



**STATISTICS DIRECTORATE  
DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS**

**COM/STD/DAF(2006)2  
For Official Use**

**THE SECURITISATION PROCESS IN THE OCDE COUNTRIES**

**AN OVERVIEW**

**This document has been prepared by M.A. Menéndez and B. Sanz, Statistics and Central Balance Sheet Data Office Department - Banco de Espana**

*WORKING PARTY ON FINANCIAL STATISTICS*

*To be held on 9-10 October 2006*

*Tour Europe - Paris la Défense  
Beginning at 9:30 a.m. on the first day*

**JT03213922**

Document complet disponible sur OLIS dans son format d'origine  
Complete document available on OLIS in its original format

**English - Or. English**

## THE SECURITISATION PROCESS IN THE OCDE COUNTRIES

### AN OVERVIEW

#### I. General note

The process of asset securitisation is a financial phenomenon that has long existed in most countries with more or less developed economies. Financial institutions in these economies have been widening their sources of external financing, mobilising portfolios of loans with long maturities by issuing securities collateralised by these loans. However, the complexity of this process has been increasing in recent years, with the emergence of financial intermediaries specialising in these transactions, which have introduced highly varied ways of carrying out securitisation transactions. All this is having a notable impact on the analysis of financial flows, securities markets and, in certain cases, hampers correct analysis of the growth in credit extended by credit institutions both within the framework of monetary analysis and in that of the financial accounts. The importance of this process contrasts notably with the lack of systematic information with a certain degree of homogeneity across countries. Indeed, in many countries the activity of the specialised entities that have emerged is not even regulated. Aware of these shortcomings, the European Central Bank, two years ago, included in the work programme of its Statistics Committee the compilation of regular, homogeneous statistics by the EU Member States. The OECD Financial Statistics Working Group also considers it desirable to move in this direction.

Against this background, this document presents what may be a first step in commencing the work of identifying the securitisation processes being carried out in OECD countries, in order to deepen knowledge of the activity of the new financial intermediaries that are emerging, to exchange the various experiences of the countries, to obtain information on the new agents, instruments and markets that have been emerging and, ultimately, to achieve the compilation of sufficiently harmonised statistics to enrich the information upon which financial analysis is based.

This first step has taken the form of a questionnaire for member countries accompanied by three diagrams that are intended to help with its interpretation. As mentioned above, the phenomenon of securitisation can be highly complex, and therefore the questionnaire does not seek to cover exhaustively every kind of transaction and agent involved, but to obtain a base of information that is sufficiently broad, but within certain limits, which helps to highlight the most relevant aspects of this market in the different countries. It is suggested that the work be undertaken in four stages. The first would consist of obtaining from delegates their suggestions and comments on the questionnaire, taking into account its non-exhaustive nature mentioned above. When the questionnaire has been agreed, in the second stage it would be completed by the countries. The third stage would involve the drafting of a document setting out the main conclusions that would serve to finally establish the procedures to continue to improve the knowledge of this phenomenon.

#### II. Questionnaire on securitisation

The purpose of this questionnaire is to provide an initial assessment of the existence of the phenomenon of securitisation in OECD countries. The questionnaire is structured into four parts. The first one refers to the existence or non-existence of securitisation processes and the way in which they are

carried out. The second part identifies the characteristics of the securitisation when carried out through a specialised entity. The third part addresses issues relating to the sources of information available to measure the activity of entities created to securitise assets. The last part is devoted to other quantitative issues and to the reflection of certain transactions in the financial accounts.

### **1. *Questions regarding the existence of securitisation processes***

1.1 Do asset securitisation processes currently exist? If yes, state what procedures are followed to carry out the securitisation:

( ) they are carried out directly by the holder of the assets (the originator) through the issuance of asset-backed securities: the assets remain on the originator's balance sheet and the securities issued are recognised as liabilities

( ) they are carried out through special purpose entities (SPEs) such as financial vehicle corporations (FVCs)<sup>1</sup>. This financial intermediary proceeds to issue securities backed by securitised assets. With the funds obtained it finances the originator, who may derecognise the assets (true sale), transferring them to the SPE (FVC), or else keep them on its balance sheet, creating as a counterpart a financial derivative (synthetic securitisation, under which only the risk is transferred) or a deposit.

( ) they are carried out by agreement between the originator of the assets and the debtor (the party obliged to make payments on the securitised asset), with transformation of the loans into securities. In the balance sheets of both parties the loan is replaced by securities.

1.2 Are there any resident SPEs (FVCs)? Is their activity regulated?

1.3 Does the law establish that these entities are to be supervised? Which supervisory body performs this function?

1.4 Does the supervisory body keep an official public register, or is there any other public register to identify resident SPEs (FVCs)? If there are no public registers of these entities, is it possible to identify resident SPEs (FVCs)?

