

3 November 2020

Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

For the attention of: Jainisha Kanzaria, Brexit Policy and Handbook

Dear Sirs

Re: Response to Chapter 4 of Quarterly Consultation Paper No 29 (CP20/18)

Introduction

The Association for Financial Markets in Europe (AFME), the Commercial Real Estate Finance Council Europe (CREFC Europe) and UK Finance (together the "**Joint Associations**")¹ welcome the opportunity to respond to Chapter 4 of the Financial Conduct Authority's Quarterly Consultation Paper No 29 entitled "Proposals to reflect further onshoring changes over the transition period for EU withdrawal" (the "**CP**").

The Joint Associations and their members would like to thank the Financial Conduct Authority (the "**FCA**") for the publication of the CP for comment. This response is intended to cover only the consultation on the changes to the Securitisation Regulation binding technical standards ("**BTS**").

The process of onshoring EU law into UK law in general is an exceptionally complex and difficult one and the Joint Associations appreciate the meticulous work being done by the FCA and others to ensure that this work is done as efficiently as possible and with as much notice to – and consultation of – the market as possible under the circumstances.

Having reviewed the proposed onshoring changes to the securitisation BTS, the Joint Associations support the approach being taken by the FCA to the onshoring of these BTS. The changes being made are relatively minor, technical and, in each case, are sensible. Subject to the comments made below, members of the Joint Associations consider that the amendments proposed by the FCA should not present any undue difficulties.

The Joint Associations would emphasise, however, that the sensible, smooth transition from the EU securitisation disclosure templates to the onshored UK securitisation disclosure templates is made possible by the FCA's broad, helpful exercise of its Temporary Transitional Powers ("**TTP**"), which the Joint Associations also support. Especially helpful in this regard is the proposed exercise of the TTP contemplated at paragraph 32(h) of Annex A (*Application of*

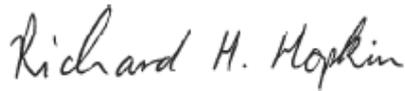
¹ See attached Annex 1 for a description of each of the Joint Associations.

the standstill direction to amendments made in Statutory Instruments and Exit Instruments amending technical standards) to the Draft Main FCA Transitional Directions published on 1 October 2020. Without that exercise of the FCA's TTP, firms would find it extremely challenging to adjust their systems in time to report on the adjusted templates prior to IP completion day.

We hope this response is helpful and are grateful for the opportunity to comment on the CP.

Should the FCA wish to discuss any aspect of our response in further detail, we would be pleased to make ourselves available. Please contact in the first instance Richard Hopkin of AFME (richard.hopkin@afme.eu), Peter Cosmetatos of CREFC Europe (PCosmetatos@crefceurope.org), or Michael Jefferson of UK Finance (michael.jefferson@ukfinance.org.uk).

Yours faithfully



Richard Hopkin
Managing Director, Head of
Fixed Income
Association for Financial
Markets in Europe

Peter Cosmetatos
Chief Executive Officer
Commercial Real Estate
Finance Council Europe

Michael Jefferson
Principal, Capital Markets
& Wholesale
UK Finance

ANNEX 1

Description of the Joint Associations

The **Association for Financial Markets in Europe (AFME)** represents a broad array of European and global participants in the wholesale financial markets, and its 197 members comprise all pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME was formed on 1 November 2009 by the merger of the London Investment Banking Association and the European operations of the Securities Industry and Financial Markets Association. AFME provides members with an effective and influential voice through which to communicate the industry standpoint on issues affecting the international, European and UK capital markets. AFME is the European regional member of the Global Financial Markets Association (GFMA) and is an affiliate of the US Securities Industry and Financial Markets Association (SIFMA) and the Asian Securities Industry and Financial Markets Association (ASIFMA). AFME is listed on the EU Register of Interest Representatives, registration number 65110063986-76.

The **Commercial Real Estate Finance Council (CREFC) Europe** is a trade association promoting a diversified, sustainable and successful commercial real estate (CRE) debt market in Europe that supports the real economy without threatening financial stability. Our core membership includes lenders, including European and non-European banks, institutional and private equity debt funds, and intermediaries who help connect capital seeking the risk and returns of CRE debt with real estate firms seeking finance. Our membership also includes investors in securitised CRE debt, loan servicing firms, law firms and various specialist advisers with an interest in the industry and markets we serve. We also have a number of real estate investors and developers in our membership, broadening our ability to speak for CRE finance markets.

UK Finance represents nearly 300 of the leading firms providing finance, banking, markets and payments-related services in or from the UK. UK Finance was created by combining most of the activities of the Asset Based Finance Association, the British Bankers' Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association.