

# THE EMERGING AREA OF SUSTAINABLE SECURITISATION

10 June 2022 | London  
Legal Briefings

---

Sustainable securitisation is gathering pace. According to S&P Global Ratings, last year saw over €4 billion in green and social securitisation issuance in Europe. Key players in this market include Dutch mortgage lender Obvion and specialist UK lender Kensington Mortgages.

In Europe, regulators are also active in this space, with the European Banking Authority ("**EBA**") publishing its report "Developing a framework for sustainable securitisation" in March of this year ("**EBA Report**")<sup>1</sup>, and the European Supervisory Authorities ("**ESAs**") recently publishing a consultation paper on the draft Regulatory Technical Standards ("**RTS**") on sustainability disclosures for Simple, Transparent and Standardised ("**STS**") securitisations.<sup>2</sup> Sustainable securitisation is eventually intended to be part of a broader package of measures launched in 2018 by the European Commission which includes (i) the EU Taxonomy Regulation ("**Taxonomy**")<sup>3</sup>, (ii) the SFDR<sup>4</sup> and (iii) the EU Climate Benchmarks Regulation<sup>5</sup>. In this article we look at the current shape of the sustainable securitisation market, how securitisation bonds can qualify as green bonds, and what all of this means for originators and investors.

[Download the full update](#)

---

1. EBA, Developing a framework for sustainable securitisation (2 March 2022): [https://www.eba.europa.eu/sites/default/documents/files/document\\_library...](https://www.eba.europa.eu/sites/default/documents/files/document_library...)
2. ESAs, Joint Consultation Paper - STS securitisations-related sustainability disclosures (2 May 2022): [https://www.eba.europa.eu/sites/default/documents/files/document\\_library...](https://www.eba.europa.eu/sites/default/documents/files/document_library...)

3. Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment
4. Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector
5. Regulation (EU) 2019/2089 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks



# LEGAL NOTICE

The contents of this publication are for reference purposes only and may not be current as at the date of accessing this publication. They do not constitute legal advice and should not be relied upon as such. Specific legal advice about your specific circumstances should always be sought separately before taking any action based on this publication.

© Herbert Smith Freehills 2022

---

**SUBSCRIBE TO STAY UP-TO-DATE WITH INSIGHTS, LEGAL UPDATES, EVENTS, AND MORE**

Close

© HERBERT SMITH FREEHILLS LLP 2022