PRA RULEBOOK: SECURITISATION (AMENDMENT) INSTRUMENT 2026

Powers exercised

A. The Prudential Regulation Authority ("PRA") makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):

(1) section 137G (The PRA's general rules);
(2) section 137T (General supplementary powers);
(3) section 144H (1) (Relationship with the CRR); and
(4) section 192XA (Rules applying to holding companies).

B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

PRA Rulebook: Securitisation (Amendment) Instrument 2026

C. The PRA makes the rules in the Annexes to this instrument.

Part	Annex
Securitisation	A
Securitisation (CRR)	B
Glossary	C
Securitisation	D
Securitisation (CRR)	E
Non-Performing Exposures Securitisation (CRR)	F
Reporting (CRR)	G
Interpretation	H

Templates, Annexes and instruction documents

D. The rules in this Instrument include any template, Annex or instruction document referred to in the rules. Where indicated by "here", the rules when published electronically will include a hyperlink to the appropriate document.

Commencement

E. Annexes A and B come into force on 01 January 2027.
F. Annexes C to H come into force on 25 May 2027.

Citation

G. This instrument may be cited as the PRA Rulebook: Securitisation (Amendment) Instrument 2026.

By order of the Prudential Regulation Committee

10 November 2026

Annex A

Amendments to the Securitisation Part

In this Annex new text is underlined and deleted text is struck through.

…

2 SECURITISATION: GENERAL PROVISIONS

ARTICLE 5 DUE-DILIGENCE REQUIREMENTS FOR INSTITUTIONAL INVESTORS

1 Prior to holding a *securitisation position*, an *institutional investor*, other than the *originator*, *sponsor* or *original lender*~~, shall verify that:~~ must be satisfied that:

(a) ~~where the *originator* or *original lender* is *established in the UK* and is not a *CRR firm* or an *FCA investment firm*, the *originator* or *original lender* grants all the credits giving rise to the underlying exposures (unless they are trade receivables not originated in the form of a loan) on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in accordance with Article 9(1) of this Chapter (or equivalent *FCA* rules);~~[deleted]

(b) ~~where the *originator* or *original lender* is not *established in the UK*, the *originator* or *original lender* grants all the credits giving rise to the underlying exposures (unless they are trade receivables not originated in the form of a loan) on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness;~~[deleted]

(c) ~~if *established in the UK*, the *originator*, *sponsor original lender* retains on an ongoing basis a material net economic interest in accordance with Article 6 of this Chapter and Chapter 4 (or equivalent *FCA* rules) and the risk retention is disclosed to the *institutional investor* in accordance with Article 7 of this Chapter and Chapters 5 and 6 (or equivalent *FCA* rules);~~[deleted]

(d) if ~~not~~ none of the *originator*, *sponsor* and *original lender* is *established in the UK*, ~~the *originator*, *sponsor* or *original lender* retains~~ one of them has and will maintain on an ongoing basis sufficient and appropriate alignment of commercial interest with the *institutional investor* in the performance of the *securitisation*~~a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6 of this Chapter and Chapter 4 (or equivalent *FCA* rules), and discloses the risk retention to *institutional investors*~~; and

(e) the *originator*, *sponsor* or *SSPE* has made available sufficient information to enable the *institutional investor* independently to assess the risks of holding the *securitisation position* and has committed to make further information available on an ongoing basis to enable the *institutional investor* to monitor the performance of the *securitisation position* and the underlying *exposures*.~~, as appropriate. That information must include at least the following:~~

(i) ~~in the case of a *securitisation* which is not an *ABCP programme* or an *ABCP transaction*, details of the underlying exposures, which is to be provided on at least a quarterly basis;~~[deleted]

(ii) ~~in the case of an *ABCP programme* or an *ABCP transaction*, information on the underlying receivables or credit claims, which is to be provided on at least a *monthly* basis;~~[deleted]

(iii) ~~*investor* reports providing periodic updates on the credit quality and performance of the underlying exposures, any relevant financial or other triggers contained in the transaction documentation including information on events which trigger changes to the priority of payments or a substitution of any counterparty to the transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the *securitisation* and the calculation and modality of retention of a material net economic interest in the transaction by the *originator*, *sponsor* or *original lender*, which is to be provided on at least a quarterly basis in the cases referred to in point (i) and on at least a *monthly* basis in the cases referred to in point (ii);~~[deleted]

(iv) ~~all information on the legal documentation needed to understand the transaction, including detail of the legal provisions governing the structure of the transaction, any credit enhancement or liquidity support features, the cash flows and loss waterfalls, *investors'* voting rights and any triggers or other events that could result in a material impact on the performance of the *securitisation position*, which is to be provided:~~

~~for primary market investments, in draft or initial form before pricing or commitment to invest and in final form no later than 15 days after closing of the transaction, or~~

~~for secondary market investments, in final form before a commitment to invest,~~

~~and for both primary and secondary market investments an updated version as soon as practicable following any material change;~~[deleted]

(v) ~~information describing any changes or events materially affecting the transaction, including breaches of obligations under the transaction documents, which is to be provided as soon as practicable following the material change or event;~~[deleted]

(vi) ~~any approved prospectus or other offering or marketing document prepared with the cooperation of the *originator* or *sponsor* which is to be provided:~~

~~for primary market investments, in draft or initial form before pricing or commitment to invest and in final form no later than 15 days after closing of the transaction, or~~

~~for secondary market investments, in final form before a commitment to invest; and~~[deleted]

(vii) ~~if there is an STS notification or a notification falling within regulation 12(3)(b) of the *Securitisation Regulations* in respect of the transaction, that STS notification, which is to be provided:~~

~~for primary market investments, in draft or initial form before pricing or commitment to invest and in final form no later than 15 days after closing of the transaction, or~~

~~for secondary market investments, in final form before a commitment to invest,~~

~~and for both primary and secondary market investments an updated version as soon as practicable following any material change.~~[deleted]

2 As regards *fully supported ABCP transactions*, the requirement specified in point ~~(a)~~(h) of paragraph ~~1~~3 of this Article shall apply to the *sponsor* and not to the *institutional investor*. In such cases, ~~the *sponsor* shall verify that~~ where the *originator* or *original lender* ~~which~~ is not a *CRR firm* or an *FCA investment firm*, the *sponsor* must consider the credit granting standards and processes of the *originator* or *original lender* applicable to the underlying *exposures* (unless they are trade receivables not originated in the form of a loan).~~grants all the credits~~

~~giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in accordance with Article 9(1) of this Chapter (or equivalent *FCA* rules).~~

3 Prior to holding a *securitisation position*, an *institutional investor*, other than the *originator*, *sponsor* or *original lender*, ~~shall~~must carry out a due-diligence assessment which enables it to ~~assess~~obtain a comprehensive and thorough understanding of the risks involved. That assessment ~~shall~~must consider ~~at least~~ all of the following:

(a) the risk characteristics of the individual *securitisation position* and of the underlying ~~exposures~~*exposures*;

(b) all the structural features of the *securitisation* that can materially impact the performance of the *securitisation position*~~, including the contractual priorities of payment and priority of payment-related triggers, credit enhancements, liquidity enhancements, market value triggers, and transaction-specific definitions of default~~; and

(c) ~~with regard to a *securitisation* included on the list maintained under regulation 10(2) of the *Securitisation Regulations*, compliance with the STS criteria and with any applicable designated activity rules relating to the notification mentioned in regulation 10(1) of the *Securitisation Regulations*;~~[deleted]

(d) ~~with regard to a *securitisation* that appears to the *institutional investor* to be an overseas STS securitisation as defined in regulation 12(2) of the *Securitisation Regulations*, whether the *securitisation* falls within a description of *securitisation* specified in regulations made from time to time under regulation 13(1) of the *Securitisation Regulations* in relation to a country or territory designated under such regulations;~~[deleted]

(e) ~~with regard to a securitisation falling within paragraph (3)(b) and (c) of regulation 12 of the *Securitisation Regulations*, compliance with the requirements referred to in paragraph (3)(a) of that regulation and with Article 27 of Regulation (EU) 2017/2402 as it had effect in relation to the *European Union* at the time of the notification mentioned in paragraph (3)(b) of that regulation;~~[deleted]

(f) ~~in considering the matter referred to in point (c), an *institutional investor* may rely to an appropriate extent on the STS notification and on the information disclosed by the *originator*, *sponsor* and *SSPE* concerning compliance with the STS criteria, without solely or mechanistically relying on that notification or information;~~[deleted]

(g) ~~in considering the matter referred to in point (e), an *institutional investor* may rely to an appropriate extent on the notification referred to in regulation 12(3)(b) of the *Securitisation Regulations* and on the information disclosed by the *originator*, *sponsor* and SSPE to the European Securities and Markets Authority concerning compliance with the requirements referred to in regulation 12(3)(a) of the *Securitisation Regulations*, without solely or mechanistically relying on that notification or information; and~~[deleted]

(h) where the *originator* or *original lender* is not a *CRR firm* or *FCA investment firm*, the credit granting standards and processes of the *originator* or *original lender* applicable to the underlying *exposures* (unless they are trade receivables not originated in the form of a loan).

Notwithstanding points (a) and (b) of the first subparagraph, in the case of a *fully supported ABCP programme*, *institutional investors* in the commercial paper issued by that *ABCP programme* shall consider the features of the *ABCP programme* and the full liquidity support.

…

4 An *institutional investor*, other than the *originator*, *sponsor* or *original lender*, holding a *securitisation position*, ~~shall at least~~must:

(a) ~~establish appropriate written procedures that are proportionate to the risk profile of the *securitisation position* and, where relevant, to the *institutional investor's* trading and non-trading book, in order to~~ monitor, on an ongoing basis and in a manner which is proportionate to the risk profile of the *securitisation position*, ~~compliance with paragraphs 1 and 3 of this Article and~~ the performance of the *securitisation position* and of the underlying ~~exposures~~*exposures*. ~~Where relevant with respect to the *securitisation* and the underlying exposures, those written procedures shall include monitoring of the exposure type, the percentage of loans more than 30, 60 and 90 days past due, default rates, prepayment rates, loans in foreclosure, recovery rates, repurchases, loan modifications, payment holidays, collateral type and occupancy, and frequency distribution of credit scores or other measures of credit worthiness across underlying exposures, industry and geographical diversification, frequency distribution of loan to value ratios with band widths that facilitate adequate sensitivity analysis.~~ Where the underlying ~~exposures~~*exposures* are themselves *securitisation position*s, in accordance with Article 8 of this Chapter or SECN 7.2.1R(2)(b) of the *FCA Handbook*, *institutional investors* shall also monitor the ~~exposures~~*exposures* underlying those positions;

(b) ~~in the case of a *securitisation* other than a *fully supported ABCP programme*, regularly perform stress tests on the cash flows and collateral values supporting the underlying exposures or, in the absence of sufficient data on cash flows and collateral values, stress tests on loss assumptions, having regard to the nature, scale and complexity of the risk of the *securitisation position*;~~[deleted]

(c) ~~in the case of *fully supported ABCP programmes*, regularly perform stress tests on the solvency and liquidity of the *sponsor*;~~[deleted]

(d) ~~ensure internal reporting to its *management body* so that the *management body* is aware of the material risks arising from the *securitisation position* and so that those risks are adequately managed;~~[deleted]

(e) ~~be able to demonstrate to the *PRA*, upon request, that it has a comprehensive and thorough understanding of the *securitisation position* and its underlying exposures and that it has implemented written policies and procedures for the risk management of the *securitisation position* and for maintaining records of the verifications and due diligence in accordance with paragraphs 1 and 2 of this Article and of any other relevant information; and~~[deleted]

(f) ~~in the case of exposures to a *fully supported ABCP programmes*, be able to demonstrate to the *PRA*, upon request, that it has a comprehensive and thorough understanding of the credit quality of the *sponsor* and of the terms of the *liquidity facility* provided.~~[deleted]

5 Without prejudice to paragraphs 1 to 4 of this Article, where an *institutional investor* has been given authority by the *institutional investor* described below to make investment management decisions that might expose it to a *securitisation*, the following paragraphs apply in respect of any ~~exposure~~*exposure* to a *securitisation* arising from those decisions. Unless specified below, the responsibility for fulfilling the relevant obligations under paragraphs 1 to 4 shall remain with the *institutional investor*.

…

…

Annex B

Amendments to the Securitisation (CRR) Part

In this Annex, new text is underlined and deleted text is struck through.

…

3 SECURITISATION (CRR) PART

…

ARTICLE 243 CRITERIA FOR STS SECURITISATIONS QUALIFYING FOR DIFFERENTIATED CAPITAL TREATMENT

1. Positions in an *ABCP programme* or *ABCP transaction* that qualify as positions in an *STS securitisation* shall be eligible for the treatment set out in Articles 260, 262 and 264 where the following requirements are met:

   (a) the underlying exposures meet, at the time of their inclusion in the *ABCP programme*, to the best knowledge of the *originator* or the *original lender*, the conditions for being assigned, under either the ~~*Standardised Approach*~~standardised approach taking into account any eligible credit risk mitigation, or, where relevant and applicable, paragraph 10 of Article 255, a risk weight equal to or smaller than 75% on an individual exposure basis where the exposure is a *regulatory retail exposure* or 100% for any other exposures; and

   …

2. Positions in a *securitisation*, other than an *ABCP programme* or *ABCP transaction*, that qualify as positions in an *STS securitisation*, shall be eligible for the treatment set out in Articles 260, 262 and 264 where the following requirements are met:

   …

   (b) at the time of their inclusion in the *securitisation*, the underlying exposures meet the conditions for being assigned, under either the ~~*Standardised Approach*~~standardised approach taking into account any eligible credit risk mitigation, or, where relevant and applicable, paragraph 10 of Article 255, a risk weight equal to or smaller than:

   …

   …

…

ARTICLE 248 EXPOSURE VALUE

1. The exposure value of a *securitisation position* shall be calculated as follows:

   …

   (d) an *originator* institution may deduct from the exposure value of a *securitisation position* which is assigned a 1250% risk weight in accordance with Articles 247 to 270A or deducted from Common Equity Tier 1 in accordance with Article 36(1)(k) of the Own Funds (CRR) Part, the amount of the specific credit risk adjustments on the underlying exposures in accordance with Article 110 of the Credit Risk: General Provisions (CRR) Part and Commission Delegated Regulation (EU) No 183/2014, and any non-refundable purchase

price discounts as defined in the Securitisation Part connected with such underlying exposures to the extent that such discounts have caused the reduction of own funds.

…

3. Where point (d) of Article 270C applies to positions in an ABCP, the institution may use the risk weight assigned to a *liquidity facility* in order to calculate the risk-weighted exposure amount for the ABCP, provided that the *liquidity facility* covers 100% of the ABCP issued by the *ABCP programme* and the *liquidity facility* ranks pari passu with the ABCP in a manner that they form an overlapping position. The institution shall notify the *PRA* where it has applied the provisions laid down in this paragraph. For the purposes of determining the 100% coverage set out in this paragraph, the institution may take into account other ~~liquidity facilities~~*liquidity facilities* in the *ABCP programme*, provided that they form an overlapping position with the ABCP.

[Note: This rule corresponds to Article 248 of the *CRR* as it applied immediately before its revocation by the *Treasury*]

ARTICLE 249 RECOGNITION OF CREDIT RISK MITIGATION FOR SECURITISATION POSITIONS

…

2. …

In the case of credit protection that gives rise to a *synthetic securitisation*, for the purpose of assessing the eligibility of the credit protection in accordance with the Credit Risk Mitigation (CRR) Part, references in that Part to the relevant failure, default or non-payment of an obligor shall be interpreted to mean the allocation of a loss to the protected *securitisation tranche*.

…

3C. Where the *Parameter Substitution Method* is used to determine the effect of the credit risk protection, the following modifications shall apply to the application of Article 236 of the Credit Risk Mitigation (CRR) Part:

…

(c) for the purpose of determining the risk weight of the covered part of the exposure (r_g), the *LGD* of the exposure ~~shall be 100%~~ calculated as if there was no credit protection (LGD) shall be 100%, except as provided for in Article 260A;

...

…

ARTICLE 260A TREATMENT OF QUALIFYING SECURITISATIONS UNDER THE SEC-IRBA

1. By way of derogation from Article 259, this Article applies when calculating the risk-weighted exposure amount for a position in a *qualifying securitisation* using point (c) of Article 245(1).

2. Under the *SEC-IRBA*, the risk-weighted exposure amount for a position in a *qualifying securitisation* using point (c) of Article 245(1) shall be calculated by multiplying the exposure value of the position as calculated in accordance with Article 248 by a risk weight equal to the sum of:

(a) the risk weight that would be calculated under Article 154 of the Credit Risk: Internal Ratings Based Approach (CRR) Part in respect of the underlying exposure as if it had not been securitised; and

(b) the expected loss calculated under Article 158 of the Credit Risk: Internal Ratings Based Approach (CRR) Part in respect of the underlying exposure as if it had not been securitised multiplied by 12.5.

3. For the purpose of point (c) of Article 249(3C), where relevant, the institution may, if it is not applying the adjustment set out in paragraph 4, choose to use the *LGD* which would be calculated under the Credit Risk: Internal Ratings Based Approach (CRR) Part in respect of the underlying exposure as if it had not been securitised in place of 100%.

