Commission Delegated Regulation (EU) 2020/1229 of 29 November 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on securitisation repository operational standards for data collection, aggregation, comparison, access and verification of completeness and consistency (Text with EEA relevance)

COMMISSION DELEGATED REGULATION (EU) 2020/1229

of 29 November 2019

supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on securitisation repository operational standards for data collection, aggregation, comparison, access and verification of completeness and consistency

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012[1], and in particular point (a) of Article 10(7) and points (b), (c) and (d) of Article 17(2) thereof,

Whereas:

(1) The entities referred to in Article 17(1) of Regulation (EU) 2017/2402 should be able to fulfil their respective responsibilities, mandates and obligations. The information provided to those entities by securitisation repositories should therefore be of high quality and should lend itself to an aggregation and comparison across different securitisation repositories in a timely, comprehensive and structured manner. Securitisation repositories should therefore assess whether that information is complete and consistent before making it available to those entities and should provide those entities with an end-of-day report and overall data completeness score.

(2) The procedures to verify whether the information reported to securitisation repositories by originators, sponsors or SSPEs is complete and consistent should take into account the variety of securitisation types, features and practices. It is therefore appropriate to provide for verification procedures that include the comparison of the information reported with respect to similar securitisations, such as securitisations sharing the same or related originator, underlying exposure type, structural feature or geography.

(3) To ensure the quality of the information reported, verification procedures should also apply to the completeness and consistency of the documentation supporting that information. Given, however, the relative difficulty in verifying completeness and

consistency of that documentation, securitisation repositories should request reporting entities to confirm in writing that the underlying securitisation documentation made available by them is complete and consistent. Material updates to documentation already reported should be considered a new securitisation document requiring a written confirmation request.

(4) To enable the entities referred to in Article 17(1) of Regulation (EU) 2017/2402 to fulfil their respective responsibilities, mandates and obligations, the details of securitisations to which those entities must have direct and immediate access should be comparable across securitisation repositories in a harmonised and consistent manner. Those details should therefore be provided in Extensible Markup Language (XML) format because that format is widely used in the financial industry.

(5) Confidentiality of any type of data exchanged between securitisation repositories and the entities referred to in Article 17(1) of Regulation (EU) 2017/2402 should be ensured. Such exchanges should therefore be carried out through a secure machine-to-machine connection by using data encryption protocols. To ensure minimum common standards, an SSH File Transfer Protocol should be used.

(6) Data concerning the latest securitisation underlying exposures, investor reports, inside information and significant event information, as well as indicators of the quality and timeliness of those data, are essential for ongoing monitoring of securitisation investment positions and potential investments, as well as financial stability and systemic risk. The entities referred to in Article 17(1) of Regulation (EU) 2017/2402 should therefore have access to those data on an ad hoc or predefined periodic basis proportionate to their needs for receiving it.

(7) Securitisations are complex and heterogeneous and the users accessing information from securitisation repositories are diverse. It is therefore essential that the direct and immediate access to specific datasets and information is facilitated. That access should include access in a machine-readable format where the information relates to data and to all current and historical information on a securitisation stored within a repository. For that purpose, a framework should be created for ad hoc requests that can be combined to obtain specific information. The deadlines by which securitisation repositories should provide data to the entities referred to in Article 17(1) of Regulation (EU) 2017/2402 should be harmonised to facilitate efficient data processing by those entities and securitisation repositories. At the same time, it should be ensured that data are obtained within deadlines that enable the effective fulfilment of the requesting entities' responsibilities.

(8) The entities referred to in Article 17(1) of Regulation (EU) 2017/2402 rely on the data maintained by securitisation repositories, including for comparing current securitisations with past securitisations. Therefore, it is appropriate to specify that repositories should maintain records of a securitisation for 10 years following the termination of the securitisation, pursuant to Article 10(2) of Regulation (EU) 2017/2402 and Article 80(3) of Regulation (EU) No 648/2012 of the European Parliament and of the Council[(2)].

***Changes to legislation:** There are currently no known outstanding effects for the Commission Delegated Regulation (EU) 2020/1229. (See end of Document for details)*

(9) The provisions in this Regulation are closely linked, since they deal with standards and procedures relating to the collection and processing of information held by securitisations repositories and access to that information. It is therefore appropriate to include those provisions in a single Regulation.

(10) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Securities and Markets Authority (ESMA).

(11) ESMA has conducted an open public consultation on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council[(3)],

HAS ADOPTED THIS REGULATION:

Article 1

Definitions

For the purposes of this Regulation, the following definitions shall apply:

(a) ‘reporting entity’ means the entity designated in accordance with Article 7(2) of Regulation (EU) 2017/2402;

(b) ‘data cut-off date’ means the reference date of the information reported in accordance with Commission Delegated Regulation (EU) 2020/1224[(4)].

