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Additional Information

Level 1 Regulation
Securitisation Regulation (EU) 2017/2402

Topic
Securitisation Disclosure Templates

Subject Matter
Annexes 14 and 15: Inside Information or Significant Event Information - Extension Clause

Question
Can you confirm that not exercising a redemption option is not regarded as a “right to extend the maturity of an instrument”? and if so, should this field be reported as ‘No Option (NOPT)’?

ESMA Answer

26-02-2021

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.15.7]

This field refers to arrangements in the securitisation transaction documentation that gives rights to a certain party to extend the effective maturity of the tranche/bond in question. If the legal final maturity of the tranche/bond is at a given date, but that this maturity can be extended, then field SEST25 should be completed in a manner that indicates which party (SSPE, noteholder, other) has this right of extension.

In the event that the provisions for a maturity extension are automatic, for example beyond the first optional redemption date (FORD), and not at the discretion of the SSPE and/or Noteholder(s), then ‘NOPT’ (representing ‘No option’) should be entered in this field. This would also be the case, for example, where the securitisation falls through a hypothetical trigger threshold(s) in terms of defaults and resulting losses and there is no discretion for the SSPE and/or Noteholder(s) as to whether the FORD option is exercised or not.