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WORKING PARTY ON FINANCIAL STATISTICS

**THE SECURITISATION PROCESS IN THE OECD COUNTRIES: SUMMARY OF RESPONSES TO
THE SECOND QUESTIONNAIRE AND PROPOSED FOLLOW-UP**

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THE SECURITISATION PROCESS IN THE OECD COUNTRIES: SUMMARY OF RESPONSES TO THE SECOND QUESTIONNAIRE AND PROPOSED FOLLOW-UP

1. Introduction

Due to the growing importance and complexity of the process of asset securitisation, its impact on financial, credit and monetary analysis and the lack of systematic information with a certain degree of homogeneity, the WPFS agreed at its 2006 meeting to conduct a questionnaire, designed to identify the securitisation processes, if any, being carried out in the OECD countries. The survey essentially comprised three parts: (i) existence, organisation and extent of securitisation processes; (ii) availability of data on securitisation for the purpose of inclusion in financial accounts; and (iii) treatment of securitisation in national accounts. The results of this questionnaire were presented at the 2007 meeting of the WPFS, in a document entitled "*The securitization process in the OECD countries. Summary of responses to the OECD-WPFS questionnaire and discussion on the follow-up*" [COM/STD/DAF(2007)9]. After the discussion session, the WPFS agreed:

- a) On the need to have more quantitative and qualitative information on the business of SPEs. For these purposes, a new questionnaire on SPEs would be launched in 2008.
- b) To update the document that summarises the first questionnaire, to include the delegates' comments at the meeting or further additional contributions in writing.
- c) To take another look at the text on securitisation operations in the SNA under review, to see if the SNA editor considers there would be room for possible enlargement or improvement, even though the chapter on unit classification was practically closed.

At the 2008 meeting of the WPFS, the summary document of the first questionnaire was presented, including the delegates' comments [COM/STD/DAF(2008)8], and the proposal for a new questionnaire was discussed, in the document entitled "*The securitization process in the OECD countries: proposal for a new questionnaire to better understand this phenomenon*" [COM/STD/DAF(2008)10]. The aim of the new questionnaire was to obtain further information, to supplement that provided through the first one, on topics such as "traditional" and "synthetic" securitisation and the structure of SPEs' liabilities, and to begin to explore the availability of data and the feasibility of data collection.

It was also agreed at the 2008 meeting that the summary of replies to the questionnaire be kept as a living document, to enable the delegates to amend it, as and when necessary, so that it is updated as the securitisation process develops in the different OECD countries.

Section 2 to this paper summarises the replies to the second questionnaire, while Section 3 contains the main conclusions and a proposal for the follow-up. Attached to the paper is an Annex with an outline of the countries' replies to each question.

2. Replies to the second questionnaire on securitisation in the OECD countries

Much of the questionnaire is not applicable to 12 countries, because the securitisation process has never been regulated (the Czech Republic, Hungary, Slovakia and Slovenia), because, despite being regulated, there has been no or very little activity (Austria, New Zealand, Sweden, Switzerland and Turkey), or because securitisation is conducted only by non-resident SPVs (Finland, Greece and Iceland). Accordingly, except when otherwise indicated, the replies to the questions refer only to the other 15 countries that responded to the questionnaire.¹

The questions and main aspects of the replies are set forth below.² Although, in some of their answers, some countries referred to the period before and after the financial crisis, only the comments relating to the pre-crisis period have been considered.

2.1. Under the IAS norms and other national legislation there are cases where the securitised assets through a SPV are not allowed to be derecognized from the balance sheet of the originator. In these cases: How is this operation recorded in the balance sheet of both the originator and the SPV? Which are the instruments that reflect the transaction? How a possible double counting of the securitized assets (usually loans) can be avoided?

In nine countries where the operation described exists, double counting can be avoided (AU, DE, ES, IT, JP, LU, NL, PT and UK); in the case of AU, DE, NL and PT, because the SPV records a loan vis-à-vis the originator (usually a credit institution) and a loan vis-à-vis the SPV as a liability of the originator (NL and PT) (a deposit in the case of AU, or even under “other liabilities” in some cases in DE).

In ES and IT, the SPV records the operation as “securitised assets” and the funds received by the originator are recorded as “other liabilities” (IT) or as a deposit of the SPV (ES). In both cases, the information received by the originator is sufficient to make the necessary adjustment to avoid double counting of the loans.

In JP, this kind of securitisation is recorded as an off-balance-sheet operation of the originator by means of a depositary corporation (trustee). The trustee records the loan as an asset, and when it is passed on to the SPV, the latter records a “trust beneficiary right”, thus avoiding double counting.

In UK, the Bank of England does not collect data from SPVs when loans remain on the originator’s balance sheet, so there is no problem of double counting of loans. The proceeds of securitisation are recorded as “deposits” on the liabilities side of the originator’s balance sheet. A new securitisation reporting scheme came into force in January 2009 in UK, making it possible to identify all deposits from an institution’s own SPV, meaning that these deposits may be separated out if desired.

LU records a “loan” as an asset of the SPV; double counting is possibly taking place.

In the case of IE and KR, derecognition is permitted in all cases, and finally, in FR, BE, DK and USA, only true sales or synthetic securitisation exist, so the question is not applicable. Nevertheless, in USA’s opinion, the proceeds to the originator should be recorded in its liabilities as a loan payable to the SPV.

1 Four countries (Canada, Mexico, Norway and Poland) failed to respond to the questionnaire.

2 For the sake of brevity, the countries are referred to by their abbreviations (see table 1 at the end of this section).

- 2.2. *For the countries where some kinds of securitisation does not imply that the assets securitised are derecognized from the balance sheet and where an assets and a liability is recorded between the originator and the SPV, in case of further acquisition by the originator of part of the securities issued by the SPV: Is the liability of the originator (loan or deposit vis-à-vis the SPV) netted out with the securities bought?*

Of the nine countries where this question is applicable, seven responded that these operations are recorded gross (AU, DE, ES, IT, NL, PT and UK). They are only recorded net in USA. In JP, due to the accounting followed (see the reply to 2.1), this question is not applicable.

- 2.3. *In “synthetic” securitisation the originator only transfers the credit risk to the SPV, so that the loan itself remains on the assets side of the originator's balance sheet. This transfer of credit risk takes place by means of the generation of a derivative (included in the SPV's liabilities) which is acquired by the originator (it will be reflected in the assets of this agent). The transaction entails a corresponding movement of cash or deposits between the two agents (originator and SPV). Subsequently, the SPV shall issue securities whose proceeds it shall deposit with the originator or invest in high credit quality securities (sovereign debt, for example).*

The countries were asked to respond whether the “synthetic” securitisation transactions performed in their countries differ from what described in the previous paragraph.

