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Burkhard Heppe, PhD
Chief Technology Officer
Accuria Ltd.
burkhard.heppe@accuria.com

Cross-Country Deep Dive on the Implementation of the EU NPL Directive

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Overview

This report is motivated by the June meeting of the NPL Advisory Panel of the European Commission. The panel discussed the impact of the NPL Directive (EU) 2021/2167 on credit servicers and investors with some concerns raised that this important regulatory initiative has not yet achieved the intended harmonisation of the secondary market for non-performing loans (NPLs) across the European Union. We provide a detailed analysis of the Directive's impact, with a particular focus on **Austria, France, Germany, Greece, Italy, Portugal, and Spain**. We examine the progress of implementation, the extent to which a level playing field is being achieved, the burdens of new authorisation regimes, and the effects on market structure, particularly for smaller servicers and NPL positions. We comment on specific national regulatory reporting requirements and key operational challenges for credit servicers extending our earlier analysis from February.[1]

The analysis indicates that a level playing field is still a work in progress. National divergences in transposition, gold-plating of rules, and underlying differences in legal and judicial systems continue to pose challenges. Authorisation requirements are generally burdensome, particularly for smaller entities, contributing to market consolidation. Operational challenges are significant, elevating the need to adopt new technologies quickly. We conclude that the NPL Directive is a catalyst for market maturity, but its long-term impact will depend on consistent enforcement and the ability of market participants to adapt.

[1] https://accuria.com/monitoring-the-state-of-npl-secondary-markets-in-the-eu-key-insights-from-the-npl-advisory-panel/

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I. The NPL Directive: Objectives and EU-Wide Implementation Landscape

A. Core Aims and Intended Market Harmonization

The NPL Directive, formally Directive (EU) 2021/2167, was adopted with the primary objective of developing an efficient and well-functioning secondary market for NPLs throughout the European Union. At the core of this legislation is the reduction of the existing stocks of NPLs on the balance sheets of credit institutions and to prevent their excessive accumulation in the future. This is to be achieved by establishing a harmonised prudential framework governing credit servicers and credit purchasers, thereby lowering regulatory barriers for non-bank entities to acquire and manage NPLs, enhancing market transparency, and facilitating cross-border transactions.[4] By creating a more liquid and transparent secondary market, the Directive aims to allow banks to divest NPLs more effectively, freeing up capital for new lending and contributing to a more resilient banking sector.

B. Transposition Status Across the EU: Progress and Delays

Member States were required to transpose the NPL Directive into their national legal frameworks by 29 December 2023.[1] However, the implementation process has been varied across the Union, with several key jurisdictions experiencing delays.

- **Germany**: The Directive was transposed through the German Secondary Credit Market Act (Kreditzweitmarktförderungsgesetz), the central piece of which is the Secondary Credit Market Act (Kreditzweitmarktgesetz - KrZwMG). This legislation became effective on 30 December 2023.[7]
- **Italy**: Implementation occurred via Legislative Decree no. 116 of 30 July 2024 (the Italian NPL Decree), which amended the Italian Banking Code. The Bank of Italy subsequently published its implementing rules on 13 February 2025, which became effective following their publication in the Official Gazette on March 9, 2025.[10]
- **Spain**: A Draft Bill to implement the Directive was published in the Official Bulletin of the Spanish Parliament on 14 March 2025.[15] A public hearing period for this draft concluded on May 31, 2024, with final approval anticipated towards the end of 2024.[16]
- **France**: The Directive was transposed into French law by an Ordinance dated 6 December 2023, and a subsequent Decree dated 20 December 2023. These provisions entered into force on 30 December 2023.[17]
- **Portugal**: Portugal, Spain and Austria were among the countries referred to the CJEU for its failure to transpose the Directive by the stipulated deadline.[14] As of February 2025, there was no published

draft legislation available, and the political situation in the country had contributed to further delays.[20] While Decree-Law 14/2025 of March 2025 introduced amendments to the General Regime on Credit Institutions and Financial Companies, the direct transposition status of the NPL Directive remained a significant concern.[22]

- **Greece**: The NPL Directive was implemented in Greece in December 2023 through Law 5072/2023, with credit servicers expected to achieve full compliance by June 2024.[23]
- **Austria**: The Credit Servicer and Credit Recipients Act (Kreditdienstleister- und Kreditkäufergesetz - KKG), BGBl I 6/2025, eventually came into force on 18 March 2025, implementing the Directive into Austrian law.[25]

The general observation from market participants, as noted in late early 2024, was that while the Directive officially came into effect in December 2023, its final and complete implementation was still pending in several Member States, underscoring an initial period of fragmented application.[30] This staggered implementation across the EU inherently undermines the Directive's primary objective of achieving immediate and consistent market harmonisation.

Furthermore, while the Directive aims to establish a minimum set of harmonised rules, Member States retain the discretion to introduce additional or more stringent requirements, a practice often referred to as "gold-plating." For example, Greece has mandated that servicers offer an online borrower portal, and Croatia has imposed strict limits on the frequency with which servicers can contact borrowers.[30] Similarly, the Spanish draft bill includes provisions for debtor protection that extend beyond the minimum requirements of the Directive.[15] While such national additions may be intended to enhance local consumer protection or address specific market concerns, they can also lead to a re-fragmentation of the regulatory landscape. This means that credit servicers and purchasers, especially those operating across multiple EU jurisdictions, must still navigate a complex web of national rules superimposed on the EU framework, thereby limiting the extent of true market harmonisation and the creation of a seamless single market for NPLs.

II. Assessing the Level Playing Field for Servicers and Investors

A. Harmonization Efforts vs. National Divergences

A central ambition of the NPL Directive is to cultivate a "level playing field" for credit servicers and credit purchasers across the EU.[1] This is to be achieved by standardising the rules governing their authorisation, supervision, and conduct of business. The introduction of a "European Passport" for

credit servicers is a cornerstone of this strategy, theoretically allowing a servicer authorised in its home Member State to provide services in other EU Member States without undergoing a separate, full authorisation process in each host country.[8] This mechanism is designed to reduce costs, streamline market entry, and enhance competition.

However, practical realities indicate that the path to a level playing field is impeded by persistent national divergences. Regulatory demands and legal frameworks continue to exhibit variations from one country to another, thereby perpetuating a degree of market fragmentation.[6] For instance, Italy's NPL market is characterized by specialised securitization structures (though the NPL Decree itself does not apply to securitisations governed by Italian Law No. 130/1999 [10]), while Germany's Kreditzweitmarktgesetz (KrZwMG) imposes specific disclosure and reporting requirements that differ from those in Italy or Greece.[30]

The NPL Advisory Panel, in its February 2025 paper, highlighted that the trend towards market consolidation and the development of a truly EU-wide dimension in the credit servicing sector appears to be constrained by this fragmentation along national lines. Key among these fragmenting factors are the enduring differences in national civil and insolvency laws, as well as the varying efficiency and procedures of judicial proceedings across Member States. Similar disparities are observed in national rules concerning forbearance measures, debt collection practices, and associated fees.[6] The effectiveness of the European Passport can be diluted if national rules impose significant additional local burdens under the guise of "general good" provisions, or if the scope of passportable activities is narrowly interpreted, for example, by limiting it strictly to NPLs originated by EU credit institutions, leaving other types of distressed assets subject to varied national regimes.[5]

The aspiration for a "level playing field" implies that all market participants face fundamentally similar rules, operational conditions, and competitive opportunities. However, the evidence strongly suggests that this ideal has not yet been fully realised.[5] Significant national variations persist in the transposition of the Directive, the imposition of supplementary country-specific regulations (gold-plating), and the fundamental characteristics of national legal systems, particularly concerning insolvency and enforcement procedures. Consequently, the operational landscape for NPL servicing and investment remains uneven. For example, a credit servicer might find the operational and compliance demands in Spain, with its proposed enhanced debtor protection measures [15], to be materially different from those in a Member State with a more creditor-centric legal tradition, even if both have formally transposed the NPL Directive. These differences inevitably impact operational costs, risk assessment methodologies, recovery strategies, and, ultimately, investment decisions and market attractiveness.

The European passport for credit servicers[8] represents a significant legislative advancement towards an integrated market. Nevertheless, its practical efficacy can be diminished if host Member States impose additional operational requirements not explicitly harmonised by the Directive, or if national authorities interpret "general good" rules in a manner that creates substantive local compliance burdens. If supervisory authorities in different Member States maintain divergent approaches to oversight and enforcement despite the common EU framework, the passport's utility in fostering a truly seamless operational environment is curtailed. Credit servicers might still find it necessary to engage considerable local legal expertise and make significant operational adaptations for each host country, thereby reducing the efficiency gains that the passporting regime was intended to deliver.

B. Impact on Cross-Border NPL Transactions and Market Access

One of the Directive's explicit aims is to facilitate cross-border sales and servicing of NPLs.[14] The harmonisation of servicer authorisation and the introduction of the passporting regime are key mechanisms intended to support this objective.

Despite these intentions, the volume of cross-border NPL transactions remains relatively limited. A survey conducted by the NPL Advisory Panel in the first half of 2024 revealed that only 10% of NPL deals spanned multiple jurisdictions, with regulatory barriers and persistent legal and procedural disparities cited as significant impediments.[5] While major international credit servicing groups such as Intrum, doValue, EOS, PRA Group, and Hoist Finance have a long-standing cross-border presence in Europe, the NPL Directive itself is not anticipated to directly or immediately boost the volume of cross-border activity or intensify pricing competition. Its primary contribution in this regard may be more indirect, by fostering a more sophisticated, professional, and reputable servicer and investor industry over time.[30]

The continuing fragmentation of European NPL markets, exacerbated by increased regulatory costs associated with the new regime, tends to favour larger, well-capitalised players. These entities typically possess the resources and expertise required to navigate the complex web of diverse national requirements and to absorb the associated compliance costs. This dynamic can inadvertently create higher barriers to entry for smaller or newer participants seeking to engage in cross-border NPL servicing or investment activities.

III. Credit Servicer Authorisation and Registration: A Jurisdictional Deep Dive

A central pillar of the NPL Directive is the requirement for credit servicers to obtain authorisation from

their national competent authority (NCA) before commencing activities. This has introduced a new layer of regulatory oversight for many entities previously operating with less formal supervision, leading to increased compliance costs and administrative complexities. Anecdotal evidence suggests that application processes can be demanding, sometimes requiring the submission of documentation running to hundreds of pages.[30]

Across the surveyed jurisdictions (for detailed country-by-country overview see the Annex), the authorisation process for credit servicers under the NPL Directive presents a significant new regulatory hurdle.

- **Burden**: The requirements are consistently high, demanding extensive documentation related to business plans, corporate governance, internal control frameworks, risk management procedures, AML/CFT policies, and the fit and proper status of management and significant shareholders.[7] For many previously less regulated entities, particularly smaller, independent servicers, compiling such comprehensive application dossiers represents a substantial administrative and financial undertaking. The observation from the BKS conference in Germany that applications can run to hundreds of pages appears to be a credible reflection of the depth of information required.[30]
- **Timing**: While NCAs in several countries (e.g., Germany, France, Austria) have statutory deadlines for processing complete applications (typically 90 days)[8], the overall timeline can be considerably longer. Pre-application discussions with the NCA, requests for additional information during the review process, and the initial effort to compile a complete application can extend the practical timeframe significantly. The transition periods provided for existing servicers to obtain authorisation were often tight (e.g., in France, Germany, and Austria), placing considerable pressure on these firms to adapt quickly.
- **Costs**: The financial implications of authorisation are multifaceted. Direct application or licensing fees are one component (e.g., a specified €5000 in Austria [26]; German fees based on BaFin's time spent [34]). However, the indirect costs are likely to be far more substantial. These include expenses for legal and consulting services to navigate the application process, investments in upgrading IT systems to meet data management and reporting standards, recruitment of specialized compliance and risk management personnel, and the ongoing operational costs of maintaining the required governance and control frameworks.

The comprehensive nature of these authorisation requirements – encompassing fit and proper assessments, detailed multi-year business plans, the establishment of robust governance and internal control architectures, sophisticated IT system capabilities, AML/CFT procedures, and formalised complaint handling mechanisms – as documented in Germany [9], Italy [10], France [18], Austria [26], and as

proposed or implied for Spain and Greece, collectively constitutes a significant fixed cost and a high administrative barrier (see the country Annex below). While larger, well-established credit servicers, particularly those affiliated with banking groups or possessing prior experience in regulated financial services, may have the existing infrastructure and resources to absorb these demands, smaller and previously less formally regulated servicers will likely find these new requirements disproportionately burdensome. This observation is explicitly supported by comments from market participants who note that the process disadvantages smaller servicers[30] and that the new regulatory framework can disproportionately harm smaller loan servicers, potentially rendering their operations unprofitable.[60] The relatively short transition timelines implemented in some countries, such as France, Germany and Austria [8], would have further amplified this pressure, leaving less time for smaller entities to adapt.

For credit servicers contemplating **cross-border expansion**, the lack of full harmonisation in authorisation timelines and costs presents a challenge to predictable business planning. Although the European passport mechanism is designed to facilitate such expansion, the initial authorisation in the home Member State is the gateway. The variability in how long this takes and how much it costs (e.g., Austria's fixed fee versus Germany's time-based model, with others being less clear) makes it difficult to budget for and schedule multi-jurisdictional operations. The significant delay in Portugal's transposition of the Directive[19], for instance, creates an opaque environment for market entry calculations. This uncertainty can act as a deterrent to investment and slow the organic development of a truly integrated EU-wide credit servicing market.