4. Where:

(a) there are two *tranches* in the *qualifying securitisation* and the *originator* institution holds the entirety of the senior *tranche*; and

(b) the *originator* institution's rating system that is used to produce the *LGD* estimate for the underlying exposure as if it had not been securitised includes estimates of at least the following components:

(i) the probability that the real estate on which the exposure is secured is repossessed, conditional on default having occurred ('the probability of possession given default component'); and

(ii) the loss incurred by the institution conditional on the real estate on which the exposure is secured having been repossessed ('the loss given possession component')

the *originator* institution may adjust the loss given possession component as set out in paragraphs 5 to 8 to reflect recoveries that would be received under the credit protection in the event the real estate on which the exposure is secured is repossessed. The *LGD* estimate resulting from this adjustment may be used for the purpose of determining the risk-weighted exposure amount referred to in paragraph 2 for the senior *tranche* of the *qualifying securitisation*.

5. For the purposes of the adjustment in paragraph 4, the institution shall, subject to paragraphs 6 to 8, apply the following formulaic adjustment to the estimate of the loss given possession component:

$$\mathrm{LGP_A} = \frac{\mathrm{LGP} * \mathrm{EAD} - \mathrm{R_P}}{\mathrm{EAD} - \mathrm{R_P}}$$

where:

LGP is the loss given possession for the underlying exposure (pre-adjustment), expressed as a proportion of EAD;

$\mathrm{LGP_A}$ is the loss given possession post adjustment;

EAD is the expected amount outstanding at default of the underlying exposure; and

$\mathrm{R_P}$ is the recoveries that would be received under the credit protection in the event the real estate on which the exposure is secured is repossessed, calculated in accordance with Article 233 of the Credit Risk Mitigation (CRR) Part and subsequently reduced for material discount effects and material direct and indirect costs associated with realising the credit protection.

6. Before applying the adjustment in paragraph 4 and regularly thereafter, the institution shall assess, in accordance with paragraph 7, whether the adjusted *LGD* estimate resulting from the formula in paragraph 5 underestimates *LGD* of the underlying exposure. Where

underestimation is identified, the institution shall increase the adjusted loss given possession component referred to in paragraph 4 to eliminate that underestimation.

7. For the purpose of the assessment in paragraph 6, the *LGD* of the underlying exposure shall:

   (a) be measured conditional on the provider of the credit protection meeting its contractual obligations in relation to the credit protection;

   (b) reflect material discount effects and material direct and indirect costs of realising the credit protection; and

   (c) reflect downturn economic conditions, as identified by the institution for the underlying exposure in accordance with Article 181A(1) of the Credit Risk: Internal Ratings Based Approach (CRR) Part.

8. An adjustment to the estimate of the loss given possession component shall not:

   (a) exceed the value of the unfunded credit protection;

   (b) result in an adjusted value of *LGD* that is below the input floor value set out in Article 164(4)(a) of the Credit Risk: Internal Ratings Based Approach (CRR) Part; or

   (c) result in a value for the loss given possession component that is below zero.

9. An institution applying the adjustment in paragraph 4 shall:

   (a) regularly validate the resulting *LGD* estimate and use the results of that validation to inform the assessment referred to in paragraph 6;

   (b) collect and store data on the realised recoveries from the credit protection and use such data to inform the assessment referred to in paragraph 6 and to undertake the validation referred to in point (a);

   (c) have clear and effective policies and procedures for the assessment referred to in paragraph 6; and

   (d) ensure that the adjustment and validation process is approved by the institution's management body or a designated committee thereof. These parties shall possess a general understanding of the adjustment and detailed comprehension of its associated management reports.

…

ARTICLE 270A NOTIFICATION OF BREACHES

1. Where an institution does not meet the requirements in ~~either~~ 2.4~~,~~ or in either Chapter 2 or Chapter 3 of the Securitisation Part by reason of negligence or omission by the institution, the institution shall notify the *PRA*, if the *PRA* would reasonably expect to be notified.

…

Annex C

Amendments to the Glossary Part

In this Annex new text is underlined and deleted text is struck through.

…

exposure

((A) when used for purposes of the Credit Risk: General Provisions (CRR) Part, Credit Risk: Standardised Approach (CRR) Part, Credit Risk: Internal Ratings Based Approach (CRR) Part, Credit Risk Mitigation (CRR) Part, Securitisation (CRR) Part and Counterparty Credit Risk (CRR) Part and (B) when used in italics in the *PRA* Rulebook Glossary, Non-Performing Exposures Securitisation (CRR) Part and Securitisation Part) means an asset or off-balance sheet item.

[Note: This rule corresponds to Article 5(1) of *CRR* as it applied immediately before its revocation by the *Treasury*]

…

forbearance measure

means a concession by an *institution* towards an obligor that is experiencing or is likely to experience difficulties in meeting its financial commitments, where:

(1) a concession may entail a *loss* for the lender and shall refer to either of the following actions:

(a) a modification of the terms and conditions of a debt obligation, where such modification would not have been granted had the obligor not experienced difficulties in meeting its financial commitments;

(b) a total or partial refinancing of a debt obligation, where such refinancing would not have been granted had the obligor not experienced difficulties in meeting its financial commitments;

(2) at least the following situations shall be considered forbearance measures:

(a) new contract terms are more favourable to the obligor than the previous contract terms, where the obligor is experiencing or is likely to experience difficulties in meeting its financial commitments;

(b) new contract terms are more favourable to the obligor than contract terms offered by the same *institution* to obligors with a similar risk profile at that time, where the obligor is experiencing or is likely to experience difficulties in meeting its financial commitments;

(c) the *exposure* under the initial contract terms was classified as non-performing before the modification to the contract terms or would have been classified as non-performing in the absence of modification to the contract terms;

(d) the measure results in a total or partial cancellation of the debt obligation;

(e) the *institution* approves the exercise of clauses that enable the obligor to modify the terms of the contract and the *exposure* was classified as non-performing before the exercise of those clauses, or would be classified as non-performing were those clauses not exercised;

(f) at or close to the time of the granting of debt, the obligor made payments of principal or interest on another debt obligation with the same *institution*, which

was classified as a *non-performing exposure* or would have been classified as non-performing in the absence of those payments;

(g) the modification to the contract terms involves repayments made by taking possession of collateral, where such modification constitutes a concession.

(3) the following circumstances are indicators that forbearance measures may have been adopted:

(a) the initial contract was past due by more than 30 days at least once during the three *months* prior to its modification or would be more than 30 days past due without modification;

(b) at or close to the time of concluding the credit agreement, the obligor made payments of principal or interest on another debt obligation with the same *institution* that was past due by 30 days at least once during the three months prior to the granting of new debt;

(c) the *institution* approves the exercise of clauses that enable the obligor to change the terms of the contract, and the *exposure* is 30 days past due or would be 30 days past due were those clauses not exercised;

(4) the difficulties experienced by an obligor in meeting its financial commitments shall be assessed at obligor level, taking into account all the legal entities in the obligor's group which are included in the accounting consolidation of the group, and natural persons who control that group.

[Note: This rule corresponds to Article 47b of the *CRR* as it applied immediately before its revocation by the *Treasury*]

…

loss

((A) when used for purposes of the Credit Risk: General Provisions (CRR) Part, Credit Risk: Standardised Approach (CRR) Part, Credit Risk: Internal Ratings Based Approach (CRR) Part, Credit Risk Mitigation (CRR) Part, Securitisation (CRR) Part and Counterparty Credit Risk (CRR) Part and (B) when used in italics in the *PRA* Rulebook Glossary and the Securitisation Part) means economic loss, including material discount effects, and material direct and indirect costs associated with collecting on the instrument.

[Note: This rule corresponds to Article 5(2) of *CRR* as it applied immediately before its revocation by the *Treasury*]

…

non-performing exposure or NPE

means:

(1) any of the following:

(a) an *exposure* in respect of which a default is considered to have occurred in accordance with the Credit Risk: Internal Ratings Based Approach (CRR) Part Article 178;

(b) an *exposure* which is considered to be impaired in accordance with the *applicable accounting framework*;

(c) an *exposure* under probation in accordance with paragraph (6) below, where additional *forbearance measures* are granted or where the *exposure* becomes more than 30 days past due;

(d) an *exposure* in the form of a *commitment* that, were it drawn down or otherwise used, would likely not be paid back in full without realisation of collateral;

(e) an *exposure* in the form of a financial guarantee that is likely to be called by the guaranteed party, including where the underlying guaranteed *exposure* meets the criteria to be considered as non-performing.

(2) For the purposes of point (1)(a), where an *institution* has on-balance-sheet *exposures* to an obligor that are past due by more than 90 days and that represent more than 20% of all on-balance-sheet *exposures* to that obligor, all on- and off-balance-sheet *exposures* to that obligor shall be considered to be non-performing.

(3) *Exposures* that have not been subject to a *forbearance measure* shall cease to be classified as non-performing where all the following conditions are met:

(a) the *exposure* meets the exit criteria applied by the *institution* for the discontinuation of the classification as impaired in accordance with the *applicable accounting framework* and of the classification as defaulted in accordance with Credit Risk: Internal Ratings Based Approach (CRR) Part Article 178;

(b) the situation of the obligor has improved to the extent that the *institution* is satisfied that full and timely repayment is likely to be made;

(c) the obligor does not have any amount past due by more than 90 days.

(4) The classification of a *non-performing exposure* as a non-current asset held for sale in accordance with the *applicable accounting framework* shall not discontinue its classification as *non-performing exposure*.

(5) *Non-performing exposures* subject to *forbearance measures* shall cease to be classified as non-performing where all the following conditions are met:

(a) the *exposures* have ceased to be in a situation that would lead to their classification as non-performing under the provisions above;

(b) at least one year has passed since the date on which the *forbearance measures* were granted and the date on which the *exposures* were classified as non-performing, whichever is later;

(c) there is no past-due amount following the *forbearance measures* and the *institution*, on the basis of the analysis of the obligor's financial situation, is satisfied that full and timely repayment of the *exposure* is likely. Full and timely repayment may be considered likely where the obligor has executed regular and timely payments of amounts equal to either of the following:

(i) the amount that was past due before the *forbearance measure* was granted, where there were amounts past due;

(ii) the amount that has been written-off under the *forbearance measures* granted, where there were no amounts past due.

(6) Where a *non-performing exposure* has ceased to be classified as non-performing pursuant to paragraph (5) above, such *exposure* shall be under probation until all the following conditions are met:

(a) at least two years have passed since the date on which the *exposure* subject to *forbearance measures* was re-classified as performing;

(b) regular and timely payments have been made during at least half of the period that the *exposure* would be under probation, leading to the payment of a substantial aggregate amount of principal or interest;

(c) none of the *exposures* to the obligor is more than 30 days past due.

[Note: This rule corresponds to Article 47a(3) to (7) of the *CRR* as it applied immediately before its revocation by the *Treasury*]

…

operational risk

means:

(1) ((A) when used in italics in (i) the Internal Capital Adequacy Assessment Part and (ii) the Securitisation Part, (B) when used without italics in (i) *CRR rules* and (ii) rules made under section 192XA of *FSMA* and (C) in the Non-Solvency II Firms Sector of the *PRA* Rulebook) the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk; or

[Note: Limb (1) of this definition is a rule that corresponds to Article 4(1)(52) of *CRR* as it applied immediately before its revocation by the *Treasury*]

…

…

overcollateralisation

means any form of *credit enhancement* by virtue of which underlying *exposures* are posted in value which is higher than the value of the *securitisation positions*.

[Note: This rule corresponds to Article 242(9) of the *CRR* as it applied immediately before its revocation by the *Treasury*]

…

resecuritisation

means a *securitisation* where at least one of the underlying *exposures* is a *securitisation position* but the retranching of an issued *tranche* into contiguous *tranches* (or of contiguous issued *tranches* into one or a fewer number of *tranches*) shall not constitute a *resecuritisation*.

…

Annex D

Amendments to the Securitisation Part

In this Annex new text is underlined and deleted text is struck through.

1 APPLICATION, ~~AND~~ DEFINITIONS AND INTERPRETATION

1.1 Unless otherwise stated, t~~T~~his Part applies to every *firm* that is a *UK undertaking*.

…

1.3 In this Part, unless the context otherwise provides, the following definitions shall apply:

~~*ABCP programme*~~

~~means a programme of *securitisations* the securities issued by which predominantly take the form of asset-backed commercial paper with an original maturity of one year or less.~~

~~*ABCP transaction*~~

~~means a *securitisation* within an *ABCP programme*.~~

active underlying exposure

means an underlying ~~exposure~~*exposure* which, at the *data cut-off date*, may be expected to generate cash inflows or outflows in the future.

Collateralised Loan Obligation or *CLO*

means a *securitisation* that has the characteristics set out in paragraphs (1) to (3) below:

(1) whose underlying *exposures* are predominantly loans or credit facilities granted to corporate borrowers;

(2) in relation to which a manager is contractually appointed to exercise collateral management over the underlying *exposures*, which may include any rights to acquire, dispose of, substitute, reinvest, administer or restructure such *exposures* as specified in the applicable transaction documents; and

(3) where the applicable transaction documents provide for the monitoring of the underlying *exposures* by way of performance, coverage, collateral quality or similar tests.

…

fully supported ABCP programme

means an *ABCP programme* that its *sponsor* directly and fully supports by providing to the *SSPE* one or more *liquidity facilities* covering at least all of the following:

(1) all liquidity and credit risks of the *ABCP programme*;

(2) any material ~~dilution risks~~*dilution risks* of the ~~exposures~~*exposures* being securitised; and

(3) any other *ABCP transaction*-level and *ABCP programme*-level costs if necessary to guarantee to the *investor* the full payment of any amount under the asset-backed commercial paper.

fully supported ABCP transaction

means an *ABCP transaction* supported by a *liquidity facility*, at transaction level or at *ABCP programme* level, that covers at least all of the following:

(1) all liquidity and credit risks of the *ABCP transaction*;

(2) any material ~~dilution risks~~*dilution risks* of the ~~exposures~~*exposures* being securitised in the *ABCP transaction*; and

(3) any other *ABCP transaction*-level and *ABCP programme*-level costs if necessary to guarantee to the *investor* the full payment of any amount under the asset-backed commercial paper.

inactive underlying exposure

means an underlying ~~exposure~~*exposure* that has defaulted with no further recoveries expected or that has been redeemed, prepaid, cancelled, repurchased or substituted.

…

~~*non-performing exposure or NPE*~~

~~means an exposure that meets any of the conditions set out in Article 47a(3) of *CRR*.~~

non-refundable purchase price discount

means the difference between the outstanding balance of the ~~exposures~~*exposures* in the underlying pool and the price at which those ~~exposures~~*exposures* are sold by the *originator* to the *SSPE*, where neither the *originator* nor the *original lender* are reimbursed for that difference.

…

~~*securitisation repository*~~

~~means a *body corporate* that centrally collects and maintains the records of *securitisations*.~~

…

1.4 In this Part references to provisions in SECN of the *FCA Handbook* are references to those provisions as they have effect from time to time.

2 SECURITISATION: GENERAL PROVISIONS

…

ARTICLE 6 RISK RETENTION

1 The *originator*, *sponsor* or *original lender* of a *securitisation* shall retain on an ongoing basis a material net economic interest in the *securitisation* of not less than 5%. That interest shall be measured at the origination and, where relevant, shall be determined by the notional value for off-balance-sheet items.

Where the *originator*, *sponsor* or *original lender* have not agreed between them who will retain the material net economic interest, the *originator* shall retain the material net economic interest.

There shall be no multiple applications of the retention requirements for any given *securitisation*.

The material net economic interest shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging.

For the purposes of this Article and ~~Chapter 4~~Articles 6A to 6R, an entity shall not be considered to be an *originator* where the entity has been established or operates for the sole purpose of securitising ~~exposures~~*exposures*.

2 Subject to paragraph 2A of this Article, *originators* shall not select assets to be transferred to the *SSPE* with the aim of rendering losses on the assets transferred to the *SSPE*, measured over the life of the transaction, or over a maximum of four years where the life of the transaction is longer than four years, higher than the losses over the same period on ~~comparable~~ assets held on the balance sheet of the *originator* that are deemed to be comparable under paragraph 2C.

2A *Originators* may select assets to be transferred to the *SSPE* that ex ante have a higher than average credit risk profile as compared to the ~~average credit risk profile of comparable~~ assets that are deemed to be comparable under paragraph 2C, if any, that remain on the balance sheet of the *originator* provided that the higher credit risk profile of the assets transferred to the *SSPE* is clearly communicated to the *investors* or potential *investors*.

2B An *originator* may comply with paragraph 2 where either:

(a) at the time of selection, on the basis of indications including past performance and applicable models, it can be reasonably expected that the performance of the assets to be further held on the balance sheet that are deemed to be comparable under paragraph 2C will not be significantly better during the time period referred to in paragraph 2 than the performance of the assets to be transferred; or

(b) after the *securitisation*, there are no assets left on the *originator's* balance sheet that are deemed to be comparable under paragraph 2C, other than the *exposures* which the *originator* is already contractually committed to securitise, and this has been clearly communicated to *investors*.

2C For the purpose of this Article, assets held on the balance sheet of the *originator* are deemed to be comparable to the assets to be transferred where:

(a) according to the documentation of the *securitisation* the assets meet the criteria to be included in the *securitisation*; and

(b) their expected performance is determined by factors similar to those that determine the expected performance of assets included in the *securitisation*.