In most countries (BE, DE, DK, ES, IE, IT, JP, LU, NL, PT, UK and USA), “synthetic” operations do not differ from the above description. DK expressly indicates that they usually take the form of CDSs. In ES, IT and PT, operations of this kind are not relevant, and in IT they are usually performed by non-resident SPVs. In FR the only difference is that the derivatives (CDSs) are not recorded in the originator's and SPV's balance sheets, but are treated as an off-balance-sheet operation.

No synthetic operations exist in KR, while in AU there is no information available on them.

- 2.4. *As for the structure of the SPVs liabilities the questionnaire contains the following two questions:*

- a) *Do SPVs frequently finance their medium or long-term lending transactions by issuing short-term securities that are continuously re-issued?*

The response is **affirmative** for FR (10% of SPVs, accounting for nearly 30% of the total outstanding as at end-2008), IE, JP, KR, USA, LU, ES, and IT (in the three last countries it is not a frequent phenomenon). The response is **negative** for BE, DE (but yes abroad, by setting up entities such SIVs or conduits), DK, IT, NL (but usually in the case of non-resident SPVs), PT and UK.

AU does not collect specific information on this matter; however, some SPVs do roll over short-term debt securities.

- b) *In case of positive answer, is there usually some formal or informal commitment by the originator to provide financial support to the SPV in the event that the issues of such SPV do not take place owing to adverse market conditions? Does this support take the form of the provision by the originator of lines of liquidity to the SPV?*

With a **positive** answer are: DE (for SPVs established abroad), ES, FR (acquisition of SPV securities), IE, JP, KR, LU (the originator gives some kind of guarantee), NL and USA.

In UK, since the start of the credit crisis, several banks have purchased securities issued by their own SPVs, or have made loans to their own SPVs, so there may be some informal commitment by the originator to support SPVs.

2.5. This part of the questionnaire tries to draw some clues about the complexity of the securitisation process either in terms of units involved or of the time of completion of the process, by means of the following questions:

- a) *Are there cases in which one SPV acquires the asset (or the rights thereto) and another SPV issues the securities?*
- b) *In case of affirmative answer, is the second SPV (the one that issues the securities) frequently a non-resident?*
- c) *Are there other cases where more than one SPV are involved? If so, please describe those cases*

With a **negative** response to a) are: AU, BE, DK, ES, IT and KR (or at least not known). In DE such cases are possible but none have yet been observed.

Among the other countries that answered in the **affirmative** to the first question, there is such a wide range of cases that it is worth considering them in some detail, as follows:

- FR: the second SPV is usually a non-resident; moreover, the second SPV often holds the securities of several of the first kind of SPVs.
- IE: the SPV issuing the securities is often a resident, while the SPV holding the assets securitised and the originator are often non-residents, but the opposite is also the case (the SPV acquiring the assets is often a resident and is funded by issuance of securities by a non-resident SPV).
- JP: the first SPV acquiring the securitised assets is often the Tokyo branch of the second SPV which is a resident abroad.
- LU: there are cases, but they are not frequent; in these cases, the second SPV is often a non-resident.
- NL: there are cases, but they are not very common; the second SPV may be a non-resident, but it may sometimes be a resident; there may even be a third company holding the assets purchased.
- PT: these are frequent in the case of Loan Securitisation Funds, which acquire securitised assets which are then sold to a non-resident SPV which, in turn, issues different tranches of securities; on the contrary, in the case of securitisations made through Loan Securitisation Companies, there is no two-step scheme.
- UK: there are also cases where several SPVs are engaged in a single securitisation.

- USA: the second SPV is not generally a non-resident.

d) *Are there cases in which the period between the acquisition by an SPV of the asset to be securitised and the issuance of the securities is lengthy?*

With a **negative** response: ES, IT and PT. Not aware: NL and UK. In DE it is possible, but no such cases have yet been observed. With a **positive** reply: IE, FR (only a few days), LU (up to 12 months), JP (four months is quite usual) and USA (three to six months in a well-functioning market). In the remaining four countries (AU, BE, DK and KR) this information is not available or is unknown.

2.6. *Experience also shows that there are significant discrepancies in relation to the valuation of assets and liabilities linked to securitisation in the financial accounts and/or other financial statistics. In this respect, the countries were asked if they consider that homogenous valuation criteria should be established to facilitate the comparability of the available information and if so, what is their opinion on the method of valuations more convenient for the assets and liabilities in the SPV's balance sheet.*

On the other hand, it was also asked to the countries if in their opinion, the SPVs should identify, in the information they supply, amounts corresponding to write-off and write-downs.

A majority of countries are in favour of adopting as common a valuation method as possible, to enhance international comparability, but the preferred method differs (market price, fair value, face or nominal value, book value or historical value/cost). Many would prefer to have different valuation methods to meet different users' needs. Others stress the difficulty of making international comparisons when book value is the valuation method adopted, since the different factors behind this method depend on the country in question and these factors are unknown to the other countries (national valuation criteria). In any case, statistics like the Financial Accounts have to follow recommended (SNA) or obligatory (ESA) valuation criteria, but the difficulty here lies in the base statistics used to prepare the Financial Accounts. In some cases these base statistics are the balance sheet required for statistical purposes, in others the supervisory statements and in others the SPV investors' reports. Since the accounting rules governing each of these sources differ, some degree of flexibility is sometimes advisable to alleviate the burden for institutions.

For the euro area countries, the entry into force, in February 2010 (data as for December 2009), of ECB Regulation 2008/30 (Regulation (EC) No 24/2009) concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions will certainly help obtain more homogenous statistics. To the extent that other non-euro area EU countries also intend to comply with the Regulation, this will constitute a broad basis for comparison of statistics. In the same vein, the recent publication of the first part of a "Handbook on Securities Statistics" coordinated by the BIS, the ECB and the IMF, is a further, highly valuable step in this direction.

Regarding the **question on write-offs and write-downs**, practically all the countries that responded considered this information very useful, so it should be made available. In some countries (AU, BE, FR and USA), data on these items for securitised loans either exist or may be estimated somehow, but this is not generally the case. Again, with the entry into force of the new ECB Regulation referred to above, these data will be available for euro area countries and other EU member countries.

2.7. *On the functioning of the SPVs, the countries were asked if it is common that their SPVs have securitisation operations where assets that were liquidated are replaced for new ones*

The response is **negative** for BE, DK and KR and **positive** for the other ten countries. In AU the information is not directly available, but they assume practices of this kind exist; in JP such practices were common until 2003, mainly for securitised car loans, but they have been rarely seen since; and in LU they are not frequent. In USA this practice is common for credit cards, home equity lines and other types of under-performing or non-performing revolving debts. In UK there are several large master trusts in the residential mortgage loans segment and, in PT, they are typically used for consumer loans.

