



The European Federation of Financial Services Users  
Fédération Européenne des Usagers des Services Financiers

# Better Finance's Response to Consultation: “An EU framework for simple, transparent and standardised securitisation”

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“An EU framework for simple, transparent and standardised securitisation”



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## “An EU framework for simple, transparent and standardised securitisation”

Better Finance, the legitimate representative of individual shareholders, retail investors and financial services users in general, welcomes this important consultation on securitization by the European Commission. Naturally our constituency is not directly concerned by securitization since asset-backed securities are not generally sold to the wider public but rather to institutional investors; although ABS may sometimes be embedded into “packaged” products that are sold at retail level.

Nevertheless, we would like to make the following general comments:

- i. Any resumption of securitization must be highly standardized and kept as simple as possible; banks should keep significant “skin in the game”, e.g. they should maintain a significant part of these ABS on their own balance sheets to ensure that eventual risks would be borne by those making profits from securitization.
- ii. The securities’ lending disclosure and profit-sharing rules for share ownership should be aligned to those applicable to UCITS funds ownership. The re-lending of lent securities should be banned, as well as the re-pledging of securities as collateral, following the Canadian example.

