
Press release

Joint trades issue new paper highlighting importance of securitisation for jobs and growth in Europe

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Eight leading European trade associations representing investors, originators, issuers and other market participants have today released a paper highlighting the importance of securitisation for jobs and growth in Europe, and underlining their commitment to supporting a safe and sustainable market that serves the real economy.

Ahead of the public exchange meeting in the European Parliament where MEPs were to discuss proposed amendments to the draft regulation for Simple, Transparent and Standardised (“STS”) securitisation, the associations have published a paper to make a positive case for the revival of securitisation for the benefit of Europe’s businesses, borrowers and consumers.

The associations say that policymakers are right to raise questions around the risks and benefits of seeking a revival of securitisation in Europe. Their joint trade paper sets out to address these issues.

The Association for Financial Markets in Europe (AFME), the Dutch Securitisation Association (DSA), the European Banking Federation (EBF), the European Fund and Asset Management Association (EFAMA), Leaseurope and Eurofinas, the International Capital Market Association (ICMA) and Pensions Europe have all signed the paper and make the following key points:

- Securitisation can support SMEs and households in many different ways;
- A revival of sound securitisation can help diversify risks, thereby making the financial system more stable;
- A well-designed STS framework will deliver “simple”, “transparent” and “standardised” securitisations;
- Transparency and disclosure standards are already robust– further requirements should build on existing infrastructure and be carefully calibrated;
- The lessons of the crisis have been learned and reflected in EU regulations;
- Investor due diligence is important, but unnecessary duplication should be avoided as it disincentivises investment;
- Risk retention is important: the existing rules ensure alignment of interests and sufficient “skin in the game” for those who securitise;
- Tranching is common across all debt markets and is an essential feature of the securitisation technique to meet investors’ needs.

As a key component of the Commission’s flagship Capital Markets Union initiative, the associations believe that a new STS securitisation framework could generate EUR 100-150 billion in additional funding for the real economy and act as a key driver in encouraging investor participation in European capital markets.

The associations hope the paper will make a useful contribution to the ongoing European debate on this topic and urge EU legislators to bear these themes and arguments in mind as the debate progresses.

The joint associations’ paper can be found online [here](#)

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NOTES TO THE EDITORS

About Leaseurope

Leaseurope brings together 47 associations throughout Europe representing either the leasing, long term and/or short term automotive rental industries. The scope of products covered by Leaseurope's members ranges from hire purchase and finance leases to operating leases of all asset types (automotive, equipment and real estate) and also includes the rental of cars, vans and trucks. It is estimated that Leaseurope represents approximately 93% of the European leasing market. In 2015, the leasing firms represented through Leaseurope's membership helped European businesses invest in assets worth more than 315 billion EUR, reaching 755 billion EUR of outstandings at the end of the year. Leasing is used by more European SMEs than any individual category of traditional bank lending taken altogether (around 40% of all European SMEs make use of leasing which is more than any other individual form of lending) and is also extremely popular amongst larger corporates. It is also extremely useful to support the public sector (e.g. leasing to schools, hospitals, etc.). More information at www.leaseurope.org

About Eurofinas

Eurofinas, the European Federation of Finance House Associations, is the voice of specialised consumer credit providers in the EU. As a Federation, Eurofinas brings together associations throughout Europe that represent consumer credit providers. The scope of products covered by Eurofinas members includes all forms of consumer credit products such as personal loans, linked credit, credit cards and store cards. In 2015, consumer credit providers that are members of Eurofinas helped support European consumption by making more than 423 billion EUR goods, services, home improvements and private vehicles available to individuals, reaching 981 billion EUR of outstandings at the end of the year. Consumer lending is procyclical and is highly positively correlated with households' disposable income. By providing access to finance to individuals and households, consumer credit supports the social and economic well-being of millions of consumers across Europe. More information at www.eurofinas.org