Amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures

2025/0825(COD) - 08/05/2026 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Ralf SEEKATZ (EPP, DE) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions as regards requirements for securitisation exposures.

Members support the Commission's objective of revitalising the European securitisation market. The initiative aims to restore market confidence, improve access to finance for the real economy, and promote sustainable capital market growth across the Union. In particular, it seeks to foster a well-functioning and sustainable securitisation market that supports financing for businesses throughout Europe.

Securitisation transactions are an important part of well-functioning financial markets as they help to diversify credit institutions' funding sources and enable the release of regulatory capital which can then be reallocated to support additional lending.

The proposal aims to amend capital requirements for securitisations under Regulation (EU) No 575/2013 to increase the risk sensitivity by better aligning the capital treatment with the underlying risks. In addition, targeted amendments should be introduced to mitigate undue discrepancies between the capital requirements under two different approaches: the securitisation internal ratings-based approach (SEC-IRBA) and the securitisation standardised approach (SEC-SA). Such mitigation should increase the participation of smaller and medium-sized credit institutions that make use of the standardised approach.

The relevant committee recommended that the position of the European Parliament adopted at first reading under the ordinary legislative procedure amend the proposal as follows:

- maintain the existing regulatory framework for securitisations issued before the entry into force of the new regulation in order to ensure a smooth transition for existing market participants;

- allow financial institutions to voluntarily apply the new regime to securitisations already underway when they consider that this framework is more beneficial to them;

- recognise the need for adequate public financing through the issuance of government bonds denominated in the domestic currency of another Member State, put in place to fight the consequences of the severe, double economic shock caused by the COVID-19 pandemic and Russia’s war of aggression against Ukraine;

- grant Member States sufficient time to regularise the level of public financing that has been necessary to address these exceptional situations;

- prolong the transitional arrangements for exposures to central governments and central banks of non-euro Member States, where those exposures are denominated and funded in euro, with respect to the treatment of such exposures under the credit risk framework and under the large exposure limits.

The amendments to Regulation (EU) No 575/2013 relate in particular to the provisions relating to the criteria for differentiated treatment in terms of capital requirements, conventional securitisation, synthetic securitisation, the treatment of simple, transparent and standardised (STS) securitisations in the SEC-IRBA approach and in the SEC-SA approach and the prudential treatment of securitisation and covered bonds.

By 5 years after the entry into force, the Commission, after consulting EBA, should consider whether a more fundamental change to the risk weight formulae and functions should be introduced in the medium /long-term to make it possible, in a comprehensive manner, to allow for more risk sensitivity, to achieve more proportionate levels of capital non-neutrality, to mitigate cliff effects, and to address the structural limitations of the current framework.