3 Only the following shall qualify as a retention of a material net economic interest of not less than 5% within the meaning of paragraph 1 of this Article:

…

(b) in the case of *revolving securitisations* or *securitisations* of *revolving exposures*, the retention of the *originator's* interest of not less than 5% of the nominal value of each of the securitised ~~exposures~~*exposures*;

(c) the retention of randomly selected ~~exposures~~*exposures*, equivalent to not less than 5% of the nominal value of the securitised ~~exposures~~*exposures*, where such non-securitised ~~exposures~~*exposures* would otherwise have been securitised in the *securitisation*, provided that the number of potentially securitised ~~exposures~~*exposures* is not less than 100 at origination;

(d) the retention of the *first loss tranche* and, where such retention does not amount to 5% of the nominal value of the securitised ~~exposures~~*exposures*, if necessary, other *tranches* having the same or a more severe risk profile than those transferred or sold to *investors* and not maturing any earlier than those transferred or sold to *investors*, so that the retention equals in total not less than 5% of the nominal value of the securitised ~~exposures~~*exposures*; ~~or~~

(e) the retention of a first loss ~~exposure~~*exposure* of not less than 5% of every securitised ~~exposure~~*exposure* in the *securitisation*~~.~~; or

(f) the retention of not less than 5% of the *first loss tranche* and, where such retention does not amount to 5% of the nominal value of the securitised *exposures*, the retention of a percentage of the nominal value of each of the other *tranches* sold or transferred to *investors*, (the same percentage to be applied to each such *tranche*) so that the combined retention is not less than 5% of the nominal value of the securitised *exposures*.

3A By way of derogation from paragraph 3 of this Article, in the case of *NPE securitisations*, where a *non-refundable purchase price discount* has been agreed, the retention of a material net economic interest for the purposes of that paragraph shall not be less than 5% of the sum of the net value of the securitised ~~exposures~~*exposures* that qualify as *non-performing exposures* and, if applicable, the nominal value of any performing securitised ~~exposures~~*exposures*.

The net value of a *non-performing exposure* shall be calculated by deducting the *non-refundable purchase price discount* agreed at the level of the individual securitised ~~exposure~~*exposure* at the time of origination or, where applicable, a corresponding share of the *non-refundable purchase price discount* agreed at the level of the pool of underlying ~~exposures~~*exposures* at the time of origination from the ~~exposure's~~*exposure's* nominal value or, where applicable, its outstanding value at the time of origination.

…

4 Where:

(a) a *mixed financial holding company*;

(b) a *UK parent institution*;

(c) a *financial holding company established in the UK*; or

(d) a *subsidiary* of such a company or *institution*;

as an *originator* or *sponsor*, securitises ~~exposures~~*exposures* from one or more *CRR firms*, *FCA investment firms* or other *financial institutions* which are included in the scope of supervision on a *consolidated basis*, the requirements set out in paragraph 1 of this Article may be satisfied on the basis of the *consolidated situation* of the *mixed financial holding company*, *UK parent institution* or *financial holding company* concerned.

Subject to the modifications set out in the third subparagraph of SECN 5.2.9R of the *FCA Handbook* ~~to the requirements set out in Article 79 of Directive 2013/36/EU of the European Parliament and of the Council in respect of~~for *FCA investment firms*, the first subparagraph applies only if *CRR firms*, *FCA investment firms* or *financial institutions* which created the securitised ~~exposures~~*exposures* comply with the requirements ~~set out in Article 79 of Directive 2013/36/EU of the European Parliament and of the Council~~in Chapter 4 of the Internal Capital Adequacy Assessment Part and deliver the information needed to satisfy the requirements ~~provided for~~ in Article 5 of this Chapter or equivalent *FCA* rules, in a timely manner, to the *originator* or *sponsor* and, if the *originator* or *sponsor* is a *subsidiary*, to the *mixed financial holding company*, *UK parent institution* or *financial holding company* which is the *parent undertaking* of the *subsidiary*.

5 Paragraph 1 of this Article shall not apply where the securitised ~~exposures~~*exposures* are ~~exposures~~*exposures* to or ~~exposures~~*exposures* fully, unconditionally and irrevocably guaranteed by:

(a) central governments or *central banks*;

(b) regional governments, local authorities and *public sector entities*;

(c) institutions to which a 50% risk weight or less is assigned under ~~Part Three, Title II, Chapter 2 of *CRR* and Articles 132a to 132c of Chapter 3 of~~ the Credit Risk: Standardised Approach ~~and Internal Ratings Based Approach to Credit Risk~~ (CRR) Part;

(d) national promotional banks or institutions within the meaning of point (3) of Article 2 of Regulation (EU) 2015/1017; or

(e) ~~the multilateral development banks listed in Article 117 of *CRR*~~*multilateral development banks*.

…

ARTICLE 6A RETAINERS OF MATERIAL NET ECONOMIC INTEREST

1 The requirement that the retained material net economic interest shall not be split amongst different types of retainers under Article 6(1) shall be fulfilled by any of the following:

(a) the *originator* or *originators*;

(b) the *sponsor* or *sponsors*; or

(c) the *original lender* or *original lenders*.

2 Where more than one *originator* is eligible to fulfil the retention requirement, each *originator* shall fulfil that requirement on a pro rata basis by reference to the securitised *exposures* for which it is the *originator*. Where point (f) of Article 6(3) is relied on for compliance with the retention requirement, all *originators* must retain pro rata the same percentage of the *first loss tranche* and of the nominal value of the other *tranches* sold or transferred to *investors*.

3 Where more than one *original lender* is eligible to fulfil the retention requirement, each *original lender* shall fulfil that requirement on a pro rata basis by reference to the securitised *exposures* for which it is the *original lender*. Where point (f) of Article 6(3) is relied on for compliance with the retention requirement, all *original lenders* must retain pro rata the same percentage of the *first loss tranche* and of the nominal value of the other *tranches* sold or transferred to *investors*.

4 By way of derogation from paragraphs 2 and 3, the retention requirement may be fulfilled in full by a single *originator* or *original lender* provided that either of the following conditions is met:

(a) the *originator* or *original lender* has established and is managing the *ABCP programme* or other *securitisation*; or

(b) the *originator* or *original lender* has established the *ABCP programme* or other *securitisation* and has contributed over 50% of the total securitised *exposures* measured by nominal value at origination.

5 Where more than one *sponsor* is eligible to fulfil the retention requirement, the retention requirement shall be fulfilled by either:

(a) the *sponsor* whose economic interest is most appropriately aligned with *investors* as agreed by the multiple *sponsors* on the basis of objective criteria including, but not limited to, the transaction's fee structure, the *sponsor's* involvement in the establishment and management of the *ABCP programme* or other *securitisation* and exposure to credit risk of the *securitisations*; or

(b) by each *sponsor* in proportion to the total number of *sponsors*.

6 The following must be taken into account when assessing whether an entity has been established or operates for the sole purpose of securitising *exposures*, as referred to in the fifth subparagraph of Article 6(1):

(a) whether the entity has a business strategy and the capacity to meet payment obligations consistent with a broader business model and involving material support from capital, assets, fees or other income available to the entity, relying neither on the *exposures* being securitised, nor on any interests retained or proposed to be retained in accordance

with Article 6, as well as any corresponding income from such *exposures* and interests; and

(b) whether the members of the *management body* have the necessary experience to enable the entity to pursue the established business strategy, as well as adequate corporate governance arrangements.

[Note: This Article was previously Article 2 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6B FULFILMENT OF THE RETENTION REQUIREMENT THROUGH A SYNTHETIC FORM OF RETENTION OR CONTINGENT FORM OF RETENTION

1 The fulfilment of the retention requirement in a manner equivalent to one of the options set out in Article 6(3) through a *synthetic form of retention* or *contingent form of retention* shall meet all of the following conditions:

(a) the amount retained is at least equal to the amount required under the option which the *synthetic form of retention* or *contingent form of retention* corresponds to; and

(b) the retainer has explicitly disclosed in the final offering document, prospectus or other transaction documentation that it will retain a material net economic interest in the *securitisation* through a *synthetic form of retention* or *contingent form of retention* on an ongoing basis.

For the purposes of point (b), the retainer shall disclose in the final offering document, prospectus or other transaction documentation all the details on the applicable *synthetic form of retention* or *contingent form of retention*, including the methodology used in its determination of the material net interest retained and an explanation on which of the options in Article 6(3) the retention is equivalent to.

2 Where an entity other than a *CRR firm* or a *UK Solvency II Firm* retains an economic interest through a *synthetic form of retention* or *contingent form of retention*, that interest retained on a synthetic or contingent basis shall be fully collateralised in cash and held on a segregated basis as client money as referred to in CASS 7.12.1R of the *FCA Handbook*.

[Note: This Article was previously Article 3 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6C RETENTION OF NOT LESS THAN 5% OF THE NOMINAL VALUE OF EACH OF THE TRANCHES SOLD OR TRANSFERRED TO INVESTORS

1 The retention of not less than 5% of the nominal value of each of the *tranches* sold or transferred to the *investors* as referred to in point (a) of Article 6(3) may be complied with through any of the following methods:

(a) the retention of not less than 5% of the nominal value of each of the securitised *exposures*, provided that the retained credit risk ranks pari passu with or is subordinated to the credit risk securitised in relation to the same *exposures*;

(b) the provision, in the context of an *ABCP programme*, of a *liquidity facility*, where the following conditions are met:

(i) the *liquidity facility* covers 100% of the share of the credit risk of the securitised *exposures* of the relevant *securitisation* transaction that is being funded by the respective *ABCP programme*;

(ii) the *liquidity facility* covers the credit risk for as long as the retainer has to retain the material net economic interest by means of such *liquidity facility* for the relevant *securitisation* transaction;

(iii) the *liquidity facility* is provided by the *originator*, *sponsor* or *original lender* in the *securitisation* transaction; and

(iv) the *investors* becoming exposed to such *securitisation* have been given access to appropriate information with the initial disclosure to enable them to verify that points (i), (ii) and (iii) are complied with; or

(c) the retention of an *exposure* which exposes its holder to the credit risk of each issued *tranche* of a *securitisation* transaction on a pro rata basis (vertical *tranche*) of not less than 5% of the total nominal value of each of the issued *tranches*.

[Note: This Article was previously Article 4 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6D RETENTION OF THE ORIGINATOR'S INTEREST IN A REVOLVING SECURITISATION OF REVOLVING EXPOSURES

1 The retention of the *originator's* interest of not less than 5% of the nominal value of each of the securitised *exposures* as referred to in point (b) of Article 6(3) shall only be considered fulfilled where the retained credit risk of such *exposures* ranks pari passu with or is subordinated to the credit risk securitised in relation to the same *exposures*.

[Note: This Article was previously Article 5 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6E RETENTION OF RANDOMLY SELECTED EXPOSURES EQUIVALENT TO NOT LESS THAN 5% OF THE NOMINAL VALUE OF THE SECURITISED EXPOSURES

1 The pool of at least 100 potentially securitised *exposures* from which retained non-securitised and securitised *exposures* are to be randomly selected, as referred to in point (c) of Article 6(3), shall be sufficiently diverse to avoid an excessive concentration of the retained interest.

2 When selecting the *exposures* referred to in paragraph 1, retainers shall take into account quantitative and qualitative factors that are appropriate for the type of securitised *exposures* to ensure that the distinction between retained non-securitised and securitised *exposures* is random. For that purpose, and where relevant, retainers shall take into consideration the following factors when selecting *exposures*:

(a) the time of the origination of the loan (vintage);

(b) the type of securitised *exposures*;

(c) the geographical location;

(d) the origination date;

(e) the maturity date;

(f) the loan to value ratio;

(g) the collateral type;

(h) the industry sector;

(i) the outstanding loan balance; and

(j) any other factor deemed relevant by the retainer.

3 Retainers shall not select different individual *exposures* at different points in time, except where that may be necessary to fulfil the retention requirement in relation to a *securitisation* in which the securitised *exposures* fluctuate over time, either due to new *exposures* being added to the *securitisation* or to changes in the level of the individual securitised *exposures*.

4 Where the retainer is the *securitisation's servicer*, the selection conducted in accordance with this Article shall not lead to a deterioration in the servicing standards applied by the retainer on the transferred *exposures* relative to the retained *exposures*.

[Note: This Article was previously Article 6 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6F RETENTION OF THE FIRST LOSS TRANCHE

1 The retention of the *first loss tranche* referred to in point (d) of Article 6(3) may be fulfilled by holding either on-balance sheet or off-balance sheet positions and by any of the following methods:

(a) provision of a *contingent form of retention* or of a *liquidity facility* in the context of an *ABCP programme*, which fulfils all of the following criteria:

(i) the *exposure* covers at least 5% of the nominal value of the securitised *exposures*;

(ii) the *exposure* constitutes a first loss position in relation to the *securitisation*;

(iii) the *exposure* covers the credit risk for the entire duration of the retention commitment;

(iv) the *exposure* is provided by the retainer; and

(v) the *investors* have been given access within the initial disclosure to all information necessary to verify that points (i) to (iv) are complied with; or

(b) *overcollateralisation*, if that *overcollateralisation* operates as a 'first loss' position of not less than 5% of the nominal value of the securitised *exposures*.

2 Where the *first loss tranche* exceeds 5% of the nominal value of the securitised *exposures*, the retainer may choose to retain a pro rata portion of such *first loss tranche* only, provided that that portion is equivalent to at least 5% of the nominal value of the securitised *exposures*.

[Note: This Article was previously Article 7 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6G RETENTION OF A FIRST LOSS EXPOSURE OF NOT LESS THAN 5% OF EVERY SECURITISED EXPOSURE

1 The retention of a first loss *exposure* at the level of every securitised *exposure* as referred to in point (e) of Article 6(3) shall only be considered to be fulfilled where the retained credit risk is subordinated to the credit risk securitised in relation to the same *exposures*.

2 By way of derogation from paragraph 1 of this Article, the retention of a first loss *exposure* at the level of every securitised *exposure* as referred to in point (e) of Article 6(3) may also be fulfilled through the sale by the *originator* or *original lender* of the underlying *exposures* at a discounted value where each of the following conditions is met:

(a) the amount of the discount is not less than 5% of the nominal value of each *exposure*; and

(b) the discounted sale amount is refundable to the *originator* or *original lender* only if that discounted sale amount is not absorbed by *losses* related to the credit risk associated to the securitised *exposures*.

[Note: This Article was previously Article 8 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6H RETENTION OF A PORTION OF THE FIRST LOSS TRANCHE AND OF A PORTION OF THE NOMINAL VALUE OF EACH OF THE TRANCHES SOLD OR TRANSFERRED TO INVESTORS

1 The retention of risks referred to in point (f) of Article 6(3) may be complied with:

(a) in relation to the retained portion of the *first loss tranche*, through any of the methods set out in Article 6F(1), adapted as necessary to reflect that this retained portion need not amount to 5% of the nominal value of the securitised *exposures*;

(b) in relation to the retained portion of the nominal value of each of the *tranches* sold or transferred to *investors*, other than the *first loss tranche*, through any of the methods set out in Article 6C, adapted as necessary to reflect that:

(i) this retained portion need not amount to 5% of the nominal value of the securitised *exposures*; and

(ii) the same retention percentage must be applied to each *tranche*.

ARTICLE 6I APPLICATION OF THE RETENTION OPTIONS ON NPE SECURITISATIONS

1 In the case of *NPE securitisations* as referred to in Article 6(3A), for the purposes of applying Article 6C(1)(a) and Articles 6D to 6H to the share of *non-performing exposures* in the pool of underlying *exposures* of a *securitisation*, any reference to the nominal value of the securitised *exposures* shall be construed as a reference to the net value of the *non-performing exposures*.

2 For the purposes of Article 6, the net value of the retained *non-performing exposures* shall be calculated using the same amount of the *non-refundable purchase price discount* that would have been applied had the retained *non-performing exposures* been securitised.

3 For the purposes of point (a) of Article 6C(1), Article 6D and Article 6G, the net value of the retained part of the *non-performing exposures* shall be computed using the same percentage of the *non-refundable purchase price discount* that applies to the part that is not retained.

4 Where the *non-refundable purchase price discount* as referred to in the second subparagraph of Article 6(3A) has been agreed at the level of the pool of underlying *non-performing exposures*, the net value of individual securitised *non-performing exposures* included in the pool or sub-pool, as applicable, shall be calculated by applying a corresponding share of the *non-refundable purchase price discount* agreed at pool or sub-pool level to each of the securitised *non-performing exposures* in proportion to their nominal value or, where applicable, their outstanding value at the time of origination.

5 Where the *non-refundable purchase price discount* includes the difference between the nominal amount of one *tranche* or several *tranches* of a *NPE securitisation* underwritten by the *originator* for subsequent sale and the price at which that *tranche* or those *tranches* are first sold to unrelated third parties as referred to in the second subparagraph of Article 6(3A), that difference shall be taken into account in the calculation of the net value of individual securitised *non-performing exposures* by applying a corresponding share of the difference to each of the securitised *non-performing exposures* in proportion to their nominal value.

[Note: This Article was previously Article 9 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6J MEASUREMENT OF THE LEVEL OF RETENTION

1 When measuring the level of retention of the net economic interest, the following criteria shall be applied:

(a) the origination shall be considered as the time at which the *exposures* were first securitised;

(b) where the calculation of the level of retention is based on nominal values, it shall not take into account the acquisition price of assets;

(c) finance charge collections and other fee income in respect of the securitised *exposures* net of costs ('excess spread') shall not be taken into account when measuring the retainer's net economic interest; and

(d) the retention option and methodology used to calculate the net economic interest shall not be changed during the life of a *securitisation* transaction, unless exceptional circumstances require a change and that change is not used as a means to reduce the amount of the retained interest.

2 The retainer shall not be required to replenish or readjust its retained interest to at least 5% as *losses* are realised on its retained *exposures* or allocated to its retained positions.

