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Dr. La / sk

“Public Comment on the Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities: Consultation Report”

AZ ZKA: 413-IOSCO

AZ BVR: 413-WP-AUFIOS

Dear Mr Tanzer,

We would like to thank you for the opportunity to submit our comments on IOSCO's Consultation Paper “Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities“. Within the European Union, already today, a large part of the disclosure principles put forward in said Consultation Paper are enshrined under existing law and have been implemented in practice for quite some time.

Notwithstanding the foregoing, we would like to draw your attention to two aspects. Please find our respective comments below:

Re.: VI. Significant Obligors of Pool Assets

When it comes to significant obligors of pool assets, the Consultation Paper proposes incorporating meaningful disclosures on significant obligors including the disclosure of material changes that may have occurred since last financial statement and, if needs be, the inclusion thereof in the (consolidated) annual accounts. This provision triggers considerable legal caveats. First, depending on the nature of the securitisation transaction, the obligor will not be aware of the sale or assignment of their (loan) claim to the issuer. Hence, as a result of the disclosure, the originator may be breaching confidentiality obligations. Furthermore, from the point of view of the arranger/dealer, the inclusion of obligor-related information in the prospectus may be problematic. Under private law, the latter will generally be liable for the completeness and true and fair view provided by the prospectus. However, due to the absence of a legal relation between the arranger/dealer and significant obligors, the arranger/dealer will not be able to provide verified information. In the event of faulty or incomplete information, legal recourse will therefore not be possible for them.

Re.: VIII. Structure of the Transaction

With regard to this requirement, there is *inter alia* the call for a description of material models, which also includes assumptions that have been made and potential limitations which serve to identify the portfolio's cash flow patterns. ABS transactions will regularly feature individual cash flow models that were developed on a case-by-case basis. Any disclosure of such models would disclose trade secrets of the arranger. We doubt that this is an intentional consequence in line with the initial rationale behind the proposal. Hence, the disclosure obligation should primarily be confined to material assumptions underlying the model design.

Please feel free to contact Mr Diedrich Lange for any queries on these comments.

Yours sincerely,

on behalf of the Zentraler Kreditausschuss
Bundesverband der Deutschen
Volksbanken und Raiffeisenbanken e.V. BVR
National Association of German Cooperative Banks



Dr. Andreas Martin



by proxy

Dr. Diedrich Lange