



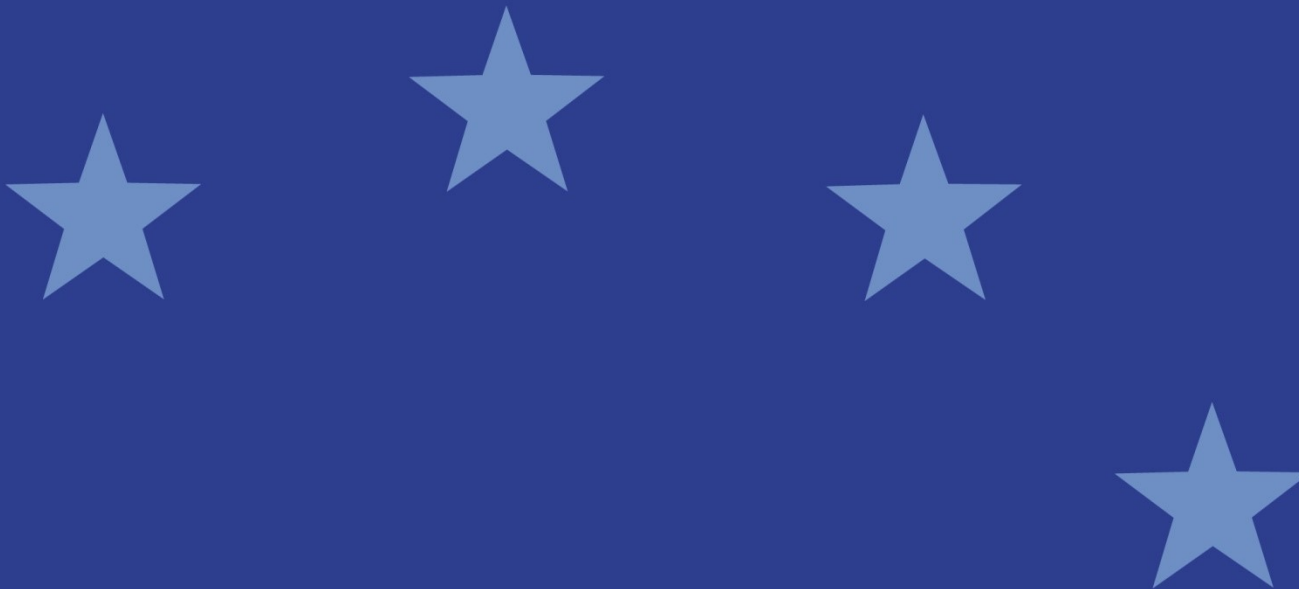
European Securities and
Markets Authority

ESMA REGULAR USE

18 October 2021

Securitisation Regulation - Article 27

Register of STS notifications (STSRE)





STSRE Introduction

LEGAL BACKGROUND



ESMA mandates under the Securitisation Regulation

- **Competent authorities:**
 - Supervision of compliance with STS criteria.
- **(ESMA) Rule-making**
 - STS Notification Templates (information and format)
 - Requirements for the authorisation of Third-Party Verifiers
- **(ESMA) Information Hub**
 - Register of public & private securitisations notified to ESMA as meeting STS criteria
 - Register of designated competent authorities (CAs)
 - Register of administrative sanctions (only accessible to the ESAs and competent authorities)
- **(ESMA) Convergence of national supervision**
 - Consistent application and enforcement of STS criteria and STS notification procedure
 - Coordination of national supervisors of STS criteria
 - Peer review on the implementation of the STS criteria
- **(ESMA) Monitoring of the Union securitisation market under MIFIR**
(Financial instruments which are marketed, distributed or sold in the Union)
- **Binding mediation powers in the event of disagreement across CAs**



STS notification to ESMA: background

- **Implementation of the STS notification framework**
 - **Nov. 2018:** publication of the interim STS notification templates and Guide for STS notification prior to 1st January 2019
 - **22 March 2019:** Inaugural STS notification published on the interim STS register (manually processed)
 - Since then, ESMA has made available **560** STS notifications.
- **Updates of the STS notification templates**
 - **Oct. 2020:** following the publication of the RTS/ITS at the EOJ, ESMA published updated STS notification templates for traditional securitisations.
 - **9 April 2021:** Publication of the interim STS templates for synthetic securitisations.
 - **12 October:** publication of the updated STS notification templates for synthetic securitisations following the publication of ESMA Final Report



STS framework: STS notification templates

- Originators and sponsors of non-ABCP (sponsor of ABCP transaction) must jointly notify ESMA by means of the **STS notification templates** where a securitisation meets the STS requirements to qualify for lower capital requirements in the EU (CRR, LCR, Solvency II).
- **STS criteria**
 - Non-ABCP securitisation : **62** criteria
 - ABCP transactions : **52** criteria
 - ABCP programme : **36** criteria
 - Synthetic securitisation: **160** criteria
- The available information in the STS notifications provide insights on how compliance with the STS criteria is achieved:
 - Options taken for meeting requirements (e.g. risk retention rules ; events used in triggers, true sale, Excess Spread, etc)
 - Data on static and dynamic historical default and loss performance
 - How the information is split between prospectus and STS templates



STS notification procedure: ESMA's role

- **ESMA's role**
 - **Maintain** the STS register (list of all notified STS securitisations)
 - **Immediately add** any notified STS securitisation
 - **Update** the STS list where the securitisations are **no longer** STS and where the competent authority has imposed administrative sanctions
 - **Validation/ consistency/completeness checks** to ensure minimum data quality
- **Topics** already discussed between ESMA and reporting entities (non-exhaustive list)
 - Format of the unique identifier, LEI
 - Update and cancellation of the STS notifications
 - Mapping of UK securitisations
 - Possibility to delegate the STS notification to a third party



STS notification – key elements

General information

- Instrument identification code (ISIN, LEI, Unique identifier)
- Securitisation name
- Type of underlying exposures (auto loans, consumer loans, trade receivables, etc.)
- Geographical location of the originators/sponsors/SSPEs

Proportionate explanation

- Confirmation (e.g. self-explanatory STS criteria)
- Concise explanation (e.g. linked criteria)
- Detailed explanation (e.g. homogeneity of the assets)

Cross-reference to Prospectuses (or other transaction documentation), to avoid duplication

Four separate STS notification templates: non ABCP; ABCP transaction; ABCP programme ; synthetic securitisations.

