

## **BOULOUQUE Didier (FISMA)**

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**From:** Pinto, Pedro <Pedro.Pinto@afme.eu>  
**Sent:** 18 September 2018 17:39  
**To:** BELTRAMELLO Andrea (CAB-DOMBROVSKIS); PEARSON Patrick (FISMA)  
**Cc:** Burton, Stephen; Frey, Werner; 'james.cunningham1@bnymellon.com'; Alex Dockx  
**Subject:** European Post Trade Reform - Thank you and next steps

Dear Andrea, Dear Patrick

Colleagues from our membership and from our Post Trade Division join me in thanking you for the time you took last week and for the candid exchange.

Having been involved in many of the discussions on these topics, and indeed by just reminding ourselves of DG FISMA's Management Plan for 2018, you would not be surprised to learn that we left the room somewhat disappointed.

We can only look forward to the next steps in this debate with renewed energy though. If we all believe that the completion of Capital Markets Union is a critical element for EU citizens future sustainable prosperity, and that lifting a number of inefficient barriers on the post trade space is an important part of that, we would share the same feeling that CMU needs to be made a bigger priority in practice.

Although the issues at stake were well articulated in the EPTF report, we appreciate that the costs of inaction would need to be better spelled out to pass the scrutiny of the Regulatory Scrutiny Board.

Should AFME's expertise and the continuous commitment of our Members be of help, we would look forward to meeting you again in the coming period to understand how we might improve the precise quantifications of the costs that need to be addressed. We look forward to your proposal of a mutually convenient date and time for this discussion.

Thank you again and best regards

Pedro

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## **BOULOUQUE Didier (FISMA)**

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**From:** Portugal, Pablo <Pablo.Portugal@afme.eu>  
**Sent:** 13 September 2018 14:15  
**To:** BELTRAMELLO Andrea (CAB-DOMBROVSKIS); DIEUDONNE Delphine (FISMA); PETKOV Presiyan (FISMA)  
**Cc:** MERLIN Martin (FISMA); WIEDNER Klaus (FISMA); HROVATIN Sebastijan (FISMA); STANESCU Felicia (FISMA); ERHARD Johannes (FISMA); van de Werve, Tanguy; Hopkin, Richard; Bak, Anna  
**Subject:** AFME Securitisation - Follow up to meeting on LCR Delegated Regulation & ESMA disclosures RTS  
**Attachments:** AFME Position - LCR Revision 2018 - Final Position Paper 12 Sept.pdf

Dear Andrea, Delphine, Presiyan

Thank you again for the opportunity yesterday to share our views on securitisation matters in the LCR Delegation Regulation and ESMA's disclosures RTS. We valued your feedback and the open exchange on these issues.

We remain at your disposal to discuss further or provide written feedback on any points.

Please find attached the slightly revised version of the LCR paper that we distributed yesterday.

Kind regards

Pablo

**Pablo Portugal**

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## BOULOUQUE Didier (FISMA)

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**From:** Portugal, Pablo <Pablo.Portugal@afme.eu>  
**Sent:** 24 July 2018 10:58  
**To:** BELTRAMELLO Andrea (CAB-DOMBROVSKIS)  
**Cc:** Hopkin, Richard; Bak, Anna; van de Werve, Tanguy  
**Subject:** FW: AFME- Proposed meeting on LCR Delegated Regulation  
**Attachments:** AFME response to LCR revisions 21st February 2018.pdf; BAML ESF 2018 07 20 Summer blues.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Dear Andrea

I hope that you are well.

We just wanted to keep you informed of the correspondence below with DG FISMA and proposal for a meeting on the LCR Delegated Regulation. Following our meeting with you on 16 March, we would welcome a conversation to understand the Commission's reasoning and explain our concerns on the grandfathering issues.

Alexander Batchvarov of Bank of America Merrill Lynch – a member of AFME's Securitisation Board – has also prepared the attached commentary setting out the issues in some more detail.

Kind regards

Pablo

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**From:** Portugal, Pablo

**Sent:** 20 July 2018 09:18

**To:** Sebastijan.HROVATIN@ec.europa.eu; 'Delphine.DIEUDONNE@ec.europa.eu'

<Delphine.DIEUDONNE@ec.europa.eu>

**Cc:** Klaus.Wiedner@ec.europa.eu; Fabio.FIORELLO@ec.europa.eu; Hopkin, Richard <Richard.Hopkin@afme.eu>;

Bak, Anna <Anna.Bak@afme.eu>; van de Werve, Tanguy <Tanguy.VanDeWerve@afme.eu>

**Subject:** AFME- Proposed meeting on LCR Delegated Regulation

Dear Sebastijan, Dear Delphine

I hope that email this finds you well.