The effectiveness and the perceived burdensomeness of the authorisation process are also significantly influenced by the institutional capacity, technical expertise, and supervisory approach of the individual NCAs. An NCA with extensive experience in licensing other types of financial institutions (such as BaFin in Germany or the Bank of Italy) might process applications with a high degree of efficiency but may also adopt a more stringent and detailed review posture. In Member States where the supervision of credit servicers is a relatively new area for the NCA, there might be initial inconsistencies in approach or a steeper learning curve for both the regulator and the applicant firms. BaFin's indication that it might apply a risk-based approach to operational requirements, potentially imposing stricter rules on firms handling larger or riskier loan portfolios [60], suggests a move towards proportionality. However, if such nuanced approaches are not applied consistently across all EU Member States, this could, in itself, lead to an uneven regulatory landscape, potentially undermining the objective of a level playing field. More country-by-country details of this comparative overview can be found in the Annex which underscore the considerable investment and effort required for credit servicers to meet the new regulatory standards across these key EU jurisdictions.

IV. Market Structure Evolution: Impact on Servicers and NPL Sales

A. Consolidation Trends in the European NPL Servicing Market

The European NPL servicing sector has been undergoing a significant transformation, marked by substantial growth and development over the past decade. A prominent feature of this evolution is an increasing trend towards market concentration, with a number of larger players expanding their operations across multiple EU jurisdictions.[6] This consolidation is driven by several factors, including the pursuit of economies of scale necessary to absorb rising regulatory compliance costs and to fund essential technological advancements.

The NPL Advisory Panel, in its February 2025 report, observed that current market conditions, characterized by relatively low overall NPL levels (though with emerging pockets of distress) and a changed macroeconomic environment, may further limit the profitability of servicers and consequently fuel more consolidation.[6] In Italy, a market historically burdened with high NPL volumes, the servicing industry has seen intense rationalization, evidenced by 63 M&A transactions since 2017.[64] The strategic acquisitions of major Italian NPL servicers Prelios and Cerved by the FinTech ION Group underscore the critical intersection of technology and servicing business models, often acting as a catalyst for consolidation.[30] Furthermore, analysis from PwC in Italy (December 2024) suggests that the implementation of the Secondary Market Directive (SMD), the Italian transposition of the NPL Directive, is likely to reshape the "long tail" of smaller debt servicers. This may not always result in outright mergers or acquisitions but could lead to the formation of strategic alliances and innovative coordination models. Such collaborations would aim to preserve the specialized expertise of individual players while collectively mitigating the burdens of increasingly stringent compliance requirements.[65]

B. The Plight of Smaller Servicers: Increased Burdens, Market Exits, and Adaptation Strategies

The NPL Directive, while aiming to create a more robust and transparent market, has introduced regulatory costs and compliance burdens that are widely perceived as favoring larger, well-resourced players and creating significant barriers to entry or continued operation for smaller credit servicing companies.[30] Participants at the BKS Management Day 2025 conference in Germany specifically noted that the extensive documentation required for authorisation processes, often running to hundreds of pages, inherently disadvantages smaller servicers lacking dedicated large compliance departments or extensive administrative support.[30]

There are reports from market observers and conference participants indicating that some smaller

servicers have already exited or are considering exiting the market due to these increased pressures. This trend is not confined to one jurisdiction. For instance, in the context of Poland's draft NPL law, concerns have been raised that smaller financial entities may struggle to adapt to the stringent new regulations, potentially leading to market exits and a consequent reduction in competition.[66] Similarly, in Greece, the new regulatory framework is seen as disproportionately impacting smaller loan servicers, particularly those without substantial existing portfolios to manage. These firms face the challenge of investing heavily in previously unrequired upgrades to systems, staffing, and procedures, which can undermine sustainable profitability. For many of these smaller entities, the increased compliance costs are substantial. Mergers among smaller players have been suggested as a potential strategy to achieve the necessary scale to absorb these costs and remain viable.[60] PwC Italy's December 2024 analysis echoes these concerns, highlighting that the new compliance requirements are "particularly burdensome for smaller players".[65]

Compliance cost estimates in the context of the NPL Directive vary. As a rough guide, authorisation costs range from €25,000-150,000 per jurisdiction for legal and consultancy services, with Germany representing the most expensive implementation due to comprehensive organisational requirements. Internal compliance costs add €100,000-300,000 annually for dedicated compliance teams, plus €50,000-200,000 for initial technology infrastructure, creating disproportionate burdens for smaller servicers.

Germany requires Credit Service Institution licensing under Section 10 KrZwMG with extensive fit-and-proper assessments, viable business plans, and separate client fund accounts. The 4-6 month approval timeline includes 45 days for completeness assessment and 90 days for final decisions, with annual BaFin supervision fees of €3,500-4,000 minimum. Criminal penalties up to 5 years imprisonment apply for unlicensed activity. Italy implements authorization similar to banking institutions under Article 106 TUB, requiring segregated bank accounts and specific collection activity authorisation, with estimated timelines of 3-6 months. Greece mandates the most restrictive approach, requiring Greek société anonyme corporate forms with €100,000 minimum capital, exclusive business purpose limitations, and comprehensive shareholder disclosure. Penalties reach €500,000 for non-compliance. France provides the fastest statutory approval timeline at 90 days through ACPR, while offering European passport benefits for licensed servicers. Greece explicitly reports industry consolidation due to higher operating costs, while Germany's 500+ debt collection companies face significant new authorisation requirements.

Authorization barriers particularly impact smaller servicers through regulatory complexity similar to credit institutions, capital requirements favoring larger players, extensive management vetting,

geographical restrictions requiring local presence, and complex client fund handling obligations.

C. Implications for the Market for Selling Smaller NPL Positions

The consolidation within the servicing industry and the exit of some smaller servicers have tangible implications for the market segment focused on smaller NPL portfolios. There is a perceived lack of demand for smaller portfolio sales, attributed in part to these structural shifts in the servicing market.

Smaller credit servicers often play a vital role in the NPL ecosystem by managing smaller, more niche, or geographically concentrated loan portfolios that larger, national, or international servicers might deem uneconomical to handle directly due to proportionally higher transaction and onboarding costs relative to the portfolio's value. If these specialised smaller servicers diminish in number due to market exit or absorption into larger entities, banks or investment funds looking to divest smaller tranches of NPLs—such as those originating from regional banks, specific SME loan categories, or less common asset types—may find a less liquid market with fewer specialized buyers or servicers. This reduction in specialized demand could negatively impact the pricing achievable for such portfolios or even their overall saleability. In some instances, sellers might opt to retain and manage these smaller NPL positions internally if the costs and complexities of external disposal become prohibitive, potentially running counter to one of the Directive's overarching aims of reducing NPL stocks on bank balance sheets.

The evolving market dynamics suggest a potential bifurcation of the credit servicing industry. On one side, large, well-capitalized servicers, often characterized by cross-border operations and integrated, sophisticated technology platforms, are expected to thrive and continue consolidating their market share.[6] These entities are better positioned to absorb the increased regulatory compliance costs and make the necessary investments in technology. On the other side, smaller, specialised niche players may find a sustainable path if they can clearly demonstrate unique expertise in particular asset classes, borrower segments, or geographic regions. These firms might also survive by forming strategic alliances with other players or by acting as specialised subcontractors to larger servicing platforms, thereby leveraging their specific skills while sharing some of the regulatory and technological burdens.[65] However, servicers caught in the middle—those lacking distinct specialization or sufficient scale—are likely the most vulnerable to the pressures of the new regulatory environment and market consolidation.

The need to invest in **advanced technologies** such as **artificial intelligence**, sophisticated data analytics, and digital borrower engagement tools is a significant cost factor that also contributes to consolidation.[30] Larger players can more easily amortise these substantial investment costs over larger volumes of assets under management. This technological imperative acts as a driver for consolidation,

as smaller firms unable to fund these critical investments may become acquisition targets or be forced to exit the market. Conversely, the process of consolidation itself provides the increased scale necessary to justify and finance these large-scale technological upgrades, as exemplified by the strategic technology-driven acquisitions in the Italian market.[30] This creates a reinforcing cycle where technology fuels consolidation, and consolidation, in turn, enables further technological investment, potentially widening the gap between the largest players and smaller entities. Figure 1 shows a third party collection monitoring tool that allows servicers of all sizes to identify business inefficiencies.

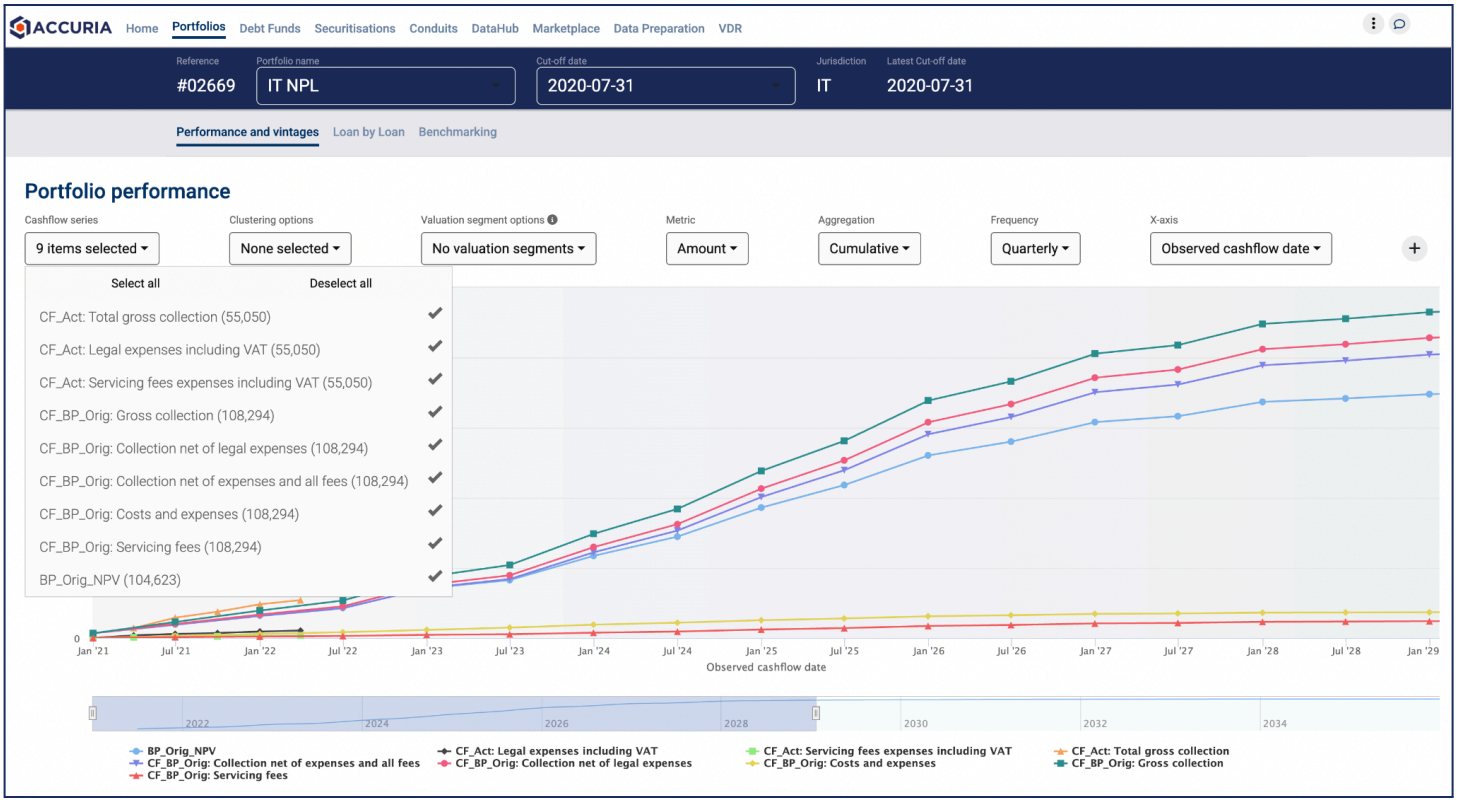

Figure 1: Credit servicers of all sizes must invest in new technology such as AI credit agents and reporting tools. Source: Accuria.

V. Operational Realities for Credit Servicers Post-Directive

A. Main Operational Challenges: Navigating the New Normal

The implementation of the NPL Directive has ushered in a new operational paradigm for credit

servicers, characterized by a range of significant challenges spanning regulatory compliance, cross-border operations, data management, technological adaptation, and business model evolution.

