

RULES AND GUIDANCE

Other disclosure requirements of the Directive (CRD)

Specific rules on securitisation

Treatment of securitised exposures under Annex IX, Part 4, items 30 and 31 of Directive 2006/48/EC

Items 26–33 of Annex IX of Directive 2006/48/EC regulate revolving exposures subject to an early amortisation. These provisions of the Directive have been transposed into Decree No. 123/2007 Coll., in Annex 17, items 9–20.

In the case of securitisations subject to an early amortisation provision where

- a) retail exposures are securitised,
 - b) such exposures are uncommitted and unconditionally cancellable without prior notice, and
 - c) the early amortisation is triggered by the excess spread falling to a specified level,
- credit institutions shall compare the three-month average excess spread level with the excess spread level at which excess spread is required to be trapped.

Where the securitisation does not require excess spread to be trapped, the trapping point is deemed to be 4.5 percentage points greater than the excess spread level at which an early amortisation is triggered.

In line with Directive 2006/48/EC, Annex IX, items 30 and 31, the Czech National Bank may allow an institution to follow a similar procedure in the case of securitisations subject to an early amortisation provision, where

- a) retail exposures are securitised,
- b) such exposures are uncommitted and unconditionally cancellable without prior notice, and
- c) the early amortisation is triggered by a quantitative indicator other than the three-month average excess spread.

Where the Czech National Bank intends to allow this, it shall notify all the competent supervisory authorities of all the other Member States and take their views into consideration. The results of such consultations and the conclusions adopted shall be publicly disclosed by the Czech National Bank.