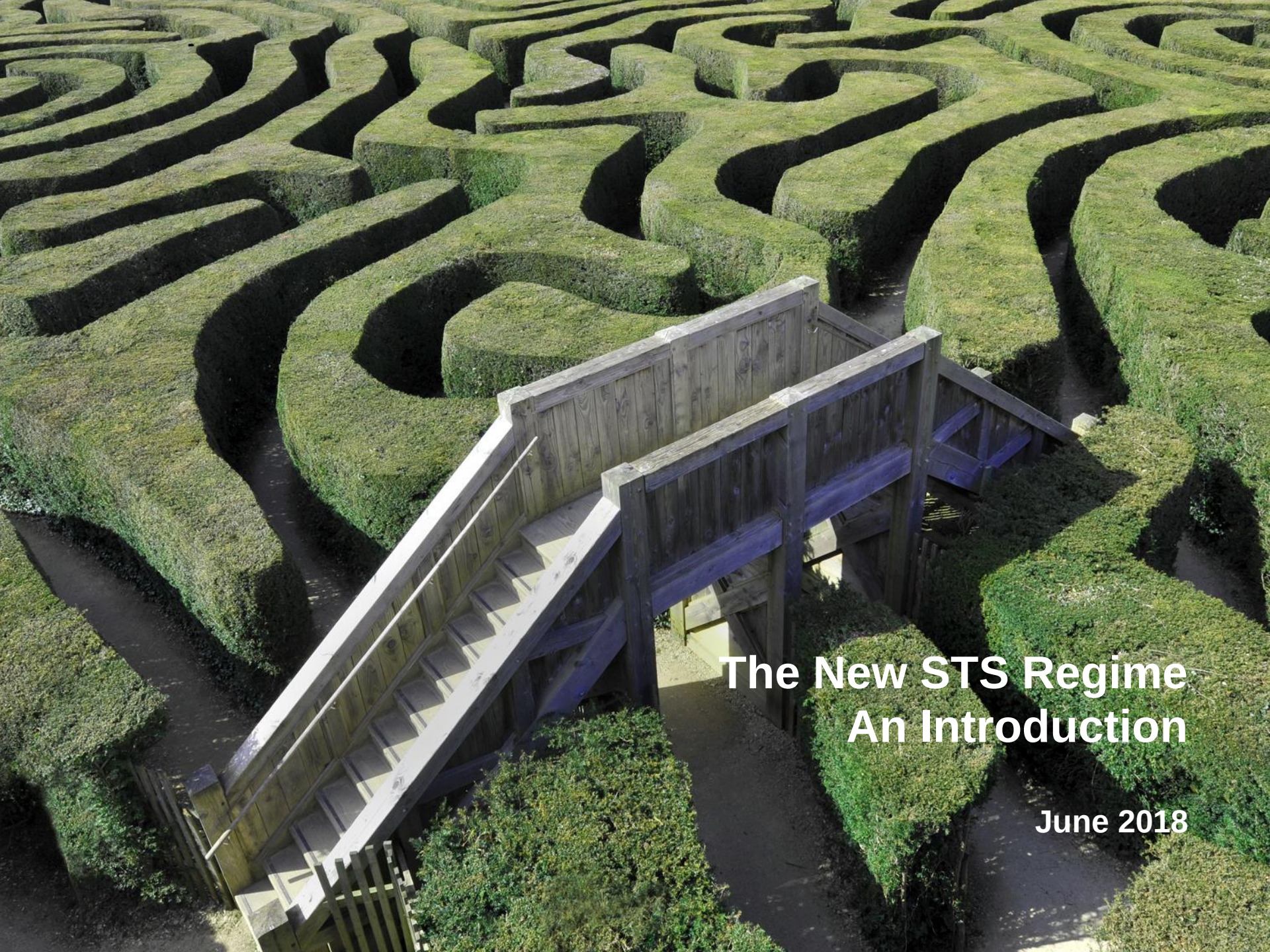

The New STS Regime
An Introduction

June 2018

Contents

Introduction

- In December 2017, a new securitisation regime for was enshrined in European law. Centered on the introduction of the category of “simple, transparent and standardised (STS) securitisations”, the new dispensation has the potential to be a fresh start for a market that still has to recover from the crisis of a decade ago. Whereas the securitisation market in the United States has fully recovered and is making noticeable forward strides in Asia, public securitisation issuance in Europe still remains a fraction of its pre-crisis level.