2.8. *In the field of the Insurance corporations, sometimes an insurance corporation subscribes a reinsurance contract with a SPV, related to a portfolio of direct insurance. As in a usual reinsurance contract, the insurance corporation transfers to the SPV part of the premium received on the said portfolio .The SPV issues bonds to investors. The proceeds are used to guarantee the reinsurance permitted by the premium obtained from the direct insurance portfolio. If the claims are higher than the threshold defined in the reinsurance contract, the principal will not be repaid to investors. With respect to these kind of operations the following questions were raised to the countries:*

- a) *If they exist in the country and*
- b) *In case of a positive answer, which is the usual accounting treatment:*
 - of the proceeds on the asset side of the SPV.
 - of the reinsurance contract on the balance sheet of the insurance company.
 - when the insurance company buys part of the securities issued, if the assets and liabilities are netted out

The answers to question a) were **negative or “not aware of”** in ten countries (BE, DE, DK, ES, KR, IT, LU, NL, PT and UK). In AU this information is unknown, in IE these operations may take place but no information is available, and in JP these operations exist but are rare.

Only FR and USA gave a clear **positive** reply:

- In FR, operations of this kind have been possible since 2008 (Law of 13 June 2008). The ACAM (insurance supervisory authority) gives its approval to securitisation vehicles (or to vehicle compartments). Nevertheless, to date, no securitisation vehicle has been created under the new law.
Prior to introduction of the 2008 law, several insurance risk securitisation operations took place, either with a foreign FVC (2006) or in a way that records insurance premia as payables (2001, 2004).
- Regarding b), before the 2008 law, the proceeds were recorded as “receivables”. However, the amounts of the corresponding insurance reserves “reinsured” were known and were the reference amounts for issue of securities.

The operation is assimilated to a reinsurance operation. The insurance reserves are held on the liabilities side of the originator. A corresponding deposit in reinsurance corporation is recorded on the assets side.

Finally, in principle, the assets and liabilities cannot be netted out.

- In USA, the proceeds are typically invested in high-quality, short-term securities. However, under USA GAAP, industry loss warranties documented as reinsurance contracts are treated as “reinsurance”; regarding the possibility of netting out, this is unknown.

2.9. *As experience seems to show there are a wide variety of institutions and types of transactions within the scope of securitisation; however it also seems that the same transaction or the same type of institution sometimes has a different name in different countries, even though they perform the same function. For this reasons it has been asked to the countries if they consider that international organisations such as the IMF, OECD, ECB and BIS should work together to establish a terminology, concepts and homogenous definitions for the institutions, transactions and instruments used in securitisation.*

All the countries that answered the questionnaire responded in the **affirmative**. Some of the notable features of their replies are:

- It would be very useful to allow international comparisons.
- The Commission/Eurostat should also be included.
- The new ECB regulation on assets and liabilities of financial vehicle corporations engaged in securitisation transactions, drafted in very close collaboration between the ECB, the EU national central banks and the European Securitisation Forum (ESF), may be considered a very useful starting point.
- To the extent that accounting standardisation is also the responsibility of the supervisors, the recently created Financial Stability Board (FSB) should also be taken into account.

2.10. *It was also asked to the countries if they consider that it would be helpful that the international organisations which have been involved in revising the SNA to prepare “guidance notes” setting out in detail all the known securitisation possibilities and the recommended way of recording them in the System of National Accounts. And in case of a positive answer if it would be sufficient for the “guidance notes” to include the result of the work referred to definitions for institutions, transactions and instruments, valuation, write-off, write-downs and the replacement of assets.*

All the countries, with no exception, replied in the **affirmative**, with the following remarks:

- AU considers that the guidance notes should be extended to other parts of the questionnaire.
- BE indicates that the financial crisis may possibly lead to more simplicity. If this is confirmed, complex and complicated instruments will be abandoned. This should be taken into account in the guidance notes.
- DE states that some guidance notes would certainly be helpful, but they should be based, as much as possible, on concepts and definitions that are already available (such as ECB Regulation 2008/30). Some examples seem to be a good starting point, but could be extended in the future. Furthermore, it should be ensured that the guidance notes are compatible with implementation of the ESA.

- NL stresses the importance of avoiding duplication of work, taking into consideration the work already done.
- USA points out that guidance on “terms” would also be very useful.

2.11. Finally, to have an assessment of the availability of quantitative information, it was required from the delegates to complete, fully or partially, two tables with some level of detail in terms of instruments and counterparties on the assets and liabilities of SPVs balance sheet and for the every year of period 2004-2008

The table below contains a summary.

| Replies to the second questionnaire on securitization in the OECD countries | | | | |
|--|----|----------------------|---------------|---|
| Quantitative information | | | | |
| Countries | | Balance sheet | Period | Amounts (total assets 2008) million EURO |
| Australia | AU | Yes | 2004-2008 | 110,741 |
| Austria | AT | Not applicable | | |
| Belgium | BE | Yes | 2008 | 50,737 |
| Canada | CA | No | - | - |
| Czech Republic | CZ | Not applicable | | |
| Denmark | DK | Yes | 2004-2007 | 184(1) |
| Finland | FI | Non residents | | |
| France | FR | Yes | 2004-2008 | 54,139 |
| Germany | DE | No | - | - |
| Greece | GR | Non residents | | |
| Hungary | HU | Not applicable | | |
| Iceland | IS | Non residents | | |
| Ireland | IE | No | - | - |
| Italy | IT | Yes | 2004-2008 | 238,113 |
| Japan | JP | Yes | 2004-2008 | 271,455 |
| Korea | KR | Yes | 2004-2008 | 25,027 |
| Luxembourg | LU | No | - | - |
| Mexico | MX | No | - | - |
| Netherlands | NL | Yes | 2004-2008 | 333,615 |
| New Zealand | NZ | Not applicable | | |
| Norway | NO | No | - | - |
| Poland | PL | No | - | - |
| Portugal | PT | Yes | 2004-2008 | 42,898 |
| Slovakia | SK | Not applicable | | |
| Slovenia | SI | Not applicable | | |
| Spain | ES | Yes | 2004-2008 | 462,615 |
| Sweden | SE | No | - | - |
| Switzerland | CH | Not applicable | | |
| Turkey | TR | Not applicable | | |
| United Kingdom | UK | Yes | 2004-2008 | 236,541 |
| United States of America | US | Yes | 2004-2008 | 6,507,006 |

(1) 2007

3. Conclusions and follow-up

The results of this second questionnaire, which complement those of the first, confirm a number of aspects that were already perceptible when the WPFS began to work on this matter three years ago. First, if we overlook the last two and a half years in which, as a consequence of the financial crisis, the markets have been at a virtual standstill, the securitisation process has recorded strong growth and activity in a significant group of the OCDE countries. Second, some of these processes have been highly complex, as in many cases a single process has involved different kinds of instruments and agents, in some cases extending well beyond national borders. Third, there are significant gaps in terms both of qualitative and quantitative information. Thus, in some countries, there is no organised or regular information available, despite the scale of securitisation in these countries, while in others, specific aspects of the processes or of the ultimate implications of the operations performed are unknown.

