

EFS Guidance on Reporting On-balance Sheet Securitisation

General guidance

- SPVs are a separate legal entity to the ADI or RFC and should not be consolidated within domestic books reporting.
- Any positions between the ADI or RFC and an SPV that is a related party will need to be recorded as an intra-group asset or liability.
- Assets that have been securitised into a covered bond (and are held in a covered bond collateral pool) are considered to be on-balance sheet securitised assets. However, while they are similar, covered bonds do not fall under the definition of 'asset-backed securities' for the purposes of the EFS collection (see ARS 701.0).
- The counterparty type of a covered bond trust should be 'Financial institutions n.e.c' – since these trusts do not actually issue the covered bonds themselves, they do not meet the EFS definition of a 'Securitiser'. All other SPVs would generally be classified as 'Securitisers'.

ARF 720.0A

- For any on-balance sheet securitisations (including covered bonds securitisations), the underlying loans should be reported in items 6, 13.1 and 13.1.1. Assets in a covered bond collateral pool should also be reported in item 6.1.
- Because on-balance securitised assets are not derecognised but notionally transferred to the SPV, a liability equal to the value of the assets transferred should be reported in items 20 and 20.1.
- Any outstanding loans or other funding to a related-party SPV should be reported in item 12.
- Any securities held that are issued by a related SPV should also be recorded in item 12. Note, asset-backed securities issued by a related SPV should be treated as debt securities, not intra-group loans.
- Since covered bonds are issued by the ADI itself, any covered bonds should be reported as an issued debt security in item 16.2.

ARF 720.1A

- Any on-balance sheet securitised loans (including assets in a covered bond collateral pool) should be reported in items 1-3 (as applicable) and item 4, according to their characteristics.
- Loans to related parties (including related SPVs) should not be reported on this form.

ARF 720.3

- Loans to related-party SPVs should be reported in items 1.1.5 and 2.1.4 (note, this is funding provided to the SPV, not the value of loans transferred for securitisation).
- Any securities held by the ADI that are issued by a related SPV should be reported in items 1.1.2 and 1.1.2.1 or items 1.1.3 and 1.1.3.1 (and 1.1.3.1.1 for self-securitisations), as well as item 2.1.4. This does not apply to covered bonds, since these are issued by the ADI itself.

- Since on-balance securitised assets (including assets in a covered bond collateral pool) are only notionally transferred to the SPV, the liability equal to the value of the assets transferred should be reported in items 3.1.4 and 4.1.4. (Note that item 3.1.3.2 is used to record the value of loans borrowed by the reporting ADI from related parties.)

ARF 720.4, ARF 720.5

- Asset-backed securities issued by a related SPV, including for self-securitisation, should be treated as debt securities, not intra-group loans. Any debt and equity securities held by the ADI that have been issued by a related-party SPV should be reported on ARF 720.4 and ARF 720.5, respectively.
- Covered bonds issued by the reporting entity should not be reported on ARF 720.4.

ARF 720.6

- Since covered bonds are issued by the ADI itself, report any issued covered bonds on this form.