[Note: This Article was previously Article 10 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6K MEASUREMENT OF THE MATERIAL NET ECONOMIC INTEREST TO BE RETAINED FOR EXPOSURES IN THE FORM OF DRAWN AND UNDRAWN AMOUNTS OF CREDIT FACILITIES

1 The calculation of the net economic interest to be retained for credit facilities, including credit cards, shall be based on amounts already drawn, realised or received only and shall be adjusted in accordance with changes to those amounts.

[Note: This Article was previously Article 11 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6L PROHIBITION OF HEDGING OR SELLING THE RETAINED INTEREST

1 The obligation in the first subparagraph of Article 6(1) to retain on an ongoing basis a material net economic interest in the *securitisation* shall be deemed to have been met only where, taking into account the economic substance of the transaction, both of the following conditions are met:

(a) the retained material net economic interest is not subject to any *credit risk mitigation* or hedging of either the retained *securitisation positions* or the retained *exposures*; and

(b) the retainer does not sell, transfer or otherwise surrender all or part of the rights, benefits or obligations arising from the retained net economic interest.

2 By way of derogation from paragraph 1(a) of this Article, the retainer may hedge the net economic interest where the hedge:

(a) is not against the credit risk of either the retained *securitisation positions* or the retained *exposures*; or

(b) is undertaken prior to the *securitisation* as a prudent element of credit granting or risk management and does not create a differentiation for the retainer's benefit between the credit risk of the retained *securitisation positions* or *exposures* and the *securitisation positions* or *exposures* transferred to *investors*.

3 The retainer may use retained *exposures* or *securitisation positions* as collateral for secured funding purposes including, where relevant, funding arrangements that involve a sale, transfer or other surrender of all or part of the rights, benefits or obligations arising from the retained net economic interest, provided that such use as collateral does not transfer the exposure to the credit risk of those retained *exposures* or *securitisation positions* to a third party.

4 Paragraph 1(b) of this Article shall not apply:

(a) in the event of the insolvency of the retainer; or

(b) in the case of retention on a *consolidated basis*, in accordance with Article 6N.

[Note: This Article was previously Article 12 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6M TRANSACTIONS FOR WHICH THE RETENTION REQUIREMENT DOES NOT APPLY AS REFERRED TO IN ARTICLE 6(6)

1 Transactions for which the retention requirement does not apply, as referred to in Article 6(6), shall include *securitisation positions* in the *ACTP* for which the underlying instruments satisfy the criterion in Article 325(6)(b) of the Market Risk: General Provisions (CRR) Part or are eligible for inclusion in the *ACTP*.

[Note: This Article was previously Article 13 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6N RETENTION ON A CONSOLIDATED BASIS

1 A *mixed financial holding company*, a *UK parent institution* or *financial holding company established in the UK* satisfying, in accordance with Article 6(4), the retention requirement on the basis of its *consolidated situation* shall, in the case where the retainer is no longer included in the scope of supervision on a *consolidated basis*, ensure that one or more of the remaining entities included in the scope of supervision on a *consolidated basis* fulfils the retention requirement.

[Note: This Article was previously Article 14 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6O ARRANGEMENTS OR EMBEDDED MECHANISMS

1 Retainers shall not use arrangements or embedded mechanisms in the *securitisation* by virtue of which the retained interest at origination would decline faster than the interest transferred. In the allocation of the cash flows, the retained interest shall not be prioritised to preferentially benefit from being repaid or amortised ahead of the transferred interest.

2 The amortisation of the retained interest via cash flow allocation set out in paragraph 1 or through the allocation of *losses* that, in effect, reduce the level of retention over time, shall be allowed.

[Note: This Article was previously Article 15 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6P FULFILMENT OF THE RETENTION REQUIREMENT IN SECURITISATIONS OF OWN ISSUED DEBT INSTRUMENTS

1 Where an entity securitises its own issued debt instruments, including covered bonds as defined in the *FCA Handbook*, and the underlying *exposures* of the *securitisation* comprise exclusively those own-issued debt instruments, the retention requirement in Article 6(1) shall be considered complied with.

[Note: This Article was previously Article 16 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6Q RETENTION REQUIREMENT ON RESECURITISATIONS

1 Subject to paragraph 2 of this Article, in the context of a *resecuritisation* as far as enabled in accordance with Article 8, a retainer shall retain the material net economic interest in relation to each of the respective transaction levels.

2 The *originator* of a *resecuritisation* shall not be obliged to retain a material net economic interest at the transaction level of the *resecuritisation* where all of the following conditions are met:

(a) the *originator* of the *resecuritisation* is also the *originator* and the retainer of the underlying *securitisation*;

(b) the *resecuritisation* is backed by a pool of *exposures* comprising solely *exposures* or positions which were retained by the *originator* in the underlying *securitisation* in excess of the required minimum net economic interest prior to the date of origination of the *resecuritisation*; and

(c) there is no maturity mismatch between the underlying *securitisation positions* or *exposures* and the *resecuritisation*.

3 A *fully supported ABCP programme* which meets the requirements of Article 8(4) shall not be deemed a *resecuritisation* for the purposes of this Article.

[Note: This Article was previously paragraphs 1 to 3 of Article 17 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 6R DISCLOSURE OF THE LEVEL OF THE COMMITMENT TO MAINTAIN A NET ECONOMIC INTEREST

1 The retainer shall disclose to *investors* within the final offering document, prospectus or other transaction documentation at least the following information regarding the level of its commitment to maintain a net economic interest in the *securitisation*:

(a) confirmation of the retainer's identity, whether it retains as *originator*, *sponsor* or *original lender* and, where the retainer is the *originator*, how it meets the requirements set out in the fifth subparagraph of Article 6(1) taking into account the principles set out in Article 6A(6);

(b) which of the modalities provided for in points (a), (b), (c), (d), (e) or (f) of the second subparagraph of Article 6(3) has been applied to retain a net economic interest; and

(c) confirmation of the level of retention at origination and of the commitment to retain on an ongoing basis, which shall relate only to the continuation of fulfilment of the original obligation and shall not require data on the current nominal or *market value*, or on any impairments or write-downs on the retained interest.

2 Where the exemptions referred to in paragraph 5 or 6 of Article 6 apply to a *securitisation* transaction, *firms* acting as *originator*, *sponsor* or *original lender* shall disclose within the final offering document, prospectus or other transaction documentation information on the applicable exemption to *investors*.

3 The disclosure referred to in paragraphs 1 and 2 of this Article shall be appropriately documented within the final offering document, prospectus or other transaction documentation and made publicly available, except in bilateral or private transactions where private disclosure is considered by the parties to be sufficient. The inclusion of a statement on the retention commitment in the prospectus for the securities issued under the *securitisation* programme shall be considered an appropriate means of fulfilling the requirement.

[Note: This Article was previously Article 22 of Chapter 4 of this Part as it applied before 25 May 2027]

ARTICLE 7 TRANSPARENCY REQUIREMENTS

1 The *originator*, *sponsor* and *SSPE* of a *securitisation* shall, in accordance with paragraph 2 of this Article and ~~Chapters 5 and 6~~Articles 7A to 7F, make at least the following information available to holders of a *securitisation position*~~,~~ and upon request to potential *investors* and upon request to the *PRA* ~~and, upon request, to potential *investors*~~:

(a) in the case of a non-ABCP *securitisation*, information on the underlying ~~exposures~~*exposures* on at least a quarterly basis, as specified by Article 7A;~~or, in the case of asset-backed commercial paper, information on the underlying receivables or credit claims on a monthly basis~~

(aa) in the case of a *securitisation* which is an *ABCP programme* or an *ABCP transaction*, information on the underlying receivables or credit claims in aggregated form on at least a monthly basis as specified in Article 7(1)(e) below and Article 7A as applicable;

(b) all ~~underlying~~ documentation essential for the understanding of the transaction, including but not limited to, where applicable~~, the following documents~~:

(i) the final offering document or the prospectus, or term sheet together with all of the ~~closing~~ transaction documents, excluding legal opinions; and

(ii) ~~for *traditional securitisation* the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;~~[deleted]

(iii) ~~the derivatives and guarantee agreements, as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the *originator*;~~[deleted]

(iv) ~~the servicing, back-up servicing, administration and cash management agreements;~~[deleted]

(v) ~~the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;~~[deleted]

(vi) ~~any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and *liquidity facility* agreements; and~~[deleted]

(vii) ~~a detailed description of the priority of payments of the *securitisation*;~~[deleted]

(viii) information about the risk retained, including which of the modalities of risk retention provided for in Article 6 has been applied.

(c) ~~where the rules in PRM of the *FCA Handbook* do not require a prospectus to be drawn up, a transaction summary or overview of the main features of the *securitisation*, including, where applicable:~~

~~(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;~~

~~(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;~~

~~(iii) details regarding the voting rights of the holders of a *securitisation position* and their relationship to other secured creditors; and~~

~~(iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) of this subparagraph that could have a material impact on the performance of the *securitisation position*;~~[deleted]

(d) in the case of *STS securitisations*, the STS notification referred to in SECN 2.5 of the *FCA Handbook*;

(e) at least quarterly *investor* reports, or, in the case of a *securitisation* which is an *ABCP programme* or an *ABCP transaction* ~~asset-backed commercial paper programme~~, at least *monthly investor* reports~~,~~ providing periodic updates ~~containing~~ on at least the following as applicable:

(i) all materially relevant data on the credit quality and performance of underlying ~~exposures~~*exposures* in aggregated form;

(ii) ~~information on events which trigger changes in the priority of payments or the replacement of any counterparties, and, in the case of a *securitisation* which is not an *ABCP transaction* or *ABCP programme*, data on the cash flows generated by the underlying exposures and by the liabilities of the *securitisation*~~any relevant financial or other triggers contained in the transaction documentation, including information on events which trigger changes to the priority of payments or a substitution of any counterparty to the transaction; ~~and~~

(iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) of this Chapter has been applied, in accordance with Article 6 of this Chapter and ~~Chapters 5 and 6~~Articles 7A to 7F;

(iv) information on the *tranches* in the *securitisation*, for each *tranche* issuance in the *securitisation* or other instrument to which an ISIN has been assigned and for each subordinated loan in the *securitisation*;

(v) data on the cash flows on assets and liabilities of the *securitisation*;

(vi) where the *securitisation* is a synthetic non-ABCP *securitisation*, information on:

(1) all *credit risk mitigation* arrangements in the *securitisation*; and

(2) all collateral received under *credit risk mitigation* arrangements including issuer collateral for each individual collateral asset held on behalf of *investors* that exists for the given protection arrangement.

For the purposes of subparagraph (2) above, each asset for which an ISIN or any other unique identifier exists must be treated as an individual collateral asset; cash collateral of the same currency must be aggregated and treated as an individual collateral asset and cash collateral of different currencies must be reported as separate collateral assets;

(vii) information on accounts, for each account in the *securitisation* or in the case of an *ABCP programme*, for each account in each *ABCP transaction*;

(viii) information on counterparties, for each counterparty in the *securitisation* or in the case of an *ABCP programme*, for each counterparty in each *ABCP transaction*; and

(ix) where the *securitisation* is a *Collateralised Loan Obligation* (*CLO*) non-ABCP *securitisation*, information on the performance of the *CLO* manager involved in the *securitisation*.

(f) any inside information relating to the *securitisation* that the *originator*, *sponsor* or *SSPE* is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014; ~~and~~

(g) where point (f) of this subparagraph does not apply, any significant event, such as:

(i) a material breach of the obligations provided for in the documents made available in accordance with point (b) of this subparagraph, including any remedy, waiver or consent subsequently provided in relation to such a breach;

(ii) a change in the structural features that can materially impact the performance of the *securitisation*;

(iii) a change in the risk characteristics of the *securitisation* or of the underlying ~~exposures~~*exposures* that can materially impact the performance of the *securitisation*;

(iv) in the case of *STS securitisations*, where the *securitisation* ceases to meet the STS requirements or where the *PRA* or *FCA* has taken remedial or administrative actions; and

(v) any material amendment to transaction documents~~.~~; and

(h) the *originator*, *sponsor* and *SSPE* of a *securitisation* must ensure that the documentation regarding the *securitisation* specifies the *reporting entity* designated in accordance with paragraph 2 and instructions on how to gain access to the means by which the information is to be made available.

1A In the case of a *securitisation* that is an *ABCP programme* or *ABCP transaction*, the *originator* must make information on the underlying receivables or credit claims at underlying individual *exposure* level available to the *sponsor* and, upon request, to the *PRA*.

1B Except in the circumstances described in the second subparagraph of this paragraph 1B, t~~T~~he information described in points (a), (aa) and (e) of ~~the first subparagraph~~paragraph 1 shall be made available simultaneously at least each quarter or each *month* (as applicable):

(a) in the case of non-ABCP *securitisations*, at the latest one *month* after the due date for the payment of interest with the *data cut-off date* not later than two *months* before the submission date; or~~,~~

(b) in the case of *ABCP transactions*, at the latest one *month* after the end of the period the report covers with the *data cut-off date* not later than one *month* before the submission date.

Where a *securitisation* has a first interest period that exceeds three *months*, the information described in points (a), (aa) and (e) of paragraph 1 must be made available simultaneously at the latest one *month* after the due date for the first payment of interest.

The information described in points (b)~~,(c)~~ and (d) of paragraph 1~~the first subparagraph~~ shall be made available in draft or initial form before pricing or original commitment to invest and in final form no later than ~~15~~30 days after closing of the transaction or by the first scheduled interest payment date of the transaction if it falls within 30 days of closing of the transaction.

~~In the case of asset-backed commercial paper, the information described in points (a), (c)(ii) and (e)(i) of the first subparagraph shall be made available in aggregate form to holders of *securitisation positions* and, on request, to potential *investors*. Loan-level data shall be made available to the *sponsor* and, on request, to the *PRA*.~~

~~Without prejudice~~Subject to Regulation (EU) No 596/2014, the information described in points (f) and (g) of paragraph 1~~the first subparagraph~~ shall be made available without delay.

The *originator*, *sponsor* and *SSPE* may provide the information specified in this paragraph in anonymised or aggregated form or, in relation to point (b) of paragraph 1 ~~the first subparagraph,~~ as a summary of the specified documentation, where and to the extent that anonymisation or aggregation is necessary in order to comply with any~~the law~~ applicable laws~~in the *United Kingdom*~~ governing the protection of confidentiality of information and the processing of personal data and with any confidentiality obligation relating to customer, *original lender* or debtor information.

2 The *originator*, *sponsor* and *SSPE* of a *securitisation* must designate one of their number to be the entity responsible for fulfilling the information requirements pursuant to points (a), (aa), (b), (d), (e), (f), ~~and~~ (g) and (h) of ~~the first subparagraph of~~ paragraph 1 of this Article. Such designation does not relieve the other parties of their responsibilities set out in paragraph 1.

~~The *reporting entity* shall make the information for a *securitisation* transaction available by means of a *securitisation repository* registered by the *FCA*.~~

~~The *reporting entity* and the *securitisation repository* shall be indicated in the *securitisation's* documentation.~~

~~The obligations referred to in the second and fifth subparagraphs shall not apply to *securitisations* for the rules in PRM of the *FCA Handbook* do not require a prospectus to be drawn up.~~

The *reporting entity* must provide access to the information referred to in the first subparagraph free of charge to the persons specified in paragraphs 1 and 1A.

~~Where no *securitisation repository* is registered in accordance with regulation 14 of the *Securitisation Regulations*,~~ T~~t~~he *reporting entity* shall make the information for a *securitisation* transaction available by means ~~of a website~~ that:

(a) include~~s~~ a well-functioning data quality control system;

(b) ~~is~~ are subject to appropriate governance standards and to maintenance and operation of an adequate organisational structure that ensures the continuity and orderly functioning of ~~the website~~ those means;

(c) ~~is~~ are subject to appropriate systems, controls and procedures that identify all relevant sources of ~~operational risk~~*operational risk*;

(d) include~~s~~ systems that ensure the protection and integrity of the information received and the prompt recording of the information; and

(e) make~~s~~ it possible to keep record of the information for at least five years after the maturity date of the *securitisation*.

~~The *reporting entity* and the *securitisation repository* where the information is made available shall be indicated in the documentation regarding the *securitisation*.~~

...

3A An *originator*, *sponsor* and *SSPE* must, in relation to a *securitisation* for which the rules in PRM of the *FCA Handbook* do not require a prospectus to be drawn up, send to the *FCA* the notifications required by SECN 6.4 and SECN 6.2.1AR.

ARTICLE 7A INFORMATION ON UNDERLYING EXPOSURES

1 Except in the case of a *securitisation* that comprises a single loan, the information to be made available for a non-ABCP *securitisation* pursuant to Article 7 is as specified in the following Annexes in the *FCA Handbook*:

(a) SECN 11 Annex 2R for loans to private households secured by residential real estate, regardless of the purpose of those loans;

(b) SECN 11 Annex 4AR for corporate underlying *exposures* of *Collateralised Loan Obligations*;

(c) SECN 11 Annex 5R for automobile underlying *exposures*, including both loans and leases to legal or natural persons backed by automobiles;

(d) SECN 11 Annex 6R for consumer underlying *exposures*; and

(e) SECN 11 Annex 8R for leasing underlying *exposures*.

For the purposes of point (a), residential real estate means any immovable property, available for dwelling purposes (including buy-to-let housing or property), acquired, built or renovated by a private household and that does not qualify as commercial real estate. Commercial real estate means any income-producing real estate, either existing or under development, and excludes social housing and property owned by end-users.

