

# Navigating new Securitization Regulation.

## Regulatory compliance landscape

The new Securitization Regulation (SR) came into force on January 1, 2019 and it is part of the European Commission's ongoing work to build an efficient Capital Markets Union (CMU) in the EU. It repeals multiple existing securitization frameworks and replaces it with a single and more restrictive set of rules. With inception of the regulation, prior to holding a securitization, institutional investors must:

- Comply with due diligence requirements
- Verify compliance with 5% risk retention requirements
- Have an ongoing obligation to monitor the compliance and performance of the transaction

In addition to the new securitization framework established by SR, the identification and classification of "Simple Transparent Standardized (STS)" will be valuable especially for banks, insurers and funds as it either reduces capital requirements and/or allows them to increase their exposure. In general, STS eligible securitizations will become more appealing to hold due to their beneficial regulatory treatment.

## How Bloomberg can help

Bloomberg provides valuable SR and STS data for regulatory compliance. These fields include:

- Securitization Regulation flag – indicating if the security is in scope for compliance with Regulation (EU) 2017/2402 (Securitization Regulation)
- 5% Risk Retention eligibility
- Retention method
- Retention Holder
- STS Securitization flag

This data is available to Bloomberg Enterprise clients in Data License.

## Key benefits/unique capabilities

Bloomberg SR and STS content will allow front, middle and back office groups to perform due diligence and reporting requirements that are mandatory under the Securitization Regulations.

- Bloomberg aggregates SR information and STS designations as reported in original deal documentation, the European Securities and Markets Authority (ESMA) website or ongoing investor reporting.
- ~2 million securities are covered
- SR and STS information is checked and/or derived daily from multiple sources and updated at least once per day, when applicable.

## Bloomberg for enterprise

To succeed today, financial institutions must respond to challenges that are not addressed by traditional approaches. They require world-class solutions that integrate people, processes, information and technology across the front, middle and back office. Bloomberg partners with these institutions to protect and capitalize on data, manage risk, deliver transparency and control costs. Through enterprise-level expertise and three decades of deep industry experience, Bloomberg creates real value through the use of innovative technology that turns data into a strategic asset and optimizes workflows and operations.

## Learn more

For more how we can help your firm determine a bank's liquidity level. Visit [bloomberg.com/enterprise](http://bloomberg.com/enterprise) or reach us at [enterprise@bloomberg.net](mailto:enterprise@bloomberg.net).

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