Nevertheless, however bleak this picture may seem, the very awareness of these failings is a good starting point, against the backdrop of the present financial crisis, knowing, as we now know, that, to some extent, securitisation largely helped spread and amplify the crisis. Accordingly, further work in this area is not only an obligation for statisticians, but also an incentive that is difficult to resist. However, having reached this point, what should be the appropriate follow-up? The proposal to the WP comprises the following lines of work:

- As a consequence of the financial crisis, future securitisation processes will probably be simpler and more transparent than to date. However, this is not a certainty, so the development of these processes in the different countries must be closely monitored. Thus:

Proposal 1: *Studies and reports on how securitisation is developing in each country should be one of the avenues to be pursued. Given that the WP meets only once a year, it may be worth holding a workshop on this matter in 2010.*

- In February 2010, as a result of the entry into force of ECB Regulation 2008/30, systematic and harmonised quantitative data will begin to be available within the European System of Central Banks. As is customary, the ECB will start to disseminate these new statistics following a period of verification of the data quality. Although the Regulation is only binding on the euro area countries, other European Union countries will foreseeably incorporate the standards established into their respective legislation. In any case, an information base will become available, covering a broad range of countries that will allow comparative studies to be made with other non-EU OECD countries.

Proposal 2. *Part of the WG's future work should be dedicated to following up this process. To this end, any relevant and/or problematic aspects of the development of securitisation in the OECD countries should be addressed at each meeting. In this respect, the WP should take note of the progress being made under the new ECB Regulation.*

Proposal 3: *At the same time, there should be close cooperation with all international organisations interested in securitisation, developing guidance notes, manuals and practical examples in connection with all aspects of securitisation, in a highly coordinated manner so as to avoid any duplication.*

Annex 1

COUNTRY REPLIES TO THE SECOND QUESTIONNAIRE ON SECURITISATION:

SHORTENED VERSION

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2 nd questionnaire | | | | | | | |
|---|---|--|--|--------|---|---|---|
| | Australia | Austria | Belgium | Canada | Czech Republic | Denmark | Finland |
| | | There is no change in the present situation (according to the 1 st questionnaire only one SPE). More information will be available by the amendment of the banking statistics next year | | | Neither Czech Statistical Office nor Czech National Bank have no securitisation operations record | | Nothing new to report in this area (all SPE are non-residents according to the 1 st questionnaire) |
| 1 When the originator is not able to derecognize the loan | | | | | | | |
| a) Heading on the assets-side of the SPV's balance sheet | "Loans & Receivables; Loans to originators and other trusts" | | The securitization implies the transfer of assets and liabilities | | | Not applicable | Not applicable |
| b) In case loan, how avoiding recorded twice | The Australian Bureau of Statistics (ABS) only collects data from SPVs which means that double counting is not an issue | | All operations are "true sales". The system of "double writing" avoid "double book-in" | | | Not applicable | Not applicable |
| c) Heading on the liabilities-side of the originator's balance sheet | The ABS does not collect data from originators. The prudential regulator (APRA) collects Balance Sheet data. This data does not have a separately identifiable field for receipt of funds from SPVs | | The receipt by the seller is a asset that allows new acquisitions on repayment of debt | | | Not applicable | Not applicable |
| 2 If it was deposits and the originator retained part of the securities issued | | | | | | | |
| d) Is it recorded netting out assets and deposits? | Gross reporting | | The purchaser loses cash and wins bonds | | | Not applicable | Not applicable |
| 3 Synthetic securitization process | | | | | | | |
| e) Do they differ from the one described in item 3? how do they differ? | There is not information collected by the ABS on synthetic securitisation. APRA also does not release any data specific to this | | They are consistent with the description | | | No differences. As described, with a Credit Default Swap. With the proceeds from the issued securities has the FVC made a deposit with the originator | Not applicable |
| 4 Structure of the SPVs liabilities | | | | | | | |

Survey on the securitisation process in the OECD countries: Summary of the responses to the 2nd questionnaire

| | Australia | Austria | Belgium | Canada | Czech Republic | Denmark | Finland |
|--|--|----------------|--|---------------|-----------------------|----------------|----------------|
| f) Do your SPVs issue short-term re-issued securities? | Some SPVs do roll-over short term debt securities | | In general, no | | | Not applicable | Not applicable |
| g) Does the originator support the re-issuing of securities? | See 4f) | | In all cases, as for other operations, agreements of “good closed-end”, and issued liabilities will be help by a counterpart | | | Not applicable | Not applicable |
| 5 Securitisations evolving two SPVs | | | | | | | |
| h) Is this frequent in your country? | It is only very limited activity | | Not applicable | | | No | No |
| i) Is the issuing SPV frequently a non-resident? | Not applicable | | Not applicable | | | Not applicable | |
| j) Other cases of more than one SPV involved? Describe the case | | | Not applicable | | | Not applicable | None |
| k) Cases in which the period between the acquisition of the asset and the issuing of securities is lengthy? | No information is requested on the time period assets are held prior to the issue of asset backed securities | | Not applicable | | | Not applicable | No |
| l) Examples of the length of this period | | | Not applicable | | | Not applicable | |
| 6 Variety of institutions and type of transactions in different countries | | | | | | | |
| m) Should international organization work on the homogenization of terms, concepts, definitions ...? | A common terminology, concepts and definition to measure securitisation consistently | | Importance of the operation independently of the name | | | Yes | Yes |
| 7 About valuation of assets and liabilities on financial accounts and other statistics | | | | | | | |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2nd questionnaire | | | | | | | |
|---|---|----------------|--|---------------|-----------------------|--|---|
| | Australia | Austria | Belgium | Canada | Czech Republic | Denmark | Finland |
| n) Should homogenous valuation criteria been established? How assets and liabilities of FVCs should be valued? | Many securitisers value Asset Backed Securities at face value. Providers are asked to report on market value basis. National Accounts uses SNA08 Market Valuation | | Difference on valuation is a fact. The most important is the nominal value of the debt | | | Yes, at market value or best estimate | |
| o) Should the SPV inform about write-off and write-down? | Providers report in the Income and Expenditure part of the form | | According the source, the information is available | | | Yes, like banks | Will be included in the new MFI reporting for transactions from 2010 when MFI is a counterpart to a SPV |
| 8 Revolving the pool of assets | | | | | | | |
| p) Do you have these types of operations? | It can happen (no information on how common it is) | | In principle, the operations go to the end | | | No | Not applicable |
| 9 About the current revision of the SNA | | | | | | | |
| q) Should it be include "guidance notes" about securitisation? Would it be sufficient including m),n),o) and p)? | Documenting m), n), o) and p) would be a good start. Also need to refer a), b), d) and h) | | In a context of crisis it seems that the process will develop to more simplified instruments | | | It would be helpful. Including m),n),o) and p) would be sufficient | It would be helpful |
| 10 About the reinsurance securitized operations | | | | | | | |
| r) Do they exit in your country? | Unknown | | In principle, no. Although SPVs could do insurance and reinsurance | | | No | No |
| 11 In case of yes, the usual accounting treatment of | | | | | | | |
| s) Asset side of the SPV | | | Not applicable | | | Not applicable | |
| t) Reinsurance contract of the insurance company | | | Not applicable | | | Not applicable | |
| u) When the | | | Not applicable | | | Not applicable | |

