

Unit 01 – Financial services policy, inter-institutional relations and international affairs
DG Financial Stability, Financial Services and Capital Markets Union
European Commission
SPA2 03/020
1049 Brussels

13 May 2015

Dear Sirs,

Response submission from the International Capital Market Association (ICMA)

Re: European Commission consultation on an EU framework for simple, transparent and standardised securitisation

Introduction:

The ICMA¹ is a pan-European self regulatory organisation and an influential voice for the global capital market. It has a membership of over 470 firms located in approximately 60 countries worldwide. The ICMA's full members are firms who actively deal in securities and include securities dealers and brokers; regional and commercial banks; private banks; asset managers; investment banks and issuers; and associate membership is open to organisations that play an important role in the market and maintain close relations with the ICMA, including professional advisors, such as legal firms. The ICMA's market conventions and standards have been the pillars of the international debt market for almost 50 years.

The ICMA notes that on 18 February 2015 the European Commission opened a consultation on an EU framework for simple, transparent and standardised securitisation. The ICMA further notes that in the context of building a genuine Capital Markets Union (CMU), which will be a long-term project, securitisation is one of the areas identified (in the Investment Plan adopted by the European Commission in November 2014) for action in the short term.

Commentary:

Based on the views of the ICMA's Asset Management and Investors Council (AMIC)², which represents the ICMA's buy side community, the ICMA has compiled and separately submitted a set of responses to the specific questions posed in this consultation paper.

¹ For more information regarding the ICMA please go to <http://www.icmagroup.org/>

² For more information regarding the ICMA's AMIC please go to [http://www.icmagroup.org/About-ICMA/icma-councils-and-committees/Asset-Management-and-Investors-Council-AMIC-/](http://www.icmagroup.org/About-ICMA/icma-councils-and-committees/Asset-Management-and-Investors-Council-AMIC/)

Notwithstanding this specific input from a buy side perspective, the ICMA has also considered this consultation more broadly, on behalf of its full membership; both in context of the ICMA's ongoing mission to promote resilient and well-functioning international debt capital markets, necessary for economic growth, and in conjunction with its response submission in relation to the European Commission's CMU Green Paper³.

The ICMA notes that the subject of this consultation is closely related to that of two other consultations which it has responded to earlier in 2015, namely the EBA's consultation on "simple, standard and transparent securitisations" (response dated 14 January 2015); and the joint BCBS/IOSCO consultation on "criteria for identifying simple, transparent and comparable securitisations" (response dated 13 February 2015)⁴. Reflective of a strong industry consensus on this overall topic, in both these earlier instances the ICMA has responded jointly with other trade associations, including the Association for Financial Markets in Europe (AFME).

Consistent with this cross-industry approach, the ICMA has carefully reviewed the response prepared by the AFME in relation to the European Commission's current consultation and, rather than repeating the substantive content thereof, the ICMA is submitting this short letter to affirm its support for the views submitted by the AFME. This support not only reflects the prior joint work done by the two associations, but also the fact that there is an appropriate level of overall consistency between the more specific points in the ICMA AMIC's response and the points put forward in the AFME response; giving comfort that notwithstanding the considerably wider nature of the ICMA's membership there is a broad consensus of industry viewpoints. Furthermore, the ICMA wishes to particularly underscore the support of its Euro Commercial Paper (ECP) Committee⁵ for the AFME's specific response to consultation Question #2, which concerns short-term securitisations such as asset-backed commercial paper.

Concluding statement:

The ICMA appreciates the valuable contribution made by the European Commission through this public consultation process and would like to thank the European Commission for its careful consideration of the points made in this response and in the more detailed response of the AFME to which this response of the ICMA refers. The ICMA would be happy to review these matters in a meeting with the European Commission team should they consider such to be helpful.

Yours faithfully,



David Hiscock
Senior Director - Market Practice and Regulatory Policy, ICMA

cc: Richard Hopkin - Managing Director, Head of Fixed Income, AFME

³ For more information about the ICMA's CMU work please go to <http://www.icmagroup.org/resources/capital-markets-union/>

⁴ Both these responses are available at <http://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/other-projects/>

⁵ For more information regarding the ICMA's ECP Committee please go to <http://www.icmagroup.org/About-ICMA/icma-councils-and-committees/euro-commercial-paper/>