Private securitisations covered but specifically addressed



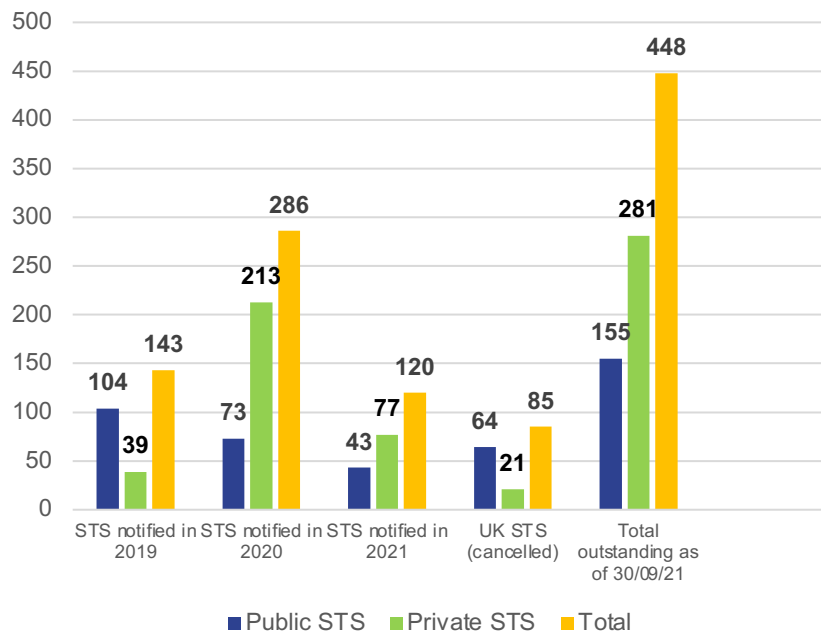
STS market - key figures

- **STS securitisations notified to ESMA** as of 30 Sep 2021: **561** (after Brexit: **447**)
 - For 2021 (as of 30-09-2021): **120**
 - For 2020: **286**
 - For 2019: **143**
- **Public vs private securitisations**
 - For 2021 (as of 30-09-2021): **43** public vs **77** private securitisations
 - For 2020: **73** public vs **213** private securitisations
 - For 2019: **104** public vs **39** private securitisations
 - => 2020/2019
 - YoY decline in public securitisations: **- 40%**
 - YoY increase in private securitisations: **+ 64%**
- **BREXIT : 85 STS deals** (64 public / 21 private)
- **Synthetic securitisations: 6** STS notifications (inaugural on 22 June – all private ; 1 unfunded / 5 funded ; 5 financial guarantee, 1 derivative).
- There is still **no STS notification for ABCP programme**

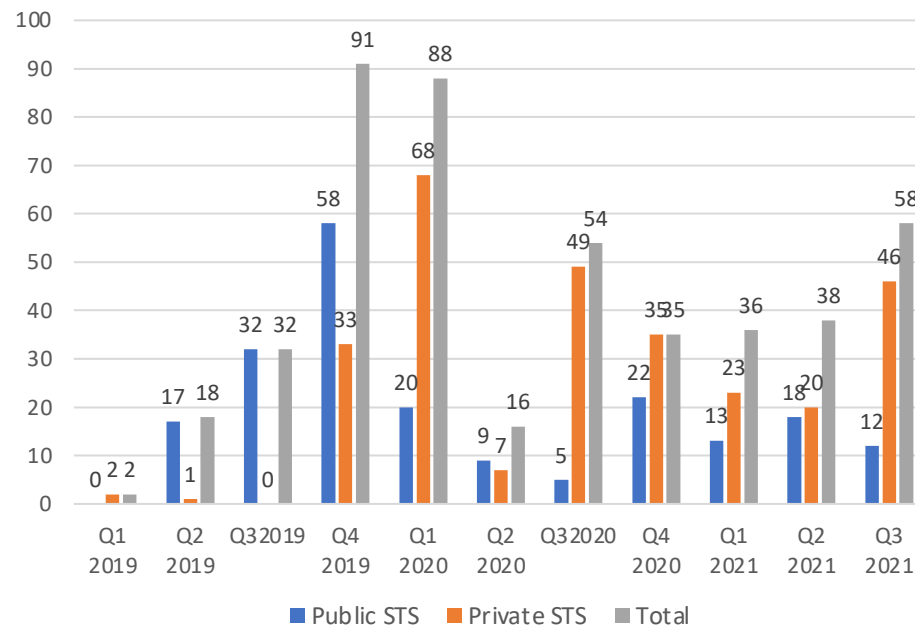


STS notification evolution 2019-2021

Graph 1. STS notifications – yearly evolution 2019-2021



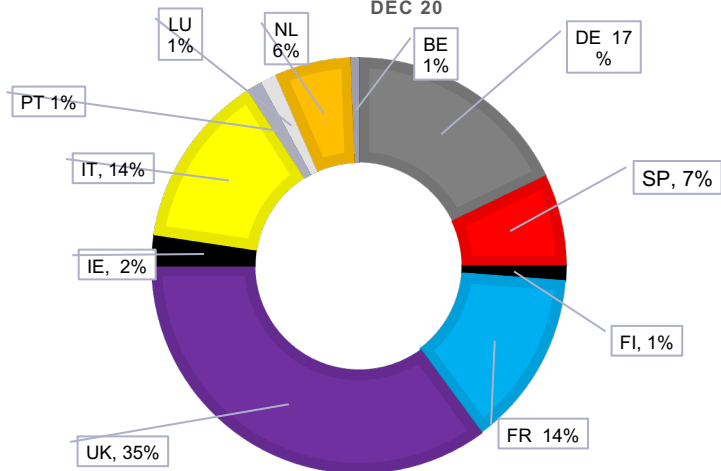
Graph 2. STS notifications – Quarterly evolution 2019-2021