2 For the purposes of point (a) of paragraph 1 and paragraph 6, a property that has mixed commercial and residential use must, where possible, be treated as two separate properties, one commercial and one residential. Where it is not possible to separate the uses in this manner, the property must be treated as being entirely residential or entirely commercial, whichever is the dominant use of the property.

3 Except as provided in paragraphs 2 and 10, where a non-ABCP *securitisation* includes more than one of the types of underlying *exposures* listed in paragraph 1, the *reporting entity* for that *securitisation* must make available the information specified in the applicable Annex for each underlying *exposure* type.

4 Where the pool of underlying *exposures* for a non-ABCP *securitisation* is comprised entirely of automobile underlying *exposures*, the information specified in SECN 11 Annex 5R must be provided in respect of the entire pool, regardless of whether the automobile underlying *exposures* are loans or leases.

5 Except in the circumstances contemplated in paragraph 4, where the pool of underlying *exposures* for a non-ABCP *securitisation* is comprised entirely of leasing underlying *exposures*, the information specified in SECN 11 Annex 8R must be provided in respect of the entire pool.

6 The information to be made available pursuant to points (a) and (b) of Article 7(1) for a *securitisation* of loans for the purposes of acquiring commercial real estate or secured by commercial real estate should include at least:

(a) the *securitisation* unique identifier assigned in accordance with Article 7D;

(b) information on the underlying loans including contractual loan terms, swap information if applicable, loan performance information, metrics indicating loan repayment capacity and any applicable covenants which apply at loan level as well as the status of those covenants;

(c) information on tenants including occupancy information, number of tenants and weighted average lease terms, as well as information on an appropriate number (which must not be less than three) of the largest tenants, measured as is appropriate to the tenancy profile of the property, including descriptive tenant information, rent payable and lease expiry dates; and

(d) information on loan security including descriptive property information, property valuation information, property income information, property expenses information and lien position held by the *originator* on the property.

7 The information to be made available pursuant to points (a) and (b) of Article 7(1) for a *securitisation* of credit card or other short-term highly granular underlying *exposures* should include at least:

(a) the *securitisation* unique identifier assigned in accordance with Article 7D;

(b) tables presenting stratification data in aggregated form including all materially relevant data on the credit quality and performance of the underlying *exposures* including delinquencies and delinquency roll rates; and

(c) tables presenting stratification data in aggregated form including all materially relevant data on the risk characteristics of the underlying *exposures*.

8 The information to be made available pursuant to Article 7(1)(a) and (b) for a *securitisation* of corporate underlying *exposures* which is not a *Collateralised Loan Obligation* and whose underlying *exposures* are not short-term highly granular *exposures* should include at least:

(a) the *securitisation* unique identifier assigned in accordance with Article 7D;

(b) information on the underlying loans including contractual loan terms, debt type and seniority, loan or bond identifiers if applicable, swap information if applicable, loan performance information, and any applicable covenants which apply at loan level as well as the status of those covenants;

(c) information on each borrower including industry, geographic region, and essential information from the borrower's financial statements to enable an assessment of the borrower's loan repayment capacity; and

(d) information on loan security including descriptions of collateral and guarantees, collateral valuation information, information on the type of charge which exists over the collateral and the lien position held by the *originator* in relation to the collateral.

9 For underlying *exposures* that do not fall within any of the categories set out in points (a) to (e) of Article 7A(1), or in paragraphs 6, 7 or 8, the information to be made available pursuant to Article 7(1) for a *securitisation* should include at least:

(a) the *securitisation* unique identifier assigned in accordance with Article 7D;

(b) information on contractual terms of the underlying *exposures*, swap information if applicable, obligor information, performance information, metrics indicating repayment capacity and any applicable triggers or tests which apply at underlying *exposure* level as well as the status of those triggers or tests; and

(c) information on loan security, if applicable, including descriptions of collateral and guarantees, collateral valuation information and lien position held by the *originator* on the collateral.

10 The *reporting entity* for a *NPE securitisation*, except where it comprises a single underlying *exposure*, shall make available the information specified in:

(a) the Annexes referred to in points (a) to (e) of paragraph 1, as relevant to the underlying *exposure* type; and

(b) SECN 11 Annex 10R in the *FCA Handbook*.

11 Where a non-ABCP *securitisation* is an *ABCP transaction* the *reporting entity* must make the information required to be made available by Article 7 or by this Article 7A on a monthly basis at the latest one *month* following the end of the period covered by the information with the *data cut-off date* being no later than one *month* before the date on which the information is made available.

12 The information to be made available under this Article must be on *active underlying exposures* as at the *data cut-off date* and *inactive underlying exposures* that were *active underlying exposures* at the immediately preceding *data cut-off date*.

13 For the purposes of this Article and Annexes 2R, 4AR, 5R, 6R, 8R and 10R of SECN 11 of the *FCA Handbook*, the *reporting entity* will be treated as having complied with those provisions if instead it makes information available via templates which are duly completed and compliant with the requirements in Commission Delegated Regulation (EU) 2020/1224 and Commission Implementing Regulation (EU) 2020/1225 as in force in the *EU* on 16 February 2026, which provide for disclosure of underlying *exposure* templates applicable to the corresponding asset class (and for this purpose, use of the template in Annex 4 to Commission Delegated Regulation (EU) 2020/1224 will suffice in relation to the requirements of Annex 4AR of SECN 11 in relation to *Collateralised Loan Obligations*).

[Note: Parts of this Article were previously Article 2 of Chapter 5 of this Part as it applied before 25 May 2027]

ARTICLE 7B INFORMATION GRANULARITY

1 The *reporting entity* must make available the information specified in SECN 11 Annexes 2R, 4AR, 5R, 6R, 8R and 10R on the following:

(a) underlying *exposures*, in relation to each individual underlying *exposure*;

(b) collateral where any of the following conditions is met and respect of each item of collateral securing each underlying *exposure*:

(i) the underlying *exposure* is secured by a guarantee;

(ii) the underlying *exposure* is secured by physical or financial collateral; or

(iii) the lender may unilaterally create security over the underlying *exposure* without the need for any further approval from the obligor or guarantor;

(c) historical collections for each underlying *exposure* and for each *month* in the period from the cut-off date up to 36 *months* prior to that date;

(d) cash flows, for each inflow or outflow item in the *securitisation* set out in the applicable priority of receipts or payments as at the *data cut-off date*; and

(e) tests/events/triggers which are applicable to individual underlying *exposures* and their status.

2 For the purposes of 1(a) and (c), securitised loan parts must be treated as individual underlying *exposures*.

3 For the purposes of 1(b), each property acting as security for loans referred to in point (b) of paragraph 1 and in paragraph 6 of Article 7A shall be treated as a single item of collateral.

[Note: This Article was previously Article 4 of Chapter 5 of this Part as it applied before 25 May 2027]

ARTICLE 7C INFORMATION COMPLETENESS AND CONSISTENCY

1 The information made available pursuant to Articles 7, 7A and 7B must be complete and consistent.

2 Where a *reporting entity* identifies factual errors in any information it has made available pursuant to Articles 7, 7A or 7B it must make available without undue delay a corrected report of all information about the *securitisation* required under those Articles.

3 Where permitted in the corresponding Annex, the *reporting entity* must report 'No Data Option' (ND) as the value where the information is not available.

4 The report of any ND values shall not be used to circumvent any of the requirements of Articles 7, 7A and 7B.

5 Upon request by the *PRA* a *reporting entity* shall provide details of the circumstances that justify the use of an ND value.

[Note: This Article was previously Article 9 of Chapter 5 of this Part as it applied before 25 May 2027]

ARTICLE 7D UNIQUE IDENTIFIERS

1 Each *securitisation* shall be assigned a unique identifier composed of the following elements, in sequential order:

(a) the Legal Entity Identifier of the *reporting entity*;

(b) the letter 'A' where the *securitisation* is an ABCP *securitisation* or the letter 'N' where the *securitisation* is a non-ABCP *securitisation*;

(c) the four-digit year corresponding to:

(i) the year in which the first securities of the *securitisation* were issued, where the *securitisation* is a non-ABCP *securitisation*; or

(ii) the year in which the first securities within the *ABCP programme* were issued, where the *securitisation* is an ABCP *securitisation*; and

(d) the number 01 or, where there is more than one *securitisation* with the same identifier as referred to in points (a), (b) and (c), a two-digit sequential number corresponding to the order in which information about each *securitisation* is made available. The order of simultaneous *securitisations* shall be discretionary.

2 Each *ABCP transaction* in an *ABCP programme* shall be assigned a unique identifier composed of the following elements, in sequential order:

(a) the Legal Entity Identifier of the *reporting entity*;

(b) the letter 'T';

(c) the four-digit year corresponding to the first closing date of the *ABCP transaction*; and

(d) the number 01 or, where there is more than one *ABCP transaction* with the same identifier as referred to in points (a), (b) and (c) of this paragraph, a two-digit sequential number corresponding to the order of the first closing date of each *ABCP transaction*. The order of simultaneous *ABCP transactions* shall be discretionary.

3 Unique identifiers shall not be amended by the *reporting entity*.

[Note: This Article was previously Article 11 of Chapter 5 of this Part as it applied before 25 May 2027]

ARTICLE 7E CLASSIFICATIONS REPORTING

1 The information relating to the System of Accounts classification shall be made available using the codes set out in Table 1 of SECN 11 Annex 1R.

2 The information relating to the Servicer Watchlist classifications shall be made available using the codes set out in Table 2 of SECN 11 Annex 1R.

[Note: This Article was previously Article 12 of Chapter 5 of this Part as it applied before 25 May 2027]

ARTICLE 7F FORMAT OF INFORMATION

1 The information must be made available in an electronic and machine readable, tabular or spreadsheet form (or other format which preserves data structure and allows data manipulation) such as CSV or Excel.

ARTICLE 8 BAN ON RESECURITISATION

1 The underlying ~~exposures~~*exposures* ~~used~~ in a *securitisation* shall not include *securitisation positions*.

The first subparagraph shall not apply to:

(a) any *securitisation* the securities of which were issued before 1 January 2019; ~~or~~

(b) any *securitisation* in respect of which the *PRA* has disapplied or modified the first ~~sub-paragraph~~subparagraph such that the underlying ~~exposures~~*exposures* can include *securitisation positions*~~.~~;

(c) subject to paragraph 5, a *securitisation* that solely comprises *senior securitisation positions*; or

(d) subject to paragraph 5, *securitisation positions* that comprise both a single *exposure* and directly related credit protection that causes the credit risk of the *exposure* to be *tranched*.

The derogations in subparagraphs (c) and in (d) above may only be applied once and not in combination with each other and not to any further *resecuritisation* that involves the same underlying *securitisation positions*.

…

4 A *fully supported ABCP programme* shall not be considered to be a *resecuritisation* for the purposes of this Article provided that none of the *ABCP transactions* within that programme is a *resecuritisation* and that the ~~credit enhancement~~*credit enhancement* does not establish a second layer of *tranching* at the programme level.

5 The derogations in subparagraphs 1(c) and 1(d) above do not apply unless the *originator* is:

(a) a *PRA-authorised person*;

(b) the *originator* of the underlying *securitisation*; and

(c) for the purposes of Article 6, the risk retainer of the underlying *securitisation*.

ARTICLE 9 CRITERIA FOR CREDIT-GRANTING

1 ~~*Originators*, *sponsors* and *original lenders* shall apply to exposures to be securitised (unless they are trade receivables not originated in the form of a loan) the same sound and well-defined criteria for credit-granting which they apply to non-securitised exposures. To that end, the same clearly established processes for approving and, where relevant, amending, renewing and refinancing credits shall be applied. *Originators*, *sponsors* and *original lenders* shall have effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting the obligor's obligations under the credit agreement.~~

An *originator*, *sponsor* or *original lender* must:

(a) apply to *exposures* to be securitised (unless they are trade receivables not originated in the form of a loan) sound and well-defined criteria for credit-granting;

(b) apply clearly established processes for approving and (where relevant) amending, renewing and refinancing credits; and

(c) ensure the credit-granting criteria and processes that are applied to *exposures* to be securitised are not less stringent than those applicable to comparable assets, if any, remaining on the balance sheet of the *originator*, *sponsor* or *original lender* or that would have applied were the *exposures* to be held on the *firm's* balance sheet.

1A An *originator*, *sponsor* or *original lender* must have effective systems in place to apply the criteria and processes it maintains in compliance with paragraph 1 in order to ensure credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting the obligor's obligations under the credit agreement.

2 Where the underlying ~~exposures~~*exposures* of *securitisations* are residential loans made on or after 20 March 2014, the pool of those loans shall not include any loan that is marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided by the loan applicant might not be verified by the lender.

3 Where an *originator* purchases a third party's ~~exposures~~*exposures* for its own account and then securitises them, that *originator* shall verify that the entity which was, directly or indirectly, involved in the original agreement which created the obligations or potential obligations to be securitised fulfils the requirements referred to in paragraph 1 of this Article (or equivalent *FCA* rules).

4 Paragraph 3 of this Article does not apply if:

(a) the original agreement which created the obligations or potential obligations of the debtor or potential debtor was entered into before 20 March 2014; and

(b) the *originator* that purchases a third party's ~~exposures~~*exposures* for its own account and then securitises them meets the obligations that *originators* were required to meet under Article 21(2) of Commission Delegated Regulation (EU) No 625/2014 before 1 January 2019.

ARTICLE 43 TRANSITIONAL PROVISIONS RELATING TO PRE-2019 SECURITISATIONS

…

5 In respect of *securitisations* the securities of which were issued on or after 1 January 2011 but before 1 January 2019 and in respect of *securitisations* the securities of which were issued before 1 January 2011 where new underlying ~~exposures~~*exposures* have been added or substituted after 31 December 2014, the due diligence requirements set out in *CRR* and Commission Delegated Regulation (EU) 2015/35 respectively shall continue to apply in the version applicable on 31 December 2018 as if they still had effect and were set out expressly here.

…

6 …

(a) read paragraph 2 as if:

(i) for the first subparagraph, substitute:

'Where:

(a) a *mixed financial holding company*,

(b) a *UK parent institution* which is a *credit institution*,

(c) a *financial holding company* established in the *United Kingdom*, or

(d) a *subsidiary* of such a company or *institution*;

as an *originator* or *sponsor*, securitises ~~exposures~~*exposures* from one or more *credit institutions*, *investment firms* or other *financial institutions* which are included in the scope of supervision on a *consolidated basis*, the requirement set out in paragraph 1 may be satisfied on the basis of the *consolidated situation* of the *mixed financial holding company*, *UK parent institution* or *financial holding company* concerned'; and

…

…

4 RISK RETENTION [DELETED]

ARTICLE 2 RETAINERS OF MATERIAL NET ECONOMIC INTEREST [DELETED]

1 ~~The requirement that the retained material net economic interest shall not be split amongst different types of retainers under Article 6(1) of Chapter 2 shall be fulfilled by any of the following:~~

~~(a) the *originator* or *originators*;~~

~~(b) the *sponsor* or *sponsors*; or~~

~~(c) the *original lender* or *original lenders*.~~[Deleted]

2 ~~Where more than one *originator* is eligible to fulfil the retention requirement each *originator* shall fulfil that requirement on a pro rata basis by reference to the securitised exposures for which it is the *originator*.~~[Deleted]

3 ~~Where more than one *original lender* is eligible to fulfil the retention requirement, each *original lender* shall fulfil that requirement on a pro rata basis by reference to the securitised exposures for which it is the *original lender*.~~[Deleted]

4 ~~By way of derogation from paragraphs 2 and 3, the retention requirement may be fulfilled in full by a single *originator* or *original lender* provided that either of the following conditions is met:~~

~~(a) the *originator* or *original lender* has established and is managing the *ABCP programme* or other *securitisation*; or~~

~~(b) the *originator* or *original lender* has established the *ABCP programme* or other *securitisation* and has contributed over 50% of the total securitised exposures measured by nominal value at origination.~~[Deleted]

5 ~~Where more than one *sponsor* is eligible to fulfil the retention requirement, the retention requirement shall be fulfilled by either:~~

~~(a) the *sponsor* whose economic interest is most appropriately aligned with *investors* as agreed by the multiple *sponsors* on the basis of objective criteria including, but not limited to, the transaction's fee structure, the *sponsor's* involvement in the establishment and management of the *ABCP programme* or other *securitisation* and exposure to credit risk of the *securitisations*; or~~

~~(b) by each *sponsor* in proportion to the total number of *sponsors*.~~[Deleted]

6 ~~The following must be taken into account when assessing whether an entity has been established or operates for the sole purpose of securitising exposures, as referred to in the fifth sub-paragraph of Article 6(1) of Chapter 2:~~

~~(a) the entity has a business strategy and the capacity to meet payment obligations consistent with a broader business model and involving material support from capital, assets, fees or other income available to the entity, relying neither on the exposures being securitised, nor on any interests retained or proposed to be retained in accordance with Article 6 of Chapter 2, as well as any corresponding income from such exposures and interests; and~~

~~(b) the members of the management body have the necessary experience to enable the entity to pursue the established business strategy, as well as adequate corporate governance arrangements.~~[Deleted]

ARTICLE 3 FULFILMENT OF THE RETENTION REQUIREMENT THROUGH A SYNTHETIC FORM OF RETENTION OR CONTINGENT FORM OF RETENTION [DELETED]

1 ~~The fulfilment of the retention requirement in a manner equivalent to one of the options set out in Article 6(3) of Chapter 2 through a *synthetic form of retention* or *contingent form of retention*, shall meet all of the following conditions:~~