- **Regulatory Compliance & Risk Management**: Servicers face a landscape of stricter compliance obligations and heightened supervisory oversight. The costs associated with obtaining and maintaining licenses or authorisations, coupled with increased transparency requirements and enhanced consumer protection mandates (further amplified by the impending EU Consumer Credit Directive - CCD2), demand substantial investment in compliance infrastructure and expertise. Navigating the nuances of varying national implementations of the Directive, including additional "gold-plated" requirements such as Greece's mandate for an online borrower portal, Croatia's limitations on borrower contact frequency, or Spain's proposed enhancements to debtor protection, adds layers of complexity.[15] This necessitates robust internal regulatory expertise, sophisticated reporting systems, and comprehensive compliance frameworks.
- **Cross-Border Servicing Complexities**: Despite the Directive's aim for harmonisation, significant national differences persist in legal frameworks, particularly concerning insolvency laws and enforcement mechanisms. These disparities create substantial barriers for servicers operating across multiple EU jurisdictions.[5] For example, Italy's NPL framework involves specialized securitization structures, while Germany's KrZwMG imposes specific disclosure and reporting requirements that differ markedly from those in Italy or Greece. Effective cross-border servicing, therefore, continues to demand localized legal expertise and highly customized recovery strategies tailored to each jurisdiction's unique environment.
- **Data Transparency and Reporting Obligations**: National Competent Authorities across Europe, including the Bank of Italy, BaFin in Germany, and the Bank of Greece, have introduced stringent and detailed reporting requirements for credit servicers managing distressed debt portfolios. These often include granular breakdowns of data, such as secured versus unsecured debt, detailed borrower segmentation by nationality and loan type, and distinctions between consumer versus corporate debt exposures. Fulfilling these obligations adds to administrative burdens and compels servicers to invest significantly in data management infrastructure, data warehousing solutions, and reporting automation capabilities.[30]
- **Technology and Digitalisation Pressures**: The debt collection and loan servicing industry is becoming increasingly technology-driven. AI-based analytics, predictive modelling for recovery, and automated borrower engagement tools are rapidly gaining traction. Many traditional servicers, however, may lack the existing digital infrastructure to compete effectively. Key technological challenges include upgrading legacy IT systems to handle AI-driven borrower communication and engagement, investing strategically in digital collection strategies while ensuring ongoing regulatory compliance (e.g., GDPR, cybersecurity), and managing the heightened cybersecurity

risks and data protection obligations associated with handling sensitive borrower data. The use of AI tools for portfolio due diligence and onboarding is also becoming more prevalent. Firms that fail to modernise their servicing platforms risk ceding market share to more agile, fintech-driven competitors that can offer more seamless and efficient borrower experiences. Figure 2 shows the significant disparity in servicer performance on different business clusters highlighting untapped opportunities to improve business processes and valuation assumptions.

Figure 2: Servicer benchmarking tools can reveal relative outperformance of servicers, sub-servicers or business units and help improve operational efficiency.. Source: Accuria.

- **Business Model Adaptation**: As European banks continue to reduce their legacy NPL ratios, the volume of traditional NPL sales has declined in recent years, prompting a shift in focus towards sub-performing loans (SPLs) – loans that are delinquent but not yet classified as non-performing.[30] Servicing SPLs presents new and distinct challenges for traditional NPL servicers. These include the need for early intervention strategies, a focus on borrower rehabilitation rather than solely aggressive collection, compliance with evolving EU consumer protection laws that emphasize preventative restructuring, and the development of more complex pricing models for SPL portfolios.[30] Transitioning from an NPL-centric business model to a hybrid SPL/NPL servicing approach requires servicers to redesign workout strategies and collection processes, acquire or develop relevant datasets and valuation models, and implement loan booking systems capable of

handling the complexities of loan repayments from potentially diverse originating banks.[30] Furthermore, prevailing economic volatility, characterized by rising inflation and economic stagnation in major economies, impacts both borrower default rates and achievable recovery rates, creating a challenging operating environment. Debt-financed servicers have also faced higher interest rates, increasing the cost of acquiring and managing distressed assets.[30]

- **Operational Resilience**: Beyond specific NPL Directive requirements, credit servicers, as regulated financial service providers, must ensure high levels of operational resilience. This involves establishing robust governance frameworks, clearly identifying critical business services, setting appropriate impact tolerances for disruptions, meticulously mapping interconnections and interdependencies (including those with third-party service providers), and implementing strong ICT and cyber resilience strategies. Comprehensive business continuity management and incident management plans are essential, as is a culture of continuous learning and improvement derived from post-incident reviews.[68] The Polish Draft NPL Act, for example, also underscores the importance of risk assessment and management systems for servicers.[67] These resilience requirements are critical for maintaining service continuity and protecting client and borrower data in an increasingly complex and threat-prone operational landscape.

The cumulative effect of these new regulatory and operational demands – new licensing procedures, the need for extensive data management and reporting infrastructure, the mandate for robust internal controls and governance structures[9], and the continuous pressure for technological upgrades[30] – significantly increases the fixed operational costs for credit servicers. This results in higher operational gearing, making servicers more vulnerable to fluctuations in NPL transaction volumes and recovery rate performance. Smaller servicers, which typically have less capacity to absorb these substantial fixed costs across their asset base, are disproportionately affected by this shift.

A compliance paradox appears to be emerging: while the NPL Directive aims for EU-wide harmonisation, its transposition at the national level, frequently accompanied by additional local requirements, and its interaction with a web of other existing and forthcoming regulations (such as CCD2, GDPR, and diverse national insolvency laws), creates an increasingly complex, multi-layered regulatory environment. Credit servicers, particularly those with cross-border operations, must navigate not a single, streamlined rulebook, but rather a complex matrix of EU and national rules. This inherent complexity necessitates greater investment in specialised legal and compliance expertise, potentially offsetting some of the anticipated efficiency gains that harmonisation was intended to deliver.

The Directive's strong emphasis on transparency, the requirement for detailed reporting to NCAs, and the introduction of the EBA data templates for NPL transactions[30] elevate data management from a

purely administrative or back-office function to a core strategic competency for credit servicers. To thrive in this new environment, servicers need to establish robust data governance frameworks, implement stringent data quality control processes, develop advanced data analytics capabilities, and maintain secure data infrastructure. These capabilities are crucial not only for meeting compliance obligations but also for conducting effective NPL valuation, optimizing workout strategies, and achieving competitive differentiation in the marketplace. This represents a significant operational and strategic shift from potentially less data-intensive practices that may have prevailed in some segments of the market prior to the Directive.

VI. The EBA NPL Transaction Data Templates

The NPL Directive mandated the European Banking Authority (EBA) to develop Implementing Technical Standards (ITS) specifying standardised data templates to be used by credit institutions when selling NPLs. These templates aim to enhance transparency and efficiency in the secondary NPL market.

A. Adoption Levels and Market Perceptions

Market adoption and perception of the EBA NPL transaction data templates have been mixed. At the BKS Management Day 2025 in Germany, participants acknowledged the potential benefits of standardisation, particularly for sellers who are less experienced in NPL transactions. However, it was also observed that frequent and more sophisticated NPL sellers often prefer to use their own established data standards, which they may deem more comprehensive or better tailored to their specific portfolio types or investor requirements.[30]

Concerns have also been voiced by smaller banking institutions regarding their capacity to comply with the detailed requirements of the EBA templates, citing potential resource constraints.[30] An important practical observation is that, at least in some initial experiences, sellers who were unable to provide all mandatory data fields within the templates were still able to conduct NPL sales without incurring immediate regulatory penalties.[30] This perceived flexibility in enforcement, if widespread or persistent, could influence the pace and consistency of adoption across the market, as institutions weigh the costs of full compliance against the practical implications of partial adherence.

B. Benefits and Challenges of Implementing the EBA Templates

The introduction of standardised EBA NPL data templates offers several potential benefits to the market, but their implementation also presents a number of practical challenges.

Benefits:

- Enhanced Consistency and Transparency: The primary objective is to improve consistency in the data provided during NPL sales, thereby increasing transparency for potential investors and reducing information asymmetries between sellers and buyers.[72] This can help widen the investor base by lowering barriers to entry for those less familiar with NPL analysis.
- Improved Data Quality and Availability: Standardisation is intended to lead to better quality and more readily available data on NPL portfolios, which can support more accurate price discovery and facilitate smoother transaction processes.[72]
- Common Data Denominator: The templates provide a common baseline or "denominator" for NPL data across the EU, which can be particularly useful for cross-border comparisons and analyses.[30]
- Streamlined Due Diligence: The EBA has made efforts to streamline the data fields, aligning them with market best practices while ensuring that potential buyers receive the necessary dataset for their portfolio due diligence.[69] The number of data fields was significantly reduced from earlier EBA proposals (e.g., from 453 fields in some initial versions to a more manageable 134 fields, of which 74 are mandatory, in the final ITS version).[69]

Challenges:

- Overly Detailed and Granular Nature: Despite reductions, some market participants, particularly banking associations like the European Savings and Retail Banking Group (ESBG), have argued that the templates remain overly detailed and require information that may not be critical for loan valuation purposes or is not currently or readily available to all institutions.[74] The Association for Financial Markets in Europe (AFME), commenting on earlier drafts, also noted that the level of granularity, with a high percentage of fields deemed "critical," exceeded what was typically required in market transactions.[75]
- Data Availability and Confidentiality: A significant practical challenge lies in populating the templates accurately and completely. Information may not always be available in a digital format (some data might exist only in paper form), or certain historical data points may not have been collected at all by originating institutions.[74] Furthermore, existing data confidentiality rules and bank secrecy laws can create barriers to disclosing certain borrower-specific information to multiple potential purchasers, even with NDAs in place.[74]
- Cost and Resource Burden: The mandatory implementation of these templates, especially for banks with low NPL ratios or smaller institutions with limited resources, has been criticized as potentially detrimental, with compliance costs outweighing the perceived benefits.[74] The process of extracting, validating, and formatting the required data can demand significant engagement of internal resources and potentially require investment in new IT systems or data warehousing

solutions.[74]

- Harmonisation with Existing Reporting Frameworks: Concerns have been raised about the degree of harmonisation between the EBA NPL templates and other existing regulatory reporting frameworks, such as AnaCredit or FINREP. AFME pointed out that a large percentage of fields in an earlier version of the NPL templates were not aligned with these existing reporting requirements, potentially leading to duplicative data collection efforts for banks.[75]
- Practicality for Specific Due Diligence Needs: Feedback from some market participants suggests that the structure of the templates might not always align optimally with practical due diligence processes. For example, it has been suggested that splitting the templates to differentiate more clearly between secured and unsecured exposures would be beneficial, given the substantially different valuation and enforcement approaches for these loan types.[76] The lack of unique identification codes for judicial recovery procedures within the templates has also been highlighted as a challenge for streamlined data analysis.[76]

The EBA templates aim to establish a common standard for NPL transactions, promoting efficiency and transparency. This ideal, however, encounters the diverse realities of NPL portfolios, which vary significantly in asset class, size, data availability, and historical context. The established practices of sophisticated and frequent market players, who often have their own bespoke and highly detailed data templates tailored to specific investor needs or asset types, may not align with a universal standard. The observation that these experienced sellers often prefer their proprietary templates suggests that the EBA standard, while beneficial as a baseline, may not yet be perceived as optimal or sufficiently flexible for all market segments.

The difficulties expressed by institutions, particularly smaller ones, in populating the EBA templates accurately and comprehensively often point to a more fundamental issue: underlying deficiencies in historical data collection and management practices at some originating banks. The templates, by requiring a specific level of granularity, implicitly demand an upgrade in these foundational data infrastructures. While this push towards better data quality and governance is a positive long-term development for the market, it represents a considerable short-term cost and operational challenge, especially for smaller institutions with limited IT budgets and legacy systems. Cost efficient SaaS software solutions and outsourced data warehousing with automated onboarding and data mapping tools can overcome many of the IT challenges faced by credit servicers in Europe (Figure 3)

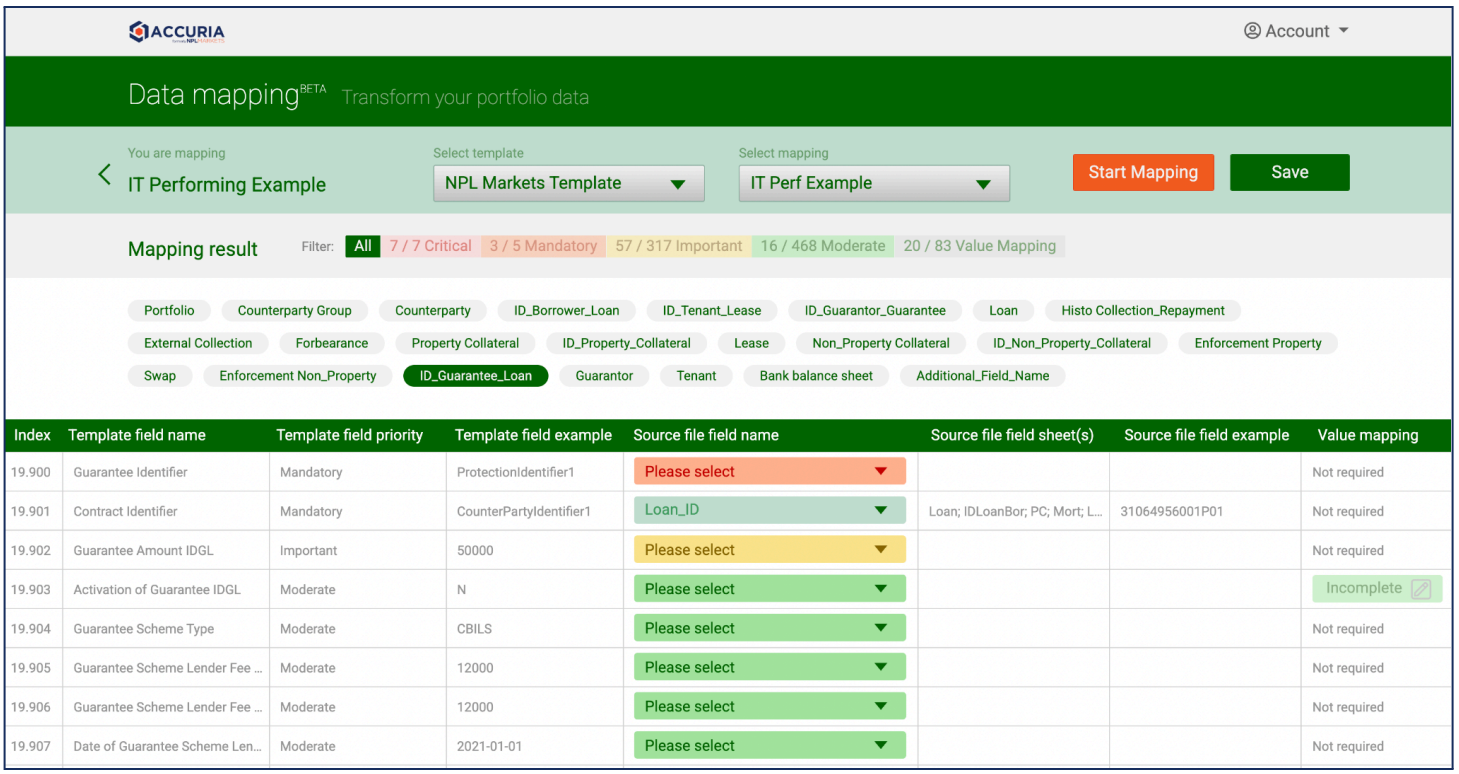

Figure 3: Third-party data warehousing, data onboarding and reporting tools and services can provide essential data services faster than internal IT projects. Source: Accuria.

