guidance on stress testing disclosures.

3. Standardisation

Uncertainty with respect to proposals

The Consultation Report refers to standardisation with respect to both asset data and ABS documentation (including risk disclosures), although the policy recommendation section of the Consultation Report does not clearly differentiate between these important (separate) topics and does not identify the specific areas of focus with respect to any next steps.

Standardised documentation, including risk disclosures and summaries

Concerns have been raised with respect to the suggestion that the securitisation market should move towards the use of a standardised summary document (or "key information document " such as, for example those being introduced in the EU for certain retail structured products). In this regard, we would note that (i) the relative complexity of ABS does not lend itself to meaningful disclosure along these lines (and indeed the standardised summaries required by the Bank of England under its eligible collateral framework typically run to over 50 pages) and (ii) once again, we consider that further work should first be undertaken to take account of the initiatives that have already been put forward with respect to securitisation disclosures in general and to factor in the corresponding cost-benefit analysis.

Moreover, as acknowledged in the Consultation Report itself, the securitisation markets are not heterogeneous and there are differences between and within jurisdictions in underlying assets, parties and structures which would make standardised disclosures (particularly on a cross-border basis) very difficult. Rather than focusing on standardisation, we consider that it is more appropriate to ensure that material information is provided to investors in a clear and analysable manner, which is in keeping with current requirements and market practice in any event.

Preserving the current investor base and encouraging new investors

We do not believe it is the case that a lack of standardised summaries discourages investors from re-joining the global ABS market. Indeed, there is no evidence for this. Instead we ask that resources be directed towards preserving the existing ABS investor base and encouraging new entrants by addressing

other proposed regulatory changes, and negative signalling from policymakers, which is already creating disincentives for existing and potential new investors.

The most egregious example of this is the proposed regulatory capital treatment of securitisation positions for EU regulated insurers under the Solvency II framework. This would dramatically reduce the willingness of such entities to invest in securitisations. These concerns are borne out by the results of the *Securitisation Investor Survey* undertaken by AFME in the Spring of 2012. AFME canvassed the views of 27 Europe based insurance companies and asset managers who collectively hold or manage more than €5 trillion in global assets. For further details, we refer you to the survey and corresponding press release of 11 April 2012.[11]

In addition, the approach adopted to risk retention in Europe, as a regime which imposes obligations directly on EU regulated investors, also has a chilling effect on investment by relevant investors. This will be worsened if the retention rules laid down for EU regulated insurers, alternative investment fund managers and UCITS funds are more onerous than the provisions which apply to credit institutions under the Capital Requirements Directive (and under CRD4). In this regard, we refer you to the concerns raised by AFME members on the draft advice consultation by the European Securities and Markets Authority (ESMA) in 2011.[12]

Coordination on asset data

The Consultation Report refers to encouraging industry to work with their counterparts in other jurisdictions to ensure consistent and harmonised approaches but does not expressly refer to the need for coordination on the part of national regulators.

Coordination by national regulators is essential in the context of loan-level disclosure requirements. Market participants will face significant compliance challenges and the economic feasibility of deals may be threatened in the absence of a consistent approach being adopted with respect to asset data disclosures.

As has become apparent in the context of discussions with respect to the asset-level reporting requirements put forward by the Bank of England and the European Central Bank, much detailed work is required to ensure that co-ordination is actually achieved in practice, both at the level of the data fields to be reported on (including whether these apply on a mandatory or optional basis, and whether there is any flexibility to "comply or explain") and in the broader context of data security, confidentiality and ownership. An absence of alignment on these fronts will threaten the ability of market participants to comply. We note that concerns have already been raised with respect to a lack of coordination between a number of existing initiatives related to such disclosures and further work is required in this regard.

To the extent that it is not possible to fully harmonise such standards (e.g. as would likely be the case as between US and EU requirements, as such requirements will reflect the inherent differences in local assets), a mutual recognition process should be available.

[11] http://www.afme.eu/Divisions/Securitisation.aspx

[12] http://www.esma.europa.eu/system/files/AFME_response_to_Consultation_Paper_2011_209_on_the_AIFMD_dated_13th_September_2011.pdf

Policy recommendation response

In general, we encourage the IOSCO task force to adopt a cautious approach when considering standardisation with respect to ABS products and documentation. We do not consider that the case has been clearly made for the need for standardised ABS documentation.

