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Additional Information

Level 1 Regulation
Securitisation Regulation (EU) 2017/2402

Topic
STS Securitisations

Additional Legal Reference
EBA Guidelines on the STS criteria for non-abcp securitisation

Subject Matter
Application of Article 21(10) of the Securitisation Regulation (“SECR”):

Question
In the EBA Guidelines on the STS criteria for non-ABCP securitisation the following is stated: “For the purposes of Article 21(10) of Regulation (EU) 2017/2402, provisions of the

transaction documentation that ‘facilitate the timely resolution of conflicts between different classes of investors’, should include provisions with respect to all of the following:
a) the method for calling meetings or arranging conference calls;
b) the maximum timeframe for setting up a meeting or conference call;
c) the required quorum;
d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision;
e) where applicable, a location for the meetings which should be in the Union.“

In a transaction where there is one class of external investors (e.g. senior loan noteholders, bank X and bank Y) and where there is the retention holder that holds a subordinated loan (e.g. the originator), should this be considered as two different classes of investors and should therefore the specific items in the guidelines all be included in the transaction documentation? Or should this be considered as only one class of investors, ignoring the retention holder and therefore the items mentioned in the guidelines are not relevant?