We are writing in relation to the LCR Delegated Regulation published last week, with a focus on the securitisation/STS related provisions. As you know, AFME has been arguing that the LCR is a critical piece of regulation which, properly calibrated and with appropriate grandfathering provisions, can create the right conditions and incentives to support the recovery of safe and well-regulated securitisation in Europe.

Having reviewed the Delegated Regulation with our members, strong concerns are being raised on the absence of grandfathering provisions, as well as a sense of disappointment in other areas.

We note that the general application date for the amended Delegated Regulation continues to be 18 months after publication in the OJ. This is an issue we commented on in our submission to the Commission (attached). Our members believe that there is a risk of disruption of markets and fire sales of affected securities. This is because very few transactions which currently qualify under the existing LCR criteria will qualify as STS. There will not be an automatic and obvious conversion of what is today LCR-compliant and what will from 1 January 2019 be STS. As we know, not least given the uncertainty which remains during ongoing Level 2 work, it is not possible to issue STS until January 2019 at the earliest, and probably for several months after that. Also, no term deals repay inside of 18 months. So this would mean that the ability to issue any securitisations that are LCR eligible for the next 18-24 months would appear to be eliminated. We also note that there is no provision for existing positions that satisfy the existing Article 13 requirements to continue to qualify as Level 2B – removing their LCR eligibility will have a serious impact on investors, encouraging them to sell these securities and to leave the securitisation market.

Beyond these points, AFME and other industry associations also argued in our response that there was a case for improving the treatment of senior tranches of STS securitisations and fully supported ABCP programmes to Level 2A under the LCR, but this was not done. We believe this is a missed opportunity to provide a boost to the new STS framework.

We would welcome an opportunity to discuss these points with you. This would help us to understand the Commission's reasoning and explain our concerns, particularly on the grandfathering provisions. Would you be available for a conversation in Brussels next week (23-27 July) or on 30/31 July (in the afternoons), 1 August or 27-31 August?

Thank you in advance and we look forward to hearing from you.

Kind regards

Pablo

## BOULOUQUE Didier (FISMA)

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**From:** STANESCU Felicia (FISMA)  
**Sent:** 30 August 2018 17:48  
**To:** BELTRAMELLO Andrea (CAB-DOMBROVSKIS)  
**Cc:** KERSTENS Peter (FISMA); SCHAEDELE Anne (FISMA); SPITZER Kai Gereon (FISMA)  
**Subject:** FW: ESMA RTS/ITS on securitisation disclosure requirements & meeting on 12 September  
**Attachments:** ICM-#30603156-v1-Sec\_Reg\_-\_ESMA\_final\_advice\_disclosure\_RTS\_-\_briefing\_-....pdf; ESMA\_STS\_AFME\_RESPONSEFORM.pdf; AFME Response - ESMA Disclosure CP 91763-3-3428 v0.19.docx  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Andrea, pls see below and attached. Would you like us to join the 12/9 meeting?  
Thanks

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**From:** Portugal, Pablo [<mailto:Pablo.Portugal@afme.eu>]  
**Sent:** Thursday, August 30, 2018 5:39 PM  
**To:** STANESCU Felicia (FISMA)  
**Cc:** ERHARD Johannes (FISMA); PETKOV Presiyan (FISMA); van de Werve, Tanguy; Hopkin, Richard; Bak, Anna  
**Subject:** ESMA RTS/ITS on securitisation disclosure requirements & meeting on 12 September

Dear Felicia

I hope that this email finds you well.

We followed with interest yesterday's ECON hearing on the STS Regulation and your feedback on the Level 2 work.

AFME members are very focused at the moment on ESMA's RTS/ITS on disclosure requirements. We welcome some of the exchanges on this area during the hearing. Based on a first analysis of the disclosure requirements, we have significant concerns on the treatment of private transactions and the material changes from the proposals that ESMA consulted on in early 2018. We will be preparing feedback to share with the Commission in due course. In the meantime, we are pleased to share the attached analysis from one of our members. We also attach AFME's response to ESMA's consultation.