We consider there to be a need for harmonisation with respect to the loan-level reporting requirements introduced by the various authorities, and for provision to be made for formal cooperation or recognition where compliance is necessary on a cross-border basis.

With respect to industry initiatives, we note that a number of projects have already been taken up by relevant trade bodies as considered appropriate (working independently or with certain authorities). In many cases, the projects represent an appropriate response in the relevant home jurisdiction but not on a wider or global basis.

Annex Two to the Consultation Report

Please note that we have not provided detailed comments on the further policy issues identified in Annex Two to the Consultation Report. This is because views are not sought on these items at this juncture and it appears that the work of the IOSCO task force (including the development of any corresponding proposed policy recommendations) remains under active consideration.

We would however like to make the following brief observations.

Definitions and Terminology

We strongly urge caution here. Much work has been done on this topic in some jurisdictions, for example in establishing the Bank of England's transparency requirements, where it was found to be close to impossible to impose or even establish standard definitions of key terms such as "arrears", "prime" or "constant prepayment rate". Even within one jurisdiction and one relatively homogeneous asset class, different practices have built up over time and are now enshrined within business-critical IT systems that would be very difficult and expensive to amend. It is important to note that such diversity of business models within, say, the mortgage industry has developed inter alia in response to customer demand.

There will be differing views regarding the statement in Annex Two that the "… diversity … of relevant terms … makes it difficult to compare products." For example, the "comply or explain" approach provides clarity for investors by enabling a comparison of, say, the "arrears" definition of Originator X with Originator Y, and we commend it to IOSCO. We do not believe that diversity of definitions is a material factor in preventing the revival of securitisation; much more important are factors such as a more positive signalling for, and encouragement of, securitisation from the regulatory community, and the establishment of a level-playing field with other fixed income products in areas such as regulatory capital (whether for credit institutions or insurance companies).

Credit rating agencies ("CRAs")

We strongly urge caution here. The vexed question of regulation of CRAs has taken up much time and effort recently, particularly in Europe where many of the proposed amendments to Regulation 1060/2009 EC ("CRA3") have been seen as politically charged and therefore highly controversial.

Much of the information provided to CRAs as part of the process of rating a securitisation is confidential because it is commercially sensitive. If an originator were to be obliged to make such information

publicly available, that could have a chilling effect on its relationship with the CRA, leading to a less well-informed and therefore poorer quality rating.

We note that confidential and commercially sensitive information plays an important part also in corporate ratings, yet no-one is calling for this type of information to be publicly disclosed even though corporate ratings are far less transparent, and give investors far fewer modelling tools, than structured finance.

Governance: selection and eligibility criteria

Again this is a complex area where IOSCO should proceed with caution. We thank IOSCO for its encouraging comments on the PCS labelling project in Europe, but would stress that other markets may legitimately and reasonably take different approaches to these issues.

We see the regulation of mortgage origination as a separate topic from securitisation: after all, mortgages may be financed through securitisation or other forms of finance, and sound origination and underwriting practices are key regardless of the source of finance.

Liquidity: standardisation and transparency

We strongly urge caution here. It is critical that any pre- or post-trade regulation of secondary markets is appropriately calibrated so as not to damage liquidity, and thereby increase borrowing costs for issuers and transaction costs for investors. An evidence-based approach is key. It should be noted that the market for asset-backed securities is exclusively institutional and that ABS are not unique in being traded over-the-counter even when listed on a regulated stock exchange - the same is true of many other fixed-income products.

In response to the European Commission's MIFID proposals, AFME has undertaken considerable work in this field and would be pleased to provide IOSCO with further information on this topic if that is felt to be helpful.

In any event, we respectfully request that, to the extent that any decision is made to potentially pursue policy recommendations or guidance on these topics, a separate consultation report is published which will more clearly identify the proposed approach of the task force, thereby allowing for meaningful feedback from market participants.

Conclusion

As a final general comment, we encourage the IOSCO task force to ensure that its final policy recommendations are carefully balanced so as to encourage, and not to restrict, the revival of the global securitisation markets.

