BANQUE DE FRANCE
EUROSYSTÈME

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The regulatory framework for securitisation

Introductory remarks by Denis Beau, First Deputy Governor

Ladies and gentlemen, dear colleagues,

It gives me great pleasure to welcome you today to the Banque de France for this Securitisation Seminar, which we organise every two to three years. It gives us the opportunity to present our stance on securitisation issues and to engage openly with the community of market participants and regulators. Today's event is the perfect occasion to reflect collectively on the role of asset-backed securities (ABS), their evolution and the challenges ahead. By bringing together a wide range of stakeholders, we aim to foster a dialogue that strengthens both our understanding and our practices in this important field.

Let me start with our broad perspective at the Banque de France and the ACPR. For us, securitisation is more than a financing technique: it is a bridge between banks and capital markets, and a lever for the integration of European capital markets and the financing of the real economy. When properly regulated and transparently structured, securitisation can indeed help diversify funding sources and free up lending capacity for banks. It can also channel more resources into productive investment. In the current environment of sustained investment needs – especially for the ecological and digital transitions – its contribution can, ultimately, be decisive.

I will now focus my introductory remarks on our stance on the revised securitisation regulation after a brief reminder of the role of ABS in the monetary policy framework and as a transition financing tool.

1) Regarding ABS's role in the monetary policy framework, I would like to stress that ABS have a major place in eligible collateral, representing close to 30% of marketable securities mobilised as collateral, while accounting for less than 5% of the eligible universe. This over-representation highlights their strategic importance within the collateral framework and the functioning of our refinancing operations. To support this usage, as of November 2026, the Eurosystem will accept a broader range of ABS, aligning the credit acceptance threshold with that of the other monetary policy asset classes.

A liquid, transparent and resilient ABS market enhances the effectiveness of monetary policy. It provides the Eurosystem with a diversified set of collateral instruments, while cementing confidence among banks that their high-quality securitisations will be recognised and eligible at reasonable haircuts. But this virtuous circle depends on reliable data, consistent valuation models and market practices that prioritise transparency.

2) Regarding ABS's role in the financing of the economy, I would like to start with the general observation that securitisation should and could do more to serve the financing of the economy, given its specific properties. Indeed, it can transform non-marketable assets into negotiable securities, offering banks both a funding tool and a risk management instrument, and providing investors with additional investment grade securities. In doing so, it can free up capacity to originate new loans, particularly to SMEs and households, and support investment, and notably investment in the green transition. With that goal in mind, we believe that the potential of green ABS – such as RMBS backed by energy-efficient mortgages or auto ABS featuring low-emission vehicles – is significant. But here, the realisation of that potential hinges on standardisation, robust metrics and credible labels.

This is why we are advocating for the development and adoption of an ambitious European Green Bond label (EuGB), based on the claims underlying the securitisation, together with common climate-related indicators at loan level and reporting templates. For real estate collateral, for example, integrating Energy Performance Certificates (EPCs), along with physical risk metrics, is essential to assess vulnerabilities to climate risk, track improvements and avoid greenwashing.

Consequently, enhanced climate disclosures are not a “nice to have”: they are foundational for investor confidence and for aligning securitisation with Europe’s sustainability objectives.

3) Let me turn to my last point, the regulation of securitisation. We welcome today representatives from European institutions and major market participants who will share their perspectives on the topic.

We all know the background of this discussion on the regulatory framework. Despite post-crisis efforts, the European securitisation market remains subdued. At the same time, as I have emphasised already, Europe now faces imperative and massive financing needs stemming from its various strategic priorities, including the twin transitions – green and digital – as well as defence efforts. That is why we have been calling for an ambitious yet targeted review of our regulatory framework.

In many respects, regulating securitisation amounts to a goldilocks challenge.[1] Just like in the fairytale, the goal is to get the temperature of the regulation just right: neither too hot (overly punitive), nor too cold (underregulated). For securitisation, this has never been an easy path. Changes to the regulation must preserve its robustness and safeguards while improving proportionality and risk-sensitivity. The proposals published last June by the European Commission seem to go in the right direction since they have drawn criticism from both ends of the stakeholder spectrum. Some supervisors[2] have voiced concerns on possible excessive risk-taking while some market participants have called for more ambitious capital requirement reductions or operational simplifications.

From our perspective, the priorities are clear:

- **Simplification of requirements**, notably for transparency and due diligence, to reduce operational costs without compromising the quality of information. Clear templates and streamlined processes should facilitate both public and private transactions, including in the SME segment and in sustainable assets.
- **Proportionality and risk sensitivity in prudential rules**, so that capital charges reflect the actual risk profiles of high-quality European securitisations.

[1] This principle, based on the maxim “neither too much nor too little”, was notably transposed into the field of financial supervision by Pr. Jón Danielsson

[2] The ECB and EIOPA.

Calibration matters: overly conservative parameters may deter issuance and investment, depriving the economy of a useful tool.

- **Strong safeguards against pre-crisis excesses**, including retention rules, transparency, sustainable incentives and investor information. The objective should not be deregulation; it should be better regulation – one that rewards quality, clarity and simplicity of structures, and that keeps misaligned incentives at bay.

With these priorities in mind, we consider that the Commission's proposal goes in the right direction. We therefore support it and commend the Commission for sketching a comprehensive blueprint. It is a very solid basis for discussion that takes a holistic approach covering all the themes required to achieve an ambitious and meaningful reform. We expect the co-legislators to preserve its guiding vision. Once finalised and appropriated by market participants and supervisors, we may imagine an even more ambitious review further down the road.

Let me stress also that while regulation is important, our supervisory practices can also help. It is therefore crucial for us to keep updating and improving our processes to leverage on our previous successes and expertise. It is important that the SRT recognition process is streamlined and made more efficient, in line with the ambitious SSM reform agenda and for more efficient, effective and risk-based supervision. This process should benefit both the market and supervisory teams, through more standardised efforts, capacity planning and increased visibility for the former and efficiency gains for the latter. It should allow supervisory efforts to be rationalised and improve the allocation of resources towards non-standard transactions.

I therefore wish the SRT fast-track process we have decided to put in place, in the first half of this year, the same success we have had with the SSM securitisation hub.

I shall end my introductory marks here. I have touched on a number of issues that need to be addressed for securitisation to become a potent lever for integrating European capital markets and financing the real economy, and you will have the opportunity to discuss them during this seminar.

I would like to thank you all for joining us and I wish you lively, stimulating and fruitful discussions.