



**2018/0043(COD)**

26.9.2018

# **AMENDMENTS**

## **86 - 286**

**Draft report**  
**Bernd Lucke**  
(PE626.780v01-00)

Covered bonds and covered bond public supervision

Proposal for a directive  
(COM(2018)0094 – C8-0113/2018 – 2018/0043(COD))



**Amendment 86**  
**Caroline Nagtegaal**

**Proposal for a directive**  
**Recital 15**

*Text proposed by the Commission*

(15) Another core feature of existing national covered bond frameworks is the fact that assets serving as collateral should be of very high quality in order to ensure the robustness of the cover pool. High quality assets are characterised by having specific features making them eligible to cover the claims attached to the covered bond. It is therefore appropriate to set out the general quality features that assets should respect in order to be eligible to serve as collateral. Assets listed in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013 should be considered eligible to serve as collateral in the cover pool, within a covered bond framework, ***as should loans involving public undertakings as defined in Article 2(b) of Commission Directive 2006/111/EC but also other assets of a similar high quality could be considered eligible under the Directive, provided that it is possible to determine either their market value or mortgage lending value. Furthermore, the Directive should include rules to ensure that assets, including guaranteed loans, can be repossessed or called in through an enforceable protection agreement, whether in the form of a traditional mortgage or by a charge, lien or guarantee providing the same level of legal protection, and thus ensuring the same level of safety for investors. However, those provisions on the eligibility of assets should not prevent Member States from allowing other categories of assets to serve as collateral in their national frameworks provided the assets comply with Union law. Member States should also be free to exclude assets in their national frameworks.***

*Amendment*

(15) Another core feature of existing national covered bond frameworks is the fact that assets serving as collateral should be of very high quality in order to ensure the robustness of the cover pool. High quality assets are characterised by having specific features making them eligible to cover the claims attached to the covered bond. It is therefore appropriate to set out the general quality features that assets should respect in order to be eligible to serve as collateral. Assets listed in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013 should be considered eligible to serve as collateral in the cover pool, within a covered bond framework.

**Amendment 87**

Mady Delvaux

**Proposal for a directive****Recital 15***Text proposed by the Commission*

(15) Another core feature of existing national covered bond frameworks is the fact that assets serving as collateral should be of very high quality in order to ensure the robustness of the cover pool. High quality assets are characterised by having specific features ***making them eligible to cover the claims attached to the covered bond***. It is therefore appropriate to set out the general quality features that assets should respect in order to be eligible to serve as collateral. Assets listed in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013 ***should be considered eligible to serve as collateral in the cover pool, within a covered bond framework, as should*** loans ***involving*** public undertakings as defined in Article 2(b) of Commission Directive 2006/111/EC ***but also*** other assets of a similar high quality could be considered eligible under the Directive, provided that ***it is possible to determine either their market value or mortgage lending value. Furthermore, the Directive should include rules to ensure that assets, including guaranteed loans, can be repossessed or called in through an enforceable protection agreement, whether in the form of a traditional mortgage or by a charge, lien or guarantee providing the same level of legal protection, and thus ensuring the same level of safety for investors. However, those provisions on the eligibility of assets should not prevent Member States from allowing other categories of assets to serve as collateral in their national frameworks provided the assets comply with Union law.*** Member

*Amendment*

(15) Another core feature of existing national covered bond frameworks is the fact that assets serving as collateral should be of very high quality in order to ensure the robustness of the cover pool. High quality assets are characterised by having specific features ***relating to the claim being secured and the collateral asset backing them***. It is therefore appropriate to set out the general quality features that assets should respect in order to be eligible to serve as collateral. Assets listed in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013 ***and*** loans ***to*** public undertakings as defined in Article 2(b) of Commission Directive 2006/111/EC ***should be considered eligible as cover assets, within a covered bond framework.*** Other ***cover*** assets of a similar high quality ***such as loans and financings to undertakings promoting Commission Directive 2009/28/EC*** could ***also*** be considered eligible under the Directive, provided that ***they comply with the legal requirements and the requirements for the collateral backing the claim for payment, reflecting their nature as either physical assets or*** assets in the form of ***exposures***. Member States should be free to exclude assets in their national frameworks.

States should *also* be free to exclude assets in their national frameworks.

Or. en

## **Amendment 88**

**Alfred Sant**

### **Proposal for a directive**

#### **Recital 15 a (new)**

*Text proposed by the Commission*

*Amendment*

***(15 a) Debt instruments covered by strategic assets of importance for growth, innovation and sustainability, which are riskier than government debt and mortgages and do not fall within Article 6 of this Directive should be eligible for European Secured Notes (ESNs). ESNs might provide a useful additional source of funding to the real economy for banks. The Commission shall carry out an assessment on the possibility to introduce a dual recourse instrument named ESNs and present the appropriate EU legal framework and regulatory treatment by one year after the entry into force of this Directive.***

Or. en

## **Amendment 89**

**Alfred Sant**

### **Proposal for a directive**

#### **Recital 16**

*Text proposed by the Commission*

*Amendment*

(16) Covered bonds have specific structural features that aim to protect investors at all times. Those features include the requirement that investors in covered bonds have a claim not only on the issuer but also on assets in a dedicated cover pool. To ensure that those assets are