VII. Conclusion: The NPL Directive's Enduring Impact and Future Outlook

A. Synthesising the Directive's Effects on the EU NPL Market

The NPL Directive has acted as a significant regulatory catalyst, reshaping the European NPL market in several key dimensions. It has driven a notable professionalisation of the credit servicing industry by introducing mandatory licensing regimes, harmonised (to an extent) conduct of business standards, enhanced consumer protection measures, and, consequently, an improvement in the overall reputation and perceived legitimacy of the sector.[30] Across the EU, credit institutions, purchasers, and servicers have been compelled to undertake significant regulatory and operational adjustments, although the pace, depth, and specific nature of these changes vary considerably from one Member State to another.

While a core objective was to create a more harmonised secondary market for NPLs, the persistence of national specificities in legal and judicial systems, coupled with uneven and sometimes delayed

transposition of the Directive, means that a truly level playing field and seamless cross-border operational environment remain aspirational rather than fully realised.[5] The impact of the Directive on NPL transaction volumes and pricing is still evolving and is heavily influenced by broader macroeconomic trends (such as interest rate movements, inflation, and economic growth prospects) as much as by the regulatory changes themselves. Current data indicates that overall NPL ratios in the EU are relatively low by historical standards, but there are emerging signs of rising NPLs in certain segments and specific countries.[6]

A clear trend, partly accelerated by the Directive's compliance demands and the associated costs, is the ongoing consolidation within the credit servicing sector.[6] Larger, well-capitalised players are often better equipped to absorb these costs and invest in the necessary technology, leading to M&A activity and the exit of some smaller or less adaptable firms.

The NPL Directive has served as an important catalyst for enhancing market maturity and imposing a degree of standardised discipline on the NPL servicing industry.[30] However, the deep-rooted differences in national legal traditions (particularly concerning insolvency and enforcement procedures), varying levels of judicial efficiency, and distinct national regulatory cultures and priorities mean that complete harmonisation and a perfectly level playing field are unlikely to be achieved solely through this Directive. It represents a significant step towards a more integrated European NPL market, but substantial national variations will persist, requiring ongoing sophisticated navigation and adaptation by all market participants.

The immediate impact of the Directive for many credit servicers, especially smaller and medium-sized enterprises, has been a tangible increase in compliance costs, administrative burdens, and the need for significant investment in systems and personnel.[30] The longer-term benefits – such as access to a larger, more liquid, and more reputable NPL market offering expanded business opportunities and potentially greater economies of scale – are yet to fully materialise or be definitively quantified against these considerable upfront and ongoing costs. The ultimate success of the Directive will, in part, be judged by whether these anticipated long-term advantages eventually outweigh the initial and continuing compliance investments for a broad spectrum of market participants, not just the largest and most dominant players.

B. Strategic Considerations and Recommendations for Market Participants

In light of the evolving landscape shaped by the NPL Directive, market participants should consider the following strategic adaptations:

For **Credit Servicers**:

- Prioritize the development and maintenance of robust compliance frameworks to meet both EU-level and national requirements. This includes investing in regulatory technology (RegTech) to streamline data warehousing, reporting, and compliance monitoring.[30]
- Continue to invest in operational efficiency and digital transformation, including AI-powered borrower engagement platforms and automated processes for data collection, portfolio analysis, due diligence, onboarding, and recovery.[30]
- Diversify business models by expanding into related areas such as sub-performing loan (SPL) servicing and developing tailored workout solutions that comply with new consumer protection laws.[30]
- Proactively manage costs and optimize capital, potentially by reducing reliance on high-interest debt financing and exploring partnerships with new private debt investors for innovative strategies, particularly around reperforming loans and SPLs.[30]
- For smaller servicers, explore strategic alliances, specialization in niche markets, or mergers to achieve the scale necessary to absorb compliance costs and compete effectively.

For **Credit Purchasers / Investors**:

- Thoroughly assess the evolving regulatory landscape in each target jurisdiction, factoring in national differences in transposition, gold-plating, and underlying legal systems (e.g., insolvency, enforcement timelines) into due diligence processes and pricing models.
- Understand the implications of credit servicer authorisation status and the use (or non-use) of EBA data templates on the quality, reliability, and comparability of NPL portfolio data.
- Evaluate the operational capabilities and compliance track record of potential credit servicing partners in light of the new requirements.

For **Credit Institutions / Sellers**:

- Prepare for increased data disclosure requirements associated with the EBA NPL transaction data templates, investing in data quality and the systems needed to populate these templates efficiently for in-scope transactions.
- Assess the impact of ongoing consolidation in the credit servicer market on the available options for NPL disposal, particularly for smaller, more complex, or geographically dispersed portfolios, and adapt NPL sales strategies accordingly.

For **Regulators and Policymakers**:

- Continuously monitor the effectiveness of the NPL Directive in achieving its stated objectives, particularly regarding the creation of a level playing field and the facilitation of efficient cross-border

NPL transactions.

- Be attentive to and address any unintended negative consequences of the Directive, such as disproportionate burdens on smaller credit servicers or a reduction in liquidity for smaller NPL portfolios.
- Continue efforts to reduce practical barriers to cross-border NPL transactions, potentially through further guidance on the consistent application of rules across Member States or initiatives to improve the comparability and efficiency of national insolvency regimes.
- Ensure NCAs are adequately resourced and trained to supervise the new regime consistently and effectively.

The European credit servicing industry is profoundly shaped by these regulatory shifts, ongoing economic volatility, and rapid technological advancements. While stricter compliance demands and enhanced consumer protections undoubtedly create operational hurdles, those credit servicers that proactively adapt their business models, embrace digital transformation, and refine their operational efficiencies are best positioned to emerge stronger and more resilient in the evolving European debt recovery landscape. Ultimately, the move towards a more regulated industry is expected to benefit NPL servicers through a higher degree of professionalisation and an improved reputation in the financial ecosystem.

Country Annex: Regulatory Deep Dive

A. Germany: The Kreditzweitmarktgesetz (KrZwMG)

Germany transposed the NPL Directive on time via the *Credit Secondary Market Act* (Kreditzweitmarktgesetz, KrZwMG), which took effect on 30 December 2023. This act, and an accompanying Credit Servicers Institutions Act (Kreditdienstleistungsinstitutsgesetz), introduced a new licensing regime for NPL servicers and set rules for NPL sales in Germany. The national competent authority is the financial regulator BaFin, supported by the Bundesbank for certain supervisory tasks. In principle, the German transposition aligns with the directive's goal of a harmonised framework, and BaFin recognises EU authorisations from other member states (via passporting) on a reciprocal basis. This means an NPL servicer licensed elsewhere in the EU can notify BaFin and operate in Germany without a fresh license, and vice versa, ensuring cross-border investors face no additional German-specific licensing. However, Germany did introduce some extra reporting and disclosure requirements in its implementation. Market participants note that the KrZwMG imposes specific German reporting obligations that differ from those in Italy or Greece. For example, German law requires certain notifications to domestic authorities when NPLs are sold, and adherence to Germany's existing consumer credit rules (like informing borrowers of interest rate changes or assignments, per the national Civil Code) alongside the EU rules. As a result, the operational details in Germany carry a local flavor, necessitating compliance with the Secondary Market Act's forms and timelines on top of the base directive.

Licensing and regulatory requirements

Under the new German law, any company (outside of banks or a few exempt categories) performing "credit servicing" (e.g. collecting payments, restructuring NPLs, or notifying borrowers on behalf of an NPL investor) must obtain a BaFin license as a Kreditdienstleistungsinstitut before August 2024. BaFin held an outreach event in Dec 2023 to guide firms through the upcoming requirements and published extensive guidance and application forms on its website. The license criteria mirror the directive's standards: applicants had to demonstrate reliable and competent management, fit-and-proper owners (shareholders), a viable business plan, and robust internal controls and data protection measures. BaFin also requires that if a servicer will hold borrower funds (e.g. pass-through of loan repayments), those funds be kept in trust accounts (Treuhandkonten) with a bank to protect against commingling or insolvency of the servicer. An important aspect is that many German debt collection firms previously operated under a simple legal services license (under the RDG law) and were not regulated by BaFin.

The KrZwMG brought these firms under financial supervision for the first time. Initially, the law gave existing servicers only until 16 February 2024 to notify BaFin of their intent to continue and then until 16 August 2024 to actually obtain the new license (during which they could keep operating). BaFin later showed flexibility by accepting intent notices through 5 April 2024 due to the tight timeline. As of 17 August 2024, any servicer of bank-originated NPLs in Germany must have a BaFin license. This rapid transition was challenging, but the industry responded proactively: many firms applied and were approved by mid-2024, often with the help of the BKS association.

According to BKS, a large number of its member companies *"have now obtained [BaFin] authorization"* by August 2024 and can continue operating under the higher standards. The BKS represents about 40 secondary market players in Germany, which likely indicates dozens of newly licensed servicers. This suggests that Germany's NPL servicing sector largely managed to comply, though it presumably required significant effort, especially from smaller firms. Indeed, smaller German servicers have commented on the heavy lift involved – with application dossiers running hundreds of pages and detailed documentation of processes – which they felt disadvantaged the small and mid-sized outfits relative to big, well-resourced ones. In some cases, smaller collection agencies that focus on consumer debts might choose to exit the bank NPL segment rather than bear the ongoing compliance costs, according to industry observers, further contributing to consolidation trends.

Impact on market and smaller portfolios

The German NPL market in 2023–2024 has been relatively subdued, but the directive's implementation still has effects. The compliance burden (licensing, new reporting) has increased operational costs for servicers, which in a low-default environment means some may reconsider their scale of operations. Large pan-European servicers (often backed by private equity or integrated with investment funds) have obtained licenses and can leverage economies of scale, whereas some niche local players may retrench. This could reduce the appetite for purchasing small ticket NPL pools in Germany. On the other hand, the directive and KrZwMG have formalized a high level of borrower protection that was partly already present in Germany due to strict consumer laws. German servicers must now explicitly follow conduct rules such as acting *in good faith, fairly and professionally* with borrowers and maintaining procedures to handle borrower complaints. BaFin has set up a complaint mechanism as well: borrowers who feel a servicer violated their rights can lodge a complaint, which the servicer is obliged to address, and BaFin oversees this process. These measures strengthen confidence in the market's fairness, arguably encouraging banks to consider NPL sales knowing that a regulated servicer will be handling their former clients. In terms of reporting, German credit servicers now must periodically report data to BaFin and the Bundesbank about the NPLs they manage, and banks selling NPLs must

notify both BaFin and Bundesbank about the sale (and provide loan-level information to the buyer). While this increases oversight, it adds administrative work for market participants. Additionally, any credit purchaser buying German NPLs is required to inform the borrower of the transfer and cannot impose any less favorable terms on the borrower than the original loan – principles that were enshrined to ensure the sale does not diminish the protections afforded to German borrowers. Overall, Germany's implementation of the NPL Directive has been swift and comprehensive, creating a tightly regulated NPL servicing environment. It achieved a high compliance rate among existing servicers (with dozens now licensed by BaFin) and maintained a competitive market among the larger established players. The trade-off has been increased compliance costs and the likely crowding-out of the smallest firms, as well as a neutral-to-negative impact on the liquidity of smaller NPL trades.

