Our Ref: ESMA-Pvt-Securitize

Directorate Office

31 March 2025

1 Kings Meadow
Osney Mead
Oxford OX2 0DP
UNITED KINGDOM

ESMA
201-203 rue de Bercy
CS 80910
75589 Paris Cedex 12
France

Via Submission System

Dear Sir/Madam

XBRL INTERNATIONAL FEEDBACK ON ESMA Consultation Paper on the revision of the disclosure framework for private securitisation under Article 7 of the Securitisation Regulation (ESMA12-2121844265-4462)

This ESMA consultation proposes draft amendments to the technical standards to introduce a simplified disclosure template for private securitisation. While the consultation covers key areas such as reporting scope, data field relevance, and operational costs, our response specifically addresses Question 3, which concerns the data format for disclosure.

We understand the appeal of the simplicity of the CSV format, particularly compared to the relative complexity of XML and XML Schema, but we believe that CSV on its own is insufficient for a data collection format. CSV lacks a mechanism for defining the format and structure of tables, meaning that basic data quality issues, such as using the wrong decimal separator, or reporting values in the wrong order, cannot be automatically detected. As well as compromising the quality of the collected data, this actually creates complexity as custom validation mechanisms need to be developed, and errors need to be dealt with manually.

We urge ESMA to adopt xBRL-CSV instead, which provides a pragmatic middle ground that gives filers the simplicity of a CSV reporting format combined with standardised data definitions that enable reports to be validated easily, thereby ensuring data quality and reducing overall costs.

As you know, XBRL International is the global not-for-profit standards development organisation responsible for XBRL. Our standards are open and freely licensed and

are used across the world[1] to facilitate digital business reporting in a wide range of reporting domains. We have a specific public interest purpose: to improve the accountability and transparency of business performance globally, by providing an open data exchange standard for business reporting.

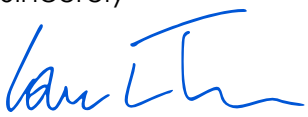
XBRL International uses formal, consensus-based standards-making processes, including public comment periods in the preparation of our voluntary specifications[2] that together make up the XBRL standard. Our 500+ organisational members comprise representatives from across the information supply chain, including a significant number of regulators from right around the world. We are supported by 19 independent chapters focusing on digital reporting in their countries and regions.

As part of our modernisation efforts, we released xBRL-CSV in 2021. It provides a way to express data in CSV format, while retaining the strong validation and definition layers that make XBRL so useful to regulators. Data such as the details of securitisation tranches can be easily dealt with using this format. The repeating rows are easy to create in Excel or other tools. Errors and omissions can be caught as soon as they are validated. Validation can be carried out by the filer themselves, by the filer using a regulator-supplied test environment, and/or by the regulator on receipt. At the time of writing we have certified[3] 11(eleven) XBRL processors as being fully interoperable with the xBRL-CSV specification, including the vast majority of commonly used commercial and open source such tools.

Please see our detailed response on the following pages for specific approaches, an example, and workflow options for your consideration.

Thank you for the opportunity to respond, we are at your disposal to further discuss these suggstions.

Sincerely



John Turner
CEO

[1] See the XBRL International Project Directory for a list of current regulatory mandates that we are aware of.
[2] See https://specifications.xbrl.org/
[3] See the XBRL Certified Software pages for an up-to-date list of commercial and open source tools that have achieved certification.

Detailed Response

Question 3: *Do you agree that the simplified template should be made available in CSV format, or should ESMA adopt a more flexible approach proposing a machine-readable format to be determined by the CA?* *Please specify which alternative format(s) you would recommend and provide your rationale.*

We agree with the consultation paper's principle and intent of simplifying reporting requirements for private securitisations. A streamlined approach can reduce the regulatory burden on reporting entities while ensuring that essential information remains accessible to relevant stakeholders. As proposed in the consultation, the CSV format appears to be aimed at making it easier for private securitisations to prepare and report data.

Garbage-in Garbage-Out

While CSV offers simplicity, it lacks built-in structure and validation mechanisms due to the absence of standardised and machine readable definitions. This approach will lead to data quality issues. Common CSV data collection errors that damage data quality include inconsistent separators, missing commas, wrong data types, encoding problems, unquoted text containing commas or line breaks, inconsistent headers, missing values, and leading/trailing spaces. Additionally, as noted in the consultation paper, users will face difficulties in processing and interpreting the submitted information, which could reduce the efficiency and effectiveness of the reporting process.

To ensure consistency and accuracy in CSV data submissions, which is critical for regulatory reporting and analysis, ESMA / Securitisation Repository will need to invest in the development of custom CSV software solutions to perform validation. Error detection triggers a need to contact reporting entities, significantly increasing the manual burden and creating a repetitive process.

