

Content of question:

**Let us assume that protection by receivables is used. How shall the value of a receivable upon which the calculation of the secured part of an exposure is based be understood?**

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Approved by: **Pavel Vacek**

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Piece of law	<b>Decree No. 123/2007 Coll. (as amended)</b>
Provision	<b>Annex 15, A, II, 2, b), 5 Annex 16, II, 4, d)</b>
Explanation	Pursuant to Annex 15, A, II, 2, b), 5 to the Decree [which transposes the provision of point 9b) of Part 2 of Annex VIII to Directive 2006/48/EC] it is the notional amount of receivables accepted as collateral that should be regarded as the value of the receivables (i.e. the credit protection). However, this amount must be appropriately reduced for the purposes of determining the "eligible" amount of credit protection and, subsequently, the secured risk-weighted exposure amount in order that the resulting "eligible" amount of credit protection will be in compliance with the above mentioned provision of Annex 15, as well as the provision of Annex 16, II, 4, d) to the Decree.