Competent Authority: The Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin), in close cooperation with the Deutsche Bundesbank, is responsible for authorising and supervising credit servicers in Germany.[8]

Requirements: Under the KrZwMG, entities providing credit services (Kreditdienstleistungsinstitute - KrDI) must secure authorisation. Key prerequisites include:

- Legal Form: Must be a juridical person or a commercial partnership.[34]
- Proper Business Organisation: This encompasses robust internal control mechanisms, procedures to safeguard borrower rights and protect personal data, and effective complaint handling processes.[8]
- Management: Directors must be reliable and possess the necessary professional qualifications and experience. At least one manager must typically demonstrate expertise aligned with the German Legal Services Act (RDG).[9]
- Qualifying Holdings: Holders of significant shareholdings must also meet reliability criteria.[9]
- Handling of Borrower Funds: If a KrDI intends to receive and hold funds from borrowers, it must maintain segregated trust accounts with a credit institution.[9]

Application/Timeline: Applications are submitted to BaFin and the relevant regional office of the Deutsche Bundesbank. BaFin is mandated to review an application for completeness within 45 days of receipt and to render a decision on whether to grant or refuse authorisation within 90 days of receiving a complete application.[8] A transition period was established for existing servicers: they were required to notify BaFin of their intention to apply for a license by 16 February 2024, and submit the full application by 5 April 2024. A license has been mandatory since 17 August 2024.[8] BaFin has published comprehensive guidance notices, overviews, and forms to assist applicants.[9]

- Costs: Fees for authorisation are generally based on the time spent by BaFin for individually

attributable public services. Additionally, ongoing supervision costs are allocated proportionally to the supervised institutions.[34]

Reporting: Credit services institutions (KrDIs) must submit their annual financial statements to BaFin during the first quarter of each year.[9] Credit purchasers are required to notify BaFin and the Deutsche Bundesbank of the appointment of a credit servicer and provide details of any subsequent sales of the NPLs to new purchasers.[42]

- KrDIs are required to submit their annual financial statements to BaFin in the first quarter of each year.[9]
- Credit purchasers must notify BaFin and the Deutsche Bundesbank of the appointment of a credit servicer. If the credit purchaser subsequently sells the NPLs, they must also notify BaFin and the Deutsche Bundesbank, providing details such as the identity of the new purchaser and the volume of loans sold.[8]
- Credit institutions, when selling NPLs, must provide BaFin and the Deutsche Bundesbank with comprehensive information on the credit purchase transactions processed, on a semi-annual basis.[8]

B. Italy: The Italian NPL Decree and Bank of Italy Supervision

Implementation and market context

Italy transposed the NPL Directive in mid-2024 by adopting *Legislative Decree No. 116 of 30 July 2024* (the "Italian NPL Decree"). This decree amended Italy's Consolidated Banking Law (Testo Unico Bancario) to incorporate the directive's provisions, formally regulating credit servicers ("gestori di crediti in sofferenza") and credit purchasers of NPLs. The Bank of Italy has been designated as the competent authority for authorising and supervising NPL servicers in Italy. Italy's implementation is noteworthy because Italy historically had one of Europe's largest NPL markets and a well-developed servicing industry. Before this decree, purchasing NPLs was tightly restricted in Italy unless you were a regulated entity (banks or certain financial intermediaries) or you used a securitisation structure. The NPL Directive prompted a break with the past: Italy liberalised the activity of purchasing NPLs, allowing non-bank, unregulated investors to buy NPL portfolios directly. Under the new rules, even entities that are not banks or licensed financial intermediaries can acquire NPLs from banks, without needing a banking license (removing a former barrier). However, to safeguard borrowers, any such NPL buyer must appoint an authorised credit servicer to manage and recover the loans. Italy chose to exclude certain cases from the directive's scope: notably, NPL sales done via the classic Italian securitisation

law (Law 130/1999) are not subject to the new servicer regime. In those securitisations, the servicer remains a bank or a regulated intermediary under pre-existing law, so the decree left that framework intact (to avoid interfering with Italy's successful securitisation/NPL ABS market). Thus, the NPL Directive's rules mostly apply to outright NPL sales outside of securitisation.

Servicer authorization and requirements

The Italian NPL Decree created a new regulated entity type: "NPL Credit Servicers" (Gestori di NPL), which must be authorized by the Bank of Italy. These servicers may be stand-alone servicing companies or debt collection agencies, but they now face a licensing regime similar to that of Italian financial intermediaries. The scope of permitted activities for NPL servicers is essentially the same as the directive's definition: collecting or recovering payments from borrowers on behalf of the NPL purchaser, and renegotiating loan terms within limits (they cannot extend new credit). A key operational rule in Italy is that NPL servicers are allowed to handle borrower payments – i.e. they can collect repayments directly – but only through segregated accounts with banks. The Italian law leverages the concept of *"patrimonio separato"* (separate estate): any funds collected from borrowers must be deposited into a separate account, which is legally ring-fenced from the servicer's own assets and from claims by the servicer's creditors. In effect, borrower funds are protected in these trust accounts so that even if the servicer goes bankrupt, those collections belong to the NPL investor (and ultimately the bank's securitization or buyer). The law specifies that no creditor of the servicer or the bank holding the account can seize the monies in those segregated accounts, and that in the event of the NPL purchaser's insolvency, the collected funds are promptly returned to its estate. This strong protection of funds is in line with the directive's aim (Italy clearly exercised the option to allow servicers to hold funds, but built in safeguards similar to a trust).

The Bank of Italy is empowered to issue secondary regulations detailing the authorization process and operational requirements. In fact, on 13 February 2025, the Bank of Italy published comprehensive *Supervisory Provisions* for NPL servicers and purchasers to implement the new rules. These cover everything from corporate governance to reporting and conduct of business. An important requirement is that NPL servicers in Italy must now undergo an external audit by an independent audit firm (just as banks and non-bank financial intermediaries do). This ensures an extra layer of oversight on their financial reporting and controls. Additionally, Italy aligned certain consumer protection rules with the directive: for instance, if an NPL's terms are changed or a forbearance is granted, servicers must send specific notices to consumer borrowers, and they must follow the forbearance offer procedures already established in Italian law (extending some mortgage debtor protections to consumer credit).

Licensing process and timelines

Firms that were already engaged in NPL servicing in Italy (which could include a wide array of debt collection companies) were granted a transition period once the new regime took effect. The Italian NPL Decree came into force on 14 August 2024. However, the decree stipulated that it would not be fully operational until the Bank of Italy issued its implementing rules (which, as noted, were published in Feb 2025 and would enter into force once published in the Official Gazette). According to the decree, *existing servicers* as of August 2024 are allowed to continue their activity for 6 months after the BoI's rules take effect, by which time they must obtain a license or exit. Furthermore, those existing firms had to apply for authorization within 3 months of the BoI rules coming into force. In practice, this means by mid-2025 all active Italian NPL servicers should have submitted license applications to the Bank of Italy. If they apply within the deadline, they are permitted to keep operating beyond the 6-month grace period until the Bank of Italy decides on their application. If a firm fails to apply by the deadline or is ultimately rejected, it must cease NPL servicing at that point. The Bank of Italy has been proactive in smoothing this process – for example, it organised a dedicated workshop for NPL servicers, to clarify the application procedures and answer questions. This outreach indicates Italian authorities' recognition that many mid-sized firms needed guidance to navigate the new compliance steps.

By early 2025, dozens of Italian servicing companies were gearing up to become fully licensed. Italy's market includes several large servicers (Intrum Italy, doValue, AMCO, Prelios, Cerved, etc.) which were already subject to some supervision (some are registered under Article 106 of the Banking Act as financial intermediaries). Those large players have generally welcomed the directive, as it levels up the regulatory scrutiny on all competitors, potentially weeding out any unprofessional operators. Meanwhile, many smaller debt collection agencies – which previously could operate with just a local business registration or a police license (for general debt collection under Article 115 TULPS) – now face a much higher bar. They must inject corporate governance (e.g. many will need to install a board of directors and hire compliance officers) and meet capital and audit requirements. Notably, the capital requirements for NPL servicers in Italy are not onerous – the decree did *not* impose a specific new minimum capital beyond what ordinary companies need. Unlike banks or finance companies, NPL servicers' capitalization is governed just by general company law, meaning a servicer could be set up as an S.p.A. or S.r.l. with relatively modest capital (e.g. €50,000 or €100,000, per the Civil Code). This was a conscious choice to avoid over-burdening entrants; instead, the focus is on qualitative requirements (fit-and-proper owners and managers, robust systems). Even so, ongoing supervision will mirror that of banks – servicers must submit to information requests, inspections, file regulatory reports, and their directors/shareholders are subject to similar suitability tests as bank managers and owners. In effect, Italy has placed NPL servicers under "strict control" by the central bank, closing a gap where previously

many could operate freely.

Market impact and reactions

NPL transaction volumes have slowed since 2023 compared to the peak years which benefitted from the GACS guarantee scheme. However, there is a growing focus on *unlikely-to-pay* loans and *sub-performing loans*, which the directive does not directly cover. The Italian NPL Decree explicitly excludes UTP (unlikely-to-pay) loans and other sub-performing exposures from the scope, sticking to true NPLs. One implication is that some Italian servicers may avoid the new license by pivoting to manage only UTP or performing distressed loans – though major banks typically still rely on servicers for NPLs. The competitive landscape in Italy is already quite consolidated (the top 5 servicers handle a large majority of the volume). The Directive's introduction of higher compliance costs likely cements the dominance of these big servicers while raising the barrier for small/new servicers. Industry experts have observed that regulating only the servicer side might concentrate risk. Since credit purchasers remain largely unregulated in Italy and elsewhere, some worry that large flows of NPLs to shadow investors could pose systemic risks if those investors struggled, because the servicers' fortunes are tied to them. Italian regulators, in fact, justified the strict servicer oversight as a way to monitor and mitigate any risks flowing from the NPL secondary market back to banks.

From a borrower protection standpoint, Italy already had extensive consumer credit rules and a formal Code of Conduct for debt restructuring. The NPL Directive reinforced these protections. Now, when an Italian consumer's NPL is sold, the borrower must be notified of the transfer and retains all the rights (e.g. to any existing repayment plan or to raise complaints) they had with the bank. The Bank of Italy's new rules require servicers to have dedicated complaints management functions and to report complaints statistics. Moreover, if a loan's terms are renegotiated by the servicer, the borrower must be given personalized pre-contractual information similar to what they'd get for a new loan – an extension of EU Consumer Credit Directive principles to the NPL context. These obligations, while adding compliance costs, ensure that borrowers are treated fairly and consistently even after their loan is sold. Market feedback suggests that well-established Italian servicers were already moving toward more borrower-centric approaches offering restructuring plans rather than aggressive collections, especially as sub-performing loans become a bigger part of portfolios. The Directive has accelerated this shift by making fair treatment not just good practice but a legal requirement.

By mid-2025, the Bank of Italy had begun accepting license applications. The exact number of licensed NPL servicers will be clearer by late 2025 after approvals are granted. But we know Italy has a large pool of candidates: before the reform, there were dozens of companies involved in NPL servicing – including

specialised servicers that were already under Bank of Italy supervision (e.g. doValue, Prelios, Cerved were registered 106 intermediaries) and many smaller collection firms working as outsourcers. All these entities now need the gestore di NPL authorisation or must restrict their business to non-bank loans. Given the decree's grace period, existing servicers can operate until about Q4 2025 without a final license, but many will obtain approval before then. The Bank of Italy's workshop in March 2025 had strong participation, indicating broad engagement from the industry. We can anticipate that Italy will ultimately have several dozen licensed NPL servicers. The larger ones will continue to lead the market, and some smaller ones may consolidate or reposition as "credit service providers" (the directive's term for subcontractors) performing outsourced tasks under the oversight of licensed servicers. In fact, the Italian decree permits outsourcing of credit servicing activities, similar to the directive, so long as the primary servicer remains responsible. This provides a path for small firms: they might not become licensed servicers themselves, but could still work as agents for bigger servicers (for example, handling on-the-ground collections in certain regions) – albeit they cannot directly collect funds or take on the full role of servicer without a license.

Trading of smaller NPL portfolios

Italy historically saw NPL trades of all sizes, but until 2023 large securitised deals dominated. With the Directive's rules in place, selling small NPL lots of, say, a few million euros to a local investor is a bit more involved: sellers have to use the EBA data templates and report the sale to the Bank of Italy, and the buyer must appoint a licensed servicer. For small deals, these fixed compliance costs may deter some transactions. Market observers have indeed noted that throughout Europe, smaller NPL trades have become less attractive, and Italy is seeing that as well. The smaller regional banks, if they have minor NPL pools, might either sell through consortia or keep them until they reach a critical mass, rather than do one-off small sales which now carry more regulatory overhead. This dynamic is consistent with the conference remarks that private debt funds and other investors have not yet rushed into buying small NPL portfolios despite the regulatory framework being opened, partly because the market had already consolidated.

In summary, Italy's adoption of the NPL Directive has been a significant development for its NPL market. It removed longstanding restrictions on loan acquirers (making Italy more investor-friendly) while tightening control over servicers to ensure professionalism and borrower care. By 2025, Italy is in a transition: many servicers are in the process of obtaining licenses, and the Bank of Italy is actively overseeing this new sector. The outcome should be a more level playing field among servicers – all subject to equivalent rules – and easier entry for foreign investors (since they no longer need an Italian banking license or Italian securitization vehicle to buy NPLs). However, the higher compliance burden is

reinforcing the role of the biggest servicers and could marginalize the smallest. Italy's focus remains on balancing NPL reduction with debtor protection, a balance the NPL Directive framework is designed to strike.

Competent Authority: The Bank of Italy (Banca d'Italia - BoI) is the NCA responsible for authorising and supervising NPL credit servicers (gestori di crediti in sofferenza).[10]

Requirements: NPL credit servicers must obtain BoI authorisation. The regulatory framework for licensing, ongoing supervision, sanctions, and fit and proper assessments for management and significant shareholders largely mirrors that applicable to banks and financial intermediaries registered under Article 106 of the Italian Banking Code (Testo Unico Bancario - TUB).[10] A key operational requirement is that claims collection activities must be carried out in Italy, and servicers must use segregated bank accounts ("patrimonio separato") for holding funds collected from borrowers on behalf of credit purchasers.[10] An external audit of NPL credit servicers is now mandatory.[10]

Application/Timeline: Entities already performing NPL credit servicing activities as of 14 August 2024 (the entry date of the Italian NPL Decree) were required to submit an application for authorisation to the BoI no later than three months from the date of entry into force of the Bank of Italy's Implementing Measures. These measures were published on 13 February 2025, and became effective upon their publication in the Italian Official Gazette on March 9, 2025.[10] This set the application deadline for existing servicers at around 10 June 2025.[43] The BoI conducted a workshop on 6 March 2025, to provide clarifications on the authorisation application process.[10] The formal licensing procedure commences once the BoI has received a correct and complete application. The process may be suspended for up to 180 days if additional information is required.[44]

Costs: While specific fee schedules are not detailed in the provided materials, the alignment of the regulatory regime with that for banks suggests that compliance and authorisation costs will be significant.