We disagree with the counterargument in the paper that these challenges are manageable as the data volumes for private securitisations are limited. Para 15 on Page 12 of the consultation paper states that private transactions constitute a significant portion of the European securitisation market, estimated at 46% of outstanding instruments. This contradicts the assertion that private securitisations are a niche segment where data quality concerns can be overlooked. Frankly, if regulators intend to overlook data quality issues, they should strongly reconsider whether they actually need to collect the information in question.

Since such a substantial market share operates under private transactions, ensuring structured and machine-readable reporting is vital to maintaining transparency, data integrity, and analytical capabilities. While we do, of course, understand that overall volumes for these kinds of debt repackaging arrangements overall are currently modest, the financing needs of Europe in a challenging macro-environment mean that accelerating and expanding securitisation across a wide range of asset classes should be a policy priority. Having the required regulatory framework in place and these simple reporting arrangements up and running is a necessary precursor to this expansion.

In an era where structured digital data is fundamental to smart analytics, AI and automation, leveraging structured formats is a prerequisite for efficient supervision, risk assessment, and market monitoring. Without a structured format, regulators, investors, and other stakeholders will face avoidable inefficiencies, increased processing burdens, and inevitable (and occasionally catastrophic) data errors and inconsistencies, which will impair effective oversight.

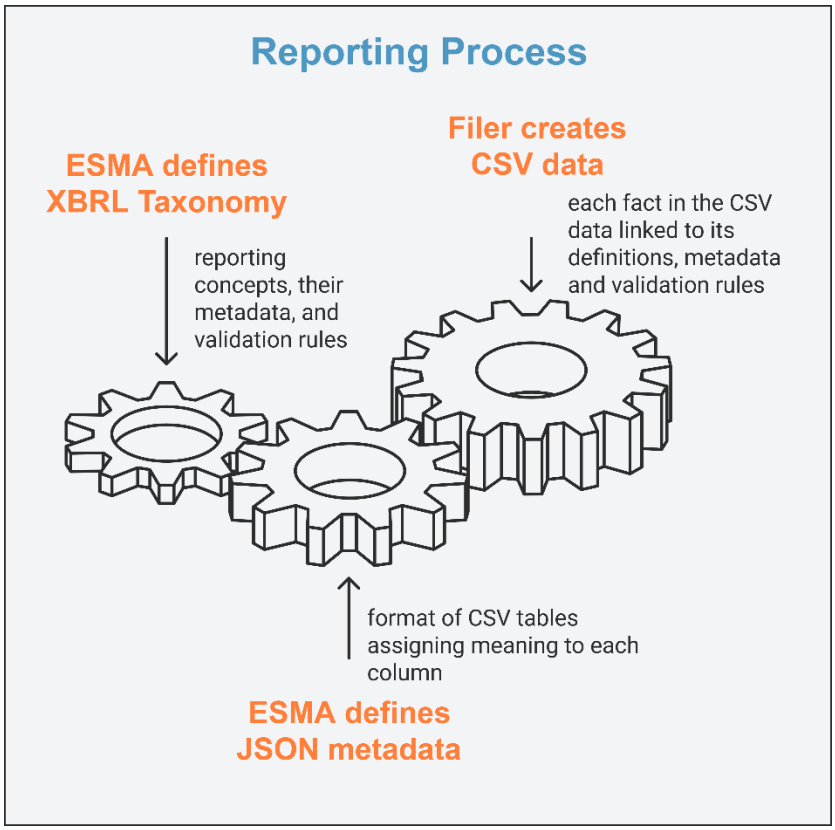
Therefore, we advocate for adopting xBRL-CSV, which uses the efficient, simple and widely supported CSV format while incorporating XBRL's structured validation and taxonomy-driven approach. xBRL-CSV retains the familiar tabular nature of CSV, making it well-suited for datasets with many rows of repeating records. This aligns well with the structured data needs of private securitisation reporting.

xBRL-CSV

In the absence of standardised, structured definitions, data collectors must create exhaustive filing manuals to specify every detail of the CSV format—such as separator choice, data types, decimal representation, and header row requirements. This process can be complex and labour-intensive. xBRL-CSV, combined with an XBRL taxonomy, and a bridging JSON linking file, eliminates this burden by providing a standardised, machine-readable framework that defines these aspects consistently, ensuring clarity, interoperability, and automation in data exchange.

The XBRL taxonomy acts as a digital twin of the reporting requirements in the Delegated Regulation, defining reporting concepts, metadata, and validation rules.