Global financial markets remain fragile: pressure on banks and other credit institutions to delever their balance sheets is and will remain strong for some years to come. Unsecured funding is more risky for investors and more expensive for issuers due to proposed new bail-in rules, as well as the continuing difficulties in the sovereign sphere. Covered bonds can make only a limited contribution because of the encumbrance they create and the subordination effect this has on unsecured depositors. Retail deposits will always be limited and volatile. With such a bleak outlook, securitisation is one of the few funding tools which enables banking institutions to continue to finance real economy assets such as mortgages,

auto and consumer loans and SME loans to small businesses, which are all crucial in leading the world out of recession.

Thank you once again for the opportunity to provide comments on the Consultation Report. Should you have any questions or desire additional information regarding any of the comments, please do not hesitate to contact Richard Hopkin at AFME at richard.hopkin@afme.eu or on + 44 207 743 9375.

Yours sincerely,

Simon Lewis, CEO
GFMA

Annex I

USD Denominated UK RMBS & Cards issuance since 2011						
Date	**Issuer**	**Seller**	**Collateral**	**AAA EUR mn**	**of which USD**	**% USD**
2-Feb-11	Holmes	Santander	RMBS	2,400	869	36%
6-Apr-11	Arran	RBS	RMBS	4,282	740	17%
14-Apr-11	Permanent	Lloyds	RMBS	4,136	1,795	43%
18-May-11	Fosse	Santander	RMBS	4,276	2,650	62%
2-Jun-11	Penarth	Lloyds	CARDS	659	518	79%
21-Jul-11	Arkle	Lloyds	RMBS	2,734	2,111	77%
15-Sep-11	Holmes	Santander	RMBS	2,730	2,342	86%
6-Oct-11	Turquoise	HSBC	CARDS	372	372	100%
7-Oct-11	Gracechurch	Barclays	CARDS	748	748	100%
10-Oct-11	Arran	RBS	RMBS	3,262	2,790	86%
13-Oct-11	Silverstone	Nationwide	RMBS	12,851	2,359	18%
26-Oct-11	Permanent	Lloyds	RMBS	3,557	2,121	60%
11-Nov-11	Gracechurch	Barclays	RMBS	2,767	2,110	76%
15-Nov-11	Penarth	Lloyds	CARDS	443	443	100%
29-Nov-11	Fosse	Santander	RMBS	1,302	1,202	92%
21-Dec-11	Swan	Lloyds	RMBS	383	383	100%
13-Jan-12	Arran	RBS	CARDS	947	947	100%
18-Jan-12	Holmes	Santander	RMBS	2,646	777	29%
3-Feb-12	Arkle	Lloyds	RMBS	4,733	1,406	30%
5-Mar-12	Gracechurch	Barclays	CARDS	340	340	100%
15-Mar-12	Silverstone	Nationwide	RMBS	1,805	1,565	87%

USD Denominated UK RMBS & Cards issuance since 2011						
Date	**Issuer**	**Seller**	**Collateral**	**AAA EUR mn**	**of which USD**	**% USD**
04-Apr-12	Penarth	Lloyds	CARDS	571	571	100%
12-Apr-12	Holmes	Santander	RMBS	949	949	100%
16-May-12	Fosse	Santander	RMBS	2,558	1,373	54%
18-May-12	Gracechurch	Barclays	CARDS	469	469	100%
30-May-12	Holmes	Santander	RMBS	645	113	18%
07-Jun-12	Gracechurch	Barclays	CARDS	577	577	100%
14-Jun-12	Gracechurch	Barclays	RMBS	3,807	397	10%
22-Jun-12	Turquoise	HSBC	CARDS	597	597	100%
20-Jul-12	Lanark	Clydesdale	RMBS	1,333	658	49%

% including USD - by bank/sponsor
100%
80%
60%
40%
20%
0%
Santander
RBS
Lloyds
HSBC
Barclays
Nationwide
Clydesdale

% including USD - Credit Cards
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Penarth
Turquoise
Gracechurch
Penarth
Arran
Gracechurch
Penarth
Gracechurch
Gracechurch
Turquoise
Jun '11
Oct '11
Oct '11
Nov '11
Jan '12
Mar '12
Apr '12
May '12
Jun '12
Jun '12

ABCP Table A

European Conduits ABCP Outstanding By Currency			
Currency	**ABCP outstanding (in millions by currency)**		**% change**
	Dec-10	**Dec-11**	**2011**
US$	99,671	72,440	(27.3)
Euro	25,208	27,414	8.8
British pound-sterling	18,228	16,544	(9.2)
Swiss franc	40	80	100.0
Swedish krona	232	162	(30.2)
Australian $	40	0	(100.0)

