

Amending Regulation (EU) 2017/2402 on securitisation and a specific framework for simple, transparent and standardised securitisation

2025/0826(COD) - 17/06/2025 - Legislative proposal

PURPOSE: to simplify the EU framework for securitisations and make it more fit for purpose.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: relaunching the European securitisation market can help increasing the amount of financing available to the real economy and enhancing risk diversification within the single market. Well-functioning securitisation markets can contribute to higher economic growth and facilitate funding of Union strategic objectives, including investments in the green, digital and social transition by allowing credit institutions (i.e. banks) to transfer risks to those that are best suited to bear them and thereby free up their capital.

The reports from Enrico Letta and Mario Draghi have recommended **securitisation as a means of strengthening the lending capacity** of European Union's banks for the financing needs of EU priorities including defence, creating deeper capital markets, building the Savings and Investments Union and increasing the EU's competitiveness. The European Council asked the European Commission to identify measures to relaunch the European securitisation market.

The EU securitisation framework was established following the 2008 financial crisis, in response to concerns about subprime securitisations in the United States. The existing framework entered into application in 2019 and introduced a set of rules which strengthened investor protection, transparency, and financial stability.

Based on the implementation of the framework over the past six years, the Commission has identified that some aspects of the existing rules are hindering market developments. The proposed targeted regulatory changes aim to address these shortcomings and ultimately **strengthen the EU securitisation market**. They are one of the elements of the Savings and Investment Union, which is a cornerstone of the Commission's mandate for 2024-2029.

CONTENT: the proposal to **revise the EU securitisation framework** aims to remove undue barriers to issuance and investment in the EU securitisation market, and in particular:

- to **reduce undue operational costs** borne by issuers and investors, while ensuring a balance with appropriate standards of transparency, investor protection and oversight;
- to **adapt the prudential framework applicable to banks and insurers**, take better account of real risks and eliminate unnecessary prudential costs for insurers when investing in securitisations.

The review of the EU securitisation framework includes:

- this proposal amending the Regulation (EU) 2017/2402 of the European Parliament and of the Council (the ‘Securitisation Regulation’), which sets out product rules and conduct rules for issuers and investors;
- a [proposal](#) amending Regulation (EU) No575/2013 of the European Parliament and of the Council (the ‘Capital Requirements Regulation’ or ‘CRR’), which sets out the capital requirements for banks holding and investing into securitisation.

The targeted amendments to the **Securitisation Regulation** aim to make due **diligence requirements** for securitisations in the EU **simpler and more proportionate**, while maintaining strong safeguards. Investors will no longer need to verify certain information when the selling party is based and supervised in the EU, as competent authorities are already responsible for checking compliance with these requirements.

The rules will be more **principles-based**, allowing checks to be tailored to the risk of the securitisation, avoiding duplication and cutting excessive burden. Secondary market investors will have more time to complete their due diligence assessments, and low-risk investments guaranteed by multilateral development banks will be exempt from due diligence.

For investments in positions issued by non-EU issuers, investors will continue to be required to verify that a given transaction complies with EU rules.

To lower the **reporting burden** on issuers, the Commission is proposing to simplify the templates used for this purpose. In particular, the number of required fields should be significantly reduced – by at least **35%**, or more where feasible. In addition, the reporting templates should not require loan level information when the underlying exposures are highly-granular and short-term (such as credit card exposures or certain consumer loans). Moreover, the reporting template for private securitisations should be much lighter than the one for public securitisations and focused only on the needs of supervisors.

The proposal also aims to make better use of existing **supervisory** structures, strengthen collaboration between authorities and ensure effective supervision through increased convergence and better coordination.