European Commission - Press release

Commission proposes measures to revive the EU Securitisation Framework

Strasbourg, 17 June 2025

The European Commission has today adopted a package of measures to make the EU securitisation framework **simpler and more fit for purpose**. The proposed measures seek to **facilitate securitisation activity in the EU** while **continuing to safeguard financial stability**. A stronger and simpler securitisation framework can help channel more investments into the real economy - supporting economic growth, innovation and job creation across the EU. This review is the first legislative initiative proposed under the Savings and Investments Union (SIU) Strategy.

Securitisation involves the pooling of loans and debt held by banks and financial institutions, which are then packaged into new products that investors can buy. It allows banks to free up capital for new loans to households and businesses, while also enabling a **broader sharing of credit risk** beyond the banking system.

The existing framework entered into application in 2019 and introduced a set of rules which **strengthened investor protection, transparency, and financial stability**. Based on the implementation of the framework over the past six years, the Commission has identified that some aspects of the existing rules are hindering market developments.

The targeted regulatory changes proposed today aim to address these shortcomings and ultimately **boost the EU securitisation market**. By eliminating undue barriers to issuance and investment, financial institutions are expected to engage in more securitisation activity and, importantly, to use the capital relief for additional lending to EU households and businesses.

Proposed changes

The proposal adopted by the Commission includes targeted amendments to the **Securitisation Regulation**, which lays down a set of requirements applicable to all parties involved in securitisation transactions. These adjustments aim to reduce the high operational costs for issuers and investors in EU securitisations and simplify certain due diligence and transparency requirements. Additionally, amendments are proposed to the **Capital Requirements Regulation (CRR)**, which defines the prudential framework for banks and sets outs how much capital banks need to hold for their securitisation exposures. These measures aim to introduce more risk sensitivity in the prudential framework for banks issuing securitisations. Today's proposals will now be submitted to the European Parliament and the Council for their consideration and adoption.

Additionally, the package includes draft amendments to the **Liquidity Coverage Ratio (LCR) Delegated Regulation** which have been published today on the 'Have Your Say' portal, for a four-week consultation period. The LCR sets out the amount of liquid assets that a bank must have to meet its short-term liquidity needs. The draft amendments published today aim to address inconsistencies in the existing requirements that securitisation need to comply with in order to be eligible for inclusion in banks' liquidity buffer.

In the coming weeks, the Commission also plans to publish draft amendments to the **Solvency II Delegated Regulation** for feedback. The draft amendments will aim at enhancing the insurance prudential framework to better account for actual risks of securitisation and remove unnecessary prudential costs for insurers when investing in securitisations.

Background

The Eurogroup statement of 11 March 2024 invited the Commission to assess all the supply and demand factors hampering the development of the securitisation market in the EU, including the prudential treatment of securitisation for banks and insurance companies and the transparency and due diligence requirements, while taking into account international standards.

The European Council conclusions of 18 April 2024 reinforced this call to relaunch the European securitisation market, including through regulatory and prudential changes. The European Council conclusions of June 2024 called again on the Council and the Commission to accelerate work on all identified measures under the Capital Markets Union.

Relaunching securitisation has also been recommended in the reports from Enrico Letta and Mario Draghi as a means of strengthening the lending capacity of European banks, creating deeper capital markets, building the European Savings and Investments Union and increasing the EU's competitiveness.

The need to accelerate work on all the measures developing banking and capital markets, including securitisation, was highlighted in the political guidelines of Commission President **von der Leyen** from July 2024, and reiterated in the mission letter to Commissioner **Albuquerque**.

For More Information

Questions and Answers

Proposal for amendments to the Securitisation Regulation

Proposal for amendments to the Capital Requirements Regulation

Consultation on targeted amendments to the Liquidity Coverage Ratio Delegated Regulation

IP/25/1502

Quote(s):

"Securitisation is a useful instrument to generate additional financing for EU households and companies, including SMEs. It also allows investors, such as insurers, to better diversify their investment opportunities. Today's proposals will contribute to reviving the EU securitisation market by simplifying and enhancing our regulatory and prudential framework while preserving robust safeguards to ensure financial stability. This review can contribute to deepening our capital markets and financing the EU's strategic priorities, in line with the Savings and Investments Union objectives. However, a vibrant securitisation ecosystem cannot be achieved by regulation alone and is not an end in itself. We count on the support of the financial industry to strengthen the EU securitisation market and I clearly expect it to use this fit-for-purpose framework to provide more funding to households and business, including SMEs."
Maria Luís Albuquerque, Commissioner for Financial Services and the Savings and Investments Union

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Related media

Press conference by Maria Luís Albuquerque, European Commissioner, on the review of the Securitisation Framework