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15/11/2019

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Additional Information

Level 1 Regulation

Securitisation Regulation (EU) 2017/2402

Topic

Securitisation Disclosure Templates

Subject Matter

Annexes 12 and 13: Investor Reports - Consequences for Breach

Question

If the consequences for this test/event/trigger being breached are different than a change in the priority of payments and/or a replacement of a counterparty, how should this field be completed?

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Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.14.2]

Where a reporting entity wishes to signal that there are other consequences for the tests/event/trigger being breached than a change in the priority of payments and/or a replacement of a counterparty, then the reporting entity may select 'OTHR' (representing 'Other').

Consequently, the presence of the option 'OTHR' (representing 'Other') in fields IVSR10 and IVAR6 ('Consequence for Breach') in Annexes 12 and 13, respectively, is meant to provide reporting entities with the possibility to report tests/events/triggers that have consequences different to *"changes in the priority of payments or the replacement of any counterparties"*, for example if they wish to provide a complete picture of the tests/triggers governing the securitisation. However, reporting entities do not have the obligation to report tests/events/triggers that have consequences different to *"changes in the priority of payments or the replacement of any counterparties"*. See also Q&A 1422.