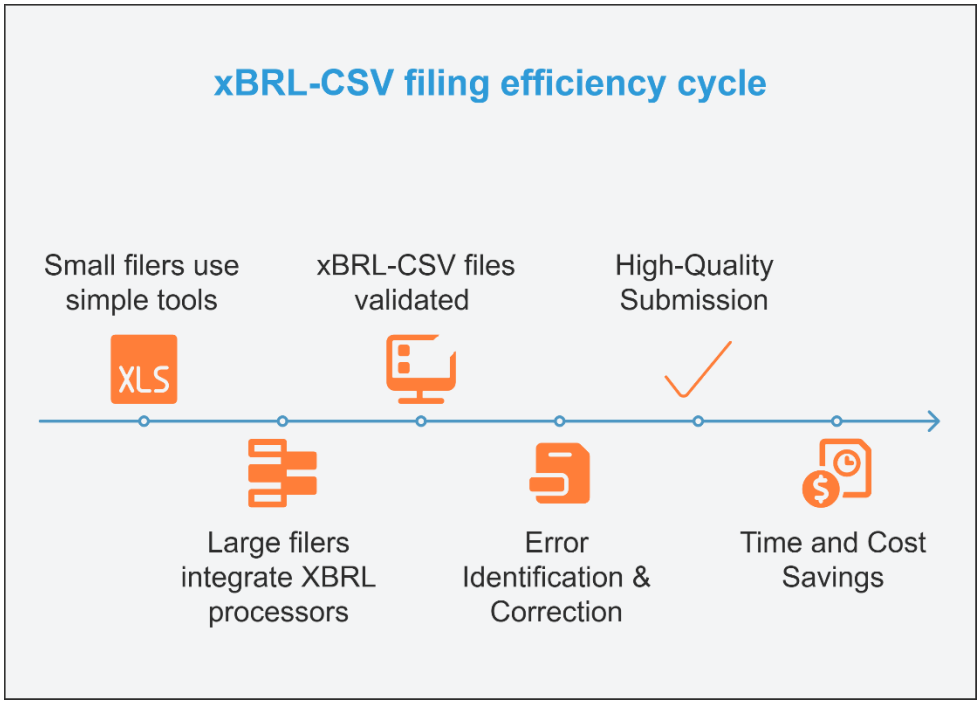
xBRL-CSV efficiency is achieved via a flexible, JSON-based metadata definition mechanism, which allows the format of CSV tables to be tailored to specific reporting requirements. JSON metadata assigns meaning to each column by linking it to XBRL concepts. This can be defined by the data collector, allowing filers to focus on creating CSV data tables. Each fact in the CSV data is linked to its definitions, metadata and validation rules.



Filers can choose one of the below approaches for preparation of CSV files.

a) Small filers can use basic tools like Excel or similar spreadsheet applications to generate CSV files for reporting.
b) Larger filers, who submit reports frequently and deal with higher data volumes, will prefer a more efficient and automated generation workflow. They will integrate any of the available XBRL processors into their internal report generation process to validate their CSV files before submission.

The collecting body can set up a validation workflow that notifies filers of issues, ensuring they are resolved before the final submission. Any errors can be identified and corrected at the filer's end, ensuring a clean, high-quality submission. Securitisation Repositories can use off-the-shelf XBRL processors for validating XBRL-CSV data, offering a more efficient and cost-effective alternative to developing custom CSV validation software. This well-understood approach saves time for filers dealing with questions from the regulator, minimises the need for repeated communication, and thus lowers costs and processing times for the collecting body.



Appendix A provides a private securitisation reporting example, highlighting xBRL-CSV's benefits.

Alignment with ESMA's Objectives

ESMA's Consultation Paper emphasises the need for a simplified disclosure template for private securitisations to improve proportionality in information-sharing while ensuring that supervisory authorities retain access to essential data.

The adoption of xBRL-CSV directly supports this goal by providing a format that is both efficient and capable of succinctly conveying complex, granular data. The currently proposed "plain CSV" alternative will either involve extensive and ongoing custom development for review and validation or mean that these filings will not be usable.

Conclusion

Key Benefits of Using xBRL-CSV for Private Securitisation Reporting

1. Data Structure & Validation: Unlike plain CSV, xBRL-CSV ensures structured data validation, reducing errors and enhancing data quality.
2. Machine-Readability & Automation: Enables automated data processing for regulators and stakeholders, simplifying analytics and risk assessment.
3. Scalability & Compatibility: Retains CSV's simplicity while ensuring integration with XBRL taxonomies, making it future-proof and adaptable without custom code.

Integrating xBRL-CSV into the reporting framework for private securitisations offers a practical solution that addresses the challenges identified by ESMA. Its implementation would streamline the reporting process and enhance data quality and accessibility for all stakeholders involved.

Appendix A: Example: xBRL-CSV Representation for Position Level Information

The table below is a simple example of a 'Position Level Information' (Table 9 Para 68).