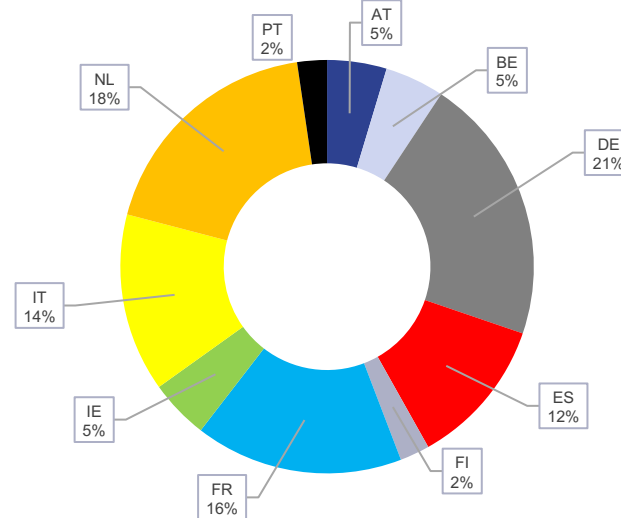


Assets & geographical breakdown 2019-2021

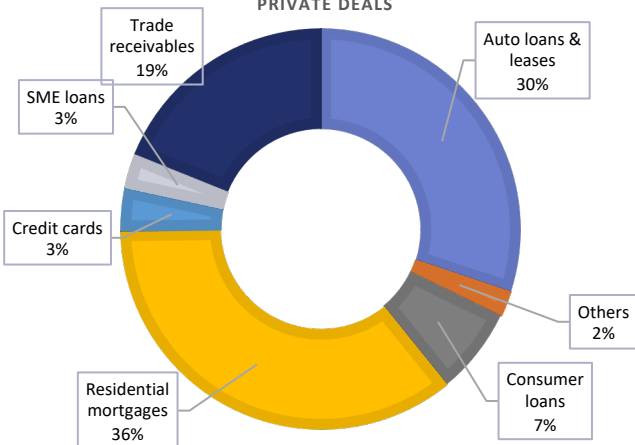
GRAPH 3 – BREAKDOWN PER COUNTRIES (PUBLIC DEALS) DEC 20



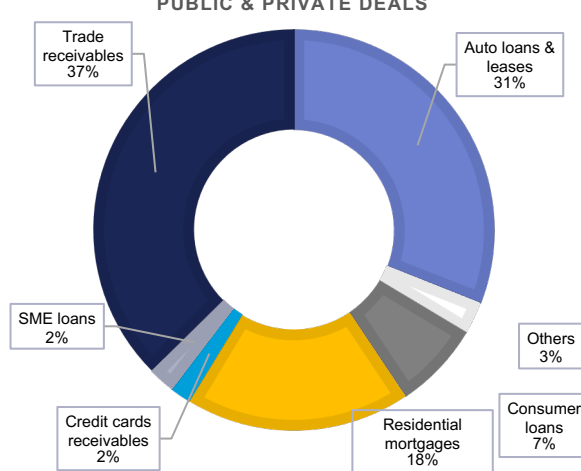
GRAPH 4 BREAKDOWN PER COUNTRIES – PUBLIC DEALS SEPT 21



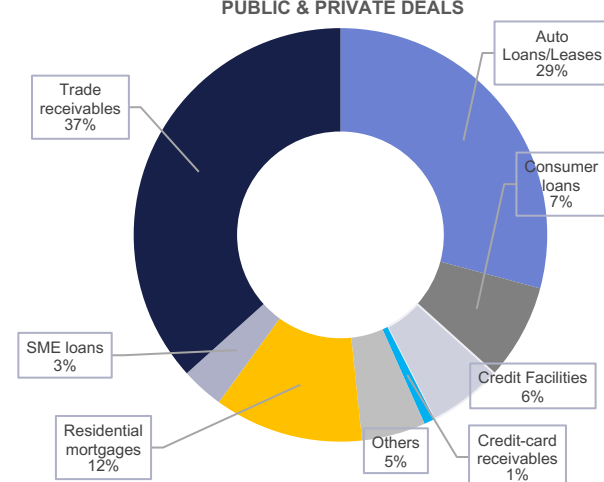
GRAPH 5 - ASSETS BREAKDOWN (DEC 19) PUBLIC & PRIVATE DEALS



GRAPH 6 - ASSETS BREAKDOWN (DEC-20) PUBLIC & PRIVATE DEALS



GRAPH 7 - ASSETS BREAKDOWN (SEP-21) PUBLIC & PRIVATE DEALS





New STS register

- **Why?**
 - To automate the processing of the STS notifications and replace the current STS list
- **Synthetic STS notifications not yet covered** (manual processing)
- **Benefits for Reporting Entities**
 - Central point to manage all the traditional STS notifications
 - Embedded validation rules
 - Relevant Competent Authorities (RCAs) automatically informed (based on the country of establishment of the originator and sponsor)
- **Benefits for Competent Authorities**
 - Central point of information to supervise all the traditional STS notifications
 - Possibility to remove a securitisation from the public list of STS notifications where a securitisation is no longer STS
 - Possibility to apply a sanction on securitisation in the public list of STS notifications



STSRE Reporting **System overview**



Introduction – STSRE system

- According to Article 27 of the Securitisation Regulation, ESMA is responsible to collect and publish STS notification data for non-ABCP securitisations, ABCP securitisations and ABCP programmes by originators and sponsors.

- The STSRE ESMA Register automates the ESMA procedures in relation to the collection, processing and publishing of the reported STS notification data.

- The STSRE Register supports:
 - the **STSRE public interface** that makes publicly available the reported STS notifications
 - the **STSRE extranet** that provides:
 - mechanisms for the **reception** and **validation** of STS Notification records (intended for NRE users)
 - functionalities to **access/ use** the collected STS Notification data and review erroneous STS Notification submissions (intended for ESMA/ Competent Authorities/ Reporting entities/ EBA/ EIOPA users).



Introduction – STSRE system

- The STSRE register collects and publishes notification information for:
 - STS compliant Non-ABCP securitisations
 - STS compliant ABCP securitisations
 - STS compliant ABCP programmes

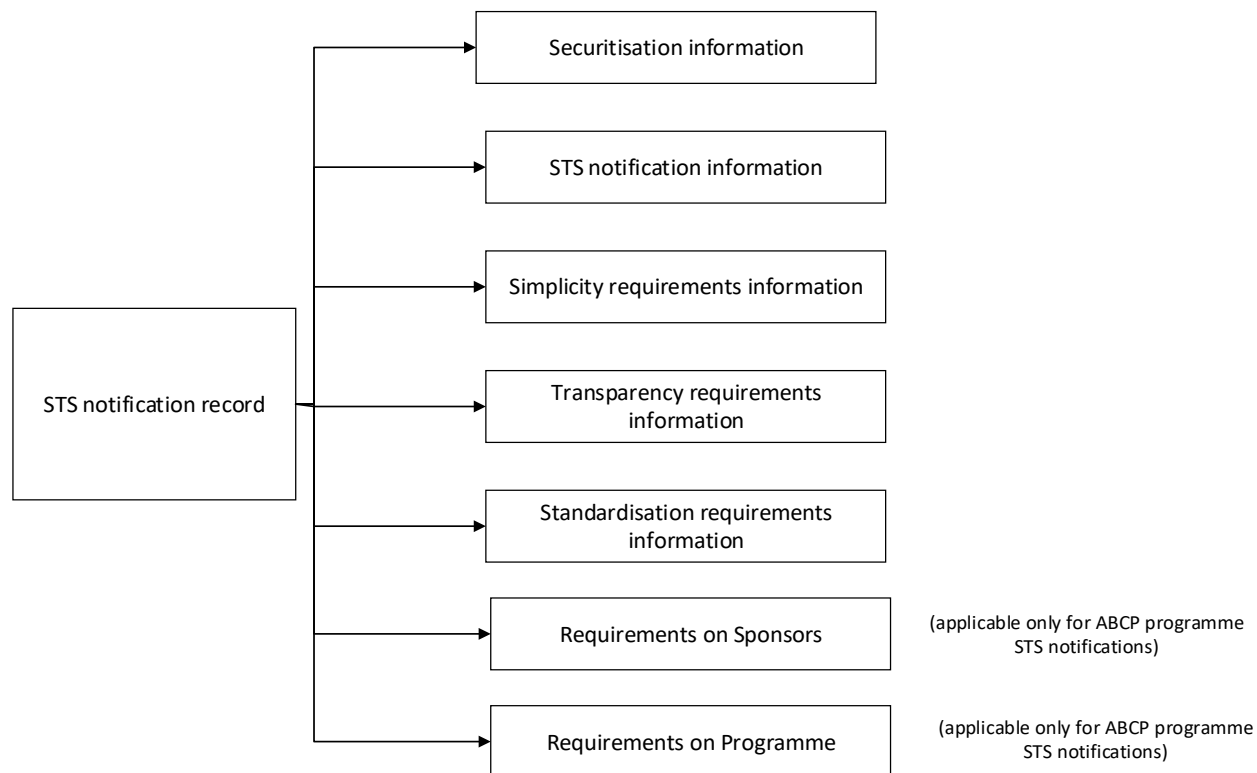
- The STSRE register also collects and publishes notification information in relation to:
 - the loss of the STS compliance (where a securitisation is no longer STS compliant)
 - the imposing of a sanction on a securitisation

- The STSRE register does not involve synthetic STS securitisations that will continue to be processed manually.



Introduction – STSRE system

- For each STS notification, the following information should be provided:





STSRE Reporting

Reporting process



Reporting Process - Overview

- The system supports Extranet features so that the STS notification reporting entities (NREs) users can:
 - submit new STS Notification records as well as to
 - update existing notifications
 - correct existing notifications
 - cancel existing notifications

- In order to be possible to access the system, each NRE user must be configured with a unique 5-digits NRE code. This code is assigned by ESMA to each NRE during the registration process at ESMA IAMAN and uniquely identifies each NRE entity.

