
STATUTORY INSTRUMENTS

2024 No. 102

The Securitisation Regulations 2024

PART 4

Simple, transparent and standardised securitisations

STS securitisations

- 9.—(1) In these Regulations, “STS securitisation” means a securitisation which—
- (a) meets such criteria as to simplicity, transparency and standardisation as may be specified for the purposes of this regulation in designated activity rules made by virtue of regulation 5 (“the STS criteria”),
 - (b) also meets the further condition in paragraph (2), and
 - (c) is included on the list published by the FCA under regulation 10.
- (2) The further condition is—
- (a) in the case of a securitisation which is not an ABCP programme or an ABCP transaction, that the originator and sponsor involved in the securitisation are established in the United Kingdom;
 - (b) in the case of a securitisation which is an ABCP programme, that the sponsor involved in the ABCP programme is established in the United Kingdom;
 - (c) in the case of a securitisation which is an ABCP transaction, that the sponsor involved in the ABCP programme of which that ABCP transaction forms part is established in the United Kingdom.
- (3) In paragraph 2 of Schedule 3 (which relates to securitisations notified to the FCA before the main commencement day), sub-paragraph (3) treats certain securitisations as meeting the STS criteria if they comply with the provisions mentioned in that sub-paragraph.

STS notification requirements

- 10.—(1) Where the sponsor or originator of a securitisation notifies the FCA in accordance with designated activity rules made by virtue of regulation 5 that the securitisation falls within regulation 9(1)(a) and (b), the FCA must publish the notification on its official website.
- (2) The FCA must maintain on its official website a list of all the securitisations notified to it (together with the securitisations to which paragraph 2(1) of Schedule 3 applies) and must update the list on a regular basis.
- (3) The FCA must remove a securitisation from the list if—
- (a) the FCA does not consider the securitisation to be an STS securitisation, or
 - (b) the FCA has been notified by the originator or sponsor that the securitisation is no longer an STS securitisation.

(4) The PRA must notify the FCA whenever the PRA imposes a sanction on the ground that the originator, sponsor or original lender in relation to an STS securitisation has failed to comply with a requirement that is applicable to that person in the person’s capacity as originator, sponsor or original lender and is imposed by rules made by the PRA under section 137G of FSMA 2000 relating to—

- (a) risk retention requirements,
- (b) transparency requirements, or
- (c) credit-granting requirements.

(5) Paragraph (6) applies where the FCA—

- (a) imposes a sanction on the ground that the originator, sponsor, original lender or SSPE in relation to an STS securitisation has failed to comply with a relevant requirement,
- (b) imposes a sanction on the ground that a third party verifier has failed to comply with regulation 25(3), or
- (c) receives a notification under paragraph (4).

(6) The FCA must immediately indicate the fact within paragraph (5) in relation to the securitisation concerned on the list maintained under paragraph (2).

(7) Where the FCA gives a notice under regulation 11(2) relating to the removal of a securitisation from the list on a future date under paragraph (3)(a), the FCA must immediately indicate that fact in relation to the securitisation concerned on the list.

(8) Where the FCA has exercised its power under paragraph (3)(a) to remove a securitisation from the list maintained under paragraph (2) but the matter remains open to review, the FCA must include on the list an indication that the decision to remove the securitisation remains open to review.

(9) In paragraph (5), “relevant requirement” means a requirement which is applicable to a person in the person’s capacity as originator, sponsor, original lender or SSPE and is imposed—

- (a) by designated activity rules made by virtue of regulation 5 relating to—
 - (i) risk retention requirements,
 - (ii) transparency requirements,
 - (iii) credit-granting requirements,
 - (iv) STS criteria, or
 - (v) the notification of an STS securitisation or that a securitisation has ceased to be an STS securitisation, or
- (b) by regulation 12.

(10) For the purposes of paragraph (8), whether a matter is open to review is to be determined in accordance with section 391(8) of FSMA 2000.

Removal of STS securitisation from FCA list: procedure

11.—(1) The removal of a securitisation under regulation 10(3)(a) from the list maintained under regulation 10(2) takes effect—

- (a) immediately, if the notice under paragraph (2) states that that is the case;
- (b) in any other case, on such date as may be specified in the notice.