- The STS Regulation met some of the market’s wishes but also disappointed some of its hopes. Even if, like most laws, it is far from perfect it still is, in our view, a positive step forward. However, it also introduces many new concepts and new market actors. It is not a simple piece of legislation and has raised more than a few questions as to exactly how the new regime will operate.

- As an independent body that has participated in many of the developmental stages of the new law, PCS thought it may assist market participants and stakeholders if we wrote a short booklet setting out what we felt were the key elements that one needed to know about the STS regime.

The STS Regime
A historical perspective

- In 2007/2008 - issues with US subprime securitisations trigger the financial crisis. Through direct purchases of US subprime securitisations, purchases of CDOs and CDO^2 repackaging US subprime securitisations and the liquidations of structured investment vehicles ("SIVs"), the US securitisation crisis is exported to Europe. The world discovers "securitisation" and hates it.

- 2008/2009 - With securitisation viewed by policy makers and the public on both sides of the Atlantic as an instrument with few or no redeeming features, a wave of punitive regulatory legislation and proposals is crafted. These include new Basel bank capital rules, Solvency2 insurance capital rules (in the EU), new disclosure and due diligence requirements for securitisations only and severe rating agency requirements.

- 2009/2012 – the financial crisis in Europe morphs into a sovereign debt crisis. But, pointing to the extremely good performance of highly rated traditional securitisations even in markets subject to severe economic distress such as Greece and Spain, market stakeholders argue to European policy makers that there are "high quality securitisations" and that such securitisations can play an important and stabilising role in European finance.

- 2012 – Working with EU institutions such as the ECB and the EIB/EIF, the market sets up PCS to define "high quality securitisation" and demonstrate that the industry is committed to issuing these types of instruments. The openly acknowledged aim is not to roll back punitive regulation but to ask for European regulation to recognise that the regulation should be able to distinguish between different types of securitisations based on structural and informational features: a bifurcated regulatory approach that recognises the value of safe securitisations.

The STS Regime
A historical perspective

- 2014 – The European Commission, seeking ways to help the recovery of the European economy, acknowledges both that securitisation can be a safe instrument if properly structured and can play a vital role in channeling funds to the economy. Based on this analysis, in January, the Commission tasks the EBA to define what "high quality securitisation" would look like. The Commission's approach also receives the endorsement of the ECB and the Bank of England in their May 2014 paper ("The case for a better functioning securitisation market in the European Union").

- 2015 – Following the request of the Commission, the EBA publishes its report on "qualifying securitisations" in July. This is followed by the Commission's draft proposal for a new regime – to be called STS. Together with the STS Regulation, the Commission publishes a draft amendment to the Capital Requirements Regulation, providing improved capital requirements for banks investing in STS securitisations. The Commission's legislative proposal is approved, with amendments, by the European Council in December.

- 2016/2017 – The Commission's proposed Regulation is examined and amended in the European Parliament, then negotiated in trilogue.

- December 2017 – Two new Regulations are passed: the STS Regulation and the CRR Regulation.

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The Regulations

The two Regulations passed in December 2017 are:

- **STS Regulation**:

  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

- **CRR Regulation**:

  REGULATION (EU) 2017/2401 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms

The Regulation
A law in two parts

- The STS Regulation is really two sets of rules in one legislative text and it is important not to confuse them. The first part consists of rules that apply to ***ALL*** securitisations issued and purchased within the European Union. The second part sets out the definition and some rules concerning "simple, transparent and standardised securitisations". These are the STS rules.

- The first part of the Regulation laying down rules for all securitisations encompass articles 5 to 17 of the STS Regulation. Included in this part are rules concerning:

  - Retention
  - Disclosure
  - Data Repositories
  - A ban on re-securitisations
  - Sanctions

- The second part, from articles 18 to 28, covers the rules for the STS regime. Included there are the following:

  - Definition of STS (including for ABCP transactions and programs)
  - Certification requirements
  - Regulated Third Party Certification Agents (3PCAs)
  - STS specific sanctions

- The remainder of the Regulation is concerned with procedural and regulatory matters