As you may be aware, we have arranged a meeting with Andrea Beltramello on 12 September where we expect to discuss these issues and other securitisation matters. We just wanted to check if you or a member of your team will be joining that meeting. Otherwise, we would be pleased to suggest a separate in-depth conversation on these issues with your team on 12 September or another date if this would be helpful.

Many thanks in advance.

Kind regards

Pablo

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## BOULOUQUE Didier (FISMA)

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**From:** Pinto, Pedro <Pedro.Pinto@afme.eu>  
**Sent:** 28 August 2018 15:12  
**To:** BELTRAMELLO Andrea (CAB-DOMBROVSKIS)  
**Cc:** CEYSSSENS Jan (CAB-DOMBROVSKIS); GAUTHIER-BRAUN Veronique (CAB-DOMBROVSKIS)  
**Subject:** RE: AFME Post Trade - Request for a meeting on key aspects of the European Post Trade Reform  
**Attachments:** 2018-05-15-AFME-ptd-roadmap-for-integrated-safe-and-efficient-pt-services.pdf

Dear Andrea

I can confirm that the 12<sup>th</sup> of September, at 15:00 works very well for us.

Closer to the date we will confirm AFME's delegation for the meeting. In the meantime, I attach AFME's recent White Paper "A Roadmap for Integrated, Safe and Efficient Post Trade Services in Europe" where we set out our vision of a future post trade system within the broader context of successful and sustainable European Capital Markets.

We look forward to discussing.

Best regards

Pedro

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**From:** Andrea.BELTRAMELLO@ec.europa.eu <Andrea.BELTRAMELLO@ec.europa.eu>  
**Sent:** 27 August 2018 11:45  
**To:** Pinto, Pedro <Pedro.Pinto@afme.eu>  
**Cc:** Jan.CEYSSSENS@ec.europa.eu; Veronique.GAUTHIER@ec.europa.eu  
**Subject:** RE: AFME Post Trade - Request for a meeting on key aspects of the European Post Trade Reform

Dear Pedro,

Many thanks for your message.

It will be a pleasure to meet you. As both my colleague Jan and I look at post-trade issues, I would suggest that we meet together.

Would you be available on Wednesday 12 September at 15:00? I have another meeting on securitisation with your colleague Pablo just before (at 14:30).

Best wishes,

Andrea

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**From:** Pinto, Pedro [<mailto:Pedro.Pinto@afme.eu>]  
**Sent:** Tuesday, August 21, 2018 5:14 PM

**To:** BELTRAMELLO Andrea (CAB-DOMBROVSKIS)

**Subject:** AFME Post Trade - Request for a meeting on key aspects of the European Post Trade Reform

Dear Andrea

We have not met before but I am writing today to explore whether you would be available to meet a delegation of AFME, including senior representatives from our Membership, to discuss key aspects of the European Post Trade Reform in the context of the completion of a EU Capital Markets Union.

As you may know, in the post-trade space AFME represents a diverse and unique array of participants in the European wholesale financial markets, including all pan-European universal banks and the most important custodian and investment banks. We and our Members are strongly committed to enhance the post trade and finalisation processes of securities markets in Europe and we strongly believe that we are at a critical juncture to reform the EU post trade regulatory space for the years to come.

AFME and its Members were committed contributors to the EU Commission's European Post Trade Forum Report aiming at supporting the work of the Commission while it reviews the most important developments in post-trading. We believe that the report is an important piece of analysis and we trust that actions will be undertaken on the basis of the work developed to promote a more efficient and resilient market infrastructures in the EU in the context of a vibrant Capital Markets Union.

We read with great interest VP Dombrovskis's recent remarks with regard to the Capital Markets Union, and we could not agree more that CMU needs to be made a priority to everyone, not only in words and political declarations but also in practice. We very much look forward to the EU Commission actions in this field and we look forward to discussing.

Should a meeting be congenial, we can make ourselves available to meet you by early September, if that also suits your busy schedule. For instance, the 5<sup>th</sup> or 6<sup>th</sup> of September would work well for us, if you do not happen to be in Vienna on that occasion. Otherwise, the 12<sup>th</sup>, 13<sup>th</sup> or 14<sup>th</sup> of September could also be a good option. We can also make ourselves available on the back end of next week (i.e. on the 30<sup>th</sup> or 31<sup>st</sup> of August), if that is preferable.

We very much look forward to hearing from you.

Best regards

Pedro

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