Reporting: Credit servicers are subject to supervisory reporting requirements analogous to those for banks and Article 106 intermediaries.[10]

- NPL credit servicers are subject to a specific supervision regime that verifies compliance with debtor protection rules, including obligations regarding information on loan assignment, complaints management, and general rules of conduct. They must report on the management of segregated accounts used for holding borrower funds. An external audit of servicers is now required.[10] Supervisory reporting for NPL credit servicers is broadly aligned with that for banks and Article 106 intermediaries.[10]
- NPL purchasers are required to report relevant information to the Centrale Rischi (the Bank of Italy's

central credit register).[10]

C. Spain: The Draft Bill and Proposed Bank of Spain Regime

Status of implementation

Spain did not meet the December 2023 deadline for transposing the NPL Directive. As of mid-2025, Spain's transposition was still pending. The Commission initiated infringement proceedings, urging Spain to act on the directive. In response, Spain has prepared a Draft Bill on Credit Servicers and Credit Purchasers, which is working its way through the legislative process. This draft bill, once enacted, will implement the directive's framework in Spain. Although not yet law, its content is known from consultations and legal commentaries. The delay means that Spain's NPL market in 2024 has been operating without the new EU rules fully in force. Spanish banks and investors still must follow directly applicable EU regulations (like the EBA data templates regulation for NPL sales), but the licensing regime for servicers and many borrower protections require national law and thus have not applied yet. This interim situation arguably gave Spanish servicers short-term relief from new compliance costs. However, it also created legal uncertainty and a **lack of the EU passport in Spain** – since Spain had no recognised regime, servicers authorised elsewhere could not easily notify a Spanish authority to operate there. In practice, this likely kept the status quo: Spain's NPL servicing has been dominated by a few large firms, which continued business as usual pending the new law.

Anticipated framework (Draft Bill)

Spain's draft law closely follows the directive's structure, with a few Spanish specifics. It designates the Bank of Spain as the principal regulator in charge of authorising and supervising NPL servicers. The Bank of Spain will maintain a public register of authorised credit servicers, which will list not only Spanish-licensed firms but also those from other member states passporting into Spain. Key points from the draft bill include:

- **Licensing requirements**: Any company (other than banks and certain already-regulated financial institutions) that wants to engage in credit servicing activities (as defined by the directive) for NPLs must obtain authorisation from the Bank of Spain. The application will likely require demonstrating qualified management, adequate organization, and a complaint-handling system. Notably, *credit institutions* and Spain's existing financial credit establishments (EFECs) are exempt when they service loans, since they are already regulated.

- **Permitted activities and outsourcing**: The draft bill allows authorised servicers to outsource parts of their operations to third-party credit service providers. However, any outsourcing does not relieve the servicer of its obligations, and the servicer remains fully liable. Crucially, outsourcing providers cannot hold or receive borrower funds – only the licensed servicer itself (or a bank) can handle payments. This prevents a subcontractor from effectively acting as an unregulated servicer by holding money.

- **Holding borrower funds**: Spain appears inclined to permit servicers to receive payments from borrowers on behalf of investors, but only if certain conditions are met. The draft bill states servicers may hold and transfer borrower funds if their corporate bylaws allow it and presumably if they have proper safeguards. This is Spain exercising the directive's option to allow fund handling. We can expect regulations to require segregation of such funds (similar to other countries' approach of using escrow accounts). Indeed, the Bank of Spain is expected to issue standardised models or guidelines for how servicers must report information for the public register, likely including details on whether they hold client funds, types of NPLs serviced, etc., following EBA guidelines on this matter.

- **Consumer protection and complaints**: The Spanish draft emphasizes borrower rights. Servicers will have to adhere to Spain's existing *Codes of Good Practice* that banks follow for vulnerable borrowers, ensuring continuity of borrower protections after a loan is sold. They must establish a customer service department to handle borrower and guarantor complaints, and register and resolve complaints in a timely manner. Spain is concurrently setting up an Independent Administrative Authority for Financial Customer Protection (a new ombudsman for financial services). The draft bill envisions that complaints about NPL servicers might ultimately be handled by this authority once it is operational. In the interim, it suggests the Bank of Spain's existing claims service will handle complaints related to NPL servicers. This focus on complaints mirrors the directive's requirement for an internal complaints procedure and aligns with broader efforts in Spain to strengthen consumer recourse in financial services.

- **Investor obligations**: it is worth noting the Spanish draft also reinforces that credit purchasers (investors buying NPLs) must apply the same codes of good practice the originating bank was bound by. It clarifies that NPL sales do not negate any consumer rights or legal protections – e.g. borrowers maintain any defenses and the sale cannot worsen their position by itself. Spanish law has traditionally been protective (for instance, requiring notification of debt assignments under certain conditions); the new law will enshrine the directive's borrower notification and

contract continuity rules in Spain.

Impact on servicers and market

In Spain, even without the law yet in force, the larger NPL servicers have been preparing. Spain's NPL servicing sector is dominated by a few big platforms – notably Intrum Spain, Hipoges, Altamira (DoValue), Haya Real Estate, Axactor, and Anticipa – many of which are foreign-owned or affiliated with international groups. These major servicers will easily meet the new licensing requirements, as they already have sophisticated operations and often manage tens of billions in assets. In fact, some are already authorised in other EU countries (e.g. Intrum has licenses in multiple jurisdictions), so they could passport in once Spain's regime exists. The Bank of Spain's oversight will likely formalise practices that these companies already follow (like having compliance departments, borrower assistance programs, etc.). There are relatively fewer independent small players in Spain compared to Italy or Greece, partly because after the 2008–2015 crisis, Spanish banks sold NPLs along with their own servicing arms (creating those big servicers listed above). Any remaining small firms (like local collection agencies) might not directly service bank NPLs at scale; they could partner with larger servicers or focus on niches like unsecured consumer debt or legal recovery support. If any do wish to become licensed credit servicers, they will face the same challenges of compliance costs and needing to beef up governance. The requirement to have, for example, effective boards and two senior managers (a common requirement as seen in France) could be a hurdle for small firms. Spanish law will also impose registration costs most likely an application fee and ongoing supervisory fees, although specific figures aren't yet public. These factors might discourage new entrants. Similar to elsewhere, Spain's implementation may consolidate the market around the big servicers affiliated with international investors and banks.

Trading of NPLs and smaller portfolios

Spain's bank NPL ratio has come down to around 3 to 4%, and Spanish banks have been steadily offloading NPLs in recent years through portfolio sales (often large portfolios including real estate assets). The NPL Directive's main immediate effect in Spain, once implemented, will be procedural: banks selling NPLs will have to use the EBA data templates and report sales to the Bank of Spain. In practice, Spanish banks (especially large ones like Santander, BBVA, CaixaBank) are already quite experienced in NPL disposals and typically provide extensive data to bidders. The directive formalises this with the standard template, but market practice was already robust.

Commentary from regulators and market reaction

The Spanish regulator has not publicly criticised the directive; rather, Bank of Spain officials generally support measures that create a more transparent secondary market for bad loans. The delay in transposition was more due to legislative backlog than opposition. Market participants in Spain are broadly in favor of a harmonised EU framework, as many of them operate across borders. They expect that once implemented, the passporting feature will allow Spanish-licensed servicers to expand services in other EU countries and vice versa, benefiting groups with multinational operations. Until now, Spain's market has been relatively closed, with Spanish banks tending to sell NPLs bundled with servicing contracts to the incumbent servicers. A passport regime might slowly open that up. That said, cultural and practical considerations mean foreign servicers would likely need a Spanish presence or partners to be effective. We might see new entrants or smaller international servicers testing the waters in Spain once the law is live, but it remains to be seen if that materially changes market share distributions.

In conclusion, Spain's NPL Directive implementation expected in 2025 will bring Spain into line with the common EU approach. The level playing field is partially on hold until then – Spanish servicers temporarily avoided new rules, while foreign servicers cannot yet freely operate in Spain under the directive – but by 2025 this should be resolved. We anticipate Spain will end up with a registry of authorized NPL servicers (likely the major 5 or 6 firms at first) and that credit investors in Spain will follow similar procedures as elsewhere in Europe for NPL transactions. Smaller Spanish NPL portfolio trades may become slightly less frequent due to higher fixed costs, reinforcing the trend toward larger portfolio sales.

- **Competent Authority (Proposed)**: The Bank of Spain (Banco de España - BdE) is designated as the NCA under the draft legislation.[15]
- **Requirements (Proposed)**: The Draft Bill stipulates that credit servicers (defined as legal persons) must obtain authorisation from the BdE and be registered in a specific public registry.[15] Entities already supervised by the BdE (such as banks and financial credit institutions - EFCs) are exempt when managing their own NPLs. Authorisation is mandatory for entities managing NPLs acquired by third parties. Directors and managers of credit servicers must meet suitability, honorability, knowledge, and experience criteria.[47] Servicers must establish effective customer service channels, internal debt renegotiation policies, and protocols for the fair treatment of vulnerable individuals.[15]
- **Application/Timeline**: The Draft Bill was published on 14 March 2025.[15] The public consultation period concluded on 31 May 2024, with final parliamentary approval anticipated towards the end of 2024.[16] The Bank of Spain is expected to consider the EBA Guidelines on the establishment and

maintenance of national lists or registers of credit servicers when developing its own register.[47]

- **Costs**: Specific costs associated with the authorisation process are not detailed in the available information.
- **Reporting (Proposed)**: Credit purchasers are required to notify the BdE of their NPL acquisitions.[15] Furthermore, purchasers who subsequently sell NPLs must report these transactions to the BdE on a biannual basis (or quarterly, if requested by the BdE). This reporting includes the identity of the new purchaser, the outstanding balance and number of NPLs sold, details on whether the debtors are individuals (including consumers), self-employed persons, microenterprises, or SMEs, and information on the type of collateral and the relevant asset. The Bank of Spain may develop a standard model for this reporting.[16]

  Credit purchasers (or their appointed credit servicers) will be required to report to the Bank of Spain on a biannual basis (or quarterly, if requested by the Bank of Spain) details of NPLs they have sold. This includes information on the identity of the new purchaser, the outstanding balance and number of NPLs involved, the type of debtors (e.g., individuals, SMEs), and details of any collateral.[16]

D. France: ACPR Authorisation and Requirements

Implementation and regulatory framework

France transposed the NPL Directive on time via legislation and regulatory adjustments at the end of 2023. The French approach was to integrate the directive's requirements into the existing financial regulatory system under the oversight of the Autorité de Contrôle Prudentiel et de Résolution (ACPR), which is the arm of the Banque de France supervising banks and finance companies. As of early 2024, any entity (not already a bank or similar) engaging in NPL servicing in France must obtain authorisation from the ACPR as a credit servicer (*société de gestion de crédits non performants*). The ACPR has confirmed that it will license servicers for the full suite of credit servicing activities defined in the directive without needing separate permissions for each specific activity. In other words, a French credit servicer license allows the firm to perform all the usual NPL servicing functions (collection, restructuring, borrower notification, etc.) in line with Article 3(8) of the directive. Similar to other countries, certain entities are exempt: EU-regulated professional lenders (like banks or AIFMs managing loan portfolios for funds) can service loans they own without needing a separate servicer license. This means if, say, a French asset management company buys an NPL portfolio for its fund, it can manage

those loans under its existing AIFM authorisation, provided it doesn't service third-party portfolios – a nuance important to France's debt fund industry.

The ACPR's licensing process for NPL servicers is rigorous, aligning with France's generally strict approach to financial regulation. Applicants must provide detailed information on the identity and good repute of their shareholders, the qualifications and experience of their management, a business plan covering at least three years, and descriptions of internal control and risk management systems. The ACPR has indicated that an applicant should appoint at least two senior managers (*directeurs effectifs*) to run the business day-to-day and establish a proper board of directors or supervisory board to oversee management. This governance requirement – essentially requiring a two-person minimum management and a formal board – could be burdensome for small companies and is indeed *a* challenge for smaller actors, as the ACPR acknowledged. Such standards reflect France's intent to ensure servicers have robust governance akin to banks and insurance firms.

French law gave existing servicers until 29 June 2024 to obtain ACPR approval (consistent with the directive's 6-month post-effect grace period). The ACPR noted this deadline was very tight and publicly stated that while it legally cannot extend it, it would take a pragmatic stance – implying that if a servicer's application was in progress and well-founded, ACPR would not shut them down on June 30. In practice, ACPR's review process can be lengthy: by law, ACPR has 45 business days to check if an application file is complete, and then 90 business days (roughly 4.5 months) to approve or refuse after receiving a complete file. In many cases, ACPR interacts with applicants iteratively, asking questions and seeking additional info, which can extend the timeline.

Permissions and conduct

France exercised the directive's discretion to allow credit servicers to hold borrower funds directly. The French transposition explicitly authorised credit servicers to hold client funds, provided that they are segregated in a dedicated account with a credit institution. This approach is similar to Germany and Italy's, and it reflects a practical stance as many French NPL deals involve the servicer collecting payments. Instead, France allows it but ensures the servicer cannot misuse those funds.

The French rules also cover the relationship between servicer and investor: any credit servicer must have a formal contract with the credit purchaser of the NPLs, and that contract must include certain mandatory clauses per the directive and French law. For instance, it must outline the servicer's remuneration, responsibilities, and obligations to inform the purchaser of any outsourcing it does, and a commitment to treat borrowers fairly and diligently. These requirements ensure that investors retain oversight of their servicers and that servicers don't take actions (like aggressive enforcement or

outsourcing to unknown sub-agents) without the investor's awareness, which is crucial for governance.