Finding one's way round the Regulation – A high level contents page – part one

Rules of general application

Chapter	Article	Subject Matter
Chapter 1 – General Provisions	Art.1	Subject Matter and Scope
	Art.2	Definitions
	Art.3	Sales to retail
	Art.4	SSPE requirements
Chapter 2 – Provisions applicable to all securitisations	Art.5	Due diligence requirements
	Art.6	Risk retention
	Art.7	Disclosure requirements
	Art.8	Ban on re-securitisations
	Art.9	Criteria for credit granting
Chapter 3 – Conditions and procedures for registration of securitisation repository	Art.10 to Art.17	Rules on securitisation repositories

Finding one's way round the Regulation – A high level contents page – part 2 STS regime and administrative provisions

Chapter	Article	Subject Matter
Chapter 4 – STS securitisation	Art. 18	STS designation
	Art. 19	STS securitisations
	Art. 20	STS simplicity criteria
	Art. 21	STS standardisation criteria
	Art. 22	STS transparency criteria
	Art. 23	ABCP STS
	Art. 24	ABCP STS transaction level criteria
	Art. 25	ABCP sponsors
	Art. 26	ABCP STS programme level criteria
	Art. 27	STS certification rules
	Art. 28	Third Party certification
Chapter 5 - Supervision	Art. 29	NCAs
	Art.30	NCA powers
	Art. 31	ESRB macroprudential review
	Art. 32 to 34	Sanctions
	Art. 35 to 37	Regulatory relations
Chapter 6 – Amendments	Art. 38 to 42	Amendments of existing rules
	Art. 43	Transition rules (incl. grandfathering)
	Art. 44	ESA's report
	Art. 45	Synthetic securitisations
	Art. 46	Review clause
	Art. 47	Powers clause
	Art. 48	Entry into force

The Regulation Timeline

The key dates for the Regulation are:

- Date of entry into force of the STS Regulation: 1st January 2019
- Date of entry into force of the CRR Regulation: 1st January 2019
- Grace period for pre-01/01/19 deals in CRR: 1st January 2020

The Regulation
A list and timetable of secondary legislation – part 1

As is not uncommon, the STS Regulation remains, in itself, incomplete and requires substantial secondary legislation. We have listed these requirements below with the names of the authorities responsible and the dates these must be delivered.

18 July 2018

Act	Authority	Article
Rules on retention (RTS)	EBA	6.7
Homogeneity (RTS)	EBA	20.14
Homogeneity for ABCP (RTS)	EBA	24.21
STS certification information requirements	ESMA	27.6
STS certification template	ESMA	27.7
Third party agents' information for authorisation	ESMA	28.4

18 October 2018

Act	Authority	Article
Guidelines and recommendations on STS criteria	EBA	19.2
Guidelines and recommendations on STS criteria ABCP	EBA	23.3

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The Regulation
A list and timetable of secondary legislation – part 2

18th January 2019

Act	Authority	Article
Information to be provided by originators	ESMA	7.3
Template for information submission	ESMA	7.4
a) Verification procedures applied by repositories; b) Rules for application for repository authorisation	ESMA	10.7
Application forms for repository authorization	ESMA	10.8
a) Data and information to be provided under Art.7 a) Operational standards for repositories b) What data which public authorities are allowed c) The terms under which authorities access data	ESMA	17.2
Data template for originators/sponsors	ESMA	17.3
Obligations of NCAs to cooperate on enforcement ESMA 36.8	ESMA	36.8

Pre-2019 transactions
The STS grandfathering rules

- Transactions closed on or before December 31, 2018 may seek to obtain the STS status from January 1, 2019. To do so though, the transaction must meet ***all*** the STS criteria. In that sense, there are no "transitional provisions".
- The grandfathering rules (in Article 43 of the STS Regulation) divide all the STS criteria into two categories: (a) those criteria which, to allow grandfathering, must have been met on the date of issuance of a securitisation and (b) those criteria which may be met at a later date but before STS status is requested.
- As a result, all pre-2019 will fall into one of three grandfathering categories:
  - Securitisations that already meet all the STS criteria – STS compliant deals;
  - Securitisations that meet all the day one criteria but not all the other criteria – STS fixable deals;
  - Securitisations that do not meet all the day one criteria – deals that can never be STS

Pre-2019 transactions

- The STS Regulation only applies to transactions closed on or after January 1, 2019. This also includes the provisions applying to all securitisations such as the new retention rules. In other words, pre-2019 transaction can continue to comply with all the pre-STS Regulation rules

- The exception to the rule that pre-2019 transactions may continue to comply with the pre-Regulation rules is that if a pre-2019 transaction seeks to be grandfathered as an STS transaction, from the moment it achieves STS status it will need to comply with the new transparency and disclosure requirements (as they appear in article 7 of the Regulation).