### **2. *Questions relating to the type of securitisation carried out through a SPE (FVC)***

2.1 Do SPEs (FVCs) have as their object intermediation in one single securitisation transaction (closed entities) or can they carry out several securitisation transactions over time (open entities)? Do both closed and open entities exist?

2.2 Can the originator of the securitised assets be identified through the information supplied by the SPE (FVC)?

2.3 In many cases of true sales, although the securitised assets are derecognised by the originator, the latter continues to administer the transaction. This frequently occurs when the originator is a financial institution or a government body. In these cases, is there information available on securitisation through originators who continue to administer the transaction?

---

<sup>1</sup> Given the diversity of names that may be used to identify these entities in each country and that various types of entity may intermediate in securitisation processes, the national terminology used should be indicated in this part of the questionnaire.

2.4 Is it possible to identify from the information available the nature of the securitisation, i.e. whether they are true sales [in which the originator transfers the securitised asset to the SPE (FVC) and derecognises it], or else synthetic or some other kind of securitisation (under which the originator keeps the securitised asset on its balance sheet)?

2.5 What types of asset can be securitised? Can rights to future income or contingent assets be securitised?

2.6 Is it possible to *unequivocally* identify the different assets securitised by an SPE (FVC), i.e. the type of loan, asset or rights securitised, and whether or not they are collateralised?

2.7 Is it possible to *unequivocally* identify the different counterpart sectors (sector to which the party obliged to make payments on the securitised asset belongs) of the assets securitised by an SPE (FVC), i.e. whether they are financial institutions, households, non-financial corporations, general government or non-residents?

### 3. *Questions on the sources of information available on the securitisation carried out through an SPE (FVC)*

3.1 Are resident SPEs (FVCs) required to report periodic information on their activity to the supervisory body or some other public body?

3.2 Do the rules regulating the periodic information to be reported by SPEs (FVCs) require standardised forms and establish uniform valuation criteria?

3.3 If the SPEs (FVCs) are under no obligation to report periodic information, do securities market rules include obligations to register *public* securities issues made by SPEs (FVCs) on domestic markets? If not, are there alternative sources to identify their *public* securities issues?

3.4 Are there alternative sources to identify the *private* securities issues of SPEs (FVCs)?

3.5 Are there alternative sources to identify securities issues made abroad by SPEs(FVCs)?

### 4. *Quantitative questions on the securitisation process*

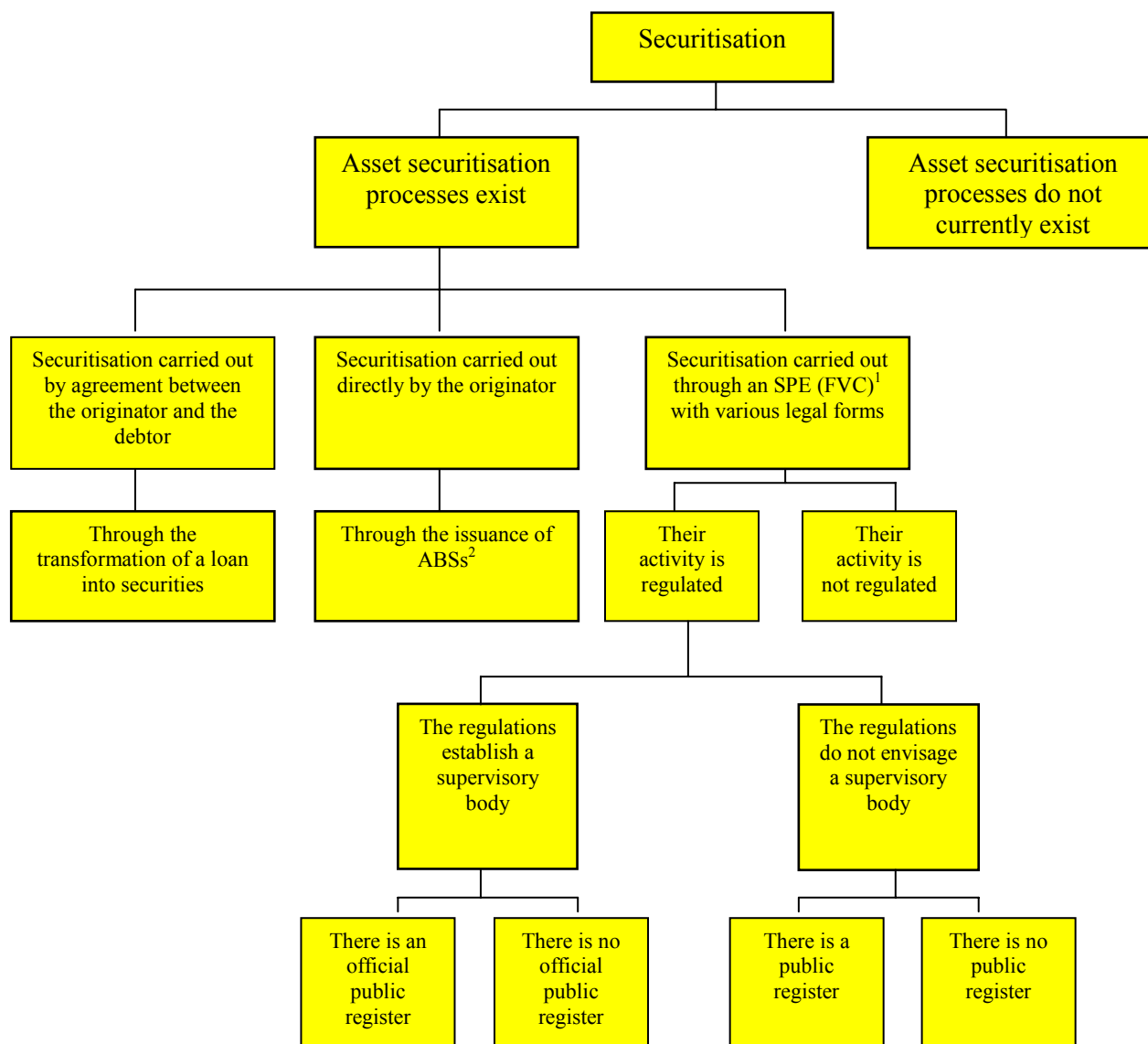
4.1 If data are available on the securitisation included in the sub-sector other financial intermediaries (excluding insurance corporations and pension funds) of the National Financial Accounts, what proportion of the total assets of the financial institutions of your country do they represent?