(2) If the FCA removes, or proposes to remove, a securitisation under regulation 10(3)(a), it must give written notice to the originator or sponsor who gave the FCA the STS notification.

(3) The notice must—

- (a) give details of the FCA’s action or proposed action,

- (b) state the FCA's reasons for considering that the securitisation does not comply with regulation 9(1)(a) or (b) and for choosing the date on which the removal took effect or takes effect,
 - (c) inform the person to whom the notice is given ("P") that P may make representations to the FCA within such period as may be specified in the notice (whether or not P has referred the matter to the Tribunal),
 - (d) inform P of the date on which the removal took effect or takes effect, and
 - (e) inform P of P's right to refer the matter to the Tribunal.
- (4) The FCA may extend the period allowed under the notice for making representations.
- (5) If, having considered any representations made to it, the FCA decides to maintain, vary or revoke its earlier decision it must give written notice to the person to whom the notice under subsection (2) was given.
- (6) Where a notice has been given under paragraph (2) or (5) in relation to a securitisation, the originator or sponsor may refer the matter to the Tribunal.

Use of STS designation

12.—(1) The originator, sponsor or SSPE may use the designation "STS" or "simple, transparent and standardised", or a designation that refers directly or indirectly to those terms, for their securitisation only where the securitisation is—

- (a) an STS securitisation,
- (b) an overseas STS securitisation, or
- (c) a qualifying EU securitisation.

(2) In paragraph (1)(b) "overseas STS securitisation" means a securitisation of a description in relation to which a country or territory outside the United Kingdom is designated by regulations under regulation 13.

(3) In paragraph (1)(c) "qualifying EU securitisation" means a securitisation—

- (a) which meets all the requirements of Section 1 or Section 2 of Chapter 4 of the EU Securitisation Regulation 2017,
- (b) of which the European Securities and Markets Authority was notified pursuant to Article 27(1) of that Regulation before the relevant time, and
- (c) which is included in the list referred to in Article 27(5) of that Regulation.

(4) In paragraph (3), any reference to a provision of the EU Securitisation Regulation 2017 is a reference to that provision as it had or has effect in relation to the European Union at any time on or after the date of the notification and before the relevant time.

(5) In paragraph (3)(b) and (4) "the relevant time" means 11 p.m. on 31st December 2024.

Overseas simple, transparent and standardised securitisations regime

13.—(1) The Treasury may by regulations designate a country or territory in relation to securitisations of descriptions specified in the regulations.

(2) The power in paragraph (1) is exercisable only if the Treasury are satisfied that the law and practice which applies in the country or territory, in relation to securitisations of the descriptions specified, has equivalent effect (taken as a whole) to applicable UK law.

(3) In determining whether the condition in paragraph (2) is satisfied, the Treasury must have regard to the effect of any law and practice applying in the country or territory to securitisations of the descriptions to be specified with respect to the following in particular—

- (a) criteria as to simplicity, transparency and comparability;
 - (b) the supervision and enforcement framework.
- (4) In paragraph (2) “applicable UK law” means any enactment of domestic law as it applies to STS securitisations.
- (5) In making regulations under paragraph (1), the Treasury must also have regard, in addition to any other matters they consider relevant, to whether the FCA, and where relevant the PRA, have established effective cooperation arrangements with the competent authorities of the country or territory.
- (6) When considering whether to make, vary or revoke regulations under paragraph (1), the Treasury may, by making a request in writing to the FCA, require the FCA to prepare a report on—
- (a) the law and practice of a country or territory outside the United Kingdom, or particular aspects of such law and practice;
 - (b) the arrangements mentioned in paragraph (5),
- in relation to securitisations of descriptions specified in the request.
- (7) If the Treasury request a report under paragraph (6), the FCA must—
- (a) consult the PRA when preparing the report, and
 - (b) provide the Treasury with the report within such reasonable period as may be specified in the request or such other period as may be agreed with the Treasury.
- (8) Regulations under this regulation are to be made by statutory instrument.
- (9) Such regulations may—
- (a) contain incidental, supplemental, consequential and transitional provision, and
 - (b) make different provision for different purposes.
- (10) Regulations under this regulation are subject to annulment in pursuance of a resolution of either House of Parliament.