- In addition, the CRR Regulation contains a one year transition period: securitisations held by EU regulated banks before January 1, 2019 will continue to attract the pre-CRR Regulation capital requirements until January 1, 2020. However, irrespective of the maturity of the securitisation, on January 1, 2020, the bank will need to increase the capital held against that securitisation position to the new CRR Regulation mandated level.

Regulatory benefits of the STS regime

- Other legislation sets out the regulatory advantages which are available to securitisations that obtain the STS status. These are as follows:
- The CRR Regulation provides for lower capital requirements for EU bank investors holding STS deals that also meet some additional requirements.
- The Money Market Funds Regulation provides that money market funds can only invest 10% of their holding in securitisations. This limit is increased to 15% for STS securitisations.
- The European Commission has proposed an amendment to the Solvency 2 legislation which would allow EU insurance companies to hold substantially less capital against the senior tranches of STS securitisations.
- The European Commission has proposed an amendment to the Liquidity Cover Ratio ("LCR") rules that would change the eligibility rules for LCR to the benefit of STS.

Note: the last two changes are still in draft form and are subject to substantial comments from industry stakeholders.

The STS Regime and Brexit

- The STS Regime is basically not available outside of the EU. In order for a securitisation to become STS, it must have an EU located originator (or sponsor) and special purpose issuer. Although it may theoretically be possible to structure an non-EU transaction to meet these requirements, it is not easy and unlikely to be pursued by traditional securitisations. So, assuming the United Kingdom leaves the European Union in March 2109, UK securitisations will not, as a general matter, be capable of becoming STS for EU investors.

- But both the STS Regulation and the CRR Regulation became law in December 2107 and are “regulations”. In EU terminology, this means they became the law of all current EU members – including the UK – last year. So the STS and CRR Regulations are already UK law

- There is considerable uncertainty as to how the UK will depart from the EU. However it is most likely that the STS Regulation and the CRR Regulation will be swept up in the UK’s exit legislation – the Withdrawal Act. This would mean that, upon exiting the EU, the UK will be left with a UK STS regime.

- Until modified by subsequent national legislation, if such is ever passed, the UK STS regime will be, in terms of the statutory language, identical to the EU STS regime. This may or may not be the case for the various secondary regulatory technical standards (RTS’) since these will become effective around the same time as the UK leaves the European Union.

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The STS Regime and Brexit

The relationship between EU STS and UK STS

- Without additional legislation or treaty provisions, the EU STS regime and the UK STS regime will operate as hermetically sealed systems. In other words, a UK bank investor purchasing a UK securitisation will be able to set aside capital against that securitisation at the lower STS level. But a, for example, Dutch bank investor buying the same of UK securitisation will have to treat it for capital purposes as a non-STS securitisation. A mirror effect operates in case a UK bank wanting to purchase a Dutch securitisation.

- This state of affairs could be modified in a number of ways:

  - A transition deal between the UK and the EU could delay the break between the two regimes so that, for a period, they operate as one regime.

  - A general deal could be struck between the UK and EU for universal mutual recognition of each other's financial regulations.

  - A specific STS form of equivalence could be granted so that what is STS in one system can be treated as STS in the other. This could work as a bilateral equivalence – both the UK and the EU recognizing each other's STS system – or unilaterally – one system recognizing the other's but without reciprocity.

- Currently, it is impossible to assess the likelihood of any of the potential outcomes.