- Before the first submission of STS Notification data, the NRE user will have to:
 - a. Access the STSRE Extranet interface
 - b. Define the Designated Entity(ies) (DEs) on behalf of which s/he is responsible to report STS notifications (through a dedicated page of the system)

Once it is done, each NRE user will be able to submit STS Notification data on behalf of that DE



Reporting Process – Registration

- IAMAN is the ESMA tool that manages the access to ESMA's Extranet applications
- Before accessing STSRE Extranet, all users must be registered in IAMAN and configured with the NRE code assigned to his/her reporting entity
- Different registration procedures apply depending on the registration period
 - Specific registration process before go-live
 - Specific registration process after go-live for new NRE
 - Standard registration process after go-live for new users
- Before go-live, specific registration process applies for both test and production environments
 - Test and production registration form have to be filled-in for each STS notification reporting entity
 - ESMA automatically creates the requested NRE code and corresponding IAMAN accounts based on the registration forms



Reporting Process – Registration

- After go-live, specific registration process applies for both test and production environments
 - Test and production registration form have to be filled-in for the new STS notification reporting entity
 - ESMA automatically creates the new NRE code and corresponding IAMAN accounts based on the registration forms

- After go-live, the standard process for new users of an existing NRE applies for both test and production environments
 - New user sends a request to the ESMA STSRE point of contact (STSRegister_Project@esma.europa.eu) and ESMA helpdesk (IT.Helpdesk@esma.europa.eu) to request the creation of a new IAMAN account on an existing NRE code
 - New user receives an invitation email on his/her work email address
 - New user completes the registration steps and define his/her ESMA password
 - New user requests access to STSRE Extranet system by defining his/her access rights
 - Once the request is approved, the new user is granted access to the STSRE Register system and can sign in using his/her ESMA identifier and password



Reporting Process – NRE / DE mapping

- The originators and sponsors of a securitisation may outsource to a third party the submission of the STS notification to ESMA provided that originators and sponsors retain responsibility for the submitted notification. Therefore, the NREs may be:
 - the sponsor(s) or the originator(s) of a non-ABCP securitisation or a third party acting on behalf of the sponsor(s) and originator(s)
 - the sponsor(s) of an ABCP programme or a third party acting on behalf of the sponsor(s)
- One STS notification will be reported together with its unique DE (that may change during the life cycle of the STS notification).

Exceptional cases:

- One DE may decide to **change from one NRE to another NRE** whereas STS notifications are still active and may need to be updated. → In such case, the new NRE will be able to define the old NRE that it is replacing, in order to have access to the STS notifications reported by that old NRE for that specific DE.
- **One DE may be related to several NREs** where several STS notifications have to be reported. → But at one specific point of time, it is however not possible to have several DEs authorised for the same STS notification.



Reporting Process – Data submission

- The STSRE system offers a user-friendly interface, in order to provide the system users with the means to submit STS notification data.
- The STS notifications can be submitted through dedicated entry forms or through the import of external file (based on specific xls STS notification templates).
- To ensure successful and consistent data submission the system:
 - Supports validation rules that provide the necessary information to the reporting entities in order to properly submit their STS notifications.
 - Supports the necessary mechanisms to validate that the reported data is consistent, in relation to the defined set of data validation rules, after successful data submission through the STSRE Extranet.
 - Provides detailed information to the submitting entities on the result of the validation, after the completion of the data validation process.



Reporting Process - Access permissions

- An NRE user has the following access permissions on the STS notifications that are stored at the ESMA STSRE database:
 - **Read/ write/ cancel access to:**
 - all final STS notification records submitted by this NRE,
and/or
 - all final STS notifications reported by an NRE defined as an “Old NRE” related to the same DE (for which this old NRE was authorised)
 - **Read/ write/ delete access to:**
 - all draft STS notification records submitted by this NRE (the NRE code of the user’s profile should match the NRE code available in the draft STS notification record),
 - **Read access to all information (i.e. error records) regarding the list of content errors/ warnings related to:**
 - all versions of STS Notification records reported by this NRE,
or
 - all versions reported by a NRE defined as an “Old NRE” related to the same DE (for which this old NRE was authorised)
- The administrator NRE users have additional permissions to submit draft STS notification records, submitted by the same NRE account to which they belong, as final. Old NREs do not have access to future reports submitted by other (new) NREs.



Reporting Process - Statuses

- The Securitisation STS compliance status depends on the STS compliance status reported by the NRE and Relevant Competent Authorities (RCAs)
 - The NRE STS compliance status is reported by the NRE, through successful STS notification data submission
 - The CA STS non-compliance status is reported by the RCA(s) (or ESMA on behalf of the RCA) that may update the STS notification as STS non-compliant
- Other notification statuses
 - Sanction status: Status assigned to a notification when a sanction is imposed on the securitisation by the RCA(s) (or ESMA on behalf of the RCA)
 - Cancelled status: Status assigned by the system to a notification when the NRE cancels the notification or to the previous version of the notification when the NRE submits a correction report for this notification.
 - Latest version status: Status assigned by the system to a newly submitted version of a notification when the NRE submits the notification (i.e. 'New', 'Update', 'Correct' submission)



STSRE Reporting **Reporting Data**



Reporting Data

Non-ABCP securitisation STS notification record

Securitisation information	STS notification information	Simplicity requirements information	Transparency requirements information	Standardisation requirements information
Securitisation type Designated Entity LEI Instrument ISIN Instrument code type Instrument code Originator LEI Originator country Sponsor LEI Sponsor country Original Lender LEI Original Lender Country SPPE Country Securitisation unique identifier Multiple STS notifications flag Multiple STS notifications reason Multiple STS notifications comment Prospectus Country Prospectus identifier Exemption on Prospectus Issue date Securitisation Repository Securitisation name Securitisation classification Underlying exposures classification Originator (or original lender) is not a Credit institution Credit granting criteria compliance confirmation/ comment Credit granting criteria supervision confirmation/ comment	Interim solution STS notification identifier STS notification identifier Initial notification date Last notification date Authorised third party flag Authorised Third party statement Authorised Third Party name Authorised Third party country Authorised Third party Competent Authority	True sale or assignment transfer confirmation/ explanation Subject to severe clawback Subject to severe clawback explanation Clawback provisions exemption confirmation/ comment The seller is not the original lender flag Transfer where the seller is not the original lender confirmation/ explanation Transfer at a later stage confirmation/ explanation Alternative mechanism confirmation/ comment Representations and warranties confirmation/ explanation Underlying exposures eligibility criteria confirmation/ explanation Underlying exposures selection processes confirmation/ explanation Homogeneity of assets confirmation/ explanation No re-securitisation confirmation/ comment Soundness of the underwriting standards (ordinary course of business) confirmation/ explanation Soundness of the underwriting standards (disclosure) confirmation/ explanation Residential Loan requirement confirmation/ explanation Borrower's creditworthiness assessment confirmation/ explanation Originator/Lender Expertise confirmation/ explanation Defaulted or restructured exposures confirmation/ explanation At least one payment at the time of transfer confirmation/ comment Payment exemption Payment exemption explanation Degree of dependence on repayments confirmation/ explanation	Historical Default and Loss Performance Data confirmation/ comment Historical Default and Loss Performance Data location Sample external verification confirmation/ comment Liability cash flow model confirmation (prior pricing) Location of Liability cash flow model Liability cash flow model confirmation/ comment (after pricing) Environmental performance availability/ explanation Article 7 compliance confirmation/ comment Underlying information confirmation/ comment Before pricing documentation confirmation/ comment	Compliance with risk retention requirements confirmation/ explanation Retaining entity LEI Retaining entity name Vertical slice Seller's share Randomly-selected exposures kept on balance sheet First loss tranche First loss exposure in each asset indicator No compliance with risk retention requirements Other option indicator Other options used comment Mitigation of Interest rates and currency risks confirmation/ explanation Derivatives not purchased/sold by SPPE confirmation/ explanation Common standards underwriting derivatives confirmation/ explanation Referenced interest payments confirmation/ explanation Acceleration notice / enforcement requirement confirmation/ explanation No trapping of cash confirmation/ comment Sequential amortisation confirmation/ comment Reversed repayment on seniority confirmation/ comment No automatic liquidation confirmation/ comment Non-sequential priority of payments triggers confirmation/ comment Credit quality deterioration trigger confirmation/ comment Servicer expertise confirmation/ explanation Early termination confirmation/ explanation Credit quality deterioration trigger confirmation/ explanation Insolvency-related event confirmation/ explanation Pre-determined threshold value confirmation/ explanation New underlying exposures failure generation confirmation/ explanation Participant duties confirmation/ comment Servicing Continuity confirmation/ comment Derivative Counterparty Continuity confirmation/ comment Liquidity Provider Continuity confirmation/ comment Account Bank Continuity confirmation/ comment Debt situation documentation confirmation/ comment Priorities of payment and triggered events confirmation/ comment Timely resolution of conflicts confirmation/ comment