~~(a) the amount retained is at least equal to the amount required under the option which the *synthetic form of retention* or *contingent form of retention* corresponds to; and~~

~~(b) the retainer has explicitly disclosed in the final offering document, prospectus, transaction summary or overview of the main features of the *securitisation* that it will retain a material net economic interest in the *securitisation* through a *synthetic form of retention* or *contingent form of retention* on an ongoing basis.~~

~~For the purposes of point (b), the retainer shall disclose in the final offering document, prospectus transaction summary or overview of the main features of the *securitisation*, all the details on the applicable *synthetic form of retention* or *contingent form of retention*, including, the methodology used in its determination of the material net interest retained and an explanation on which of the options in Article 6(3) of Chapter 2 the retention is equivalent to.~~[Deleted]

2 ~~Where an entity other than a *CRR firm* or a *UK Solvency II Firm*, retains an economic interest through a *synthetic form of retention* or *contingent form of retention*, that interest retained on a synthetic or contingent basis shall be fully collateralised in cash and held on a segregated basis as client money as referred to in CASS 7.12.1R of the *FCA Handbook*.~~[Deleted]

ARTICLE 4 RETENTION OF NOT LESS THAN 5% OF THE NOMINAL VALUE OF EACH OF THE TRANCHES SOLD OR TRANSFERRED TO INVESTORS [DELETED]

1 ~~The retention of not less than 5% of the nominal value of each of the *tranches* sold or transferred to the *investors* as referred to in Article 6(3)(a) of Chapter 2 may be complied with through any of the following methods:~~

~~(a) the retention of not less than 5% of the nominal value of each of the securitised exposures, provided that the retained credit risk ranks pari passu with or is subordinated to the credit risk securitised in relation to the same exposures;~~

~~(b) the provision, in the context of an *ABCP programme*, of a *liquidity facility*, where the following conditions are met:~~

~~(i) the *liquidity facility* covers 100% of the share of the credit risk of the securitised exposures of the relevant securitisation transaction that is being funded by the respective *ABCP programme*;~~

~~(ii) the *liquidity facility* covers the credit risk for as long as the retainer has to retain the material net economic interest by means of such *liquidity facility* for the relevant *securitisation* transaction;~~

~~(iii) the *liquidity facility* is provided by the *originator*, *sponsor* or *original lender* in the *securitisation* transaction; and~~

~~(iv) the *investors* becoming exposed to such *securitisation* have been given access to appropriate information with the initial disclosure to enable them to verify that points (i), (ii) and (iii) are complied with; or~~

(c) the retention of an exposure which exposes its holder to the credit risk of each issued *tranche* of a *securitisation* transaction on a pro-rata basis (vertical *tranche*) of not less than 5% of the total nominal value of each of the issued *tranches*.[Deleted]

ARTICLE 5 RETENTION OF THE ORIGINATOR'S INTEREST IN A REVOLVING SECURITISATION OF REVOLVING EXPOSURES [DELETED]

1 The retention of the *originator's* interest of not less than 5% of the nominal value of each of the securitised exposures as referred to in point (b) of Article 6(3) of Chapter 2 shall only be considered fulfilled where the retained credit risk of such exposures ranks pari passu with or is subordinated to the credit risk securitised in relation to the same exposures.[Deleted]

ARTICLE 6 RETENTION OF RANDOMLY SELECTED EXPOSURES EQUIVALENT TO NOT LESS THAN 5% OF THE NOMINAL VALUE OF THE SECURITISED EXPOSURES [DELETED]

1 The pool of at least 100 potentially securitised exposures from which retained non-securitised and securitised exposures are to be randomly selected, as referred to in point (c) of Article 6(3) of Chapter 2, shall be sufficiently diverse to avoid an excessive concentration of the retained interest.[Deleted]

2 When selecting the exposures referred to in paragraph 1, retainers shall take into account quantitative and qualitative factors that are appropriate for the type of securitised exposures to ensure that the distinction between retained non-securitised and securitised exposures is random. For that purpose, and where relevant, retainers shall take into consideration the following factors when selecting exposures:

(a) the time of the origination of the loan (vintage);

(b) the type of securitised exposures;

(c) the geographical location;

(d) the origination date;

(e) the maturity date;

(f) the loan to value ratio;

(g) the collateral type;

(h) the industry sector;

(i) the outstanding loan balance; and

(j) any other factor deemed relevant by the retainer.[Deleted]

3 Retainers shall not select different individual exposures at different points in time, except where that may be necessary to fulfil the retention requirement in relation to a *securitisation* in which the securitised exposures fluctuate over time, either due to new exposures being added to the *securitisation* or to changes in the level of the individual securitised exposures.[Deleted]

4 Where the retainer is the *securitisation's servicer*, the selection conducted in accordance with this Article shall not lead to a deterioration in the servicing standards applied by the retainer on the transferred exposures relative to the retained exposures.[Deleted]

ARTICLE 7 RETENTION OF THE FIRST LOSS TRANCHE [DELETED]

1 ~~The retention of the *first loss tranche* referred to in point (d) of Article 6(3) of Chapter 2 may be fulfilled by holding either on-balance sheet or off-balance sheet positions and by any of the following methods:~~

(a) ~~provision of a *contingent form of retention* or of a *liquidity facility* in the context of an *ABCP programme*, which fulfils all of the following criteria:~~

(i) ~~the exposure covers at least 5% of the nominal value of the securitised exposures~~

(ii) ~~the exposure constitutes a first loss position in relation to the *securitisation*;~~

(iii) ~~the exposure covers the credit risk for the entire duration of the retention commitment;~~

(iv) ~~the exposure is provided by the retainer; and~~

(v) ~~the *investors* have been given access within the initial disclosure to all information necessary to verify that points (i) to (iv) are complied with; or~~

(b) ~~overcollateralisation, as defined to in point (9) of Article 242 of *CRR*, if that overcollateralisation operates as a 'first loss' position of not less than 5% of the nominal value of the securitised exposures.~~[Deleted]

2 ~~Where the *first loss tranche* exceeds 5% of the nominal value of the securitised exposures, the retainer may chose to retain a pro-rata portion of such *first loss tranche* only, provided that that portion is equivalent to at least 5% of the nominal value of the securitised exposures.~~[Deleted]

ARTICLE 8 RETENTION OF A FIRST LOSS EXPOSURE OF NOT LESS THAN 5% OF EVERY SECURITISED EXPOSURE [DELETED]

1 ~~The retention of a first loss exposure at the level of every securitised exposure as referred to in point (e) of Article 6(3) of Chapter 2 shall only be considered to be fulfilled where the retained credit risk is subordinated to the credit risk securitised in relation to the same exposures.~~[Deleted]

2 ~~By way of derogation from paragraph 1 of this Article, the retention of a first loss exposure at the level of every securitised exposure as referred to in point (e) of Article 6(3) of Chapter 2 may also be fulfilled through the sale by the *originator* or *original lender* of the underlying exposures at a discounted value where each of the following conditions is met:~~

(a) ~~the amount of the discount is not less than 5% of the nominal value of each exposure; and~~

(b) ~~the discounted sale amount is refundable to the *originator* or *original lender* only if, that discounted sale amount is not absorbed by losses related to the credit risk associated to the securitised exposures.~~[Deleted]

ARTICLE 9 APPLICATION OF THE RETENTION OPTIONS ON NPE SECURITISATIONS [DELETED]

1 ~~In the case of *NPE securitisations* as referred to in Article 6(3A) of Chapter 2, for the purposes of applying Article 4(1)(a) and Articles 5 to 8 of this Chapter to the share of *non-performing exposures* in the pool of underlying exposures of a *securitisation*, any reference to the nominal value of the securitised exposures shall be construed as a reference to the net value of the *non-performing exposures*.~~[Deleted]

2 ~~For the purposes of Article 6 of this Chapter, the net value of the retained *non-performing exposures* shall be calculated using the same amount of the *non-refundable purchase price*~~

~~*discount* that would have been applied had the retained *non-performing exposures* been securitised.~~[Deleted]

3 ~~For the purposes of Article 4(1)(a), Article 5 and Article 8 of this Chapter, the net value of the retained part of the *non-performing exposures* shall be computed using the same percentage of the *non-refundable purchase price discount* that applies to the part that is not retained.~~[Deleted]

4 ~~Where the *non-refundable purchase price discount* as referred to in the second subparagraph of Article 6(3A) of Chapter 2 has been agreed at the level of the pool of underlying *non-performing exposures*, the net value of individual securitised *non-performing exposures* included in the pool or sub-pool, as applicable, shall be calculated by applying a corresponding share of the *non-refundable purchase price discount* agreed at pool or sub-pool level to each of the securitised *non-performing exposures* in proportion to their nominal value or, where applicable, their outstanding value at the time of origination.~~[Deleted]

5 ~~Where the *non-refundable purchase price discount* includes the difference between the nominal amount of one *tranche* or several *tranches* of a *NPE securitisation* underwritten by the *originator* for subsequent sale and the price at which that *tranche* or those *tranches* are first sold to unrelated third parties as referred to in the second subparagraph of Article 6(3A) of Chapter 2, that difference shall be taken into account in the calculation of the net value of individual securitised *non-performing exposures* by applying a corresponding share of the difference to each of the securitised *non-performing exposures* in proportion to their nominal value.~~[Deleted]

ARTICLE 10 MEASUREMENT OF THE LEVEL OF RETENTION [DELETED]

1 ~~When measuring the level of retention of the net economic interest, the following criteria shall be applied:~~

(a) ~~the origination shall be considered as the time at which the exposures were first securitised;~~

(b) ~~where the calculation of the level of retention is based on nominal values, it shall not take into account the acquisition price of assets;~~

(c) ~~finance charge collections and other fee income in respect of the securitised exposures net of costs ('excess spread') shall not be taken into account when measuring the retainer's net economic interest; and~~

(d) ~~the retention option and methodology used to calculate the net economic interest shall not be changed during the life of a *securitisation* transaction, unless exceptional circumstances require a change and that change is not used as a means to reduce the amount of the retained interest.~~[Deleted]

2 ~~The retainer shall not be required to replenish or readjust its retained interest to at least 5% as losses are realised on its retained exposures or allocated to its retained positions.~~[Deleted]

ARTICLE 11 MEASUREMENT OF THE MATERIAL NET ECONOMIC INTEREST TO BE RETAINED FOR EXPOSURES IN THE FORM OF DRAWN AND UNDRAWN AMOUNTS OF CREDIT FACILITIES [DELETED]

1 ~~The calculation of the net economic interest to be retained for credit facilities, including credit cards, shall be based on amounts already drawn, realised or received only and shall be adjusted in accordance with changes to those amounts.~~[Deleted]

ARTICLE 12 PROHIBITION OF HEDGING OR SELLING THE RETAINED INTEREST [DELETED]

1 The obligation in the first subparagraph of Article 6(1) of Chapter 2 to retain on an ongoing basis a material net economic interest in the *securitisation* shall be deemed to have been met only where, taking into account the economic substance of the transaction, both of the following conditions are met:

(a) the retained material net economic interest is not subject to any credit risk mitigation or hedging of either the retained *securitisation* positions or the retained exposures; and

(b) the retainer does not sell, transfer or otherwise surrender all or part of the rights, benefits or obligations arising from the retained net economic interest.[Deleted]

1A By way of derogation of paragraph 1(a) of this Article, the retainer may hedge the net economic interest where the hedge:

(a) is not against the credit risk of either the retained *securitisation positions* or the retained exposures; or

(b) is undertaken prior to the *securitisation* as a prudent element of credit granting or risk management and does not create a differentiation for the retainer's benefit between the credit risk of the retained *securitisation positions* or exposures and the *securitisation positions* or exposures transferred to *investors*.[Deleted]

2 The retainer may use retained exposures or *securitisation positions* as collateral for secured funding purposes including, where relevant, funding arrangements that involve a sale, transfer or other surrender of all or part of the rights, benefits or obligations arising from the retained net economic interest, provided that such use as collateral does not transfer the exposure to the credit risk of those retained exposures or *securitisation positions* to a third party.[Deleted]

3 Paragraph 1(b) of this Article shall not apply:

(a) in the event of the insolvency of the retainer; or

(b) in the case of retention on a *consolidated basis*, in accordance with Article 14 of this Chapter.[Deleted]

ARTICLE 13 TRANSACTIONS FOR WHICH THE RETENTION REQUIREMENT DOES NOT APPLY AS REFERRED TO IN ARTICLE 6(6) OF CHAPTER 2 [DELETED]

1 Transactions for which the retention requirement does not apply, as referred to in Article 6(6) of Chapter 2, shall include *securitisation positions* in the correlation trading portfolio which are either reference instruments satisfying the criterion in Article 338(1)(b) of *CRR* or which are eligible for inclusion in the correlation trading portfolio.[Deleted]

ARTICLE 14 RETENTION ON A CONSOLIDATED BASIS [DELETED]

1 A mixed financial holding company, a UK parent institution or financial holding company *established in the UK* (as defined in Article 6(4) of Chapter 2) satisfying, in accordance with Article 6(4) of Chapter 2, the retention requirement on the basis of its consolidated situation shall, in the case the retainer is no longer included in the scope of supervision on a *consolidated basis*, ensure that one or more of the remaining entities included in the scope of supervision on a *consolidated basis* fulfils the retention requirement.[Deleted]

ARTICLE 15 ARRANGEMENTS OR EMBEDDED MECHANISMS [DELETED]

1 ~~Retainers shall not use arrangements or embedded mechanisms in the *securitisation* by virtue of which the retained interest at origination would decline faster than the interest transferred. In the allocation of the cash flows, the retained interest shall not be prioritised to preferentially benefit from being repaid or amortised ahead of the transferred interest.~~[Deleted]

2 ~~The amortisation of the retained interest via cash flow allocation set out in paragraph 1 or through the allocation of losses that, in effect, reduce the level of retention over time, shall be allowed.~~[Deleted]

ARTICLE 16 FULFILMENT OF THE RETENTION REQUIREMENT IN SECURITISATIONS OF OWN ISSUED DEBT INSTRUMENTS [DELETED]

1 ~~Where an entity securitises its own issued debt instruments, including covered bonds as defined in the *FCA Handbook*, and the underlying exposures of the *securitisation* comprise exclusively those own-issued debt instruments, the retention requirement in Article 6(1) of Chapter 2 shall be considered complied with.~~[Deleted]

ARTICLE 17 RETENTION REQUIREMENT ON RESECURITISATIONS [DELETED]

1 ~~Subject to paragraph 2 of this Article, in the context of a *resecuritisation* as far as enabled in accordance with Article 8 of Chapter 2, a retainer shall retain the material net economic interest in relation to each of the respective transaction levels.~~[Deleted]

2 ~~The *originator* of a *resecuritisation* shall not be obliged to retain a material net economic interest at the transaction level of the *resecuritisation* where all of the following conditions are met:~~

(a) ~~the *originator* of the *resecuritisation* is also the *originator* and the retainer of the underlying *securitisation*;~~

(b) ~~the *resecuritisation* is backed by a pool of exposures comprising solely exposures or positions which were retained by the *originator* in the underlying *securitisation* in excess of the required minimum net economic interest prior to the date of origination of the *resecuritisation*; and~~

(c) ~~there is no maturity mismatch between the underlying *securitisation* positions or exposures and the *resecuritisation*.~~[Deleted]

3 ~~A *fully supported ABCP programme* which meets the requirements of Article 8(4) of Chapter 2 shall not be deemed a *resecuritisation* for the purposes of this Article.~~[Deleted]

4 ~~The retranching by the *securitisation's originator* of an issued *tranche* into contiguous *tranches* shall not constitute a *resecuritisation* for the purposes of this Article.~~[Deleted]

ARTICLE 18 ASSETS TRANSFERRED TO SSPE [DELETED]

1 ~~For the purposes of Article 6(2) of Chapter 2, assets held on the balance sheet of the *originator* that according to the documentation of the *securitisation* meet the eligibility criteria shall be deemed to be comparable to the assets to be transferred to the *SSPE* where, at the time of the selection of the assets, both of the following conditions are met:~~

(a) ~~the expected performance of both the assets to be further held on the balance sheet and the assets to be transferred is determined by similar factors; and~~

(b) on the basis of indications including past performance and applicable models, it can be reasonably expected that the performance of the assets to be further held on the balance sheet will not be significantly better during the time period referred to in Article 6(2) of Chapter 2 than the performance of the assets to be transferred.[Deleted]

2 [Note: Provision left blank][Deleted]

3 An *originator* shall be deemed to have complied with Article 6(2) of Chapter 2 where, after the *securitisation*, there are no exposures left on the *originator's* balance sheet that are comparable to the securitised exposures, other than the exposures which the *originator* is already contractually committed to securitise, and provided that that fact has been clearly communicated to *investors*.[Deleted]

ARTICLE 22 DISCLOSURE OF THE LEVEL OF THE COMMITMENT TO MAINTAIN A NET ECONOMIC INTEREST [DELETED]

1 The retainer shall disclose to *investors* within the final offering document, prospectus, transaction summary or overview of the main features of the *securitisation* at least the following information regarding the level of its commitment to maintain a net economic interest in the *securitisation*:

(a) confirmation of the retainer's identity, whether it retains as *originator*, *sponsor* or *original lender* and, where the retainer is the *originator*, how it meets the requirements set out in the fifth subparagraph of Article 6(1) of Chapter 2 taking into account the principles set out in Article 2(6) of this Chapter;