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Links to key information

All the key information is somewhere on the net but to assist market stakeholders PCS has put it all up on its website, including some handy cheat-sheets:

- STS Regulation:
  http://pcsmarket.org/wp-content/uploads/2018/02/STS-Regulation.pdf
- CRR Regulation:
  http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R2401&from=EN
- STS Contents Page – something sadly missing from EU rules:
  http://pcsmarket.org/draft/wp-content/uploads/2017/12/Detailed-Contents-Page.pdf
- STS Summary Contents Page:
  http://pcsmarket.org/draft/wp-content/uploads/2017/12/High-Level-Contents-Page.pdf
- STS Criteria (broken down into useful bit sized questions):
  http://pcsmarket.org/wp-content/uploads/bsk-pdf-manager/STS_Criteria_28.pdf
- Secondary legislation timetable:
  http://pcsmarket.org/draft/wp-content/uploads/2017/12/RTS-and-Delegated-Acts-Timetable1.pdf
- Secondary legislation by regulatory authority:
  http://pcsmarket.org/draft/wp-content/uploads/2017/12/STS-RTS-and-Delegated-Acts.pdf

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STS securitisations

- ***To be capable of obtaining STS status a transaction needs to meet all the STS criteria laid out in the STS Regulation.***

- These criteria are laid out in articles 20, 21 and 22 of the STS Regulation for term securitisations.

- (The regime for asset-backed commercial paper is slightly different and we discuss it later in this paper).

- There is no *de minimis* provisions. Failure by a securitisation to meet even one criterion is enough to make it ineligible for STS status. In addition, the criteria are regulatory and mandatory. This means that one cannot achieve STS status for a transaction by demonstrating that, even though a criterion is not met, another provision of the transaction exists that remedies the problem which the unmet criterion was designed to solve.

- Using our extensive experience with the PCS Label, we have taken the STS criteria as they appear in the legislation and broken them down into individual binary queries that need to be answered in the negative or positive. These are the actual individual criteria for STS.

- In this process, PCS has identified over one hundred separate criteria. (Some criteria, it should be noted, apply only to some asset classes – eg environmental data – and others are in the alternative so that either one or the other is applicable to any securitisation. This will still leave over 80 criteria to be met by any transaction).

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The STS Regime
ABCP – a dual approach

- The STS regime for asset-backed commercial paper conduits is two-fold:
  - there are program level criteria which need to be met if one wishes the entire ABCP program to be STS; and
  - there are transaction level criteria which need to be met if one wishes only one or more transactions contained in the ABCP program to be STS.

  In other words, a sponsor may elect to have only some of the transactions in an ABCP conduit declared to be STS or may elect to have the whole conduit declared STS.
- The transaction level STS criteria are basically the same as those in place for individual securitisation transactions.
- The program level criteria are difficult and problematic. Early indications are that these may be too onerous. We are not currently aware of any ABCP sponsor that has indicated any desire to obtain the STS status for its program.
- The benefit of obtaining STS for individual transactions within an ABCP program is potentially meaningful though. Sponsors of ABCP programs must normally allocate capital against the liquidity line they provide the conduit under the securitisation rules. Having an individual transaction obtain the STS status should allow the sponsor under the CRR to allocate capital to that transaction in line with the lower STS levels.

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The STS Regime
The issue of interpretation

- Many STS criteria as drafted in the Regulation are not entirely straightforward. Quite a few are vague and susceptible to multiple interpretations.

- The role of interpreting the STS criteria is left by the Regulation to the various European states' national competent authorities. In interpreting the criteria, the national competent authorities ("NCAs") should pay due regard to the guidelines and recommendations issued from time to time by the European Banking Authority. Technically though, these guidelines and recommendations are not – unlike a regulatory technical standard ("RTS") – binding on national regulators.

- The Regulation contains fairly unwieldy provisions for resolving any disagreement between NCAs on criteria interpretation.

- (Note that one criterion – that on homogeneity of assets within a pool – will be subject of a binding RTS. It is, however, the only one.)

- The EBA's first and main set of guidelines and interpretations must, under the terms of the STS Regulation, be issued on or before October 18th, 2018. The EBA has already released proposals in the form of a consultation. The consultation may be found on the PCS website under "Securitisation Information/Legal and Regulatory Information" or at:

  - http://www.eba.europa.eu/news-press/calendar?p_p_id=8&_8_struts_action=%2Fcalendar%2Fview_event&_8_eventId=2194293; and
  - http://www.eba.europa.eu/news-press/calendar?p_p_id=8&_8_struts_action=%2Fcalendar%2Fview_event&_8_eventId=2194293 (for ABCP)

The STS Regime

Market Participants Obligations - Issuers

- STS is not an objective and passive status which attaches to a securitisation meeting the regulatory requirements. Even if a given securitisation objectively complies with every one of the STS criteria, it will not be an "STS securitisation" solely by virtue of meeting the legal requirements, nor will an investor be able to access the benefits of holding an STS securitisation because it has determined compliance with the STS rules to its own satisfaction.

