

Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (Text with EEA relevance)

TITLE II

STRUCTURAL FEATURES OF COVERED BONDS

CHAPTER 2

Cover pool and coverage

Section II

Coverage and liquidity requirements

Article 17

Conditions for extendable maturity structures

1 Member States may allow for the issue of covered bonds with extendable maturity structures where investor protection is ensured by at least the following:

- a the maturity can only be extended subject to objective triggers specified in national law, and not at the discretion of the credit institution issuing the covered bonds;
- b the maturity extension triggers are specified in the contractual terms and conditions of the covered bond;
- c the information provided to investors about the maturity structure is sufficient to enable them to determine the risk of the covered bond, and includes a detailed description of:
 - (i) the maturity extension triggers;
 - (ii) the consequences for a maturity extension of the insolvency or resolution of the credit institution issuing the covered bonds;
 - (iii) the role of the competent authorities designated pursuant to Article 18(2) and, where relevant, of the special administrator with regard to the maturity extension;
- d the final maturity date of the covered bond is at all times determinable;
- e in the event of the insolvency or resolution of the credit institution issuing the covered bonds, maturity extensions do not affect the ranking of covered bond investors or invert the sequencing of the covered bond programme's original maturity schedule;
- f the maturity extension does not change the structural features of the covered bonds regarding dual recourse as referred to in Article 4 and bankruptcy remoteness as referred to in Article 5.

2 Member States which allow the issue of covered bonds with extendable maturity structures shall notify EBA accordingly.