Survey on the securitisation process in the OECD countries: Summary of the responses to the 2nd questionnaire

| | Australia | Austria | Belgium | Canada | Czech Republic | Denmark | Finland |
|--|------------------|----------------|----------------|---------------|-----------------------|----------------|--|
| <i>insurance company buys part of the securities issued, are the items netted out?</i> | | | | | | | |
| 12 Other kind of securitisation | | | | | | | |
| <i>v) Describe any other kind of operation linked to securitisation</i> | | | | | | | No new processes since the first questions |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2 nd questionnaire | | | | | | | | | |
|---|---|---|---|---|--|--|---|--|---|
| | France | Germany | Greece | Hungary | Iceland | Ireland | Italy | Korea | Japan |
| | | | | Securitisation process is still not in progress | The Iceland's current position is that Iceland is no longer strictly dealing in securitisation | | | | |
| 1 When the originator is not able to derecognize the loan | | | | | | | | | |
| a) Heading on the assets-side of the SPV's balance sheet | There are either "true sales" (loans are derecognised) or synthetic (loans are not derecognised) | Under the general item "loans" | Not applicable. Securitisation is carried out through SPVs located abroad (in London) | | | Not applicable, derecognition is permitted | "Securitized assets", regardless of the derecognition by the originator | Such transaction does not happen: all originator have to sell their securitized assets | Originator entrusts securitized assets with depository corporations and SPV hold the "trust beneficiary rights", a subcomponent of "special assets" |
| b) In case the heading is "loans", how avoiding recorded twice | Loans are recorded once, on the asset side of the originator if loans are not derecognized, on the asset side of the SPV if loans are derecognized. This can't entail any double counting | The loan is recorded vis-à-vis the respective originator and not vis-à-vis the original debtor(s) | Not applicable. Only "true sales" takes place | | | Not applicable, derecognition is permitted | For self-securitizations, banks' reports contain information on flows to avoid double counting. More information after the implementation of new ECB regulation on SPVs | Not applicable | Off-balanced from originator. Double counting could arise between the trustee and SPV. Avoided accounting as "loans" by the trustee while "trust beneficiary rights" by the SPV |
| c) Heading on the liabilities-side of the originator's balance sheet for receipts from SPV | Deposits (in the case of synthetic securitisation) | Typically as a long-term liability (deposit). Alternatively it may also record it under "remaining liabilities" | Not applicable | | | Not applicable, derecognition is permitted | Remaining liabilities. Deposits (over two years) after the implementation of new ECB regulation on SPVs | Not applicable | Not frequent (it may be of "loans") |
| 2 If it was deposits and the originator retained part of the securities issued by the SPVs | | | | | | | | | |
| d) Is it recorded netting out | Netting is not permitted | Not netted | Increase on the originator assets (securities issued by non-residents) | | | Not applicable, derecognition is permitted | Not netted | Not applicable | Not applicable |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2nd questionnaire | | | | | | | | | |
|---|--|--|---|----------------|----------------|--|--|--|---|
| | France | Germany | Greece | Hungary | Iceland | Ireland | Italy | Korea | Japan |
| assets and deposits? | | | reducing cash or other claims | | | | | | |
| 3 Synthetic securitization process | | | | | | | | | |
| e) Do they differ from the one described in item 3? how do they differ? | The process differs only on one point: Credit default swap are not recorded on balance sheet (for the SPV and the originator as well) | No | Not applicable | | | No, not generally | Out of the scope of the Italian Law. Marginal operations (by large banks) through foreign SPVs | At present there is not synthetic securitisation | No differences |
| 4 Structure of the SPVs liabilities | | | | | | | | | |
| f) Do your SPVs issue short-term re-issued securities? | Daily issuances in about 10 to 20 cases on 185. 6 French conduits refinance long term securities issued by SPVs with asset bank commercial paper | Not at the moment. In the past banks have used entities (conduits, SIVs) abroad | Not applicable | | | Yes, but recently less common due to liquidity constraints | Not frequently | Yes, SPVs frequently finance their medium or long-term transactions by issuing short-term securities | Observed particularly in issuance of ABCPs |
| g) Does the originator provide financial support to the SPVs, in particular by lines of liquidity? | Acquisition by the originator of securities issued by the FVCs | Yes. In the case of SPVs resident abroad, the banks did provide lines of liquidity to the SPVs | The originator may provide short-term credit enhancement (liquidity of limited amount) in adverse market conditions | | | Yes, this have been happened in adverse market conditions | | Yes, there is usually formal or informal provision to provide financial support between SPV and the originator | Yes, the originator bank provides backup line to the SPV. If SPV cannot issue commercial paper due to adverse market circumstances the originator bank lends to the SPV |
| 5 Securitisations evolving two SPVs | | | | | | | | | |
| h) Is this frequent in your country? | This may happen with a French SPV (first level) and a foreign SPV (second level) It is more frequent the second level SPV gathers the securities of several of first level SPVs | No. It could occur, but has not yet been observed | Not applicable | | | Yes | No | No | Yes, frequently |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2nd questionnaire | | | | | | | | | |
|---|--|---|---|----------------|----------------|--|--|-------------------------------|---|
| | France | Germany | Greece | Hungary | Iceland | Ireland | Italy | Korea | Japan |
| i) Is the issuing SPV frequently a non-resident? | Yes | No. It could occur, but has not yet been observed | Not applicable. Only one single securitisation transaction (SPE, closed entity) | | | Yes, it is common that the issuer is an Irish-resident SPV and the SPV holding the securitised assets and the originator are non-resident | | Not applicable | Yes. Frequently the Caiman islands. These non-resident SPVs play the role of the headquarters and the SPVs that acquires the assets, the Tokyo branch |
| j) Other cases of more than one SPV involved? Describe the case | See 5h) | No | No | | | Yes. It is common that assets of the Irish issuer funded by the issuances of non-resident vehicles, e.g. commercial paper issuer in the US | | Not applicable | No |
| k) Cases in which the period between the acquisition of the asset and the issuing of securities is lengthy? | Yes | It could be, however currently not relevant | Not applicable SPVs are non-residents | | | Yes, may be a lengthy warehousing period in advance of issuance of notes | Generally not lengthy | Not applicable | Yes. A SPV sometimes raises funds by borrowing from the originator bank |
| l) Examples of the length of this period | Some days | No information | | | | Not known | | Not applicable | Four months (length of maturities of accounts receivables) |
| 6 Variety of institutions and type of transactions in different countries | | | | | | | | | |
| m) Should international organizations work on the homogenization of terms, concepts, definitions ...? | A common definition can help to understand securitisation and make better international comparison | Yes. The new ECB regulation on SPVs could be a starting point. The ESCB in cooperation with the European Securitization Forum has developed a terminology and | It is not a top priority | | | Yes | Yes. The new ECB regulation is an important contribution | Yes, it would be very helpful | Yes, important for supervision. FSB could be a decision body |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2nd questionnaire | | | | | | | | | |
|---|---------------|--------------------------------------|---------------|----------------|----------------|----------------|--------------|--------------|--------------|
| | France | Germany | Greece | Hungary | Iceland | Ireland | Italy | Korea | Japan |
| | | homogeneous concepts and definitions | | | | | | | |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2 nd questionnaire | | | | | | | | | | |
|---|---|---|----------------|---------|---------|---------|---|--|---|--|
| | France | Germany | Greece | Hungary | Iceland | Ireland | Italy | Korea | Japan | |