- For a securitisation to be STS, the originator must certify that it complies with the STS criteria and must file this certification, in the prescribed form, with the European Securities and Markets Authority ("ESMA"). (Or, post Brexit, in the case of UK originators most likely the FCA.) ESMA will then post this certification on a public ESMA website. For private transactions, however, ESMA has indicated that it would not post any identifying details. Only once the securitisation is posted on the ESMA website will it legally be an STS securitisation.

- In the STS certification, the originator will need to set out how it believes the relevant transaction meets the STS criteria. This is therefore a potentially lengthy document and certainly more than a few general confirmatory lines.

- The STS certification transmitted to ESMA is a document with meaningful legal consequences for an originator and failure to certify correctly will make the issuer susceptible to the STS sanctions regime, as outlined below.

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The STS Regime

Market Participants Obligations - Investors

- The STS Regulation, as we saw on page 10, also modifies the general obligations surrounding all securitisations. This includes an update of the due diligence obligations of investors. Included in that update is an obligation on investors to verify the STS status of securitisations which are certified to be so.

- The Regulation is vague as to how investors can fulfill their legal obligation to check on the STS status of their investments. However, it provides some boundaries around the extent of these obligations: the investors are entitled to place “appropriate reliance” on the originators’ certifications (see page 23) but they may not rely on this certification “mechanically”.

- Based on the wording on the Regulation, it is clear that investors may not limit their due diligence to checking the ESMA list of STS transactions – that would amount to a “mechanical” reliance on the originator certification. Equally, investors are not required to perform their own systematic and individual due diligence on each STS criterion – that would be to place no reliance on the originator certification and the Regulation explicitly allows them to place some, “appropriate” reliance on it.

- A number of law firms, as well as PCS, believe that the use of regulated Third Party Certification Agents may provide an appropriate way for investors to fulfill their STS due diligence obligations.

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The STS Regime
Issuer sanctions

- Where an originator has certified a transaction STS and the regulator determines at a later date that this certification was incorrect, the STS Regulation provides for potentially extremely severe sanctions. These include:
  - Fines of up to 10% of world-wide turn-over;
  - Personal fines of up to Euro 5,000,000 for individuals involved;
  - Possible criminal sanction at the option of each jurisdiction.
- However, issuers are only liable for deliberate mis-certification (effectively fraud) or negligent mis-certification.
- The severity of these potential sanctions makes them a board level issue for almost all financial institutions seeking to use the STS regime. Reaching a high level of confidence that the institution will not become liable to sanctions will be a necessity for most originators.
- As outlined in page 27 below, the possibility of using third party certification agents is likely to be an important mitigant to the sanctions' risk.

The STS Regime
Third Party Certification Agents ("3PCAs")

- The STS Regulation also creates an entirely new category of regulated entities in the European capital markets: third party certification agents ("3PCAs")
- 3PCAs have the sole but important role of verifying and certifying the originator's own STS certification. The Regulation specifies that they should be engaged by the originators to perform this task. So 3PCAs may not, as part of their regulated activity, do this verification on behalf of other market participants, such as investors.
- The use of a 3PCA to verify the originator's STS certification is optional. It is not a requirement of achieving STS status for a transaction.
- 3PCAs are regulated at the national level but with passporting rights across the European Union.
- Post-Brexit, UK 3PCAs can be regulated in the UK, but likely without passporting rights.
- The Regulation sets substantial restrictions on who can be a 3PCA e.g. a 3PCA cannot provide advisory, audit or equivalent services to the originator, sponsor or SSPE in the transaction or be a rating agent or a bank. It must have clear internal rules preventing any conflict of interest. It can only charge non-discriminatory and cost based fees.

The STS Regime
Third Party Certification Agents ("3PCAs")
What purpose do they serve?