4.2 If data are available on the outstanding amount of issues made by SPEs (FVCs), what proportion of the total outstanding amount of the securities issues of financial institutions do they represent?

4.3 Is there a supervisory body or other public or private body that disseminates data on securitisation? If there is, state whether the data are published electronically and the address to gain access to them.

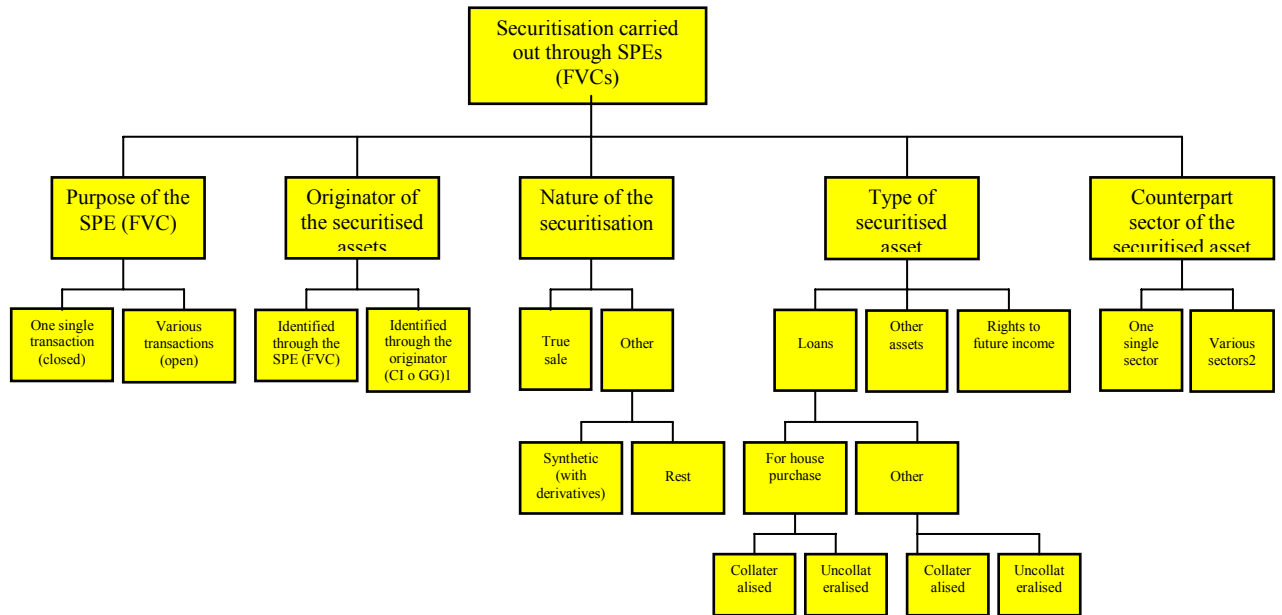
4.4 In the case of securitisation that does not involve derecognition by the originator, how is the double counting that may arise in the financial accounts, when considering the financing granted by all financial institutions to the counterpart sector (that to which the party obliged to make payments on the securitised assets belongs), or in the issuance of securities avoided?