| 7 Valuation of assets and liabilities on financial accounts and other statistics | | | | | | | | | | |
| n) Should homogenous valuation criteria been established? How assets and liabilities of FVCs should be valued? | The nominal value corrected in separated items to reflect the acquisition price and further amortised is usually the best value The nominal value may not be available (impaired loans sold) | It facilitates data comparability, but flexibility should be allow (to accommodate national market practises) in order to reduce reporting burden | Yes | | | | Difficult to balance, e.g. application of fair value of assets under IFRS and alternative valuations for statistical data | Yes. Particularly relevant is the difference between IAS and statistical standards: e.g. securitised loans valued at purchase price at the moment securitised loans enter in supervisory reports while the new ECB regulation on SPVs at nominal | Yes, to facilitate comparability. But SPV should follow the domestic accounting standard. Difficult reporting in case these two criteria are different. | Yes, at book value or notional amount. Market value is rather difficult to obtain but useful too. Having the two values could be the best option |
| o) Should the SPV inform about write-offs and write-downs? | This information is available in profit and losses account | Yes, but with some flexibility to reduce reporting burden. Considering the over-collateralisation it could have minor impact on outstanding amounts | | | | | Yes | Yes. will be provided after the implementation of new ECB regulation | Yes | Yes |
| 8 Revolving of a pool of assets | | | | | | | | | | |
| p) Do you have these types of operations? | Yes. This form of guarantee has been recently allowed by the law | Yes | Not applicable | | | | Yes, some master trusts (revolving portfolio of assets) and structures investment vehicles (actively managed portfolio of assets) | Some operations | No, it is not common | 2002-2003 for securitisation of car loans. It is rarely now |
| 9 About the current revision of the SNA | | | | | | | | | | |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2nd questionnaire | | | | | | | | | |
|---|---|---|--|----------------|----------------|---|--------------|---|-----------------------|
| | France | Germany | Greece | Hungary | Iceland | Ireland | Italy | Korea | Japan |
| q) Should it be included "guidance notes" about securitisation? Should it be included some examples? | Yes, guidance notes with all forms of securitisation. The result of this work would be sufficient | Yes, but bases as much as possible on already available concepts and definitions, e.g. ECB regulation on SPVs and compatible with SNA/ESA | Focused on the ESCB road map on this issue | | | Yes, useful to explore | Yes | Yes, it would be very helpful. At present, it would be sufficient to include the result of the work | Yes |
| 10 About the reinsurance of securitized operations by SPVs | | | | | | | | | |
| r) Do they exit in your country? | It is possible since 2008 (13 June 2008 law). However no securitisation vehicle has been created in France under this new law | Not aware that it exists | No | | | May occur, but not information or such transactions | No | No | It is rarely observed |
| 11 In case of yes, the usual accounting treatment of | | | | | | | | | |
| s) Asset side of the SPV | Previous to the 2008 law the proceeds were accounted as "receivables" | Not applicable | Not applicable | | | | | Not applicable | |
| t) Reinsurance contract of the insurance company | Assimilated to an operation of reinsurance. The insurance reserves are kept on the liability of the originator (a deposit in reinsurance corporation) | Not applicable | Not applicable | | | | | Not applicable | |
| u) When the insurance company buys part of the securities issued, are the items netted out? | In principle, the assets and liabilities can't be netted out | Not applicable | Not applicable | | | | | Not applicable | |
| 12 Other kind of securitisation | | | | | | | | | |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2nd questionnaire | | | | | | | | | |
|---|---------------|----------------|---------------|----------------|----------------|----------------|--------------|--------------|--------------|
| | France | Germany | Greece | Hungary | Iceland | Ireland | Italy | Korea | Japan |
| v) Describe any other kind of operation linked to a securitisation | | | | | | | | No | |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2 nd questionnaire | | | | | | | | |
|---|--|--------|--|------------------------------------|--------|--------|---|--|
| | Luxembourg | Mexico | Netherlands | New Zealand | Norway | Poland | Portugal | Slovakia |
| | | | | There is no securitization process | | | | There is no securitisation in Slovakia |
| 1 When the originator is not able to derecognize the loan | | | | | | | | |
| a) Heading on the assets-side of the SPV's balance sheet | Loans | | Long-term loans | | | | Loans | |
| b) In case loan, how avoiding recorded twice | No specific accounting classifications. The statistical reporting will identify the counterparts of the transactions in order to eliminate double counting | | Recording a loan from the SPV to the originator There is an additional transaction in loans recorded between the SPV and the originator | | | | Recording a loan from the SPV (in the asset-side) to the originator (in the liabilities side) | |
| c) Heading on the liabilities-side of the originator's balance sheet | Depending on the type of the originator and the initial maturity | | Long-term loans received from the SPV (counterpart sector OFIs) | | | | Long-term borrowings vis-à-vis OFIs (SPV sector) | |
| 2 If it was deposits and the originator retained part of the securities issued | | | | | | | | |
| d) Is it recorded netting out assets and deposits? | No mandatory rules | | Not netted. Otherwise the holdings of the issued securities are not consistent with the issued securities | | | | Not netted | |
| 3 Synthetic securitization process | | | | | | | | |
| e) Do they differ from the one described in item 3? how do they differ? | No differences | | No | | | | No, but is, so far, not relevant | |
| 4 Structure of the SPVs liabilities | | | | | | | | |
| f) Do your SPVs issue short-term re-issued securities? | Not frequent | | No, usually these are non-resident SPVs; currently not recorded if occurring | | | | No. Sometimes there are revolving of the pool of assets (see question p) | |
| g) Does the originator support the re-issuing of securities? | A guarantee is in place from the originator | | Yes | | | | | |
| 5 Securitisations evolving two SPVs | | | | | | | | |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2 nd questionnaire | | | | | | | | |
|---|---|--------|---|-------------|--------|--------|---|----------|
| | Luxembourg | Mexico | Netherlands | New Zealand | Norway | Poland | Portugal | Slovakia |
| h) Is this frequent in your country? | Not frequent but exists | | Not very common, but it exists | | | | By law there are two different SPV: Securitization Companies (STCs) are limited companies without two stage scheme adopted. Securitization Funds (FTCs) are funds usually established in two steps: in the first step FTC issues securities to a SPV located abroad and, in the second step, the non-resident SPV issues tranches of securities | |
| i) Is the issuing SPV frequently a non-resident? | Yes | | Usually, but sometimes also a resident one | | | | See answer to question h) | |
| j) Other cases of more than one SPV involved? Describe the case | Some cases where the debt has been repackaged through another SPV | | Occasionally (not common), a third entity acts as a holding company of the asset purchasing companies | | | | See answer to question h) | |
| k) Cases in which the period between the acquisition of the asset and the issuing of securities is lengthy? | Not in case of true sale. There are cases of a warehouse (ramp-up) period to allow for the purchase of securitised assets | | Not aware of | | | | It is very short, usually registered in the same day | |
| l) Examples of the length of this period | Usually between 6-12 months | | Not applicable | | | | | |
| 6 Variety of institutions and type of transactions in different countries | | | | | | | | |
| m) Should international organization work on the homogenization of terms, concepts, definitions ...? | Yes | | Yes, including the European Commission/ Eurostat | | | | Always welcome specially in complex process as securitisation. It should cover different originator sectors (including non-financial sector) and assets securitised | |
| 7 About valuation of assets and liabilities on financial accounts and other statistics | | | | | | | | |

