

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 I

#### Dual recourse and bankruptcy remoteness

##### Article 4

#### Dual recourse

1 Member States shall lay down rules entitling covered bond investors and counterparties of derivative contracts that comply with Article 11 to the following claims:

- a a claim against the credit institution issuing the covered bonds;
- b in the case of the insolvency or resolution of the credit institution issuing the covered bonds, a priority claim against the principal and any accrued and future interest on cover assets;
- c in the case of the insolvency of the credit institution issuing the covered bonds and in the event that the priority claim as referred to in point (b) cannot be fully satisfied, a claim against the insolvency estate of that credit institution, which ranks *pari passu* with the claims of the credit institution's ordinary unsecured creditors determined in accordance with the national laws governing the ranking in normal insolvency proceedings.

2 The claims referred to in paragraph 1 shall be limited to the full payment obligations attached to the covered bonds.

3 For the purposes of point (c) of paragraph 1 of this Article, in the case of the insolvency of a specialised mortgage credit institution, Member States may lay down rules granting the covered bond investors and counterparties of derivative contracts that comply with Article 11 a claim that ranks senior to the claim of that specialised mortgage credit institution's ordinary unsecured creditors, determined in accordance with the national laws governing the ranking of creditors in normal insolvency proceedings, but junior to any other preferred creditors.

##### Article 5

#### Bankruptcy remoteness of covered bonds

Member States shall ensure that the payment obligations attached to covered bonds are not subject to automatic acceleration upon the insolvency or resolution of the credit institution issuing the covered bonds.