

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 III

COVERED BOND PUBLIC SUPERVISION

Article 20

Covered bond public supervision in the event of insolvency or resolution

1 The competent authorities designated pursuant to Article 18(2) shall cooperate with the resolution authority in the event of the resolution of a credit institution issuing covered bonds in order to ensure that the rights and interests of the covered bond investors are preserved, including at least by verifying the continuous and sound management of the covered bond programme during the period of the resolution process.

2 Member States may provide for the appointment of a special administrator to ensure that the rights and interests of the covered bond investors are preserved, including at least by verifying the continuous and sound management of the covered bond programme during the necessary period.

Where Member States exercise that option, they may require their competent authorities designated pursuant to Article 18(2) to approve the appointment and dismissal of the special administrator. Member States that exercise that option shall at least require that those competent authorities be consulted regarding the appointment and dismissal of the special administrator.

3 Where Member States provide for the appointment of a special administrator in accordance with paragraph 2, they shall adopt rules laying down the tasks and responsibilities of that special administrator at least in relation to:

- a the discharge of the liabilities attached to the covered bonds;
- b the management and realisation of cover assets, including their transfer together with covered bond liabilities to another credit institution issuing covered bonds;
- c the legal transactions necessary for the proper administration of the cover pool, for the ongoing monitoring of the coverage of the liabilities attached to the covered bonds, for the initiation of proceedings in order to bring assets back into the cover pool and for the transferral of the remaining assets to the insolvency estate of the credit institution which issued the covered bonds after all covered bond liabilities have been discharged.

For the purposes of point (c) of the first subparagraph, Member States may allow the special administrator to operate, in the case of the insolvency of the credit institution issuing the covered bonds, under the authorisation held by that credit institution, subject to the same operational requirements.

4 Member States shall ensure the coordination and exchange of information for the purposes of the insolvency or resolution process among the competent authorities designated pursuant to Article 18(2), the special administrator, where such an administrator has been appointed, and, in case of resolution, the resolution authority.