## 1. IDENTIFICATION OF SECURITISATION



<sup>1</sup> SPE: Special Purpose Entity  
 FVC: Financial Vehicle Corporation  
<sup>2</sup> ABS: Asset-Backed Securities

**2. TYPES OF SECURITISATION CARRIED OUT THROUGH SPEs (FVC)**

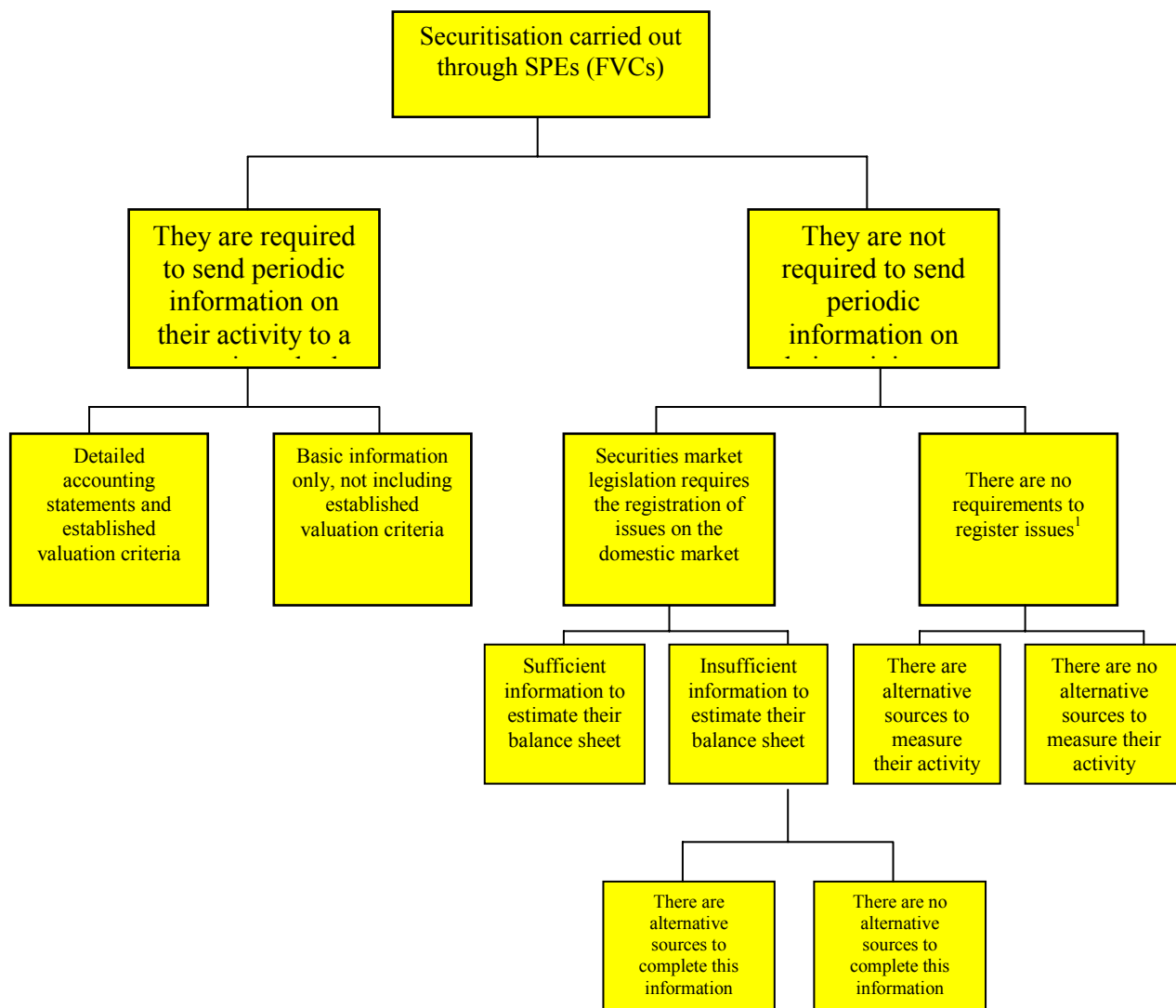


<sup>1</sup> CI: Credit Institution

GG: General Government

<sup>2</sup> Including "non residents". The aim is to identify the sector to which the party obliged to make the payment of the securitised assets belongs.

### 3. SOURCES OF INFORMATION ON SECURITISATION CARRIED OUT THROUGH SPEs (FVCs)



<sup>1</sup> Including private issues and issues made abroad