(b) which of the modalities provided for in points (a), (b), (c), (d) or (e) of the second subparagraph of Article 6(3) of Chapter 2 has been applied to retain a net economic interest; and

(c) confirmation of the level of retention at origination and of the commitment to retain on an on-going basis, which shall relate only to the continuation of fulfilment of the original obligation and shall not require data on the current nominal or market value, or on any impairments or write-downs on the retained interest.[Deleted]

2 Where the exemptions referred to in paragraph 5 or 6 of Article 6 of Chapter 2 apply to a *securitisation* transaction, *firms* acting as *originator*, *sponsor* or *original lender* shall disclose within the final offering document, prospectus, transaction summary or overview of the main features of the *securitisation* information on the applicable exemption to *investors*.[Deleted]

3 The disclosure referred to in paragraphs 1 and 2 of this Article shall be appropriately documented within the final offering document, prospectus, transaction summary or overview of the main features of the *securitisation* and made publicly available, except in bilateral or private transactions where private disclosure is considered by the parties to be sufficient. The inclusion of a statement on the retention commitment in the prospectus for the securities issued under the *securitisation* programme shall be considered an appropriate means of fulfilling the requirement.[Deleted]

5 THE INFORMATION AND THE DETAILS OF A SECURITISATION TO BE MADE AVAILABLE BY THE ORIGINATOR, SPONSOR AND SSPE [DELETED]

SECTION 1 INFORMATION TO BE MADE AVAILABLE FOR ALL SECURITISATION [DELETED]

ARTICLE 2 INFORMATION ON UNDERLYING EXPOSURES [DELETED]

1 ~~The information to be made available for a non-ABCP *securitisation* pursuant to Article 7(1)(a) of Chapter 2 is specified in:~~

~~(a) Annex II for loans to private households secured by residential real estate, regardless of the purpose of those loans;~~

~~(b) Annex III for loans for the purposes of acquiring commercial real estate or secured by commercial real estate;~~

~~(c) Annex IV for corporate underlying exposures, including underlying exposures to micro, small and medium-sized enterprises;~~

~~(d) Annex V for automobile underlying exposures, including both loans and leases to legal or natural persons backed by automobiles;~~

~~(e) Annex VI for consumer underlying exposures;~~

~~(f) Annex VII for credit card underlying exposures;~~

~~(g) Annex VIII for leasing underlying exposures; and~~

~~(h) Annex IX for underlying exposures that do not fall within any of the categories set out in points (a) to (g).~~

~~For the purposes of point (a), residential real estate means any immovable property, available for dwelling purposes (including buy-to-let housing or property), acquired, built or renovated by a private household and that does not qualify as commercial real estate.~~

~~For the purposes of point (b), commercial real estate means any income-producing real estate, either existing or under development, and excludes social housing and property owned by end-users.~~[Deleted]

1A ~~For the purposes of point (a) and point (b) of paragraph 1, a property that has mixed commercial and residential use must, where possible, be treated as two separate properties, one commercial and one residential. Where it is not possible to separate the uses in this manner, the property must be treated as being entirely residential or entirely commercial, whichever is the dominant use of the property.~~[Deleted]

1B ~~Except as provided in paragraphs 2 and 3, where a non-ABCP *securitisation* includes more than one of the types of underlying exposures listed in paragraph 1, the *reporting entity* for that *securitisation* must make available the information specified in the applicable Annex for each underlying exposure type.~~[Deleted]

1C ~~Where the pool of underlying exposures for a non-ABCP *securitisation* is comprised entirely of automobile underlying exposures, the information specified in Annex V must be provided in respect of the entire pool, regardless of whether the automobile underlying exposures are loans or leases.~~[Deleted]

1D ~~Except in the circumstances contemplated in paragraph 1C, where the pool of underlying exposures for a non-ABCP *securitisation* is comprised entirely of leasing underlying exposures, the information specified in Annex VIII must be provided in respect of the entire pool.~~[Deleted]

2 Where a non-ABCP *securitisation* includes more than one of the types of underlying exposures listed in paragraph 1, the *reporting entity* for that *securitisation* shall make available the information specified in the applicable Annex for each underlying exposure type.[Deleted]

3 The *reporting entity* for a non-performing exposure securitisation shall make available the information specified in:

(a) the Annexes referred to in points (a) to (h) of paragraph 1, as relevant to the underlying exposure type; and

(b) Annex X.

For the purposes of this paragraph, a 'non-performing exposure securitisation' means a non-ABCP *securitisation* the majority of whose *active underlying exposures*, measured in terms of outstanding principal balance as at the *data cut-off date*, are one of the following:

(a) non-performing exposures as referred to in paragraphs 213 to 239 of Annex V, Part 2 to Commission Implementing Regulation (EU) No 680/2014 as this provision had effect immediately before *IP completion day*; or

(b)

(i) credit impaired financial assets as defined in Appendix A to International Financial Reporting Standard 9 in Commission Regulation (EC) No 1126/2008 as this provision had effect immediately before *IP completion day*;

(ii) credit impaired financial assets as defined in Appendix A to International Financial Reporting Standard 9 as contained in *UK-adopted international accounting standards*;

(iii) financial assets accounted for as credit impaired under national rules applying the Generally Accepted Accounting Principles (GAAP) based on Council Directive 86/635/EEC; or

(iv) financial assets accounted for as credit-impaired under *UK* generally accepted accounting principles.[Deleted]

4 The *reporting entity* for an *ABCP transaction* shall make available the information specified in Annex XI.[Deleted]

5 For the purposes of this Article, the information to be made available pursuant to paragraphs 1 to 4 of this Article shall be on:

(a) *active underlying exposures* as at the *data cut-off date*; and

(b) *inactive underlying exposures* that were *active underlying exposures* at the immediately preceding *data cut-off date*.[Deleted]

ARTICLE 3 INFORMATION ON INVESTOR REPORTS [DELETED]

1 The *reporting entity* for a non-ABCP *securitisation* shall make available the information on *investor* reports specified in Annex XII.[Deleted]

2 The *reporting entity* for an ABCP *securitisation* shall make available the information on *investor* reports specified in Annex XIII.[Deleted]

ARTICLE 4 INFORMATION GRANULARITY [DELETED]

1 The *reporting entity* shall make available the information specified in Annexes II to X and XII on the following:

(a) underlying exposures, in relation to each individual underlying exposure;

(b) collateral, where any of the following conditions is met and in respect of each item of collateral securing each underlying exposure:

(i) the underlying exposure is secured by a guarantee;

(ii) the underlying exposure is secured by physical or financial collateral; or

(iii) the lender may unilaterally create security over the underlying exposure without the need for any further approval from the obligor or guarantor;

(c) tenants, for each of the three largest tenants occupying a commercial real estate property, measured as the total annual rent payable by each tenant occupying the property;

(d) historical collections, for each underlying exposure and for each *month* in the period from the *data cut-off date* up to 36 *months* prior to that date;

(e) cash flows, for each in flow or outflow item in the *securitisation*, as set out in the applicable priority of receipts or payments as at the *data cut-off date*; and

(f) tests/events/triggers, for each test/event/trigger that triggers changes in the priority of payments or the replacement of any counterparties.

For the purposes of points (a) and (d), securitised loan parts shall be treated as individual underlying exposures.

For the purposes of point (b), each property acting as security for loans referred to in points (a) and (b) of Article 2(1) of this Chapter shall be treated as a single item of collateral.[Deleted]

2 The *reporting entity* shall make available the information specified in Annexes XI and XIII on the following:

(a) *ABCP transactions*, for as many *ABCP transactions* that exist in the *ABCP programme* as at the *data cut-off date*;

(b) each *ABCP programme* that is funding the *ABCP transactions* for which information is made available pursuant to point (a), as at the *data cut-off date*;

(c) tests/events/triggers, for each test/event/trigger in the ABCP *securitisation* that triggers changes in the priority of payments or the replacement of any counterparties; and

(d) underlying exposures, for each *ABCP transaction* on which information is made available pursuant to point (a) and for each exposure type that is present in that *ABCP transactions* as at the *data cut-off date*, in accordance with the list in field IVAL5 in Annex XI.[Deleted]

SECTION 2 INFORMATION TO BE MADE AVAILABLE FOR SECURITISATIONS FOR WHICH A PROSPECTUS HAS TO BE DRAWN UP (PUBLIC SECURITISATIONS) [DELETED]

ARTICLE 5 ITEM CODES [DELETED]

1 *Reporting entities* shall assign item codes to the information made available to *securitisation repositories*. For this purpose, *reporting entities* shall assign the item code specified in Table 3 of Annex I that best corresponds to that information.[Deleted]

ARTICLE 6 INSIDE INFORMATION [DELETED]

1 The *reporting entity* for a non-ABCP *securitisation* shall make available the inside information specified in Annex XIV.[Deleted]

2 ~~The *reporting entity* for an ABCP *securitisation* shall make available the inside information specified in Annex XV.~~[Deleted]

ARTICLE 7 INFORMATION ON SIGNIFICANT EVENTS [DELETED]

1 ~~The *reporting entity* for a non-ABCP *securitisation* shall make available the information on significant events specified in Annex XIV.~~[Deleted]

2 ~~The *reporting entity* for an ABCP *securitisation* shall make available the information on significant events specified in Annex XV.~~[Deleted]

ARTICLE 8 INFORMATION GRANULARITY [DELETED]

1 ~~The *reporting entity* shall make available the information specified in Annex XIV on the following:~~

~~(a) the *tranches*/bonds in the *securitisation*, for each *tranche* issuance in the *securitisation* or other instrument to which an International Securities Identification Number has been assigned and for each subordinated loan in the *securitisation*;~~

~~(b) accounts, for each account in the *securitisation*;~~

~~(c) counterparties, for each counterparty in the *securitisation*;~~

~~(d) where the *securitisation* is a *synthetic securitisation* that is a non-ABCP *securitisation*:~~

~~(i) synthetic coverage, for as many protection arrangements as exist in the *securitisation*; and~~

~~(ii) issuer collateral, for each individual collateral asset held by the *SSPE* on behalf of *investors* that exists for the given protection arrangement; and~~

~~(e) where the *securitisation* is a Collateralised Loan Obligation (CLO) non-ABCP *securitisation*:~~

~~(i) the CLO manager, for each CLO manager in the *securitisation*; and~~

~~(ii) the CLO *securitisation*.~~

~~For the purposes of point (d)(ii), each asset for which an International Securities Identification Number exists shall be treated as an individual collateral asset, cash collateral of the same currency shall be aggregated and treated as an individual collateral asset, and cash collateral of different currencies shall be reported as separate collateral assets.~~[Deleted]

2 ~~The *reporting entity* shall make available the information specified in Annex XV on the following:~~

~~(a) *ABCP transactions*, for as many *ABCP transactions* that exist in the *ABCP programme* as at the *data cut-off date*;~~

~~(b) *ABCP programmes*, for as many *ABCP programmes* that, at the *data cut-off date*, are funding the *ABCP transactions* on which information is made available pursuant to point (a);~~

~~(c) the *tranches*/bonds in the *ABCP programme*, for each *tranche* or commercial paper issuance in the *ABCP programme* or other instrument to which an International Securities Identification Number has been assigned and for each subordinated loan in the *ABCP programme*;~~

~~(d) accounts, for each account in the ABCP *securitisation*; and~~

~~(e) counterparties, for each counterparty in the ABCP *securitisation*.~~[Deleted]

SECTION 3 COMMON PROVISIONS [DELETED]

ARTICLE 9 INFORMATION COMPLETENESS AND CONSISTENCY [DELETED]

1 ~~The information made available pursuant to Article 7 of Chapter 2 and this Chapter shall be complete and consistent.~~[Deleted]

2 ~~Where the *reporting entity* identifies factual errors in any information that it has made available pursuant to Article 7 of Chapter 2 and this Chapter, it shall make available, without undue delay, a corrected report of all information about the *securitisation* required under Article 7 of Chapter 2 and this Chapter.~~[Deleted]

3 ~~Where permitted in the corresponding Annex, the *reporting entity* may report one of the following 'No Data Option' (ND) values corresponding to the reason justifying the unavailability of the information to be made available:~~

(a) ~~value 'ND1', where the required information has not been collected because it was not required by the lending or underwriting criteria at the time of origination of the underlying exposure;~~

(b) ~~value 'ND2', where the required information has been collected at the time of origination of the underlying exposure but is not loaded into the reporting system of the *reporting entity* at the *data cut-off date*;~~

(c) ~~value 'ND3', where the required information has been collected at the time of origination of the underlying exposure but is loaded into a separate system from the reporting system of the *reporting entity* at the *data cut-off date*;~~

(d) ~~value 'ND4-YYYY-MM-DD', where the required information has been collected but it will only be possible to make it available at a date taking place after the *data cut-off date*. 'YYYY-MM-DD' shall respectively refer to the numerical year, *month* and day corresponding to the future date at which the required information will be made available; or~~

(e) ~~value 'ND5', where the required information is not applicable to the item being reported.~~

~~For the purposes of this paragraph, the report of any ND values shall not be used to circumvent the requirements in this Article 7 of Chapter 2 and this Chapter.~~

~~Upon request by the *PRA*, the *reporting entity* shall provide to the *PRA* details of the circumstances that justify the use of those ND values.~~[Deleted]

ARTICLE 10 INFORMATION TIMELINESS [DELETED]

1 ~~Where a *securitisation* is not an ABCP *securitisation*, the information made available pursuant to this Article 7 of Chapter 2 and this Chapter shall not have a *data cut-off date* later than two calendar *months* prior to the submission date.~~[Deleted]

2 ~~Where a *securitisation* is an ABCP *securitisation*:~~

(a) ~~the information specified in Annex XI and in the 'transaction information section' in Annexes XIII and XV shall not have a *data cut-off date* later than two calendar *months* prior to the submission date; and~~

(b) ~~the information specified in all sections of Annexes XIII and XV other than the 'transaction information section' shall not have a *data cut-off date* later than one calendar *month* prior to the submission date.~~[Deleted]

ARTICLE 11 UNIQUE IDENTIFIERS [DELETED]

1 ~~Each *securitisation* shall be assigned a unique identifier composed of the following elements, in sequential order:~~

~~(a) the Legal Entity Identifier of the *reporting entity*;~~

~~(b) the letter 'A' where the *securitisation* is an ABCP *securitisation* or the letter 'N' where the *securitisation* is a non-ABCP *securitisation*;~~

~~(c) the four-digit year corresponding to:~~

~~(i) the year in which the first securities of the *securitisation* were issued, where the *securitisation* is a non-ABCP *securitisation*; or~~

~~(ii) the year in which the first securities within the *ABCP programme* were issued, where the *securitisation* is an ABCP *securitisation*; and~~

~~(d) the number 01 or, where there is more than one *securitisation* with the same identifier as referred to in points (a), (b) and (c), a two-digit sequential number corresponding to the order in which information about each *securitisation* is made available. The order of simultaneous *securitisations* shall be discretionary.~~[Deleted]

2 ~~Each *ABCP transaction* in an *ABCP programme* shall be assigned a unique identifier composed of the following elements, in sequential order:~~

~~(a) the Legal Entity Identifier of the *reporting entity*;~~

~~(b) the letter 'T';~~

~~(c) the four-digit year corresponding to the first closing date of the *ABCP transaction*; and~~

~~(d) the number 01 or, where there is more than one *ABCP transaction* with the same identifier as referred to in points (a), (b) and (c) of this paragraph, a two-digit sequential number corresponding to the order of the first closing date of each *ABCP transaction*. The order of simultaneous *ABCP transactions* shall be discretionary.~~[Deleted]

3 ~~Unique identifiers shall not be amended by the *reporting entity*.~~[Deleted]

ARTICLE 12 CLASSIFICATIONS REPORTING [DELETED]

1 ~~The information relating to the System of Accounts classification shall be made available using the codes set out in Table 1 of Annex I.~~[Deleted]

2 ~~The information relating to the Servicer Watchlist classifications shall be made available using the codes set out in Table 2 of Annex I.~~[Deleted]

SECTION 4 TEMPLATES [DELETED]

ANNEXES [DELETED]

1 ~~Annex I (Classifications reporting and item codes) can be found here.~~[Deleted]

2 ~~Annex II (Underlying Exposures Information – Residential Real Estate (RRE)) can be found here.~~[Deleted]

3 ~~Annex III (Underlying Exposures Information – Commercial Real Estate (CRE)) can be found here.~~[Deleted]

4 ~~Annex IV (Underlying Exposures Information – Corporate) can be found here.~~[Deleted]

5 ~~Annex V (Underlying Exposures Information – Automobile) can be found here.~~[Deleted]

6 ~~Annex VI (Underlying Exposures Information – Consumer) can be found here.~~[Deleted]

7 ~~Annex VII (Underlying Exposures Information – Credit Card) can be found here.~~[Deleted]

8 ~~Annex VIII (Underlying Exposures Information – Leasing) can be found here.~~[Deleted]

9 ~~Annex IX (Underlying Exposures Information – Esoteric) can be found here.~~[Deleted]

10 ~~Annex X (Underlying Exposures Information – Add-On for Non-Performing Exposures) can be found here.~~[Deleted]

11 ~~Annex XI (Underlying Exposures Information – Asset-Backed Commercial Paper) can be found here.~~[Deleted]

12 ~~Annex XII (Investor Report Information – Non-Asset Backed Commercial Paper Securitisation) can be found here.~~[Deleted]

13 ~~Annex XIII (Investor Report Information – Asset-Backed Commercial Paper Securitisation) can be found here.~~[Deleted]