Position Level Information

Original Tranche Identifier	Gross Nominal Amount (EUR)	Net Nominal Amount (EUR)	ISIN	Retention (%)
TR001	10,000,000	9,500,000	XS1234567890	5
TR002	15,000,000	14,700,000	XS0987654321	7.5

The data for the above table would be reported in a CSV file as shown below.):

```
tranche_id,gross_nominal_amount,net_nominal_amount,isin,retention
TR001,10000000,9500000,XS1234567890,0.05
TR002,15000000,14700000,XS0987654321,0.075
```

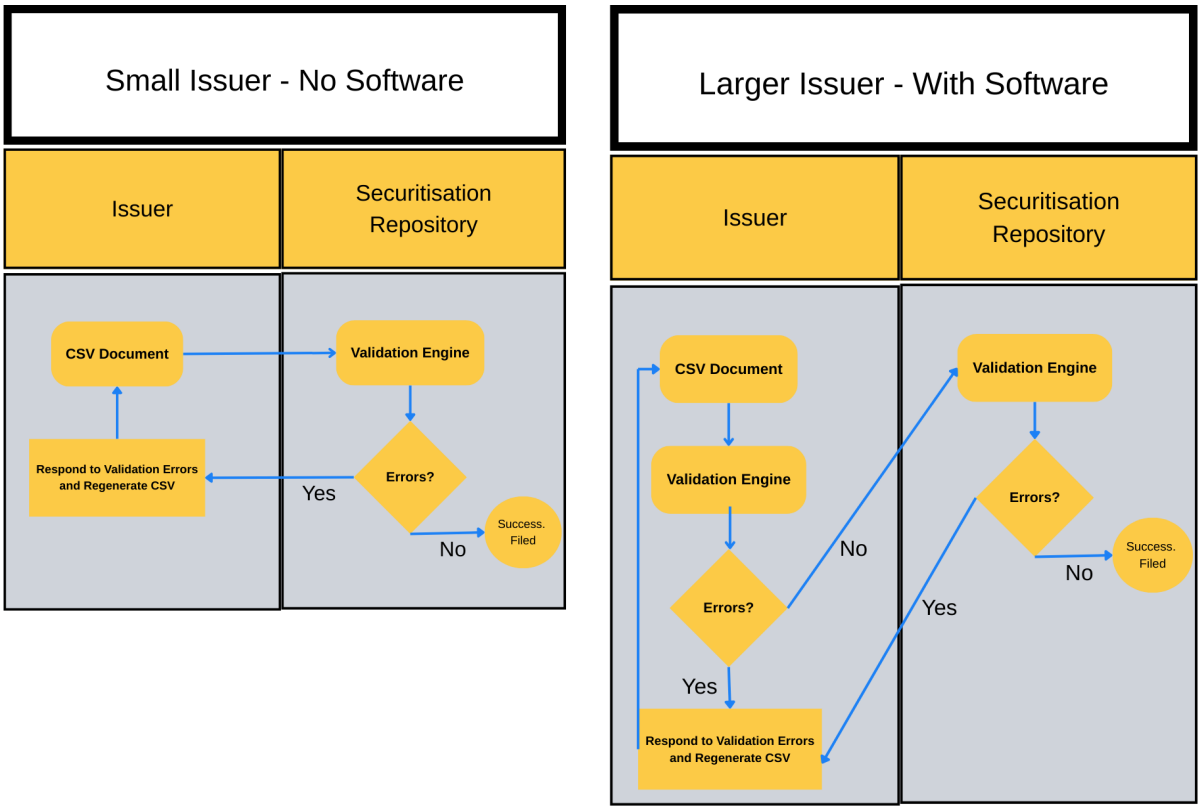
The data may appear as simple CSV but can have potential issues. With xBRL-CSV, these errors are easily detected, ensuring data quality:

1. String value entered for Gross Nominal Amount
2. Incorrect decimal separator used for Retention % (e.g., 0,05 instead of 0.05, which could create a separate column in CSV)
3. Gross Nominal Amount is less than Net Nominal Amount
4. ISIN does not follow the required 12-character alphanumeric format
5. Original Tranche Identifier is missing

6. CSV headers are shorthanded (e.g., TID, GN, NN) instead of using clear, standardized labels

All of these issues and errors can be easily captured using an XBRL taxonomy. Furthermore, regulators (and issuers) can choose when and where to run validation.

There would typically be (at least) two options.



These kinds of workflows permit more sophisticated or larger issuers to review their filings prior to submission to the regulator, while also allowing smaller issuers to merely generate a CSV file and rely on the regulator's validation and workflow to identify any issues. Of course, other options, including "test filing" pathways can be used as well.

We suggest that xBRL-CSV should be considered by ESMA as a preferred approach to intelligent data collection. We remain at your disposal to discuss any aspect of this letter.