On the borrower side, French transposition has reinforced a few points: Borrowers must be notified of the loan sale *before* the servicer (or purchaser) undertakes any collection action. This can be done by the original bank, the servicer, or the new creditor, but they need to agree who will do it, to avoid duplication. In France, it's common that loan transfer notifications are done by mail; now it will be mandatory in all NPL sales. Also, if a borrower requests information about the loan (for example, the outstanding balance, or who the new owner is), the servicer must provide *appropriate information* on the status and terms of the loan. Essentially, the servicer steps into the shoes of the bank in terms of borrower communication duties. Moreover, servicers must handle borrower complaints promptly and cooperatively with the new Financial Services Ombudsman once that is fully functioning (France is also establishing a new consumer protection authority, similar to Spain's, as part of EU-wide initiatives).

Market impact

France's NPL ratio has been low at around 2.5% as per EBA data, and French banks typically manage a lot of their distressed debt in-house or via securitisations rather than massive portfolio sales like in Italy or Spain. Thus, the stand-alone NPL servicer industry in France is smaller and was less regulated pre-directive. There were a few notable independent servicers: e.g. iQera is a large French servicer managing both bank NPLs and other receivables; Hoist Finance operates in France buying consumer NPLs; Intrum France as well; and some boutique firms handling niche asset classes. Many distressed debts in France are also handled by law firms or huissiers (bailiffs) for legal enforcement. Interestingly, France made use of Article 2(6) of the directive to exempt judicial officers like notaries, bailiffs, lawyers when they act in their official capacity. This means if a bailiff is enforcing a court order on an NPL it is not considered credit servicing requiring a license.

Given the new rules, some smaller French companies may decide not to enter the NPL servicing business formally. For example, if a small firm was occasionally helping investors by managing a few loans, the cost of licensing might outweigh the benefit, so they might stop or partner with a licensed entity. It is plausible that only a handful of servicers will be authorized in France initially. The ACPR's stringent requirements (the two-director rule etc.) suggest they expect only well-capitalized firms to apply. Indeed, the initial *feedback* from legal experts was that some credit servicers would need to significantly adjust their governance to comply.

For investors (credit purchasers), France already had some idiosyncratic rules: notably, acquiring a loan that still has unmatured (future) installments in France was considered a regulated lending activity, which effectively forced many NPL buyers to either be licensed or only buy fully defaulted loans. The

ACPR and EBA have taken the view that if part of a loan is still performing, a non-bank shouldn't buy it unless it's licensed as a lender. This stance meant that the directive's scope – which only covers non-performing exposures as defined by CRR (where typically the whole loan is non-performing) – was quite neatly aligned with French practice. ACPR expects that most NPL sales under the directive will involve loans that are entirely in default. If there are mixed portfolios or partially performing loans, they anticipate the buyers will be banks or funds that are properly authorised. The directive is not fundamentally changing who can buy loans – it remains that non-banks can buy NPLs, but if any part of the credit is performing, then the acquirer likely needs to be a financial institution.

Borrower protection and market reaction

France has a strong consumer protection culture. The NPL Directive's borrower-facing elements (notification, information rights, etc.) dovetail with French protections like the *Code de la consommation* provisions on credit and the over-indebtedness procedure (*commission de surendettement*). Servicers now are explicitly required to honor all those frameworks and likely will be supervised on their treatment of vulnerable borrowers.

On the other hand, servicers in France will incur higher costs such as from compliance staff, reporting to ACPR, audit fees, etc., which they may attempt to pass on to investors via higher servicing fees. This could marginally increase the cost of NPL resolution. However, since NPL pricing in France is often very case-specific with judicial recovery being lengthy but with high recoveries in some cases, it's unclear if these regulatory costs have any noticeable effect on NPL prices or investor appetite. France's NPL sales have been relatively few and often privately negotiated; with the Directive's transparency and standardised process, we might see more formalised sale processes with competitive tenders. The EBA data templates in France will compel even smaller banks like mutuals or credit institutions to prepare detailed data packs, which could attract a wider range of bidders to French NPL sales.

In summary, France's implementation of the NPL Directive has put in place a robust regulatory regime for credit servicers under the ACPR. It achieved the goals of the directive by ensuring servicers are authorised, well-governed, and subject to conduct rules, thereby leveling the playing field among servicers and providing assurance to investors and borrowers alike. The level playing field across member states is also enhanced – a French servicer can now passport to service loans in other EU countries and French law has been adjusted to recognize foreign EU servicers operating in France, which will be reflected in ACPR's registers. The main impacts observed are higher compliance costs for servicers, stronger borrower safeguards, and a generally positive effect on market confidence in NPL transactions.

- **Competent Authority**: The Prudential Supervision and Resolution Authority (Autorité de contrôle prudentiel et de résolution - ACPR) is responsible for authorising and supervising credit servicers in France.[18]
- **Requirements**: Credit servicers require ACPR authorisation to operate. The European passport regime applies. The application to the ACPR must include detailed information on the servicer's management structure, shareholders, a comprehensive business plan covering the next three years, its internal control systems, and operational procedures.[18] Specific governance requirements include the appointment of at least two senior managers responsible for day-to-day operations and the establishment of a supervisory body (e.g., a board of directors or a supervisory board).[18] French law permits authorised credit servicers to hold client funds, provided these are segregated in a dedicated account with a credit institution.[18]
- **Application/Timeline**: The ACPR has a statutory period of 45 business days to determine if an application file is complete, and a further 90 business days from the receipt of a complete application to grant or refuse approval.[18] Credit servicers already active before the NPLD's entry into force had a deadline of 29 June 2024, to obtain their authorisation.[18] The ACPR was expected to publish the official application form and an explanatory instruction.[18] Applications are submitted via the ACPR Authorization Portal.[49] Notably, Cabinet ARC, a debt collection firm, announced it received ACPR approval for its credit management activity.[52]
- **Costs**: The costs associated with the ACPR authorisation process are not specified in the provided materials.
- **Reporting**: The NPLD mandates semi-annual reporting of NPL transfers. Additionally, the ACPR requires credit servicers to submit periodic reports concerning borrower funds held in segregated accounts, their overall financial situation, and compliance with AML/CFT (Anti-Money Laundering/Combating the Financing of Terrorism) requirements.[18] The ACPR also utilises questionnaires on trading practices, customer protection, and AML/CFT systems.[53]

E. Portugal: Current Status and Implications of Delayed Transposition

Implementation status

Portugal, like Spain, was late in transposing the NPL Directive. By May 2025, Portugal had not yet enacted the required legislation and had not notified any transposition measures. However, Portugal has been working on a draft law often referred to as the Loan Servicer Directive in Portugal. The draft Portuguese law is expected to closely follow the directive, with the Banco de Portugal as the competent

authority for authorization and supervision of NPL servicers.

Historically, Portugal's approach to NPL investors was somewhat restrictive: similar to Spain and France, buying loans could be considered a banking activity unless done via certain structures. In recent years, Portugal allowed non-bank investors to acquire NPLs, but the servicing of those portfolios was often done by the banks themselves through servicing agreements or by a few specialized firms, some of which are actually subsidiaries of banks or large foreign servicers. For instance, major Portuguese banks (CGD, Novo Banco, BCP) sold NPL portfolios and sometimes the acquirers hired servicers like Altamira Portugal, doValue (through its European platform), Whitestar (affiliated with Arrow Global), etc. Prior to the Directive, these servicers in Portugal might have been operating without a specific prudential license, though some obtained registration as credit intermediaries or under debt collection regulations. The NPL Directive's transposition will formalise their status.

The forthcoming Portuguese law, according to legal commentary, will create a framework analogous to other countries: credit servicers will need authorisation and will be subject to Banco de Portugal supervision and we anticipate the law will allow the passporting of servicers. Additionally, the law will impose the usual conduct of business rules on servicers (fair treatment, information to borrowers, etc.) and reporting obligations. Portugal's draft law, as reported by some sources, plans to exclude certain professionals from the scope, using the directive's Article 2(6). Specifically, notaries, enforcement agents (*solicitadores de execução*), lawyers, etc., when carrying out their official duties, would not be caught by the servicer rules. This is similar to what others are doing, to avoid double-regulating those who might incidentally service loans through legal processes.

Current market and anticipated impact

Under the new regime, any company wishing to service Portuguese NPLs for an investor will need to be licensed by Banco de Portugal. It is expected that Banco de Portugal will set up a register of authorised servicers, and that existing companies will get a transitional period to apply and continue operating. Portuguese authorities are likely to model the application requirements after those in other EU countries: fit-and-proper management, a minimum operational setup, and a minimum capital.

The Portuguese servicing market has a few notable players which will presumably become licensed: *Whitestar Asset Solutions* (a large servicer managing many portfolios, owned by Arrow Global, and already under Banco de Portugal supervision as it is a loan servicer affiliated with an EU credit purchaser), *Altamira/DoValue Portugal*, *Hipoges Iberia* (active in Portugal too), *LX Partners*, etc. Also, some domestic smaller firms exist, often focusing on collections or legal recovery. These smaller firms might find the new regime challenging if they have to meet the same standards as large ones. We may

see consolidation or cooperation.

Portuguese borrowers, when their loans are sold, will now receive formal notification and have clarity on who the servicer is. Already, in many past sales, notices were given and servicers maintained call centers to answer borrower queries as required by contract, though not by a specific law. The new law will codify that credit purchasers must notify borrowers of the sale and the identity of the servicer and that servicers must give certain information to borrowers and handle complaints. This should improve transparency. Additionally, Portugal might include some of its national specifics – for instance, in Portugal there is a regime of *PERSI* (Extrajudicial Procedure for Settling Situations of Default) that banks must follow for mortgage arrears before enforcement. Likely, if an NPL is sold, the servicer will have to uphold any ongoing PERSI arrangement or at least adhere to similar standards of offering restructuring before taking legal action. This would be in spirit of the directive's requirement to honor borrowers' existing rights.

Portuguese credit servicers will face higher compliance duties, but the playing field with European peers will be leveled. There may be a slight shake-out of smaller players who cannot meet the requirements, but major ones will continue and likely thrive in a more transparent market. As of mid-2025, the absence of the law is noted by the Commission as a compliance gap, so Portugal is under pressure to finalize it.

- **Competent Authority**: Once the NPL Directive is fully transposed into Portuguese law, the Bank of Portugal (Banco de Portugal) is expected to be the designated NCA.
- **Status**: Portugal's failure to transpose the Directive by the December 2023 deadline led to a referral to the CJEU.[14] As of February 2025, no draft implementation law had been published, and the prevailing political crisis in the country was reported to be causing further delays.[20] This ongoing delay creates significant legal and operational uncertainty for credit servicers and investors looking to operate in or with Portuguese NPLs under the Directive's framework.
- **Implications**: The absence of a clear national framework transposing the NPL Directive makes it challenging for new credit servicers to enter the Portuguese market or for existing entities to plan their operations with certainty. Cross-border servicing activities into Portugal under the Directive's passporting provisions are problematic without local implementing legislation. In the interim, existing national rules for debt collection and credit management would continue to apply, but without the specific structures, protections, and obligations outlined in the NPL Directive.
- **Reporting**: Portugal has an established Central Credit Register (CCR) managed by the Banco de Portugal, which collects granular credit data on a monthly basis from participating institutions.[54] How this existing reporting infrastructure will be integrated with the NPL Directive's specific reporting requirements remains unclear pending full transposition. The Banco de Portugal also

establishes general rules of conduct for financial institutions through Notices and Instructions.[55]

F. Greece: Bank of Greece Licensing and Regulatory Framework

Implementation and evolution of framework

Greece was one of the earliest countries to develop a specialised NPL servicer regime during its financial crisis. Even before the EU directive, since 2015 Greek law (Law 4354/2015) required that any non-performing loans sold by banks to third parties be managed by locally licensed "Credit Servicing Firms" (CSFs) under Bank of Greece supervision. By 2021, Greece had a fairly mature NPL servicing industry with around 20+ licensed servicers including subsidiaries of major international players and entities spun off from Greek banks. The EU NPL Directive, however, still necessitated changes in Greece to harmonise definitions, introduce the passport, and update consumer protections. Greece transposed the directive through Law 5072/2023, which was enacted in December 2023. The Bank of Greece remains the competent authority for licensing and supervising servicers, and existing servicers licensed under the old regime were generally grandfathered but had to comply with any new operational requirements.

Greece's transposition actually added extra consumer-centric provisions, reflecting the national focus on debtor protection owing to the social impact of the Greek debt crisis. For instance, Law 5072/2023 mandates that before a bank sells any NPLs of consumer debtors, it must have made a genuine effort to reach a settlement with those debtors within the last 12 months. Specifically, the law requires that (except in certain cases like strategic defaulters or ongoing litigation) a bank can only transfer a consumer NPL if: (i) the debtor was invited to negotiate and (ii) either an appropriate restructuring plan was offered and they failed to settle on it, or they didn't engage, in line with the Greek Code of Conduct on debt restructuring. This effectively means Greek banks must give retail borrowers a final chance to settle or restructure their loans before selling the loan to a third-party. This condition was stricter than under the old law, thus raising the bar for NPL sales of consumer loans. It doesn't apply to corporate loans or to loans already in court proceedings.

Another Greek-specific requirement introduced earlier in 2022 and now part of the landscape is that servicers must offer an online portal to borrowers for communication and information. This was mentioned in the industry as an additional local obligation: each servicer must maintain a website or platform where borrowers can log in, see their loan details, and possibly submit requests or offers. This digital tool aims at transparency and smoother interactions is not mandated by the EU directive.

