

6 January 2025

Amendments to Part X of the Financial Market Rules – Guidelines on the STS Criteria for On-Balance-Sheet Securitisation and Amending Guidelines EBA/GL/2018/08 and EBA/GL/2018/09 on the STS Criteria for ABCP and Non-ABCP Securitisation

The contents of this circular shall be read in conjunction with the Securitisation Regulation¹ ('the Regulation') and previous circulars issued by the Authority.

This circular is being addressed to all market participants, but particularly firms considering registering with the European Securities Markets Authority ('ESMA') to provide securitisation repository services under the Regulation, securitisation reporting entities being originators, sponsors and Securitisation Special Purpose Entities ('SSPEs'), investors, potential investors as well as other users of securitisation data and all entities involved in the 'Simple, Transparent, and Standardised' ('STS') notification process.

1.0 Introduction

As stipulated in Section 1 of the Guidelines, within two months of the date of publication of the Guidelines on the European Banking Authority's ('EBA') website in all EU official languages, competent authorities to whom guidelines apply must notify the EBA whether they (i) comply; (ii) intend to comply, (iii) do not comply and do not intend to comply, or iv) do not comply and do not intend to comply with parts of the guidelines/recommendations of the guidelines within stipulated deadline. Therefore, as part of the reporting requirement, and the MFSA's decision to comply with the Guidelines, some amendments have been introduced in the Financial Market Rules, specifically Part X therein.

2.0 Details of the Amendments

The MFSA presents the amendments passed in the Financial Market Rules, specifically in Part X.

¹ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012

Section 2: Guidelines on the STS Criteria for On-Balance-Sheet Securitisation

The Authority has included a new Financial Market Rule legally binding securitisation market participants to comply with the guidelines relating to STS criteria for on-balance-sheet securitisation pursuant to Article 26 of the Securitisation Regulation. Such guidelines relate to clarifications on a number of criteria, more specifically:

- Criteria relating to Simplicity;
- Criteria relating to standardisation;
- Criteria relating to transparency; and
- Criteria specific to on-balance-sheet securitisation.

QUOTE

R10-2.1 *Market participants entering into securitisation transactions shall make reference to and comply with the Guidelines issued by EBA entitled "Guidelines on the STS criteria for on-balance-sheet securitisation" which Guidelines are based on Article 16(1) of Regulation (EU) 1093/2010. A copy of these Guidelines, as may be amended from time to time, is made available by EBA and is accessible from the EBA website.*

UNQUOTE**Section 3: Amendments to Guidelines EBA/GL/2018/08 and EBA/GL/2018/09 on the STS Criteria for ABCP and Non-ABCP Securitisation**

The Authority has introduced a new Financial Market rule legally binding securitisation market participants to comply with updated Guidelines on the STS criteria for ABCP and non-ABCP securitisation.

QUOTE

R10-3.1 *In addition to the Regulation (EU) 2017/2402 – The Securitisation Regulation market participants entering into securitisation transactions shall inter alia make reference to and comply with amended Guidelines issued by EBA entitled "Amendments to Guidelines EBA/GL/2018/08 and EBA/GL/2018/09 on the STS criteria for ABCP and non-ABCP securitisation". A copy of these Guidelines, as may be amended from time to time, is made available by EBA and is accessible from the EBA website.*

UNQUOTE

3.0 Amended Financial Market Rules

The revised Financial Market Rules have been made public on the Authority's website and can be accessed through the following [link](#).

4.0 Effective Date

These amendments to the Financial Market Rules shall be effective as from 9 December 2024.

Contacts

Should you have any queries relating to the above kindly contact the Authority on securitisation@mfsa.mt.