

ARTICLE		
CONTENT	SUBTITLE	TITLE
<div> <p>For the purpose of this regulation, the definitions contained in Directive 2014/59/EU shall apply. The following definitions shall also apply:</p> <ol style="list-style-type: none"> Securitisation means securitisation as defined in Article 4(1)(61) of Regulation (EU) No 575/2013 of the European Parliament and of the Council 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 (OJ L 176, 27.6.2013, p. 1). Contractual netting agreements means contractual netting agreements as defined in Article 295 of Regulation (EU) No 575/2013. </div>	Definitions	Article 1
<div> <p>Security arrangements pursuant to Article 76(2)(a) of Directive 2014/59/EU shall include the following:</p> <ol style="list-style-type: none"> arrangements stipulating guarantees, personal securities and warranties; liens and other real securities interests; securities lending transactions which do not imply a transfer of full ownership of the collateral and which involve one party (the lender) lending securities to the other party (the borrower) for a fee or interest payment and in which the borrower provides the lender with collateral for the duration of the loan. <p>Security arrangements shall qualify as security arrangements pursuant to Article 76(2)(a) of Directive 2014/59/EU only if the rights or assets to which the security interest is attached or would attach upon an enforcement event are sufficiently identified or identifiable in accordance with the terms of the arrangement and the applicable national law.</p> </div>	Conditions relating to security arrangements, including securities financing transactions	Article 2
<ol style="list-style-type: none"> Set-off arrangements entered into between an institution and a single counterparty shall qualify as set-off arrangements referred to in Article 76(2)(c) of Directive 2014/59/EU where they relate to rights and liabilities arising under financial contracts or derivatives. <p>Set-off arrangements entered into between an institution and one or more counterparties shall qualify as set-off arrangements referred to in Article 76(2)(c) of Directive 2014/59/EU in any of the following circumstances:</p> <ol style="list-style-type: none"> where the arrangements are linked to the counterparty's activity as a central counterparty, in particular for the activity covered by a default fund as referred to Article 42 of Regulation (EU) No 648/2012; where the arrangements are related to rights and obligations towards systems as defined in Article 2(a) of Directive 98/26/EC or other payment or securities settlement systems and are linked to their activity as payment or securities settlement systems. Resolution authorities may decide, in individual cases, that set-off arrangements entered into between an institution and one or more counterparties so far as they relate to other types of rights and liabilities than those referred to in paragraphs 1 and 2 may qualify as set-off arrangements pursuant to Article 76(2)(c) of Directive 2014/59/EU where the arrangements are recognised for risk mitigation purposes under the applicable prudential rules and the protection, in particular by non-separability, is a condition for that recognition. 	Conditions relating to set-off arrangements	Article 3
<ol style="list-style-type: none"> Contractual netting agreements entered into between the institution and a single counterparty shall qualify as netting arrangements pursuant to Article 76(2)(d) of Directive 2014/59/EU where 		

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they relate to rights and liabilities arising under financial contracts or derivatives.

Contractual netting agreements entered into between the institution and one or more counterparties shall qualify as netting arrangements pursuant to Article 76(2)(d) of Directive 2014/59/EU in any of the following circumstances:

- where the arrangements are linked to the counterparty's activity as a central counterparty, in particular for the activity covered by a default fund as referred to Article 42 of Regulation (EU) No 648/2012;
- where the arrangements are related to rights and obligations towards systems as defined in Article 2(a) of Directive 98/26/EC or other payment or securities settlement systems and are linked to their activity as payment or securities settlement systems.
- Resolution authorities may decide, in individual cases, that netting arrangements entered into between an institution and one or more counterparties may qualify as a netting arrangement pursuant to Article 76(2)(d) of Directive 2014/59/EU where they are recognised for risk mitigation purposes under the applicable prudential rules and the protection, in particular by non-separability, is a condition for that recognition.

Conditions relating to netting arrangements

Article 4

Articles 2, 3 and 4 are without prejudice to the following powers of the resolution authorities:

- to protect any type of arrangements which can be subsumed under one of the classes in points (a), (c), (d) and (f) of Article 76(2) of Directive 2014/59/EU, and which are protected in normal insolvency proceedings against a temporary or indefinite separation, suspension or cancellation of assets, rights and liabilities falling under these arrangements under their national insolvency law including the national transposition of Directive 2001/24/EC;
- to protect any type of arrangements which do not fall within the scope of Article 76(2) of Directive 2014/59/EU and which are protected in normal insolvency proceedings against a temporary or indefinite separation, suspension or cancellation of assets, rights and liabilities falling under these arrangements under their national insolvency law including the national transposition of Directive 2001/24/EC.
- Resolution authorities may, in individual cases, exclude from the protection afforded by Article 76(1) of Directive 2014/59/EU, security arrangements, or set-off and netting arrangements which relate to contracts including any clause which, in the event of default of a counterparty, permits a non-defaulting counterparty to make limited payments only, or no payments at all, to the estate of the defaulting party, even if the defaulting party is a net creditor.

General conditions applying to security arrangements, set-off and netting arrangements and structured finance arrangements

Article 5

Structured finance arrangements pursuant to Article 76(2)(f) of Directive 2014/59/EU shall include the following:

- securitisations in which the underlying exposures have been placed into tranches and transferred by a full title transfer from the balance sheet of the originator, to the institution or entity under resolution (true sale securitisation);
- securitisations by means of contractual instruments, where the underlying assets remain on the balance sheet of the institution or entity under resolution (synthetic securitisation).

In true sale securitisations, any role of the originator in the structure, including servicing the loans, providing any form of risk protection or providing liquidity, shall be considered as a liability which forms part of the structured finance arrangements.

In synthetic securitisations, the security interest shall be considered as a right which forms part of the structured finance arrangements only if it is attached to specific and sufficiently identified assets or identifiable in accordance with the terms of the arrangement and the applicable

Conditions relating to structured finance arrangements,

<p>national law.</p> <p>Agreements constituting a securitisation structure covering mutual relationships between originators, issuers, trustees, servicers, cash managers and swap and credit protection counterparties, shall be considered as forming part of structured finance arrangements if those mutual relationships are directly linked to the underlying assets and the payments to be made from the proceeds generated by these assets to the holders of the structured instruments. Those mutual relationships include liabilities and rights related to the underlying assets, liabilities under the instruments issued, and security arrangements, including derivative transactions, required for maintaining the flow of payments under these liabilities.</p> <p>Paragraph 2 shall be without prejudice to the power of the resolution authority to decide, on a case-by-case basis and having regard to the specific structure of the structured finance arrangement pursuant to Article 76(2)(f) of Directive 2014/59/EU, that other agreements between the parties referred to in paragraph 2, such as loan servicing agreements, which are not directly linked to the underlying assets and the payments to be made, form part of such structured finance arrangement.</p>	<p>including securitisations and instruments used for hedging purposes</p>	<p>Article 6</p>
<p>This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.</p>	<p>Entry into force</p>	<p>Article 7</p>