- There are three beneficiaries from the existence and work of 3PCAs: originators, investors and national or European regulators.
- The 3PCAs provide originators with a confirmatory analysis of their STS certification. This is likely to prove very important because of the substantial level of possible sanctions for "mis-certification" of STS (see page 25). Originators are only liable to sanctions if they have been negligent (or fraudulent) in their STS certification. Although the Regulation is clear that originator may not transfer this liability to a 3PCA, the use of a competent, regulated and independent expert to verify one's work is extremely strong evidence that the STS certification was not issued negligently.
- Investors, as we have seen on page 24, must do something more than rely on the originator's certification but need not do the whole STS due diligence. It is a reasonable compromise for an investor to rely on a combination of (i) the originator certification, (ii) the work of an independent 3PCA in "auditing" the originator certification and (iii) the investor's own general due diligence of the relevant 3PCA. This approach, by socialising the cost of STS verification, appears to provide the best and most efficient way for the investor community to fulfill its legal obligations in the context of STS.
- The STS market is subject to a dual fragmentation: a number of diverse originators and a number of diverse national regulators. This dual fragmentation raises the real possibility that STS criteria interpretation may diverge, leading to problems later on when these divergences become obvious. The existence of 3PCAs acting for various originators in different jurisdictions can provide a valuable regulatory early warning system. When divergent approaches or difficult interpretation issues emerge, a 3PCA with good regulatory contacts may alert regulators to the problem before it becomes unmanageable.

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What is PCS?

A reminder of the road so far

What is PCS?

- Set up by the securitisation industry in 2012 with the strong support of public authorities such as the ECB, Prime Collateralised Securities or “PCS” is an independent, not-for-profit initiative providing labels for European securitisations meeting high standards of simplicity, transparency and quality.
- The purpose of the PCS Initiative includes:
  - Helping revitalise the European securitisation market;
  - Supporting the growth of the European real economy;
  - Fostering the development of best market practices for the European securitisation market with agreed standards of quality, transparency, simplicity and standardisation;
  - Improving market confidence for all participants including investors, issuers and regulators through publications and advocacy.

What is PCS?

PCS Association Members

- Allen & Overy
- Allianz
- Amundi
- APG
- AXA
- Baker & McKenzie
- Banca Sella Holding S.p.A.
- Barclays
- BBVA
- Bishopsfield Capital Partners
- Bloomberg
- BNP Paribas
- BNY Mellon
- Clifford Chance
- Credit Suisse
- Deutsche Bank
- European Banking Federation
- Freshfields Bruckhaus Deringer
- Hengeler Mueller
- Hogan Lovells International LLP
- HSBC
- HSBC Global Asset Management
- ING
- ING Asset Management B.V.
- Intesa San Paolo
- Linklaters
- Lloyds Banking Group
- Mayer Brown
- Moody's Analytics UK Ltd
- Nationwide Building Society
- NIBC Bank
- Obvion
- Rabobank
- Robeco
- Royal Bank of Scotland
- Santander
- Securitisation Services S.p.A.
- Societe Generale
- Swiss Re
- TwentyFour Asset Management
- UBS
- UniCredit
- Weil, Gotshal & Manges

What is PCS?

PCS Association – Permanent Observers

A number of other institutions and associations are “Permanent Observers” of the PCS Association:

- Association for Financial Markets in Europe (AFME)
- Dutch Securitisation Association (DSA)
- European Bank for Reconstruction and Development (EBRD)
- European Banking Authority (EBA)
- European Central Bank (ECB)
- European Fund and Asset Management Association (EFAMA)
- European Financial Services Round Table (EFR)
- European Investment Bank (EIB)
- European Investment Fund (EIF)
- European Securities and Markets Authority (ESMA)
- Insurance Europe
- International Association of Credit Portfolio Managers (IACPM)
- Irish Debt Securities Association (IDSA)
- KfW
- Leaseurope
- True Sale International (TSI)

What is PCS?

Our work so far

- The PCS initiative commenced operations in November, 2012 with a two-fold strategy. First, to operate and maintain the PCS Label for true sale securitisations and second, to pursue outreach activities with regulators and policy makers. In 2017, PCS extended its twin strategy of labelling transactions and involving itself in related policy discussions to encompass risk transfer/synthetic securitisations.
- As of the end of March 2018, PCS has concluded 199 PCS labelled transactions with a total transaction value of Euro 271 billion.
- As of the end of March 2018, 48 different issuers in 10 European jurisdictions have sought and obtained the PCS True Sale Label.
- PCS has maintained an active outreach programme and has been a material participant in regulatory and policy discussions about the securitisation market since 2012 and in particular, more recently, the proposed STS and CRR Regulations.
- PCS is now actively seeking to become a third party certification agent within the STS Regime.

The PCS website

The PCS website is at **www.pcsmarket.org**

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