Licensing and market structure

By implementing the NPL Directive, Greece has kept in place the need for all NPL servicers to be licensed by the Bank of Greece. The BoG had already licensed 23 firms by 2023. Law 5072/2023 effectively continued those licenses under the new regime, but with some stricter requirements. According to a legal analysis, the new law transformed the servicers' industry by introducing more technical and capital requirements, which led to an industry's shrinkage. The stricter regulatory framework under Law 5072/2023 resulted in some existing servicers failing to meet the new standards or withdrawing their license applications. In fact, Greece's law went beyond the Directive, for example, it allowed servicers to engage in debt refinancing (i.e. giving new loans or modifications to help restructure debts) only under heavy conditions. Servicers could apply for permission to grant new credit to debtors to refinance or extend loans, but by mid-2024, no servicer had been licensed for that activity due to those strict conditions. Moreover, less than 50% of the domestic servicers obtained the right to receive and hold borrower payments directly under the new law's criteria. Combined, these factors shrank the effective number of fully capable servicers. Some of the smaller companies either surrendered their license or had it revoked due to non-compliance.

As of 2025, Greece still has around 20 active licensed servicers. The market is highly concentrated: the top 4 servicers (Intrum Hellas, doValue Greece, Eurobank FPS (now doValue), and Alpha Loan Management (now part of Intrum), plus PQH for state-owned bad assets) manage the lion's share of NPL volumes. Smaller servicers have found it harder to compete and some have exited or scaled down. The Directive's implementation arguably reinforced this consolidation – as noted, increased regulatory costs favor larger players and raise barriers for small ones, a dynamic clearly seen in Greece's case.

However, from a level playing field standpoint, Greece's alignment with the Directive opens it up more to cross-border servicing. Previously, a foreign servicer had to establish a Greek subsidiary and get a license from BoG to operate. Now, theoretically, a servicer licensed in another EU country could passport into Greece. But in practice, Greek law still requires that NPLs of Greek banks be serviced by a domestic licensed entity. In any case, Greece continues to have a comprehensive regulatory oversight: servicers must report to the BoG regularly, including detailed quarterly data on their balance sheet and serviced loans. Servicers also must submit copies of every new servicing agreement they sign with investors to the BoG within 10 days, enabling the regulator to know who is servicing what portfolio and under what general terms.

Borrower protection and outcomes

Greek borrowers have benefitted from some of the strongest protections in Europe. Under the

Directive's regime, Greek servicers are bound by all EU conduct rules (transparent borrower communication, privacy protection, etc.), plus Greek-specific ones like the borrower online portal and the requirement to offer restructuring options. Additionally, a Greek Supreme Court decision in early 2023 had thrown doubt on whether servicers could pursue legal enforcement (foreclosures) in their own name for securitised NPLs. Law 5072/2023 addressed this by clarifying that licensed servicers are indeed authorised to carry out all legal actions needed to collect the loans they manage.

From the perspective of NPL sales, Greece's Directive-aligned law introduced that extra pre-sale requirement for consumer NPLs, which may slow down some sales or require banks to engage in a "try to settle" campaign first. For corporate NPLs and securitisations, Greece continues to utilize the HAPS (Hercules Asset Protection Scheme) which was extended to mid-2025. Servicers manage those securitised portfolios and must comply with both securitization rules and the new servicer rules. Law 5072/2023 made clear that even securitised NPLs will in parallel be subject to certain servicer obligations.

In Greece, essentially all significant NPLs have been consolidated into large portfolios managed by a few big servicers. The exit or failure of some small servicers under the new rules likely means that niche segments might have fewer tailored servicers to handle them, possibly affecting recoveries on those if big servicers prioritize larger cases.

On a positive note, debtor engagement is expected to improve with standardised practices. The online portals, standardised restructuring offers (the Greek Code of Conduct), and supervised servicers mean borrowers have clearer channels to settle or resolve debt. Consumer groups in Greece had been critical of some servicers for aggressive tactics, but with BoG oversight and the directive's conduct rules, servicers are being held to account to behave ethically.

In summary, Greece's implementation of the NPL Directive via Law 5072/2023 has reinforced an already robust servicer regime with even stricter elements. It maintained a level playing field domestically by subjecting all servicers to higher standards, thereby weeding out some smaller firms and consolidating the market around strong players. It also upheld, and in parts enhanced, borrower protections, ensuring that the clearance of NPLs continues without abandoning consumer rights. Operationally, Greek servicers face one of the heaviest compliance burdens in Europe, juggling BoG's stringent reporting, managing complex legal processes, and meeting EU conduct requirements. This increases their costs but also professionalizes the sector greatly. As the Greek bank NPL stock is now relatively low, the focus is on servicing existing NPL pools efficiently.

- **Competent Authority**: The Bank of Greece is the NCA for authorising and supervising credit

servicing firms (Εταιρείες Διαχείρισης Απαιτήσεων από Δάνεια και Πιστώσεις - ΕΔΑΔΠ).[23]

- **Requirements**: Credit servicing firms require a license from the Bank of Greece to operate. The NPL Directive was transposed into Greek law by Law 5072/2023.[24] While specific minimum capital requirements for credit servicers are not detailed in the general snippets, they are listed as a type of financial activity requiring a license, with capital requirements generally varying by activity type.[56] Documentation required for professional certification examinations (which may be indicative of broader fit and proper assessments) includes an application form, payment of a fee, a criminal record certificate, proof of educational qualifications, a detailed curriculum vitae, and a statutory declaration confirming no disciplinary proceedings or sanctions.[58]
- **Application/Timeline**: The Directive was implemented in December 2023, and full compliance by credit servicers was expected by June 2024.[23]
- **Costs**: A certification examination fee of €100 is mentioned [58], but the overall licensing cost for a credit servicing firm is not specified.
- **Reporting**: A specific regulatory framework for credit servicers operating under Law 5072/2023 is established, which includes reporting obligations. This framework is detailed in Executive Committee's Act 118/19.5.2017, as subsequently amended (by ECAs 153/08.01.2019, 179/1/6.11.2020, and 206/03.06.2022).[59] The monitoring of NPLs also has a dedicated framework, including reporting obligations, under Executive Committee's Act 175/2/29.7.[59] The Bank of Greece publishes updated national reporting templates for supervised institutions.[59]

G. Austria: The Kreditdienstleister- und Kreditkäufergesetz (KKG)

Austria was delayed in implementing the NPL Directive but ultimately passed the necessary legislation in early 2025. The transposition came via a new act called the Credit Servicers and Credit Purchasers Act (Kreditdienstleister- und Kreditkäufergesetz – KKG), which, along with amendments to related laws, was published on 17 March 2025 and entered into force on 18 March 2025. This law is Austria's implementation of Directive 2021/2167, creating for the first time a regulatory regime for NPL buyers and servicers in Austria.

Prior to this, Austria did not have a dedicated NPL servicer license. Typically, if an entity was managing loans, it might have needed a trade permit for debt collection (*Inkassogewerbe*) or, if it held the loans, a banking license depending on structure. The KKG changes that: it introduces two new regulated roles, credit servicer (*Kreditdienstleister*) and credit purchaser (*Kreditkäufer*) in Austrian law. A credit purchaser is any person or firm that buys an NPL from a bank, and a credit servicer is a firm that manages and enforces rights under NPLs on behalf of a purchaser. The scope is limited to NPLs originated by EU

credit institutions (as per the Directive). Notably, the Austrian law excludes certain professional services from these definitions: if a notary, bailiff, or lawyer is performing services related to an NPL in the course of their profession (e.g. a lawyer helping enforce a loan, a notary handling a foreclosure sale), that is not considered credit servicing under the KKG. This exemption ensures that Austria didn't inadvertently require such professionals to get a servicer license.

The Austrian Financial Market Authority (FMA) is designated as the competent authority to authorize and supervise credit servicers and credit purchasers under the KKG. The FMA will likely cooperate with the Austrian National Bank (OeNB) for certain tasks, as the Banking Act's provisions on cooperation apply – for example, the OeNB may conduct on-site inspections of servicers, much as it does for banks.

Under the KKG, any firm wanting to act as a credit servicer in Austria must obtain an authorization from FMA. The conditions for authorization are laid out in Article 5 KKG, and they reflect the Directive's standards:

- The applicant must be a legal person based in Austria (or with head office in Austria if no registered office).

- Management requirements: The directors must be of good repute (no relevant criminal record, history of honesty with regulators, not insolvent, etc.), and collectively have appropriate knowledge and experience to run the servicer. FMA will vet their backgrounds thoroughly.

- Ownership: Any significant shareholders (qualifying holdings ≥ 10%) must also be of good repute, basically meeting similar criteria of no serious offenses, etc..

- The applicant must have robust governance and internal controls in place, including risk management and accounting that ensure borrower rights are respected and that GDPR (data protection) is complied with.

- If the servicer will handle borrower funds, presumably it must have mechanisms for segregating those funds (the law likely adopted Article 10 of the directive which allows/disallows holding funds; it appears Austria decided not to prohibit servicers from holding funds, so they can, subject to safeguards).

Transitional arrangement

Since the law came into force in March 2025 in a rush, implementation uncertainties currently remain.

Austria had a relatively small NPL servicing sector – Austrian banks have had low NPL ratios (~2% or less) and most troubled assets historically were resolved internally or sold abroad. Given Austria's small market, one might expect only a handful of applicants for direct licenses.

Under the KKG, credit institutions selling NPLs have certain obligations. The law mandates pre-sale disclosures to prospective buyers, essentially implementing Article 15(1) of the directive and the corresponding Commission Implementing Regulation 2023/2083 (the EBA NPL data templates). For post-sale reporting, Article 15(2) requires credit purchasers to report acquisitions to the authority.

From the servicer side, regulatory reporting obligations will include notifying FMA of any outsourcing arrangements, providing FMA with periodic updates or perhaps annual reports on their activities. The KKG being new means FMA may issue circulars or regulation on what data servicers must submit. The KKG also incorporates consumer protection rules as per Article 10 of the Directive. Austrian servicers must, for example, act honestly, communicate clearly, respect privacy, etc., with borrowers. They must establish complaint handling procedures for borrowers and possibly fall under the Austrian Financial Ombudsman scheme for unresolved disputes. Austrian companies intending to be servicers need to adapt to FMA's licensing culture, which can be quite detailed. They must prepare all documents (business plan, internal rules) in German, likely requiring professional advice. But given the small number, the FMA can handle these on a one-off basis.

Austrian borrowers are protected by fairly strong national laws (e.g., Act on Interest Rates, and fair debt collection standards). The KKG adds EU-wide borrower rights: for instance, borrowers must be informed of the loan sale before the first collection by the new owner/servicer. They also maintain any defenses and rights. Austria did not add extra national debtor protections beyond the Directive. We expect only a few servicers to seek FMA authorization, and as of mid-2025 those processes are likely just beginning.

- **Competent Authority**: The Austrian Financial Market Authority (FMA) is responsible for the authorisation and supervision of credit servicers under the KKG.[25]
- **Requirements**: Authorisation by the FMA is mandatory for providing credit servicing activities. A credit servicer must be a legal entity and demonstrate reliable management, professional suitability, a solid corporate structure, reliable complaints management procedures, and sufficient transparency.[25] The KKG applies to NPLs as defined under Article 47a of the Capital Requirements Regulation (CRR), provided they were granted by credit institutions established in the EU.[25] A notable provision in Austria is that credit servicers are not permitted to receive or hold funds from debtors themselves.[25]

- **Application/Timeline**: The KKG entered into force on 18 March 2025.[25] Applications for authorisation are to be submitted by e-mail to a dedicated FMA address (zulassung_kkg@fma.gv.at).[27] Existing credit servicers that were already providing services prior to the KKG's entry into force had a deadline of 01 April 2025, to submit their applications for authorisation to be entitled to continue their activities in Austria without an authorisation for a maximum period of five months from the KKG's entry into force.[27] The FMA is required to review an authorisation application for completeness within 45 days of its receipt. Following receipt of a complete application, the FMA must inform the applicant within 90 days whether the authorisation is granted or denied.[26]
- **Costs**: The KKG specifies an application fee of 5000 Euros for obtaining authorisation as a credit servicer.[26]
- **Reporting**: Credit institutions that sell NPLs are obliged to submit certain information on these loan purchases to the FMA every six months. This includes details such as the outstanding amount of the NPLs sold, and the number and scope of the loans sold.[25] Credit purchasers must notify the FMA of the appointment of a credit servicer.[26] Credit servicers themselves are required to observe all applicable national reporting and disclosure regulations.[27] Specific reporting duties for servicers include maintaining records of relevant correspondence with credit purchasers and borrowers, instructions received from credit purchasers, and credit servicing agreements for a period of seven years after termination. These records must be made available to the FMA and competent authorities of host Member States upon request. Servicers must also inform the FMA of any outsourcing of credit servicing activities. For cross-border service provision, detailed information must be provided to the FMA before commencement.[26]

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About Accuria

Accuria is a cutting-edge credit portfolio management platform that helps clients trade and monitor loan portfolios using a series of domain expert AI agents to automate the processing of data, documents and transactions. Accuria offers automated due diligence, data migration, valuation and reporting services for performing and non performing assets across 28 jurisdictions.

With the help of its proprietary data mapping and transformation tool Accuria helps financial institutions to map their data to a variety of data formats such as those defined by EBA for NPL transactions, EBA for the valuation in resolution, and by ESMA for securitisation disclosures. Once standardised and validated, the loan-level data can be uploaded to the Accuria valuation tool to conduct a detailed discounted cash flow analysis using pre-populated pricing parameters in different macroeconomic scenarios across all major asset classes.

Disclaimer