

ESMA releases consultation paper on new 'simplified' framework for private securitisations

Earlier this month, ESMA released a new consultation paper on the revision of the disclosure framework for private securitisation.

Mandated under Article 7 of the Securitisation Regulation, ESMA is proposing a new 'simplified' disclosure template for private securitisation.

However, we have some concerns about whether ESMA's proposals will do much to simplify the existing regime.

Two key issues stand out in relation to ESMA's new simplified disclosure template:

1. The proposals would only apply to a narrowly defined category of "European private securitisations", requiring that all parties involved in the securitisation process be established in the EU and thereby significantly limiting the reach of the new regime.
2. The timing of future ESMA proposals to make level 2 changes should be postponed until the level 1 review of the Securitisation Framework takes place (expected before July 2025) as to ensure the alignment of new provisions emerging from these legislative changes.

The deadline for responses to the ESMA consultation paper is 31 March 2025 and the LMA intends to respond.

We would like to hear from you to understand whether you share our concerns. If you would like to provide any input, please do contact hannah.vanstone@lma.eu.com.

Click [here](#) for a copy of the consultation paper.