Article 2

End-of-day report

1 Securitisation repositories shall produce, on a daily basis, a single aggregate end-of-day report for all securitisations reported to them, excluding any reported securitisation that has been rejected in accordance with Article 4(6). That report shall be based on the most recent reported information, shall exclude any reported securitisation that has been rejected in accordance with Article 4(6) and shall include at least the following information:

a the unique identifier assigned in accordance with Article XI of Delegated Regulation (EU) 2020/1224;

b the ISIN codes of the tranches, bonds or subordinated loans of the securitisation, where available;

c the sum of current principal balances of all tranches, bonds or subordinated loans of the securitisation, in EUR, using the exchange rates published on the website of the European Central Bank for the previous working day;

d the securitisation name;

e whether the securitisation is an ABCP or non-ABCP securitisation;

f whether the securitisation structure type is type ‘M’ for a Master Trust as reported in field SESS9 of Annex XIV to Delegated Regulation (EU) 2020/1224 or type ‘S’ for all other securitisations;

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g whether the securitisation risk transfer method is 'T' for a true sale as reported in field IVSS11 of Annex XII to Delegated Regulation (EU) 2020/1224 or 'S' for a synthetic securitisation as reported in field SESV11 of Annex XIV to that Regulation, or 'ABCP' for ABCP securitisations;

h the name and legal entity identifiers ('LEI') of the originator, sponsor and SSPE;

i the most recent interest payment date in ISO 8601 date format;

j the timestamp, in ISO 8601 date and time (UCT) format, to the nearest second, of the most recent data submission received by the securitisation repository, or, where there are multiple data submissions referenced against the same data cut-off date, the timestamps, in ISO 8601 date and time (UCT) format, of the earliest and most recent data submissions having the same data cut-off date;

k the data cut-off date, in ISO 8601 date format, of the most recent data submission received by the securitisation repository;

l the number of data submissions received by the securitisation repository that are referenced against the same data cut-off date set out in point (k);

m the data completeness score referred to in Article 3 of the most recent data submission received by the securitisation repository;

n for non-ABCP securitisations, the country of establishment of the originator or original lender;

o for ABCP securitisations, the country of establishment of the sponsor;

p the country where the majority of the underlying exposures is located, in terms of underlying exposure current principal balance;

q the most prevalent type of the underlying exposures in the securitisation, in terms of current principal balance.

r For the purposes of point (n), where the securitisation underlying exposures are a combination of exposures from multiple originators or original lenders, the country of establishment of the originator or original lender shall be the country of the originator or original lender that has the largest amount of exposures in terms of current principal balance in the securitisation.

2 Securitisation repositories shall make the end-of-day report available in XML format.

3 Timestamps referred to in this Article shall not diverge by more than one second from the UTC issued and maintained by one of the timing centres listed in the latest Bureau International des Poids et Mesures (BIPM) Annual Report on Time Activities.

Article 3

Scoring of completeness of data

4 Securitisation repositories shall calculate a data completeness score for each data submission by using the scoring matrix set out in Table 1 of the Annex and the following inputs:

$$\text{Input 1} = \frac{\sum_i^N ND1}{\text{N}}$$

$$\text{Input 2} = \frac{\sum_i^N ND2 + \sum_i^N ND3 + \sum_i^N ND4}{\text{N}}$$

Where:

$\sum_{i}^{N} NDx$ denotes the total number of fields in a data submission containing the respective 'No Data Option' values that are reported in accordance with Article 9(3) of Delegated Regulation (EU) 2020/1224.

N denotes the total number of fields in the data submission where any 'No Data Option' values (ND1 to ND4) are permitted to be reported in accordance with Article 9(3) of Delegated Regulation (EU) 2020/1224.

For the purposes of calculating the data completeness score, fields completed using the format of 'ND4-YYYY-MM-DD' shall be understood as 'ND4'.

Article 4

Verification of completeness and consistency of information

1 Securitisation repositories shall verify the completeness and consistency of information reported to them by verifying the following:

a the name of the reporting entity, as reported in field IVSS4 of Annex XII or in field IVAS3 of Annex XIII to Delegated Regulation (EU) 2020/1224;

b whether the submission item code as reported in Table 3 of Annex I to Delegated Regulation (EU) 2020/1224 is correct.

2 With regard to the information referred to in points (a), (e), (f) and (g) of Article 7(1) of Regulation (EU) 2017/2402, Securitisation repositories shall also verify the completeness and consistency of information by:

a verifying whether the information reported complies with the structure and format of the templates set out in Annex II to XV of Commission Implementing Regulation (EU) 2020/1225[(5)];

b comparing the information reported:

(i) across different fields for the same data cut-off date and the same underlying exposure, investor report, inside information or significant event information item;

(ii) across different underlying exposures, investor report, inside information or significant event information items for the same field and the same data cut-off date;

(iii) across the same underlying exposure, investor report, inside information or significant event information items for the same field and different data cut-off dates;

(iv) across similar securitisations;

c verifying whether the data cut-off date of the information reported and the timestamp of the submission comply with Article 10 of Delegated Regulation (EU) 2020/1224;

d verifying that the 'No Data Options' set out in Article 9(3) of Delegated Regulation (EU) 2020/1224, are only used where permitted and do not prevent the data submission from being sufficiently representative of the underlying exposures in the securitisation.

For ABCP securitisations, references in this paragraph to underlying exposures shall be construed as references to underlying exposure types.