



Australian Securitisation Forum

Level 7, 14 Martin Place, Sydney NSW 2000

T +61 (2) 9189 1840

E asf@securitisation.com.au

www.securitisation.com.au

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The Eligible Securities Team

Reserve Bank of Australia

65 Martin Place

Sydney NSW 2000

BY EMAIL: : eligible_securities@rba.gov.au

AUSTRALIAN SECURITISATION FORUM SUBMISSION NO.2 RBA - NEW CRITERIA FOR ELIGIBLE SELF-SECURITISATIONS

- 1 The Australian Securitisation Forum (“ASF”)¹ welcomes the opportunity to provide comments on the Reserve Bank of Australia’s (“RBA”) final consultation paper on proposed updates to the RBA’s eligibility criteria for self-securitisations entitled “New Criteria for Eligible Self-Securitisations (Second and Final) Consultation Draft” dated February 2024 which contains draft Eligibility Criteria (“Draft EC”).
- 2 The ASF appreciates that the updated Draft EC take into account feedback received from market participants, including the ASF in its submission dated 22 August 2023 and in subsequent telephone discussions with the RBA, on the first draft of the criteria and only has the following comment on the updated Draft EC.
- 3 The ASF makes particular comment on the timing of notice requirements in section 3.1.2 (Transaction Changes and Documents) and would like to see a shorter notice period apply (5-10 business days or less) for changes in the nature of:
 - waivers, including waivers of breaches and waivers of key events (such as termination events or triggers (e.g. amortisation events)).

¹ The ASF is the peak industry body representing the Australian securitisation market, including ADI originators with self-securitisation programmes. The goals of the ASF are to facilitate the formation of industry positions on policy and market matters, represent the Australian industry to local and global policymakers and regulators and to advance the professional standards of the securitisation industry.

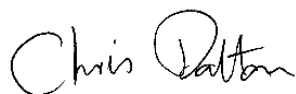
- extension of grace periods in connection with breaches, trigger or termination events.

The ASF seeks a shorter notice period because for breaches and trigger/termination events in a self-securitisation (and in comparable ADI term transactions), the period for waiver would be shorter than 20 business days.

If the ADI is required to provide the RBA with 20 business days' notice prior to such waiver or extension of grace period, then the ability to waive or extend a grace period would have limited effect. If the 20 business days' notice requirement is retained then some ADIs will need to amend the terms of their self-securitisation transactions to lengthen remedy periods which may result in ADI self-securitisation programmes having different, less favourable terms, as compared to the ADI term transactions.

- 4 The ASF is grateful for the opportunity to provide this submission and we would be pleased to discuss it with you in greater detail if you wish at your earliest convenience.

Yours sincerely

A handwritten signature in black ink that reads "Chris Dalton". The signature is written in a cursive, flowing style.

Chris Dalton
Chief Executive Officer, Australian Securitisation Forum