Reporting Data

ABCP securitisation STS notification record

Securitisation information	STS notification information	Simplicity requirements information	Transparency requirements information	Standardisation requirements information
Securitisation type Designated Entity LEI Instrument ISIN Instrument code type Instrument code Originator LEI Originator country Sponsor LEI Sponsor country SSPE Country Securitisation unique identifier Multiple STS notifications flag Multiple STS notifications reason Multiple STS notifications comment Prospectus Country Prospectus identifier Exemption on Prospectus Issue date Securitisation Repository Securitisation name Securitisation classification Underlying exposures classification Originator (or original lender) is not a Credit institution Credit granting criteria compliance confirmation/ comment Credit granting criteria supervision confirmation/ comment	Interim solution STS notification identifier STS Notification identifier Initial notification date Last notification date Authorised Third Party flag Authorised Third party statement Authorised Third Party name Authorised Third party country Authorised Third party Competent Authority	True sale or assignment transfer confirmation/ explanation Subject to severe clawback Subject to severe clawback explanation Clawback provisions exemption confirmation/ comment The seller is not the original lender flag Transfer where the seller is not the original lender confirmation/ explanation Transfer at a later stage confirmation/ explanation Representations and warranties confirmation/ explanation Underlying exposures eligibility criteria confirmation/ explanation Underlying exposures selection processes confirmation/ explanation Homogeneity of assets confirmation/ explanation Remaining WAL confirmation/ comment Derogation on pools of auto loans, auto leases or equipment lease confirmation/ comment Secured or guaranteed loans confirmation/ comment Binding and enforceable obligations confirmation/ comment Transferable securities confirmation/ comment No re-securitisation confirmation/ comment Soundness of the underwriting standards (ordinary course of business) confirmation/ explanation Soundness of the underwriting standards (disclosure) confirmation/ explanation Originator/Lender Expertise confirmation/ explanation Defaulted or restructured exposures confirmation/ explanation At least one payment at the time of transfer confirmation/ comment Payment exemption/ explanation Degree of dependence on repayments confirmation/ explanation	Historical Default and Loss Performance Data confirmation/ comment Sponsor access to seller data confirmation/ comment Historical Default and Loss Performance Data source	Mitigation of Interest rates and currency risks confirmation/ explanation Derivatives not purchased/sold by SSPE confirmation/ explanation No derivatives in underlying exposures confirmation/ explanation Common standards underwriting derivatives confirmation/ explanation Referenced interest payments confirmation/ explanation Acceleration notice / enforcement requirement confirmation/ explanation No trapping of cash confirmation/ comment Sequential amortisation confirmation/ comment No automatic liquidation confirmation/ comment Early termination confirmation/ explanation Credit quality deterioration trigger confirmation/ explanation Insolvency-related event confirmation/ explanation Participant duties confirmation/ comment Servicing Continuity confirmation/ comment Derivative Counterparty Continuity confirmation/ comment Account Bank Continuity confirmation/ comment Sponsor Robustness documentation confirmation/ comment Debt situation documentation confirmation/ comment Priorities of payment and triggers events confirmation/ comment



Reporting Data – ABCP programme notifications

There is currently no STS notification on ABCP programme however the system already supports all features that are applicable for the Non-ABCP securitisation and ABCP securitisation STS notifications.

The reporting data for ABCP programme STS notifications are the following:

ABCP programme STS notification record

Securitisation information	STS notification information	Requirements on Sponsors	Requirements on Programme
Securitisation type Designated Entity LEI Instrument ISIN Instrument code type Instrument code Sponsor LEI Sponsor country ABCP programme LEI Securitisation unique identifier Multiple STS notifications flag Multiple STS notifications reason Multiple STS notifications comment Prospectus Country Prospectus identifier Exemption on Prospectus Securitisation Repository ABCP programme name Securitisation classification Programme Issuance date	Interim solution STS notification identifier STS Notification identifier Initial notification date Last notification date Authorised Third party flag Authorised Third party statement Authorised Third Party name Authorised Third party country Authorised Third party Competent Authority	Supervised credit institution confirmation/ comment Supervised credit institution link Sponsor support as liquidity facility provider confirmation Description of the liquidity facility Link to the liquidity facility document Sponsor robustness demonstration confirmation/ comment Link to the Sponsor robustness document Due diligence requirements compliance confirmation/ comment Seller requirements compliance confirmation/ comment Compliance with risk retention requirements confirmation/ explanation Vertical slice Seller's share Randomly-selected exposures kept on balance sheet First loss tranche First loss exposure in each asset indicator No compliance with risk retention requirements Other option indicator Other options used comment Disclosure requirements compliance confirmation/ comment Liquidity facility & maturing securities to be repaid confirmation/ explanation	Transaction-level requirements compliance confirmation/ comment Defaulted or restructured exposures indicator No payment at the time of transfer indicator Degree of dependence non compliance indicator % of the aggregate amount of the exposures temporarily non-compliant Temporary non-compliance explanation Sample external verification confirmation/ comment Remaining WAL confirmation/ comment Fully supported ABCP programme confirmation/ explanation No re securitisation confirmation/ comment No call options confirmation/ comment Mitigation of Interest rates and currency risks confirmation/ explanation Derivatives not purchased/sold by SSPE confirmation/ explanation Common standards underwriting derivatives confirmation/ explanation Fiduciary duties confirmation/ comment Participant duties confirmation/ comment Servicing Continuity confirmation/ comment Derivative Counterparty Continuity confirmation/ comment Account Bank Continuity confirmation/ comment Procedures to ensure collateralisation of the funding commitment confirmation/ comment Liquidity facility & maturing securities to be repaid confirmation/ comment Servicer expertise confirmation/ explanation



Reporting Data - Update STS compliance status

Action 'Update STS compliance status' is available to NRE to report the loss of STS compliance:

- Securitisation type
- Designated Entity LEI
- Notification identifier
- Securitisation unique identifier
- Securitisation classification
- Last Notification date
- Significant Event Information hyperlink
- Change reason statement
- Change reason code
 - End of maturity date
 - Originator and sponsor removal request
 - Imposed sanction
 - CA decision
 - Other reasons
- Change Other reason (when Change reason is other)

The reason of loss of compliance will never be published



STSRE ESMA IT System Features

Report submission and data validations



Report submission

- The STSRE system provides the following Extranet features for data submission:
 - Data entry forms for the submission of ‘new’ draft or final STS notifications, i.e.
 - Non-ABCP securitisation notification form
 - ABCP securitisation notification form
 - ABCP programme notification form
 - Data entry form to support the update/ correction of an already submitted final STS notification as for example:
 - update to populate the prospectus identifier where it was not yet available at the notification date
 - correction to replace any erroneous content detected through the warnings generated by the system
 - Data entry form to support the update/ correction of the STS compliance status of an already submitted final STS notification
 - Upload external file service for the submission of draft STS notifications through a specific STS notification template (xls format) before final submission
 - Service to cancel an already submitted final STS notification
 - Service to delete an already submitted draft STS notification



