Question for written answer E-005837/2016
to the Commission
Rule 130
Barbara Kappel (ENF)

Subject: STS and synthetic securitisation

The draft as it currently stands rules out synthetic securitisation of STS securitisation. However, banks are to retain the option of entrusting their credit risk to professional investors. Yet synthetic securitisation is ruled out, unlike true sales, although it requires only simple and direct contractual agreements, without any need for full transfer of title to the underlying claims.

1. The lack of a legal transfer of assets is cushioned by other structural measures, such as cash investments by investors or provisions of insolvency law. Moreover, such measures mainly apply to banks which lend to SMEs. How will the Commission combat associated distortions of competition?

2. What is the Commission's assessment of the proposal that the STS label should not only be issued on the basis of the type of financing but that the focus should also be on effects in the real economy?

3. On 18 December 2015, the EBA published a report on synthetic securitisation which indicates that suitability should also be extended to credit protection which is completely supported by money and which is provided by private investors in the form of cash deposits if certain criteria are met and the number of transactions is limited. What view does the Commission take of such a proposal as a possible first step towards the creation of a framework for synthetic securitisation?