Source: Standard & Poor's

ABCP Table B

European Conduits ABCP Outstanding Converted to Euros (€)							
Currency	**ABCP outstanding (mil. €)**		**% of total**		**% of change**		
	Dec-10	**Dec-11**	**Dec-10**	**Dec-11**	**Total**	**Currency of issuance**	**Currency conversion**
US$	74,465	55,930	61.5	54.1	(24.9)	(27.3)	3.3
Euro	25,208	27,414	20.8	26.5	8.8	8.8	0.0
British pound-sterling	21,262	19,860	17.6	19.2	(6.6)	(9.2)	2.9
Swiss franc	32	66	0.0	0.1	105.1	100.0	2.5
Swedish krona	26	18	0.0	0.0	(29.7)	(30.2)	0.7
Australian $	31	0	0.0	0.0	(100.0)	(100.0)	3.1
Total	121,023	103,287	100.0	100.0	(14.7)	(16.8)	2.6

Source: Standard & Poor's

Annex II

	EU Capital Requirements Directive, 'CRD2'	European Central Bank eligible collateral requirements	Bank of England eligible collateral requirements	EU Credit Rating Agency Regulation, 'CRA3'	U.S. Wall Street Reform and Consumer Protection Act, 'Dodd-Frank Act'	U.S. SEC proposed rule, 'Reg AB II'	U.S. FDIC final rule on securitization safe harbor
Current status	Approved new legislative requirements In general, member states have implemented CRD2	Approved new eligible collateral requirements for RMBS, CMBS and ABS backed by loans to small and medium sized enterprises (SMEs) and certain other types of ABS	Approved new eligible collateral requirements for RMBS (and covered bonds backed by residential mortgages), CMBS, ABCP and SME CLOs BoE has indicated that detailed requirements for other ABS may published at a later date	Proposed new legislative requirements Proposals are going through EU legislative procedure	Approved new legislative requirements Corresponding implementing rule-making process now under way; see discussion of Reg AB II proposals	Proposed rule; not yet finally approved Proposed rule has been re-published for comment as part of the implementing rules to be made under section 942 of the Dodd-Frank Act	**Approved final rule**
Basic provision	Requirement for EU regulated credit institutions acquiring a securitization position to have a thorough understanding of, and to have implemented formal policies and procedures appropriate to their trading book and non-trading book for	Requirements refer to new reporting requirements focused on the provision of loan-level information using standardised templates Not a general requirement for all transactions; required in order for the relevant ABS to be eligible collateral	Requirements refer to new disclosure and reporting requirements, including the provision of loan-level information using standardised templates, standardised investor reporting, disclosure of cashflow models and transaction documents and use	Proposed requirement refers to new disclosure requirements for issuers, originators and sponsors of structured finance instruments; in particular, to publicly disclose on an ongoing basis specific information with respect to the securitization and the underlying assets	Amendments to the Securities Act of 1933 are contemplated; provision is made for the SEC to adopt rules requiring ABS issuers "to disclose, for each tranche or class of security, information regarding the assets backing that security" and for rules setting standards for the format of the data provided by issuers "which shall, to the	Proposed rule refers to changes to the disclosure requirements for ABS offerings and ongoing reporting requirements, including the provision of asset-level information (extending to filing and format requirements) and enhanced information on	**Rule refers to disclosure and reporting requirements for all relevant issuances to include the types of information required by Regulation AB or any successor disclosure requirements (such as the**

