

In case of discrepancies between the French and the English text,
the French text shall prevail

Report S 2.15
«Transactions and write-offs/write-
downs on securitised loans of
securitisation vehicles»

Banque centrale du Luxembourg

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1 Introduction

1.1 Reporting population

Report S 2.15 must be provided by all the securitisation vehicles regardless of their legal status. Hence, all the vehicles undertaking securitisation operations are concerned whether they are subject to the supervision of the *Commission de Surveillance du Secteur Financier* (CSSF) or not.

Regulation (EU) n° 1075/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (ECB/2013/40) foresees the possibility to exempt the reporting agents of modest size from reporting obligations. The selection of the securitisation entities subject to reporting obligations is done by the BCL that will grant derogations provided that the securitisation vehicles that contribute to the aggregated balance sheet total account for at least 95% of the total of securitisation vehicles assets in terms of outstanding amounts.

Thus, report S 2.15 has to be provided by a sample of securitisation vehicles that is established by the BCL and revised on a yearly basis.

1.2 Frequency and reporting deadlines

Report S 2.15 must be provided must be provided to BCL on a quarterly basis at the latest 20 working days following the end of the period to which it relates.

The exact reporting dates for report S 2.15 are published on the website of the BCL.

2 Reporting of transactions

2.1 Basic principles

The European Central Bank (ECB) compiles statistics on outstanding amounts at quarter-end as well as on transactions realised during the quarter in order to satisfy its analytical and research needs on developments in the field of statistics on assets and liabilities of securitisation vehicles.

In order to satisfy this need, report S 2.15 «Transactions and write-offs/write-downs on securitised loans of securitisation vehicles» and monthly report «Security by security reporting» must provide the information that BCL needs to compile transactions and transmit them to the ECB.

2.2 Objective of report S 2.15 «Transactions and write-offs/write-downs on securitised loans of securitisation vehicles»

The sole objective of data gathering on the basis of report S 2.15 is to provide information on transactions affecting some balance sheet items of securitisation vehicles as well as valuation effects on securitised loans.

2.2.1 Financial transactions

Financial transactions are defined as the net acquisition of financial assets or the net incurrence of liabilities for each type of financial instrument, i.e. the sum of all financial transactions that occur during the relevant reporting period.

A financial transaction between institutional units is a simultaneous creation or liquidation of a financial asset and the counterpart liability, or change in ownership of a financial asset, or an assumption of a liability.

Financial transactions are recorded at transaction values, that is, the values in national currency at which the financial assets or liabilities involved are created, liquidated, exchanged or assumed between institutional units, on the basis of commercial considerations.

Write-offs/write-downs and valuation changes do not represent financial transactions.

Information on financial transactions must only be reported for the following items of the statistical balance sheet of securitisation vehicles:

- 1-006000 «Non-financial assets»
- 1-007000 «Financial derivatives»
- 1-011020, 1-011040 and 1-011090 «Other securitised assets»
- 2-011000 «Financial derivatives»

In addition, it is important to mention that the reporting of information on valuation effects must only be done if the amount reported for an item exceeds 5% in terms of total assets.

Example:

- Suppose a securitisation vehicle or a compartment of a securitisation vehicle which assets and liabilities for a given period are characterised as follows:
 - the amount reported in item 1-006000 represents more than 5% of total assets
 - the amount reported in item 1-007000 represents less than 5% of total assets

In this example the securitisation vehicle or the compartment of a securitisation vehicle must only report information the effects of valuation that affect item 1-006000. Reporting transaction on item 1-007000 is optional.

2.2.2 Write-offs/write-downs on securitised loans

Write-offs/write-downs are defined as the impact of changes in the value of loans recorded on the balance sheet that are caused by the application of write-offs/write-downs of loans.

Write-offs/write-downs recognised at the time a loan is sold or transferred to a third party are also included, where identifiable.

Write-offs refer to events where the loan is considered to be a worthless asset and is removed from the balance sheet.

Write-downs refer to events where it is deemed that the loan will not be fully recovered, and the value of the loan is reduced in the balance sheet.

The item 1-WROWRD allows the collection of data on write-offs/write-downs of assets that are recorded in the balance sheet under items 1-010010 to 1-010060 «Securitised loans» at nominal value.

3 Types of breakdowns

Assets and liabilities must be split according to the country of the counterpart.

Assets and liabilities do not have to be split according to the following criteria:

- economic sector of the counterpart
- currency of the transaction
- original maturity

The nomenclature and the codes to use are detailed in the document «Definitions and concepts for the statistical reporting of securitisation vehicles».

However, assets and liabilities must not always be split according to all of these breakdowns. Hence, only the breakdowns requested on the statistical report S 2.15 attached to the present instructions must be reported to BCL.

3.1 Country

Assets and liabilities must be split according to the country of residency or the country of the registered office, i.e. the country where the centre of economic interest of a counterpart is located, with a two-character ISO code 3166.

In addition to the ISO 3166 country codes, the following specific country codes may be used:

Specific country codes	
XA	European Central Bank (ECB)
XB	International institutions, except European institutions, located outside Luxembourg
XC	International institutions, except European institutions, located in Luxembourg
XD	European institutions located in Luxembourg
XE	European Investment Bank (EIB)
XG	European institutions located outside Luxembourg, except ECB
XI	European Stability Mechanism (ESM)
<u>XJ</u>	<u>European Financial Stability Facility (EFSF)</u>

Remark:

- If no country breakdown is requested, amounts must be reported as a total with country code «XX» No breakdown.
Country code «XX» No breakdown is only accepted for those items mentioned on report S 2.15 attached to the present instructions.

3.2 Currency

Assets and liabilities do not have to be broken down according to the currency in which they are denominated.

Hence, amounts must be reported as a total with currency code «XXX» No breakdown.

3.3 Economic sector

Assets and liabilities do not have to be broken down according to the economic sector of the counterparty.

Hence, amounts must be reported as a total with economic sector code «90000» No breakdown.

3.4 Original maturity

Assets and liabilities do not have to be broken down according to their original maturity.

Hence, amounts must be reported as a total with original maturity code «I999-999» No breakdown.