Dear Sirs,

The Investment Management Association (IMA) is the trade body for the UK asset management industry, representing around EUR5 trillion of funds under management. Its member firms include managers of a wide range of asset classes for a wide range of clients, including institutional funds, authorised unit trusts and open ended investment companies.

We welcome the opportunity to comment on the latest consultation.

Key messages

As investors in securitisations, our members welcome measures to align the interests of securitisers with those of investors.

Our members are exposed to securitisation by way of funds operating under the AIFMD and UCITS frameworks, the former mirroring CRD. In addition to the EU collective investment directives, some of our members have to contend with the US Dodd-Frank Act. As such, we urge the authorities at EU and global levels to work together, so that investors can access the information necessary to conduct due diligence.

As stated above, AIFMD mirrors CRD, but there are still issues that need resolution.

It would be helpful as the EBA drafts standards to implement CRD IV/CRR that it clarifies the position where there is no clear sponsor in the transaction, perhaps as the securitisation was arranged by a firm that is not a recognised financial institution and/or a firm has a portfolio of assets, e.g. trade loans, that it wishes to sell, but in a form that uses “tranchéd” financing. Having a subordinated investor holding the 5% may not be available.
AIFMs are required to conduct due diligence and monitor the underlying exposures. That may not always be possible in the case of resecuritisations or issues purchased in the secondary market. Secondary market purchases do not always have access to the original issue documentation. It would be helpful to have greater disclosure of loan level data. This is particularly important for stress testing.

We have not replied to the questions as they are aimed at securitisers and banks that invest in securitisations.

**Conclusion**

The IMA looks forward to working with the international standard setters to develop a framework that is appropriate and effective for all stakeholders.

We hope that you will find our comments useful. Please contact me by way of e-mail (iHenry@investmentuk.org) or telephone on (00 44) (0) 20 7831 0898 should you require further information.

Yours faithfully,

Irving Henry

Prudential Specialist

Investment Management Association