Survey on the securitisation process in the OECD countries: Summary of the responses to the 2nd questionnaire

| | Luxembourg | Mexico | Netherlands | New Zealand | Norway | Poland | Portugal | Slovakia |
|---|--|--------|---|-------------|--------|--------|---|----------|
| n) Should homogenous valuation criteria been established? How assets and liabilities of FVCs should be valued? | It would be useful to have homogeneous valuation criterion. Due to the nature of some transactions the valuation policy may deviate from cost less impairment, mark to market and management assessments | | Yes. Valuation criteria depending to a high extent on the users' needs | | | | Yes, to facilitate the comparability. Transactions should be valued at market value. In Financial Accounts, differences to the nominal value registered in "revaluation accounts" | |
| o) Should the SPV inform about write-off and write-down? | This information would be useful to the investor and other reader of the annual accounts | | Included in the new ECB regulation on FVCs | | | | Included in the new ECB regulation on SPVs | |
| 8 Revolving the pool of assets | | | | | | | | |
| p) Do you have these types of operations? | Not frequent but exist | | Yes. Also the so-called "pass through" structures: liquidated/redeemed assets are used for (sometimes early) redemption of securities issued by the SPV | | | | It happens from time to time particularly in case of short/medium term loans, typically consumer loans | |
| 9 About the current revision of the SNA | | | | | | | | |
| q) Should it be include "guidance notes" about securitisation? Would it be sufficient including m),n),o) and p)? | Yes | | Always helpful (including examples). As long as homogeneous standards are applied and there is no duplication of work already carried out (ECB) | | | | Important for statistical purposes. The guidance should be as widespread as possible (handbook) | |
| 10 About the reinsurance securitized operations | | | | | | | | |
| r) Do they exit in your country? | No cases identified yet | | Not aware of | | | | No | |
| 11 In case of yes, the usual accounting treatment of | | | | | | | | |
| s) Asset side of the SPV | Not applicable | | Not applicable | | | | Not applicable | |
| t) Reinsurance | Not applicable | | Not applicable | | | | Not applicable | |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2 nd questionnaire | | | | | | | | |
|---|-----------------------|--------|----------------|-------------|--------|--------|----------------|----------|
| | Luxembourg | Mexico | Netherlands | New Zealand | Norway | Poland | Portugal | Slovakia |
| <i>contract of the insurance company</i> | | | | | | | | |
| u) When the insurance company buys part of the securities issued, are the items netted out? | Not applicable | | Not applicable | | | | Not applicable | |
| 12 Other kind of securitisation | | | | | | | | |
| v) Describe any other kind of operation linked to a securitisation | No particular comment | | | | | | | |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2 nd questionnaire | | | | | | | |
|---|---|--|--|---|--|---|--|
| | Slovenia | Spain | Sweden | Switzerland | Turkey | UK | USA |
| | The securitisation process does not exist in Slovenia | | SPVs without significant economic importance | There were seven securitisations of loans in Switzerland in the period 1998 to 2003 (EUR 11 billion) and none since. They are all expired by now. New securitisations of domestic loans are not likely in the near future | Survey was answered by Capital Markets Board of Turkey. Waiting for additional responses from other related institutions Accounting and financial reporting is subject to IAS/IFRS requirements. Although existing regulations on securitisation, no transactions have occurred yet | The answers given here are from a statistical point of view and refer to MFIs' SPVs only. The answers may be different for SPVs sponsored by non-MFIs | |
| 1 When the originator is not able to derecognize the loan | | | | | | | |
| a) Heading on the assets-side of the SPV's balance sheet | | Securitized loans | | Not applicable | | The Bank of England does not collect data from SPVs where the loans remain on the originator's balance sheet. If any entry would be recorded on SPV balance sheet it would be a credit default swap, or a claim on the originator | In USA's Flow of Funds Accounts (FFA) financial instruments from the securities in the SPVs, such as CDOs and synthetic securitizations, such as CDSs are not measured |
| b) In case loan, how avoiding recorded twice | | We have information about securitized loans not derecognised by Credit Institutions (from supervisory statements). We can adjust the loans of the asset side of the SPVs to avoid record twice the loans | | Not applicable | | Given a), this problem will not arise | In the FFA only true sales are measured: the loan is removed from the balance sheet of the originator |
| c) Heading on the liabilities-side of the originator's balance sheet | | Deposits | | Not applicable | | A deposit (a time deposit in general). Under a new reporting scheme (since January 2009) it will be able to identify all deposits from an institution's own SPV | The liability would be a loan payable to the SPV |
| 2 If it was deposits and the originator retained part of the securities issued | | | | | | | |
| d) Is it recorded netting out assets and deposits? | | Since 2008 not netted. Until then we have information to obtain deposits and securities on a gross basis | | Not applicable | | There is no netting in this instance | Would be shown net |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2 nd questionnaire | | | | | | | |
|---|----------|--|--------|----------------|---|--|---|
| | Slovenia | Spain | Sweden | Switzerland | Turkey | UK | USA |
| 3 Synthetic securitization process | | | | | | | |
| e) Do they differ from the one described in item 3? how do they differ? | | No. Only a few synthetic securitisation was carried out by non resident SPVs | | Not applicable | | No | They are consistent with the description |