Report submission

- The STSRE system also provides Extranet service to store draft STS notifications before final submission
 - The STSRE system will prevent to submit final STS notification before the issue date of the securitisation
 - But NRE may perform all the preparatory work on the STS notification by submitting a draft STS notification before the issue date and submit the final STS notification at the issue date

- The STSRE system allows to submit multiple STS notifications on ABCP securitisations and ABCP programs on the same securitisation identifier where it is submitted by multiple sponsors

- A change will be implemented in April 2022 to allow the submission of multiple STS notifications on the same securitisation identifier in the case of master trust securitisations



Data validation

- The STSRE system processes the submitted data against the following types of validation rules:
 - **Real time validation**, guiding the submitting entity to:
 - Complete all mandatory elements of the submission form
 - Fill-in correct data in relation to the datatype of the corresponding data submission element
 - Populate the STS compliance elements of the submission form properly (to ensure that all compliance elements are confirmed at the submission form).
 - **Post-submission validation**, validating the submitted data against a set of validation rules. Failing of such content validation rules leads to the generation of either (a) warnings, or (b) content errors.
 - Warnings
 - » If one or more warnings are identified (but no errors), then the submitted STS notification record is accepted by the system.
 - » Warnings are generated where an inconsistent content is detected but do not prevent the publication of the STS notification
 - » NRE remains responsible for performing any necessary corrective actions
 - Content errors
 - » If at least one error is identified, then the submitted STS notification record is rejected by the system.
 - » Content errors are generated where blocking technical issues prevent the processing of the STS notification



Data validation – feedback to reporting entity

- Following content validation, the system generates an email to inform the NRE about the data validation outcome.
- The content of the feedback notification email comprises validation information regarding the STS Notification record, containing:
 - The **Status** of the submitted report (i.e. whether the report was accepted, or accepted with warnings, or rejected with content errors)
 - If applicable, the **Validation Rule** that failed (i.e. identification and description of the content validation rule)
 - Attachment of the **PDF export** of the submitted STS notification, only in the case where the STS notification report is accepted (i.e. no content errors identified)
- The list of failed validation rules is also available at a specific Extranet error page



Data storage

- Depending on the validations result the reported data are stored at the STSRE database and are available at Extranet, i.e.

- Successfully validated final STS notifications (accepted record) where validations resulted without triggering any content error (it includes submissions triggering only warnings)
 - The submitted data are stored at the database (and are available at Extranet & published at the Public register).
 - Metadata on the submission (where warnings were triggered) are stored in the database and are available at Extranet errors page (i.e. submission date, NRE code, securitisation id, notification id, error type/ code/ description)

- Final STS notifications with failed post-submission validation checks (rejected record) where validations resulted with at least one content error.
 - Failed STS notifications are stored as draft STS notification and may be completed before resubmission
 - Metadata on the submission identified with content errors/ warnings are stored in the database and are available at Extranet errors page (i.e. submission date, NRE code, securitisation id, notification id, error type/ code/ description)



Special cases – email notifications

- For the following cases the STSRE system generates email notifications to inform the email recipients and prevent any misreporting:
 - When the CA STS non-compliance status has been updated (by the RCA(s) or an ESMA user on behalf of RCAs)
 - This email notification is dispatched to (a) the reporting NRE, (b) the reported DE, (c) the RCA(s) of the submitted STSRE notification and (d) ESMA Securitisation Regulation team
 - When an old NRE-DE mapping is defined by an NRE (so that this account is from now on authorised to update/ correct/ cancel past STS notification submissions for this DE)
 - This email is dispatched to (a) the newly authorised NRE, (b) the reported DE, (c) the old authorised NRE (NRE designated by the new NRE as the old NRE), (d) the responsible CA of the reported DE, and (e) the ESMA Securitisation Regulation team
 - When a DE is linked with more than one NREs
 - This email notification is dispatched to (a) the reporting NRE, (b) the reported DE, and (c) the responsible CA of the reported DE
 - When an updated/ corrected version of a notification is received containing a different DE LEI:
 - This email notification is dispatched to (a) the reporting NRE, (b) the responsible CA of the old DE, (c) the responsible CA of the new DE, and (d) the ESMA Securitisation Regulation team.



Access to data

- The reported data are made available at:
 - **ESMA Extranet:** All submitted data (latest & historical versions) are made available at the Extranet Register of STS notifications, i.e.
 - The reported data of accepted final STS notifications submissions (i.e. no content errors) are accessible through the Search page.
 - For accepted records with warnings, the details of the identified warnings are available in the 'Errors' page.
 - For rejected records with content errors, the details of the identified content errors are available in the 'Errors' page.
 - **ESMA Public Interface:** All publishable final STS notifications data (only latest version) are made available at the public Register of STS notifications:
 - STS notifications on public securitisations
 - STS notifications on private securitisations (anonymized simplified view)
 - Non-STS compliant notifications



Access to data – Private securitisations

- For **public securitisations**, the information on the STS securitisations is published as reported in the STS notification template. On the contrary, for **private securitisations**, only a subset of the STS notification template is published by ESMA.
- For private securitisations, ESMA publishes only information that is classified as public, hence only the following information is published:
 - Initial notification date
 - Last notification date
 - STS Notification ID (Anonymised)
 - Underlying Exposures classification
 - Securitisation ID (Anonymised)
 - Securitisation classification
 - Securitisation type
 - Sanction status
 - STS compliance status
- At Extranet the STS notification template for private securitisations is accessible in full by those CAs responsible for supervising compliance of originators, sponsors and SSPEs as per the Securitisation Regulation

A private securitisation is defined a securitisation where a prospectus has not been drawn up in compliance with Directive 2003/71/EC (the Prospectus Directive). A public securitisation is defined as any other securitisation (i.e. one where a prospectus has been drawn up in compliance with the Prospectus Directive).



Access to data – Non-STS compliant notifications

For public/ private non-STS compliant notifications the only elements that are made publicly available are:

Public Non-STS compliant notification	Private Non-STS compliant notification
- Securitisation type	- Securitisation type
- Designated Entity LEI	- STS notification ID (Anonymised)
- STS notification ID	- Securitisation ID (Anonymised)
- Securitisation ID	- Securitisation classification
- Securitisation classification	- Initial notification date
- Initial notification date	- Last Notification date
- Last Notification date	- Sanction status
- SEI hyperlink	- STS compliance status
- Sanction status	
- STS compliance status	



STSRE ESMA IT System Features

Extranet features



NRE-DE mapping

- Each NRE must define the DE(s) on behalf of which s/he is responsible to submit data in order to be able to submit STS notification data.
- The NRE-DE mapping page offers features so that NREs can:
 - Assign Designated Entity, i.e. define the DE for which the NRE is authorised to submit STS notification records (on behalf of this specific DE), by providing:
 - DE LEI
 - DE name
 - DE competent authority country
 - DE generic email address
 - DE start date
 - DE end date (optional element to be populated only to define the date at which the NRE is no longer authorised to submit reports on behalf of this DE)
 - Add previously authorised NRE, i.e. define the old NRE(s) for a DE, so that the NRE is authorised to perform updates on STS notifications submitted by the old NRE(s).
 - Update NRE contact email address, i.e. to update the technical and business email address(es) related to the logged-in user's NRE account.