	EU Capital Requirements Directive, 'CRD2'	European Central Bank eligible collateral requirements	Bank of England eligible collateral requirements	EU Credit Rating Agency Regulation, 'CRA3'	U.S. Wall Street Reform and Consumer Protection Act, 'Dodd-Frank Act'	U.S. SEC proposed rule, 'Reg AB II'	U.S. FDIC final rule on securitization safe harbor
	analyzing various aspects of deal; ongoing monitoring is also required, as is own stress testing (use of ECAI financial models is acceptable provided that such models are investigated and understood); this investor due diligence requirement is expected to drive disclosure standards Provision is made for a corresponding obligation on EU regulated credit institution sponsors and originators to provide investors with all materially relevant data on the underlying assets, cashflows, etc.	for the purposes of the ECB's liquidity-providing operations	of standardised transaction summaries Not a general requirement for all transactions; required in order for the relevant ABS (or covered bonds) to be eligible collateral for the purposes of the BoE's liquidity-providing operations (other than the Special Liquidity Scheme)	Scope of application is not clear; it is not clear whether a rating connection will apply to trigger the application of the requirement	extent feasible, facilitate comparison of such data across securities of similar types of asset classes" and to adopt rules such that ABS issuers would be required to "perform a review of the assets underlying the asset-backed security" and to disclose the nature of the review Provision is also included for the SEC to require ABS issuers "at a minimum to disclose asset-level or loan-level data necessary for investors to independently perform due diligence" and for certain information to be disclosed by securitizers on fulfilled and unfulfilled asset repurchase requests	asset underwriting (e.g. steps undertaken to verify information) Not a general requirement for all transactions; would be required for registered offerings under Regulation AB and also for securities placed in reliance on Rule 144A or Regulation D	**SEC proposed rule, if adopted)** **Enhanced disclosure requirements are specified for deals backed by residential mortgage loans (including loan-level information)** **Not a general requirement for all transactions; required as a condition to the availability of the safe harbor for financial assets transferred by an FDIC-insured depository institution in connection with a securitization or**

	EU Capital Requirements Directive, 'CRD2'	European Central Bank eligible collateral requirements	Bank of England eligible collateral requirements	EU Credit Rating Agency Regulation, 'CRA3'	U.S. Wall Street Reform and Consumer Protection Act, 'Dodd-Frank Act'	U.S. SEC proposed rule, 'Reg AB II'	U.S. FDIC final rule on securitization safe harbor participation
Timing and next steps	EU member states were required to implement the requirements by the end of October 2010 Final guidance from Committee of European Banking Supervisors (CEBS) (now the EU Banking Authority) was published on December 31, 2010 Came into effect from end 2010 for new deals and will come into effect from end 2014 for existing deals if new underlying assets are added or assets are substituted after that date	Detailed requirements for RMBS were published in December 2010; detailed requirements for CMBS and SME-backed ABS were published in April 2011; compliance will be required for RMBS from December 2012, for CMBS and SME loan ABS from January 2013 and for other relevant ABS types from January 2014 Detailed requirements for ABS backed by other assets may be published in due course	Detailed requirements for RMBS (and covered bonds backed by residential mortgages) were published in November 2010; compliance is required from December 2011, although relevant securities will not be ineligible (and will instead be subject to higher haircuts) until December 2012 Detailed requirements for CMBS, SME CLOs and ABCP were published in December 2011; compliance is required from January 2013, although relevant securities will not be ineligible (and will instead be subject to higher haircuts) until January 2014	Proposals published by the EU Commission in November 2011; currently under consideration via the EU legislative procedure The CRA3 amendments are expected to be adopted later in 2012 As amendments to an EU Regulation, no corresponding member state action would be required to implement the changes The proposals provide for ESMA to provide corresponding technical standards by 1 January 2013	Act was approved by the U.S. Senate on July 15, 2010 Corresponding implementing rule-making process now underway; see discussion of Reg AB II proposals Proposed timing is unclear, although it was originally expected that a number of the new requirements under the Dodd-Frank Act would take effect in 2013	Original consultation period in respect of the proposed rule closed on August 2, 2010; Second consultation expected to close around October 1, 2011 Proposed timing of implementation is unclear, although it was originally expected that a number of the new requirements under the Dodd-Frank Act would take effect in 2013	Final rule was adopted and published on September 27, 2010 Transitional safe harbor expires on December 31, 2010; New safe harbor applies in general to securitizations for which transfers of financial assets are made after December 31, 2010 or securitizations from a master trust or revolving trust established after September 27, 2010 (the date of adoption of the final rule)

	EU Capital Requirements Directive, 'CRD2'	European Central Bank eligible collateral requirements	Bank of England eligible collateral requirements	EU Credit Rating Agency Regulation, 'CRA3'	U.S. Wall Street Reform and Consumer Protection Act, 'Dodd-Frank Act'	U.S. SEC proposed rule, 'Reg AB II'	U.S. FDIC final rule on securitization safe harbor
			Detailed requirements for other ABS may be published in 2012 For all asset classes, publication of transaction documents became an eligibility requirement from July 2011				