14 ~~Annex XIV (Inside Information or Significant Event Information – Non-Asset Backed Commercial Paper Securitisation) can be found here.~~[Deleted]

15 ~~Annex XV (Inside Information or Significant Event Information – Asset Backed Commercial Paper Securitisation) can be found here.~~[Deleted]

6 FORMAT AND STANDARDISED TEMPLATES FOR MAKING AVAILABLE THE INFORMATION AND DETAILS OF A SECURITISATION BY THE ORIGINATOR, SPONSOR AND SSPE [DELETED]

SECTION 1 TEMPLATES FOR ALL SECURITISATIONS [DELETED]

ARTICLE 1 UNDERLYING EXPOSURES TEMPLATES [DELETED]

1 ~~The information referred to in Article 2(1) and (2) of Chapter 5 shall be made available using the following templates:~~

(a) ~~the template set out in Annex II to this Chapter for loans to private households secured by residential real estate, regardless of the purpose of those loans;~~

(b) ~~the template set out in Annex III to this Chapter for loans for the purposes of acquiring commercial real estate or secured by commercial real estate;~~

(c) ~~the template set out in Annex IV to this Chapter for corporate underlying exposures, including underlying exposures to micro, small and medium-sized enterprises;~~

(d) ~~the template set out in Annex V to this Chapter for automobile underlying exposures, including loans and leases to legal or natural persons that are backed by automobiles;~~

(e) ~~the template set out in Annex VI to this Chapter for consumer underlying exposures;~~

(f) ~~the template set out in Annex VII to this Chapter for credit card underlying exposures;~~

(g) ~~the template set out in Annex VIII to this Chapter for leasing underlying exposures; and~~

(h) ~~the template set out in Annex IX to this Chapter for underlying exposures that do not fall within any of the categories set out in points (a) to (g).~~[Deleted]

2 ~~The information referred to in Article 2(3) of Chapter 5 shall be made available using the following templates:~~

(a) the templates set out in paragraph 1 of this Article, as relevant to the underlying exposure type; and

(b) the template set out in Annex X for non-performing exposure securitisations as referred to in the second subparagraph of Article 2(3) of Chapter 5.[Deleted]

3 The information referred to in Article 2(4) of Chapter 5 shall be made available using the template set out in Annex XI.[Deleted]

ARTICLE 2 INVESTOR REPORT TEMPLATES [DELETED]

1 The information referred to in Article 3(1) of Chapter 5 shall be made available using the template set out in Annex XII.[Deleted]

2 The information referred to in Article 3(2) of Chapter 5 shall be made available using the template set out in Annex XIII.[Deleted]

SECTION 2 TEMPLATES FOR SECURITISATIONS FOR WHICH A PROSPECTUS HAS TO BE DRAWN UP (PUBLIC SECURITISATIONS) [DELETED]

ARTICLE 3 INSIDE INFORMATION TEMPLATES [DELETED]

1 The information referred to in Article 6(1) of Chapter 5 shall be made available using the template set out in Annex XIV.[Deleted]

2 The information referred to in Article 6(2) of Chapter 5 shall be made available using the template set out in Annex XV.[Deleted]

ARTICLE 4 SIGNIFICANT EVENT TEMPLATES [DELETED]

1 The information referred to in Article 7(1) of Chapter 5 shall be made available using the template set out in Annex XIV.[Deleted]

2 The information referred to in Article 7(2) of Chapter 5 shall be made available using the template set out in Annex XV.[Deleted]

SECTION 3 COMMON PROVISIONS [DELETED]

ARTICLE 5 FORMAT OF INFORMATION [DELETED]

1 The format of the information provided in the templates set out in Annexes I to XV shall conform to the corresponding format set out in Table 1 of Annex I.[Deleted]

2 The information shall be made available in an electronic and machine-readable form via common XML templates.[Deleted]

SECTION 4 TEMPLATES [DELETED]

ANNEXES [DELETED]

1 Annex I (Field format) can be found here.[Deleted]

2 Annex II (Underlying Exposures Information – Residential Real Estate (RRE)) can be found here.[Deleted]

3 Annex III (Underlying Exposures Information – Commercial Real Estate (CRE)) can be found here.[Deleted]

4 ~~Annex IV (Underlying Exposures Information – Corporate) can be found here.~~[Deleted]

5 ~~Annex V (Underlying Exposures Information – Automobile) can be found here.~~[Deleted]

6 ~~Annex VI (Underlying Exposures Information – Consumer) can be found here.~~[Deleted]

7 ~~Annex VII (Underlying Exposures Information – Credit Card) can be found here.~~[Deleted]

8 ~~Annex VIII (Underlying Exposures Information – Leasing) can be found here.~~[Deleted]

9 ~~Annex IX (Underlying Exposures Information – Esoteric) can be found here.~~[Deleted]

10 ~~Annex X (Underlying Exposures Information – Add-On for Non-Performing Exposures) can be found here.~~[Deleted]

11 ~~Annex XI (Underlying Exposures Information – Asset-Backed Commercial Paper) can be found here.~~[Deleted]

12 ~~Annex XII (Investor Report Information – Non-Asset Backed Commercial Paper Securitisation) can be found here.~~[Deleted]

13 ~~Annex XIII (Investor Report Information – Asset-Backed Commercial Paper Securitisation) can be found here.~~[Deleted]

14 ~~Annex XIV (Inside Information or Significant Event Information – Non-Asset Backed Commercial Paper Securitisation) can be found here.~~[Deleted]

15 ~~Annex XV (Inside Information or Significant Event Information – Asset Backed Commercial Paper Securitisation) can be found here.~~[Deleted]

Annex E

Amendments to the Securitisation (CRR) Part

In this Annex, new text is underlined and deleted text is struck through.

1 APPLICATION AND DEFINITIONS

…

1.2 In this Part, the following definitions shall apply:

…

~~*overcollateralisation*~~

~~means any form of credit enhancement by virtue of which underlying exposures are posted in value which is higher than the value of the *securitisation positions*.~~

~~[Note: This rule corresponds to Article 242(9) of the *CRR* as it applied immediately before its revocation by the *Treasury*]~~

…

…

3 SECURITISATION (CRR) PART

…

ARTICLE 269 RESECURITISATIONS

1. Subject to paragraph 5, ~~F~~for a position in a *resecuritisation*, institutions shall apply the *SEC-SA* in accordance with Article 261, with the following changes:

   (a) W = 0 for any exposure to a *securitisation tranche* within the pool of underlying exposures;

   (b) p = 1.5;

   (c) the resulting risk weight shall be subject to a risk-weight floor of 100%.

…

5. In the case of a *resecuritisation* that is permitted under either point (c) or (d) of Article 8(1) of Chapter 2 of the Securitisation Part, an institution may, instead of applying the capital treatment under paragraphs 1 to 4, apply the following:

   (a) in relation to point (c), for each *resecuritisation position*, calculate the capital requirement in accordance with this Part as if each underlying senior position were a pro rata share of the related underlying exposures; and

   (b) in relation to point (d), apply the capital treatment required by this Part to each *securitisation position* as if none of the underlying exposures were *tranched* and not taking account of the associated credit protection.

   The resulting risk weights determined under both subparagraphs (a) and (b) above shall be subject to a risk-weight floor of 15%.

[Note: Paragraphs 1-4 of t~~T~~his rule corresponds~~s~~ to Article 269 of the *CRR* as it applied immediately before its revocation by the *Treasury*]

…

Annex F

Amendments to the Non-Performing Exposures Securitisation (CRR) Part

In this Annex, new text is underlined and deleted text is struck through.

1 APPLICATION AND DEFINITIONS

…

1.2 In this Part, the following definitions apply:

~~*forbearance measure*~~

~~means a concession by an institution towards an obligor that is experiencing or is likely to experience difficulties in meeting its financial commitments, where:~~

~~(1) a concession may entail a loss for the lender and shall refer to either of the following actions:~~

~~(a) a modification of the terms and conditions of a debt obligation, where such modification would not have been granted had the obligor not experienced difficulties in meeting its financial commitments;~~

~~(b) a total or partial refinancing of a debt obligation, where such refinancing would not have been granted had the obligor not experienced difficulties in meeting its financial commitments;~~

~~(2) at least the following situations shall be considered forbearance measures:~~

~~(a) new contract terms are more favourable to the obligor than the previous contract terms, where the obligor is experiencing or is likely to experience difficulties in meeting its financial commitments;~~

~~(b) new contract terms are more favourable to the obligor than contract terms offered by the same institution to obligors with a similar risk profile at that time, where the obligor is experiencing or is likely to experience difficulties in meeting its financial commitments;~~

~~(c) the exposure under the initial contract terms was classified as non-performing before the modification to the contract terms or would have been classified as non-performing in the absence of modification to the contract terms;~~

~~(d) the measure results in a total or partial cancellation of the debt obligation;~~

~~(e) the institution approves the exercise of clauses that enable the obligor to modify the terms of the contract and the exposure was classified as non-performing before the exercise of those clauses, or would be classified as non-performing were those clauses not exercised;~~

~~(f) at or close to the time of the granting of debt, the obligor made payments of principal or interest on another debt obligation with the same institution, which was classified as a *non-performing exposure* or would have been classified as non-performing in the absence of those payments;~~

~~(g) the modification to the contract terms involves repayments made by taking possession of collateral, where such modification constitutes a concession.~~

~~(3) the following circumstances are indicators that forbearance measures may have been adopted:~~

(a) the initial contract was past due by more than 30 days at least once during the three *months* prior to its modification or would be more than 30 days past due without modification;

(b) at or close to the time of concluding the credit agreement, the obligor made payments of principal or interest on another debt obligation with the same institution that was past due by 30 days at least once during the three months prior to the granting of new debt;

(c) the institution approves the exercise of clauses that enable the obligor to change the terms of the contract, and the exposure is 30 days past due or would be 30 days past due were those clauses not exercised;

(4) the difficulties experienced by an obligor in meeting its financial commitments shall be assessed at obligor level, taking into account all the legal entities in the obligor's group which are included in the accounting consolidation of the group, and natural persons who control that group.

[Note: This rule corresponds to Article 47b of the *CRR* as it applied immediately before its revocation by the *Treasury*]

Non-performing exposure or NPE

means:

(1) any of the following:

(a) an exposure in respect of which a default is considered to have occurred in accordance with the Credit Risk: Internal Ratings Based Approach (CRR) Part Article 178;

(b) an exposure which is considered to be impaired in accordance with the applicable accounting framework;

(c) an exposure under probation in accordance with paragraph (6) below, where additional *forbearance measures* are granted or where the exposure becomes more than 30 days past due;

(d) an exposure in the form of a *commitment* that, were it drawn down or otherwise used, would likely not be paid back in full without realisation of collateral;

(e) an exposure in the form of a financial guarantee that is likely to be called by the guaranteed party, including where the underlying guaranteed exposure meets the criteria to be considered as non-performing.

(2) For the purposes of point (1)(a), where an institution has on-balance-sheet exposures to an obligor that are past due by more than 90 days and that represent more than 20% of all on-balance-sheet exposures to that obligor, all on- and off-balance-sheet exposures to that obligor shall be considered to be non-performing.

(3) Exposures that have not been subject to a *forbearance measure* shall cease to be classified as non-performing where all the following conditions are met:

(a) the exposure meets the exit criteria applied by the institution for the discontinuation of the classification as impaired in accordance with the applicable accounting framework and of the classification as defaulted in accordance with Credit Risk: Internal Ratings Based Approach (CRR) Part Article 178;

(b) the situation of the obligor has improved to the extent that the institution is satisfied that full and timely repayment is likely to be made;

(c) the obligor does not have any amount past due by more than 90 days.

~~(4) The classification of a *non-performing exposure* as a non-current asset held for sale in accordance with the applicable accounting framework shall not discontinue its classification as *non-performing exposure*.~~

~~(5) *Non-performing exposures* subject to *forbearance measures* shall cease to be classified as non-performing where all the following conditions are met:~~

~~(a) the exposures have ceased to be in a situation that would lead to their classification as non-performing under the provisions above;~~

~~(b) at least one year has passed since the date on which the *forbearance measures* were granted and the date on which the exposures were classified as non-performing, whichever is later;~~

~~(c) there is no past-due amount following the *forbearance measures* and the institution, on the basis of the analysis of the obligor's financial situation, is satisfied that full and timely repayment of the exposure is likely. Full and timely repayment may be considered likely where the obligor has executed regular and timely payments of amounts equal to either of the following:~~

~~(i) the amount that was past due before the *forbearance measure* was granted, where there were amounts past due;~~

~~(ii) the amount that has been written-off under the *forbearance measures* granted, where there were no amounts past due.~~

~~(6) Where a *non-performing exposure* has ceased to be classified as non-performing pursuant to paragraph (5) above, such exposure shall be under probation until all the following conditions are met:~~

~~(a) at least two years have passed since the date on which the exposure subject to *forbearance measures* was re-classified as performing;~~

~~(b) regular and timely payments have been made during at least half of the period that the exposure would be under probation, leading to the payment of a substantial aggregate amount of principal or interest;~~

~~(c) none of the exposures to the obligor is more than 30 days past due.~~

~~[Note: This rule corresponds to Article 47a(3) to (7) of the *CRR* as it applied immediately before its revocation by the *Treasury*]~~

non-refundable purchase price discount

means the amount arrived at by subtracting the amount referred to in point (b) from the amount referred to in point (a), where:

(a) is the outstanding amount of the underlying ~~exposures~~*exposures* of the *NPE securitisation* at the time those ~~exposures~~*exposures* were transferred to the *SSPE*; and

(b) is the sum of the following:

(i) the initial sale price of the ~~tranches~~*tranches* or, where applicable, parts of the ~~tranches~~*tranches* of the *NPE securitisation* sold to third party investors; and

(ii) the outstanding amount, at the time the underlying ~~exposures~~*exposures* were transferred to the *SSPE*, of the ~~tranches~~*tranches* or, where applicable, parts of ~~tranches~~*tranches* of that ~~securitisation~~*securitisation* held by the ~~originator~~*originator*.

Where a discount is structured in such a way that it can be refunded in whole or in part to the ~~originator~~*originator* or the ~~original lender~~*original lender*, such discount shall not count as a non-refundable purchase price discount.

NPE securitisation

means a ~~securitisation~~*securitisation* backed by a pool of *non-performing exposures* the nominal value of which makes up not less than 90% of the entire pool's nominal value at the time of origination and at any later time where assets are added to or removed from the underlying pool due to replenishment or restructuring.

Qualifying NPE securitisation

means an *NPE securitisation* that is a *traditional securitisation* where the *non-refundable purchase price discount* is at least 50% of the outstanding amount of the underlying ~~exposures~~*exposures* at the time they were transferred to the *SSPE*.

2 CALCULATION OF RISK WEIGHT

…

2.3 A *firm* that applies the ~~IRB Approach~~*IRB Approach* to any ~~exposures~~*exposures* in the pool of underlying ~~exposures~~*exposures* in accordance with Chapter 3 of Title II of Part Three of the *CRR* and that is not permitted to use, or does not use, own estimates of ~~LGD~~*LGD* and ~~conversion factors~~*conversion factors* for such ~~exposures~~*exposures*, must not use the SEC-IRBA for the calculation of risk-weighted exposure amounts for a position in an *NPE securitisation*.

…

Annex G

Amendments to the Reporting (CRR) Part

In this Annex, new text is underlined and deleted text is struck through.

…

5 REPORTING REQUIREMENTS

…

ARTICLE 6 INDIVIDUAL BASIS – SEMI-ANNUAL REPORTING

…

2. Subject to paragraph 2A below, i~~I~~nformation on all securitisation exposures shall be reported as specified in templates C 14.00 and C 14.01 of Annex I, in accordance with the instructions in point 3.8 of Part II of Annex II;

   Institutions shall be exempted from submitting those securitisation details where they are part of a group and are subject to own funds requirements in the *United Kingdom* on a *consolidated basis*.

2A. The following exposures are excluded from the reporting obligation in paragraph 2 above:

   (a) a *securitisation* comprising solely a single loan retail exposure as defined by Article 123 of the Credit Risk: Standardised Approach (CRR) Part; and

   (b) a qualifying securitisation as defined by Rule 1.2 of the Securitisation (CRR) Part.

…

ARTICLE 9A INDIVIDUAL BASIS – SEMI-ANNUAL REPORTING (SDDTS)

…

2. Subject to paragraph 3 below, i~~I~~nformation on all securitisation exposures shall be reported as specified in templates SC 14.00 and SC 14.01 of Annex IA, in accordance with the instructions in point 3.8 of Part II of Annex IIA;

   Institutions shall be exempted from submitting those securitisation details where they are part of a group and are subject to own funds requirements in the *United Kingdom* on a *consolidated basis*.

3. The following exposures are excluded from the reporting obligation in paragraph 2 above:

   (a) a *securitisation* comprising solely a single loan retail exposure as defined by Article 123 of the Credit Risk: Standardised Approach (CRR) Part; and

   (b) a qualifying securitisation as defined by Rule 1.2 of the Securitisation (CRR) Part.

…

6 TEMPLATES AND INSTRUCTIONS

…

ANNEX II

6.57 Annex II can be found ~~here~~here.

…

ANNEX IIA

6.57A Annex IIA can be found ~~here~~here.

…

Annex H

Amendments to the Interpretation Part

In this Annex, new text is underlined and deleted text is struck through.

…

2 INTERPRETATIVE PROVISIONS

…

2.2C 2.2B does not apply to the following:

(a) the Non-Performing Exposures Securitisation (CRR) Part.

…