Features for STS notifications submission

- The STSRE system provides the following services for supporting the STS notification data submission by the NRE users:
 - Three data entry forms at Extranet for the submission of:
 - Non-ABCP securitisation notifications
 - ABCP securitisation notifications
 - ABCP programme notifications
 - Extranet features for:
 - Updating the data of a submitted final STS notification (data entry form)
 - Correcting the data of a submitted final STS notification (data entry form)
 - Extranet features for:
 - Canceling submitted report (action button)
 - Updating the STS compliance status of a submitted report (data entry form)
- The submitted data are validated by the STSRE system to ensure data quality/consistency, through the real time validation rules and post-submission content validation rules.



Feature for importing data through external file

- The STSRE system provides a specific feature for STS notification data submission through an external file (XLS format). This feature allows the NRE users to:
 - Download the STS notification template through the Extranet:
 - The template is an XLS-based template
 - Different template is available to be downloaded for each securitisation type
 - The template is the updated version of the interim XLS template.
 - Upload the populated template:
 - The NREs should populate the XLS file (locally) respecting the datatype of each reporting element, i.e.:
 - » alphanumeric/ numeric free text elements
 - » date elements (ISO format YYYY-MM-DD)
 - » closed list value fields
 - » repetitive fields (convention: value1;value2)
 - The NREs should follow the naming convention for each file to be uploaded, i.e.:
 - » STSNotificationRecord_NonAbcp_Template.xlsx
 - » STSNotificationRecord_Abcp_Template.xlsx
 - » STSNotificationRecord_AbcpProgramme_Template.xlsx
- Once submitted, the file is validated against a set of validation rules.
- After successful validation a draft STS notification record is created which can be further edited before it is submitted as the final version of the STS notification.



Feature for importing data through external file

- New XLS templates have been made available to replace the interim templates that have been used from January 2019
- The main differences between the interim templates and the final templates are:
 - Confirmation indicator has been added for each requirement of Articles 19 to 22 or Articles 23 to 26 of the Regulation
 - Optional statement has been added for requirements classified as Confirmation at RTS level
 - Reporting element containing several pieces of information have been split into several reporting elements such as
 - Originator, Sponsor, Original lender LEIs
 - Originator, Sponsor, SSPE countries
 - Instrument codes
 - Prospectus information
 - Authorised party information
 - Check boxes have been added where necessary (Subject to severe clawback, Seller is not the original lender)
 - Underlying exposures data
 - Soundness of the underwriting standards data
 - At least one payment at the time of transfer data
 - Revolving ABCP securitisation / credit quality trigger data
 - Historical Default and Loss Performance data



Imported XLS validation

The system validates the imported data according to the rules defined in the table. Once populated at the data entry form the imported data undergo the real time validation process (as if the data were filled-in at the data entry form manually).



'Search' feature & 'Details' page

Search page

- The Search functionality allows the Extranet users to retrieve new (and historical) data on the submitted STS notifications.
- The search results are displayed in table format and can be downloaded (CSV, PDF format).

Details page

- Through the search results the Extranet user can access the details page of a selected record displayed in the search results table.
- The details page:
 - presents the contents of the selected STS notification
 - supports the exporting of the STS notification contents (CSV, PDF format)



'Errors' page

- The Errors page allows the Extranet users to retrieve data relating to errors identified during the processing of submitted STS notifications. Through the Errors page the Extranet users can:
 - search information on failed submissions
 - search information on accepted submissions with warnings
 - retrieve information of erroneous/ failed records (displayed in the results table)



'Manage drafts' feature

- NRE users are allowed to create draft STS notifications which can be edited as many times as needed before a notification is submitted as final to the system.
- Draft notifications:
 - can be created through the entry forms or through the uploading of an external file
 - can be searched/ retrieved through predefined search filters at the 'Search drafts' dedicated page
 - can be edited at any time (as many times as necessary)
 - can be deleted
 - can be submitted as final (applicable only for NRE users with administrator access permissions)



STSRE ESMA IT System Features

Public Interface features



'Search' feature & 'Details' page

Search page

- The Search functionality allows the Public users to retrieve the published STS notifications data.
- The search results are displayed in table format and can be downloaded (CSV/ PDF)

Details page

- Through the search results the Public users can access the details page of a selected record displayed in the search results table.
- The details page:
 - presents the contents of the selected STS notification depending on the nature of selected records, i.e.
 - STS compliant notification on public securitisation
 - STS compliant notification on private securitisation
 - Non-STS compliant notification on public securitisation
 - Non-STS compliant notifications on private securitisation
 - supports the exporting of the published data of the STS notification (CSV/ PDF)



STSRE ESMA IT System **PROJECT SCHEDULE**

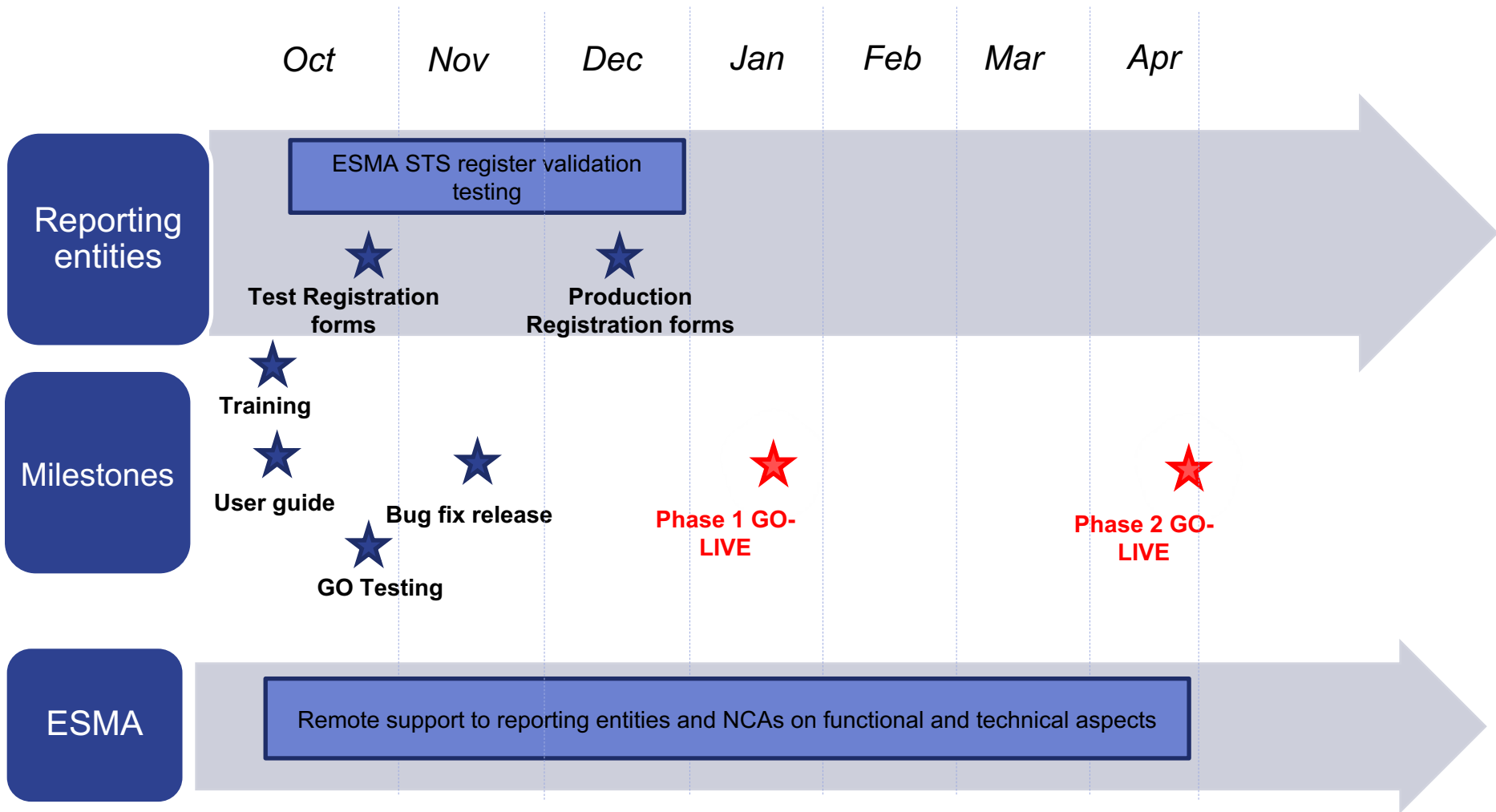


Project schedule

- The new ESMA Register of STS notifications will be delivered in 2 phases
 - Phase 1 includes all features described in that presentation
 - The go-live of Phase 1 is planned for 19th of January 2022, depending on the test results
 - Phase 2 includes additional features necessary for processing master trust securitisations for which multiple STS notifications are submitted on the same securitisation identifier
 - The go-live of Phase 2 is planned for end of April 2022 and will contain 3 additional reporting elements on Multiple STS notifications that are already included in the new templates