| 4 Structure of the SPVs liabilities | | | | | | | |
| f) Do your SPVs issue short-term re-issued securities? | | Occasionally. Currently is not relevant | | Not applicable | Not applicable | No | Yes, Commercial paper conduits |
| g) Does the originator support the re-issuing of securities? | | Yes, there are formal commitment supporting lines of liquidity | | Not applicable | Not applicable | There may be some informal commitment due to the credit crisis and because the markets have been closed | Yes for most commercial paper conduits, often provided by the originator and sometimes provided by other financial institutions |
| 5 Securitisations evolving two SPVs | | | | | | | |
| h) Is this frequent in your country? | | No | | Not applicable | Not applicable | Fairly common | Yes, they are popular but the issuing SPV also has rights to the securitised assets |
| i) Is the issuing SPV frequently a non-resident? | | Not applicable | | Not applicable | Not applicable | This does sometimes happen | It is not often the case |
| j) Other cases of more than one SPV involved? Describe the case | | Not applicable | | Not applicable | Not applicable | In general no; however there are occasional instances where several SPVs are involved in a single securitisation | Two steps transactions are used to achieve legal isolation. A structuring mechanism to meet legal and accounting requirements for a true sale |
| k) Cases in which the period between the acquisition of the asset and the issuing of securities is lengthy? | | No | | Not applicable | Not applicable | Not that we are aware of | Typically, the originator would hold the assets until securitization transaction is feasible |
| l) Examples of the length of this period | | Not applicable | | Not applicable | Not applicable | Not applicable | From three to six months in a well functioning market |
| 6 Variety of institutions and type of transactions in different countries | | | | | | | |
| m) Should international organization work on | | Yes. Being promoted by an international organisation would be the best approaching | | Yes | It would be difficult. However regulators within members countries can be informed about these practises to enhance | Yes | Yes, this would be useful |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2 nd questionnaire | | | | | | | |
|---|----------|---|--------|--|--|---|--|
| | Slovenia | Spain | Sweden | Switzerland | Turkey | UK | USA |
| <i>the homogenization of terms, concepts, definitions ...?</i> | | | | | international supervision | | |
| 7 About valuation of assets and liabilities on financial accounts and other statistics | | | | | | | |
| <i>n) Should homogenous valuation criteria been established? How assets and liabilities of FVCs should be valued?</i> | | Having the same accounting rules would allow the comparability. But it is important to maintain the same loan accounting of Credit Institutions | | No opinion | Fair value Helpful to establish fair value guidelines | Yes. The Bank of England guidelines specify that loan assets should be valued at nominal value, and debt issued at historical value | SPVs establish accounting policies to suit their investors. The valuation criteria would depend on the purpose of the financial statements (fair value or historic cost) |
| <i>o) Should the SPV inform about write-off and write-down?</i> | | Yes. According to ECB regulation we are going to receive this information since 2010 | | No opinion | Yes | Banks and building societies will report to the Bank of England write-offs on their securitised loans indistinguishable from other write-offs | It would be very useful. Currently if must be estimated from other sources, such as servicers |
| 8 Revolving the pool of assets | | | | | | | |
| <i>p) Do you have these types of operations?</i> | | It is legally allowed and there are some SPVs with opened structure of assets | | Not applicable | Not applicable | Yes, there are several large master trust vehicles in the UK holding residential mortgages | Yes. Most credit cards, home equity line and other revolving types of debts securitisations use revolving master trust structures. Even in some "term" securitisations contain provisions for the originator to replace assets that do not perform |
| 9 About the current revision of the SNA | | | | | | | |
| <i>q) Should it be include "guidance notes" about securitisation? Would it be sufficient including m),n),o) and p)?</i> | | It would be useful | | Yes | It would be helpful. Including m),n),o) and p) would be sufficient | Yes, this would be helpful | It would be helpful, for examples, guidance on terms |
| 10 About the reinsurance securitized operations | | | | | | | |
| <i>r) Do they exit in your country?</i> | | Currently it does not exist | | Principal at-risk variable-rate notes were issued which were linked to the | No | Not that we are aware | Yes |

| Survey on the securitisation process in the OECD countries: Summary of the responses to the 2 nd questionnaire | | | | | | | |
|---|----------|----------------|--------|---|----------------|----------------|---|
| | Slovenia | Spain | Sweden | Switzerland | Turkey | UK | USA |
| | | | | claims and reserves which Swiss Re would have on its credit reinsurance business (www.swissre.com/news , 23 January 2006). Accounting treatment not yet investigated | | | |
| 11 In case of yes, the usual accounting treatment of | | | | | | | |
| s) Asset side of the SPV | | Not applicable | | See r) | Not applicable | Not applicable | Typically, the proceeds are invested in high-quality, short-term securities |
| t) Reinsurance contract of the insurance company | | Not applicable | | See r) | Not applicable | Not applicable | As reinsurance |
| u) When the insurance company buys part of the securities issued, are the items netted out? | | Not applicable | | See r) | Not applicable | Not applicable | Not known |
| 12 Other kind of securitisation | | | | | | | |
| v) Describe any other kind of operation linked to a securitisation | | | | | Not applicable | | Perhaps covered bonds |