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STATUTORY INSTRUMENTS

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**2019 No. 660**

**The Securitisation (Amendment) (EU Exit) Regulations 2019**

**PART 2**

**Amendment of the Securitisation Regulation**

**CHAPTER 5**

**Amendment of Chapter 4 of the Securitisation Regulation  
(simple, transparent and standardised securitisation)**

**Article 18 (use of the designation ‘simple, transparent and standardised securitisation’)**

**18.** In Article 18—

- (a) the existing text of the first paragraph becomes paragraph 1;
- (b) in that paragraph, in point (a) for “ESMA” substitute “the FCA”;
- (c) for the existing text of the second paragraph substitute—

“**2.** The originator and sponsor involved in a securitisation which is not an ABCP programme or an ABCP transaction and is considered STS must be established in the United Kingdom.

The sponsor involved in an ABCP programme considered STS must be established in the United Kingdom.

The sponsor involved in an ABCP programme which is not considered STS must be established in the United Kingdom if an ABCP transaction within that programme is considered STS.”;

- (d) after paragraph (2) (substituted by paragraph (c)) insert—

“**3.** This Article has effect in relation to a relevant securitisation without the amendments made by regulation 18 of the Securitisation (Amendment) (EU Exit) Regulations 2019.

A ‘relevant securitisation’ is a securitisation—

- (a) which meets all the requirements of Section 1 or Section 2 of this Chapter, and of which ESMA was notified pursuant to Article 27(1) before exit day, or is notified pursuant to Article 27(1) after exit day but before the expiry of a period of two years beginning with exit day; and
- (b) which is included in the list referred to in Article 27(5).

In this paragraph a reference to Section 1 or Section 2 of this Chapter or to Article 27 is a reference to that Section or Article as it had or has effect in relation to an EEA State at any time on and after the date of the notification and before the end of the period referred to in the second subparagraph.”.

**Article 19 (simple, transparent and standardised securitisation)**

19. In Article 19 omit paragraph 2.

**Article 20 (requirements relating to simplicity)**

20.—(1) Article 20 is amended as follows.

(2) In paragraph 8, in the third subparagraph for “(44) of Article 4(1) of [Directive 2014/65/EU](#)” substitute “(24) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012”(1).

(3) In paragraph 14—

- (a) in the first subparagraph for the words from “EBA” to “draft regulatory” substitute “FCA may make”; and
- (b) omit the second and third subparagraphs.

**Article 23 (simple, transparent and standardised ABCP securitisation)**

21. In Article 23 omit paragraph 3.

**Article 24 (transaction-level requirements)**

22. In Article 24—

(a) in paragraph 15—

- (i) in the fourth subparagraph for “(44) of Article 4(1) of [Directive 2014/65/EU](#) other than corporate bonds,” substitute “(24) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, other than corporate bonds”;

(ii) after the fourth subparagraph insert—

“In the fourth subparagraph the reference to Regulation (EU) No 575/2013 is a reference to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as it had effect immediately before exit day.”.

(b) in paragraph 21—

- (i) in the first subparagraph for the words from “The EBA” to “draft regulatory” substitute “The FCA may make”; and
- (ii) omit the second and third subparagraphs.

**Article 25 (sponsor of an ABCP programme)**

23. In Article 25—

- (a) in paragraph 1 for the words “credit institution supervised under [Directive 2013/36/EU](#)” substitute “person who is a CRR firm as defined by Article 4(1)(2A) of the Capital Requirements Regulation, but is not an investment firm as defined by Article 4(1)(2) of that Regulation(2)”; and

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(1) The definition of “transferable securities” in Regulation (EU) No 600/2014 was substituted by [S.I. 2018/1403](#).

(2) Point (2A) was inserted and point (2) was amended by [S.I. 2018/1401](#).

- (b) in paragraph (3)—
  - (i) in the first subparagraph for “its competent authority” substitute “the PRA”; and
  - (ii) in the second subparagraph for “the competent authority” substitute “the PRA”.

