

DECREE

2/2019 Coll.

of 21 December 2018,

on records of covered blocks

Pursuant to Article 32(6) of Act No. 190/2004 Coll., on Bonds, as amended by Act No. 307/2018 Coll., the Czech National Bank stipulates the following:

Amended by:
Decree 252/2022 Coll.

Article 1

Subject of regulation

This Decree stipulates the requisites and manner of keeping of records of covered blocks.

Article 2

Requisites of records of covered blocks

Records of covered blocks (hereinafter referred to as the “records”) shall have the following requisites:

- a) lists of covered blocks,
- b) overall information about each covered block, more specifically:
 - 1. a clear identification of the covered block which is identical to the code represented by the identifier of the cover pool of the covered block pursuant to point 5.2.1 of Annex XVII to Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 (hereinafter referred to as the “code”),
 - 2. the type of covered bonds in the covered block pursuant to Article 28b of the Act on Bonds,
 - 3. information whether the covered block includes covered bonds containing “CRR” in their name, “European Covered Bond (Premium)” or the translation thereof into an official language of the European Union in their name,

4. limits and other conditions beyond the scope of the Act on Bonds set by the issuance conditions, which the issuer has undertaken to fulfil for the purposes of compliance with the Act on Bonds,
 5. the currency in which the records are kept (Article 7(4)),
 6. the aggregate value of debts arising from covered bonds pursuant to Article 31a(2) of the Act on Bonds in the currency in which the records are kept,
 7. the aggregate value of related debts pursuant to Article 31a(3) of the Act on Bonds in the currency in which the records are kept,
 8. the aggregate value of cover assets for the purposes of compliance with the duties stipulated in Article 28a(1) of the Act on Bonds in the currency in which the records are kept,
 9. the aggregate value of cover assets for the purposes of compliance with the duty stipulated in Article 28a(2) of the Act on Bonds in the currency in which the records are kept,
 10. the aggregate value of the liquidity buffer for the purposes of the test pursuant to Article 28aa(1) of the Act on Bonds,
 11. the value of the maximum cumulative net liquidity outflow from the covered block over the next 180 days for the purposes of the test pursuant to Article 28aa(1) of the Act on Bonds,
 12. conditions for extendable maturity structures pursuant to Article 28ab of the Act on Bonds, if the issuer has issued bonds with these features,
- c) lists pursuant to Article 32(3) of the Act on Bonds in relation to each covered block, more specifically
1. the register of cover assets,
 2. a record of items related to cover assets,
 3. a record of debts arising from covered bonds,
 4. a record of related debts pursuant to Article 31a(3) of the Act on Bonds.

Article 3

Register of cover assets

- (1) The register of cover assets shall be kept under the code of the relevant covered

block.

(2) Information about loan claims in the register of cover assets shall contain at least

- a) a clear identification of the loans by stating the contract or account number which unambiguously identifies the contractual relation between the bank and the obligor, and other data where appropriate,
- b) the type of cover asset broken down pursuant to Article 129(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, as amended (hereinafter referred to as the “Regulation”) for cover assets defined in Article 31(1) of the Act on Bonds, or broken down pursuant to Article 31(2) of the Act on Bonds,
- c) information whether the obligor is in default pursuant to Article 178 of the Regulation,
- d) the currency or currencies in which the loan claim was concluded,
- e) the collateral value of the pledged immovable asset in the currency in which the records are kept,
- f) the nominal value of loan claims in the currency in which the records are kept,
- g) the nominal value of loan claims for the purposes of compliance with the duties stipulated in Article 28a of the Act on Bonds in the currency in which the records are kept,
- h) the maturity date of loan claims.

(3) Information about items in the register of cover assets other than those defined in paragraph 2 shall contain at least

- a) a clear identification of the items,
- b) the type of cover asset broken down pursuant to Article 129(1) of the Regulation as regards cover assets defined in Article 31(1) of the Act on Bonds, or broken down pursuant to Article 31(2) of the Act on Bonds,
- c) information whether the obligor is in default pursuant to Article 178 of the Regulation,
- d) the type, date of conclusion, date of effect, maturity date and, in the case of derivatives, the name of the other contracting party thereto,
- e) the currency or currencies in which the items were concluded,
- f) the nominal value of the items and, in the case of derivatives, the non-negative real value in the currency in which the records are kept,
- g) the value of the items for the purposes of compliance with the duties stipulated in Article 28a of the Act on Bonds in the currency in which the records are kept.