Macro-planning for full implementation by April 22





Existing STS notifications to be resubmitted

- Current STS notifications already submitted to ESMA cannot be automatically migrated into the new STS register as the structures of the interim and final templates are not compatible
- All current STS notifications available at the interim list of notified STS securitisations should be notified again at the new STS register using the new templates
- The initial notification date for both private and public securitisations as well as the anonymised unique identifier for private securitisations will be kept unchanged
- Points of attention
 - Data quality issues should be fixed before resubmission
 - Many submitted STS notifications do not contain any Designated entity LEI
 - Many ABCP securitisation identifiers are incorrect and are not compliant with the ABCP securitisation identifier format (20 characters LEI + T + YYYY + 2digitsclassification)
 - Misunderstanding on reporting elements related to “Originator (or original lender) is not a Credit institution” for both ABCP and non-ABCP securitisations (STSAT17 & STSS17)
 - » Check box should contain "Y" where the originator or original lender is a credit institution or investment firm established in the Union
 - » Check box should contain “N” where the originator or original lender is not a credit institution or investment firm established in the Union



Next steps

- Each reporting entity is asked to fill-in the test registration form with the list of test users that will test the new STS register available at https://ec.europa.eu/eusurvey/runner/Test_Registration_Form
- A NRE unique identification will be assigned and sent back to each reporting entity (NRE code)
- Reporting entities are asked to migrate the already submitted STS notifications into the new templates and used the ESMA testing environment to test the processing of these STS notifications
- ESMA will distribute soon the new templates for traditional securitisations at the ESMA website. Reporting entities may choose to use either the interim templates or new templates at the manual interim solution until the go-live of the system



Next steps

- The extranet test environment is available at <https://registers-t.esma.europa.eu/stsre-extranet/>
- The User Acceptance Tests (UAT) will take place in 2 phases
 - First testing period from end of October
 - Second testing period from 2nd of December to end of December following the delivery of a bug fix release
- Please contact ESMA at stsregister_project@esma.europa.eu in case of:
 - any issues with the access to the testing environment,
 - if you discover unexpected behaviour of the system,
 - If any further clarification has to be added at the xls templates description and technical guidance
- As soon as you finish your tests, please submit your test report to ESMA (we expect one report per NRE).



Bug fix release

- Following ESMA internal testing, several issues and requests for improvement have to be addressed and are planned to be implemented at the December bug fix release (planned on 2-4 of December)

- The pending issues that you may currently faced during your testing and will be resolved after the bug fix release are:
 - One mandatory ABCP field is currently set as optional ('Credit granting criteria supervision confirmation')
 - Search by field 'ISIN' does not work at the public register
 - It is not possible to fill-in the clawback provisions exemption statement for ABCP securitisations that are not subject to severe clawback and for which clawback provisions exemption applies
 - Issue on Prospectus Country that is currently set as a mandatory field where exemption on prospectus applies
 - It is not possible to fill-in the 'Transfer at a later stage' statement for ABCP where the transfer of the underlying exposures is not performed by means of an assignment and perfected at a later stage than at the closing of the securitisation



STSRE ESMA IT System

VALIDATION RULES

Content errors & warnings



Data validation – Post-submission validation

Content error validation rules of Non-ABCP securitisation notification data

Field code	Field name	Error/Warning	Error description	Error Code
N2	STSS0 - Designated Entity LEI	E	STSS0 - Designated Entity LEI: The NRE code of the submitting entity is authorised for the reported DE LEI and the last notification date is within the start date and end date defined for that DE LEI (at the NRE reference table)	STS - 001
N3	STSS1 - Instrument ISIN	E	STSS1 - Instrument ISIN: The check sum digits of the ISIN [ISIN] must be valid	STS - 002
N3	STSS1 - Instrument ISIN	E	STSS1 - Instrument ISIN: The same ISIN [ISIN] cannot be filled-in twice	STS - 003
N6	STSS2 - Originator LEI	E	STSS2 - Originator LEI: The LEI [LEI] must be an existing LEI according to the GLEIF database at the submission date	STS - 004
N8	STSS2 - Sponsor LEI	E	STSS2 - Sponsor LEI: The LEI [LEI] must be an existing LEI according to the GLEIF database at the submission date	STS - 004
N10	STSS2 - Original Lender LEI	E	STSS2 - Original Lender LEI: The LEI [LEI] must be an existing LEI according to the GLEIF database at the submission date	STS - 004
N24	STSS9 - Securitisation classification	E	STSS9 - Securitisation classification: Only 1 STS notification may exist on the same Securitisation identifier for non-ABCP securitisations	STS - 009
N81	STSS34 - Retaining entity LEI	E	STSS34 - Retaining entity LEI: The LEI [LEI] must be an existing LEI according to the GLEIF database at the submission date	STS - 004



Data validation – Post-submission validation

Content warning validation rules of Non-ABCP securitisation notification data



Data validation – Post-submission validation

Content warning validation rules of Non-ABCP securitisation notification data



Data validation – Post-submission validation

Content error validation rules of ABCP securitisation notification data

Field code	Field name	Error/Warning	Error description	Error Code
T2	STSAT0 - Designated Entity LEI	E	STSAT0 - Designated Entity LEI: The NRE code of the submitting entity is authorised for the reported DE LEI and the last notification date is within the start date and end date defined for that DE LEI (at the NRE reference table)	STS - 001
T3	STSAT1 - Instrument ISIN	E	STSAT1 - Instrument ISIN: The check sum digits of the ISIN [ISIN] must be valid	STS - 002
T3	STSAT1 - Instrument ISIN	E	STSAT1 - Instrument ISIN: The same ISIN [ISIN] cannot be filled-in twice	STS - 003
T6	STSAT2 - Originator LEI	E	STSAT2 - Originator LEI: The LEI [LEI] must be an existing LEI according to the GLEIF database at the submission date	STS - 004
T6	STSAT2 - Originator LEI	E	STSAT2 - Originator LEI: The Originator LEI should be provided.	STS - 030
T8	STSAT2 - Sponsor LEI	E	STSAT2 - Sponsor LEI: The LEI [LEI] must be an existing LEI according to the GLEIF database at the submission date	STS - 004
T22	STSAT9 - Securitisation classification	E	STSAT9 - Securitisation classification: Only 1 STS notification may exist on the combination of the same securitisation identifier, Designated Entity and sponsor for ABCP securitisation	STS - 016



Data validation – Post-submission validation

Content warning validation rules of ABCP securitisation notification data



Data validation – Post-submission validation

Content warning validation rules of ABCP securitisation notification data