#### **Article 27 (STS notification requirements)**

**24.**—(1) Article 27 is amended as follows.

(2) For paragraph 1 substitute—

“1. Where a securitisation which is not an ABCP programme or an ABCP transaction meets the requirements of Articles 19 to 22, the originator and sponsor involved in the securitisation must jointly notify the FCA of that fact by means of the template referred to in paragraph 7 of this Article.

Where an ABCP programme meets the requirements of Articles 23 to 26, or an ABCP transaction meets the requirements of Article 24, the sponsor involved in the programme must notify the FCA of that fact by means of the template referred to in paragraph 7 of this Article.

A notice given in accordance with the first or second subparagraph (‘STS notification’) must include an explanation of how the relevant STS criteria set out in Articles 20 to 22 or, as the case may be, Articles 24 to 26 have been complied with.

The FCA must publish the STS notification on its official website pursuant to paragraph 5. Where the STS notification is given jointly by the originator and sponsor involved in a securitisation, the STS notification must designate one of them to be the first contact point for investors and the FCA.”.

(3) In paragraph 2, in the second subparagraph for “, its place of establishment and the name of the competent authority that authorised it” substitute “and its place of establishment”.

(4) In paragraph 3 for “Union” substitute “United Kingdom”.

(5) In paragraph 4 for “ESMA and inform their competent authority” substitute “the FCA”.

(6) For paragraph 5 substitute—

“5. The FCA must maintain on its official website a list of all securitisations notified to it as meeting the requirements of Articles 19 to 22 or Articles 23 to 26. The FCA must add each securitisation so notified to that list immediately and must update the list where a securitisation is no longer considered to be STS following a decision of the FCA or a notification by the originator or sponsor concerned.

Where the PRA or the Pensions Regulator, acting as the competent authority, has imposed a relevant sanction in relation to a securitisation, it must notify the FCA of that fact immediately. Where a competent authority has imposed a relevant sanction in relation to a securitisation, the FCA must immediately indicate that fact in relation to the securitisation concerned on the list which it maintains in accordance with the first subparagraph.

In the second subparagraph ‘relevant sanction’ means any sanction imposed or other measure taken where by reason of any act or failure, whether intentional or through negligence—

- (a) an originator, sponsor or original lender fails to meet the requirements set out in Article 6;
- (b) an originator, sponsor or original lender fails to meet the criteria set out in Article 9;

- (c) an originator, sponsor or SSPE fails to meet the requirements set out in Article 7 or 18;
  - (d) a securitisation is designated as STS and an originator, sponsor or SSPE of that securitisation fails to meet the requirements set out in Article 19 to 22 or Articles 23 to 26;
  - (e) an originator or sponsor makes a notification pursuant to Article 27(1) which is misleading;
  - (f) an originator or sponsor fails to meet the requirements set out in Article 27(4); or
  - (g) a third party authorised pursuant to Article 28 fails to notify a material change to the information provided pursuant to Article 28(1), including any change which could reasonably be considered to affect the competent authority's assessment of the third party's competence to assess STS compliance.”.
- (7) In paragraph 6—
- (a) in the first subparagraph for the words from “ESMA” to “draft regulatory” substitute “The FCA may make”; and
  - (b) omit the second and third subparagraphs.
- (8) In paragraph 7—
- (a) in the first subparagraph for the words from “ESMA,” to “draft implementing” substitute “The FCA may make”; and
  - (b) omit the second and third subparagraphs.

#### **Article 28 (third party verifying STS compliance)**

- 25.** In Article 28—
- (a) in paragraph (1)—
    - (i) for “competent authority”, wherever it appears, substitute “FCA”;
    - (ii) in point (b) omit “point (b) of”;
  - (b) in paragraph (2) for “its competent authority”, in both places where it appears, substitute “the FCA”;
  - (c) in paragraph (3) for “The competent authority” substitute “The FCA”; and
  - (d) in paragraph 4—
    - (i) in the first subparagraph for “ESMA shall develop draft regulatory” substitute “The FCA may make”, and for “the competent authorities” substitute “it”;
    - (ii) omit the second and third subparagraphs.