(4) Information about the asset value in the register of cover assets used as a liquidity buffer shall contain, in addition to information specified in paragraph (2), at least

- a) the type of cover asset pursuant to Article 28aa(3) of the Act on Bonds, where
 - 1. the asset level pursuant to Articles 10 to 12 of Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to the liquidity coverage requirement for credit institutions, as amended, shall be specified for assets pursuant to Article 28aa(3)(a) of the Act on Bonds,
 - 2. the type of exposure shall be specified for assets pursuant to Article 28aa(3)(b) of the Act on Bonds,
- b) the value of the items for the purposes of Article 28aa of the Act on Bonds.

Article 4

Records of items related to cover assets

(1) Records of items related to cover assets shall be kept under the code of the relevant covered block.

(2) Information about items related to cover assets in the records shall contain at least

- a) a clear identification of the items related to cover assets,
- b) a clear identification of contracts in relation to cover assets,
- c) a clear identification of derivative collateral,
- d) information whether the collateral can be taken into account for the purposes of compliance with the duties stipulated in Article 28a(1) of the Act on Bonds,
- e) the currency or currencies in which the items were concluded,
- f) the real value of the collateral pursuant to subparagraph c) in the currency in which the record is kept.

Article 5

Records of debts arising from covered bonds

(1) Records of debts arising from covered bonds shall be kept under the code of the relevant covered block.

(2) Information about individual issues in the records of debts arising from covered bonds shall contain at least

- a) a clear identification of the issue,
- b) the date of the issue,

- c) the maturity date of the issue,
- d) the currency or currencies in which the debt was concluded,
- e) the nominal values of issues in circulation in the currency in which the records are kept,
- f) the value of the present and unpaid yield on issues in circulation in the currency in which the records are kept,
- g) the nominal value of unissued issues if these are used to define the debts for whose coverage these cover pools are used in the currency in which the records are kept.

(3) Information about individual issues set out in paragraph 2 shall not contain data stipulated in paragraph 2(b) and (c) if the debts are defined pursuant to Article 31a(2) of the Act on Bonds as issues of covered bonds which have not yet been issued.

Article 6

Records of related debts

(1) Records of related debts pursuant to Article 31a(3) of the Act on Bonds shall be kept under the code of the relevant covered block.

(2) Information about the debt in the records of related debts pursuant to Article 31a(3) of the Act on Bonds shall contain at least

- a) a clear identification of the debt,
- b) the type of debt pursuant to Article 31a(4) of the Act on Bonds,
- c) the currency or currencies in which the debt was concluded,
- d) the nominal value of the debt in the currency in which the records are kept, unless the debt is derivative debt; in the case of a derivative, the debt is registered as a negative real value of the derivative.

Article 7

Record keeping

(1) The issuer or the forced administrator of covered blocks (hereinafter referred to as the “obliged entity”) shall ensure that the competences and powers of the unit keeping the records are separated from those of the units authorised to provide loans and issue covered bonds up to the level of members of the management body,¹⁾ and that employees of the record-keeping unit have access to up-to-date, reliable and complete information for their decision-making on making entries in the records, removing them therefrom and other

¹⁾ Article 7(3)(j) of Decree No. 163/2014 Coll., on the performance of the activities of banks, credit unions and investment firms, as amended by Decree No. 392/2017 Coll.

activities related to the duties stipulated in this Decree.

(2) The obliged entity shall keep the records on the basis of the relevant documents and rules justifying the entry of each item or debt in the covered block. These shall include in particular the credit contract, including all amendments thereto, documents relating to the pledged immovable asset, including the pledge contract, an extract of cadastre of real estates, documents proving the setting of the collateral value of the pledged immovable asset and the rules for setting the collateral value of the pledged immovable asset.

(3) The obliged entity shall keep the records in electronic form in a manner enabling all acts carried out by the obliged person to be traced back and reconstructed and shall update them on an ongoing basis. In the case of the information referred to in points 10 and 11 of Article 2(b), it shall be sufficient to update this information in the records on a monthly basis.

(4) The records shall be kept in the currency set for each covered block by the obliged entity. The exchange rate declared by the Czech National Bank for the date of conversion shall be used to convert data into the relevant currency. For data in the currencies for which the Czech National Bank does not declare foreign exchange market rates, conversion pursuant to the law governing accounting shall be used.

Article 8

Transitional provision

The content, requisites and manner of keeping of records of the coverage of mortgage bonds issued before the date on which this Decree takes effect, and the content and manner of compliance with the information duty regarding such mortgage bonds, shall be governed by Decree No. 164/2014 Coll., in the version effective before the date of effect of this Decree, until the date when the obliged entity changes the issuance conditions so that these mortgage bonds are deemed to be covered bonds pursuant to the Act on Bonds.

Article 9

Repealing provisions

Decree No. 164/2014 Coll., on keeping records of the coverage of mortgage bonds and information duties of a mortgage bond issuer, is hereby repealed.

Article 10

Effect

This Decree shall take effect on 1 February 2019.

Governor

Ing. Rusnok m.p.