(16) Covered bonds have specific structural features that aim to protect investors at all times. Those features include the requirement that investors in covered bonds have a claim not only on the issuer but also on assets in a dedicated cover pool. To ensure that those assets are

of good quality, specific requirements on the quality of assets that can be included in the pool should be laid down. Those structural product related requirements differ from the prudential requirements applicable to a credit institution issuing covered bonds. The former should not focus on ensuring the prudential health of the issuing institution, but rather aim at protecting investors by imposing specific requirements on the covered bond itself. In addition to the specific requirement to use high quality assets in the cover pool, it is also appropriate to regulate the general requirements of the features of the cover pool to further strengthen investor protection. Those requirements should include specific rules aimed at protecting the cover pool, including rules on the segregation (including by means of a Special Purpose Vehicle, an SPV) and location of the assets in the cover pool to ensure the fulfilment of the investor's rights including in case of resolution or insolvency of the issuer. It is also important to regulate the composition of the cover pool to ensure its homogeneity and facilitate a fair risk assessment by the investor. Furthermore, requirements for coverage should be defined in this Directive, without prejudice to the right of Member States to allow different means of mitigating e.g. currency and interest rate risks. The calculation of the coverage and the conditions under which derivatives contracts can be included in the cover pool should *also* be defined to ensure that cover pools are subject to common high quality standards across the Union.

of good quality, specific requirements on the quality of assets that can be included in the pool should be laid down. Those structural product related requirements differ from the prudential requirements applicable to a credit institution issuing covered bonds. The former should not focus on ensuring the prudential health of the issuing institution, but rather aim at protecting investors by imposing specific requirements on the covered bond itself. In addition to the specific requirement to use high quality assets in the cover pool, it is also appropriate to regulate the general requirements of the features of the cover pool to further strengthen investor protection. Those requirements should include specific rules aimed at protecting the cover pool, including rules on the segregation (including by means of a Special Purpose Vehicle, an SPV) and location of the assets in the cover pool to ensure the fulfilment of the investor's rights including in case of resolution or insolvency of the issuer. It is also important to regulate the composition of the cover pool to ensure its homogeneity and facilitate a fair risk assessment by the investor. Furthermore, requirements for coverage should be defined in this Directive, without prejudice to the right of Member States to allow different means of mitigating e.g. currency and interest rate risks. The calculation of the coverage and the conditions under which derivatives contracts can be included in the cover pool should be defined *by Member States* to ensure that cover pools are subject to common high quality standards across the Union.

Or. en

**Amendment 90**  
**Anne Sander**

**Proposal for a directive**  
**Recital 18**

*Text proposed by the Commission*

(18) Small credit institutions face difficulties when issuing covered bonds as the establishment of covered bond programmes often entails high upfront costs. Liquidity is also particularly important in covered bond markets and is largely determined by the volume of outstanding bonds. It is therefore appropriate to allow for joint funding by two or more credit institutions in order to enable the issue of covered bonds by smaller credit institutions. This would provide for the pooling of assets by several credit institutions as collateral for covered bonds issued by a single credit institution and would facilitate the issue of covered bonds in those Member States where there are not currently well-developed markets. It is important that the requirements for the use of joint funding agreements ensure that assets transferred to the issuing credit institutions meet the requirements of eligibility of assets and segregation of cover assets under Union law.

*Amendment*

(18) Small credit institutions face difficulties when issuing covered bonds as the establishment of covered bond programmes often entails high upfront costs. Liquidity is also particularly important in covered bond markets and is largely determined by the volume of outstanding bonds. It is therefore appropriate to allow for joint funding by two or more credit institutions in order to enable the issue of covered bonds by smaller credit institutions. This would provide for the pooling of assets by several credit institutions as collateral for covered bonds issued by a single credit institution and would facilitate the issue of covered bonds in those Member States where there are not currently well-developed markets. It is important that the requirements for the use of joint funding agreements ensure that assets ***sold or transferred by way of financial collateral arrangement pursuant to Directive 2002/47/EC*** to the issuing credit institutions meet the requirements of eligibility of assets and segregation of cover assets under Union law.

Or. en

*Justification*

*Specificities of French model need to be taken on board, notably where the cover assets usually stay on the balance sheet of the originator.*

**Amendment 91**  
**Luigi Morgano, Andrea Cozzolino**

**Proposal for a directive**  
**Recital 18 a (new)**

*Text proposed by the Commission*

*Amendment*

***(18 a) Small and medium-sized enterprises (SMEs) are the backbone of the EU economy. Despite improvements in the regulatory framework and investment environment, SMEs still***

*struggle to attract new issuers. It is therefore warranted to establish a framework for secured bonds that takes into account the specificities of the EU economy and SMEs structures.*

Or. en

**Amendment 92**  
**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**  
**Recital 22**

*Text proposed by the Commission*

(22) In a number of Member States, innovative structures for maturity profiles have been developed in order to address potential liquidity risks, including maturity mismatches. These structures include the possibility to extend the scheduled maturity of the covered bond for a certain period of time or to allow the cash flows from the assets in the cover pool to pass directly to the covered bond holders. It is important in order to harmonise extendable maturity structures across the Union that the conditions under which Member States may allow these structures be defined to ensure that they are not too complex or expose investors to increased risks.

*Amendment*

(22) In a number of Member States, innovative structures for maturity profiles have been developed in order to address potential liquidity risks, including maturity mismatches. These structures include the possibility to extend the scheduled maturity of the covered bond for a certain period of time or to allow the cash flows from the assets in the cover pool to pass directly to the covered bond holders. It is important in order to harmonise extendable maturity structures across the Union that the conditions under which Member States may allow these structures be defined to ensure that they are not too complex or expose investors to increased risks. ***It is also important to ensure that the credit institution cannot extend the maturity at its sole discretion. Maturity should only be extended when objective and clearly defined trigger events have occurred or are expected to occur in the near future.***

Or. en

**Amendment 93**  
**Dariusz Rosati**

**Proposal for a directive**  
**Recital 22**

(22) In a number of Member States, innovative structures for maturity profiles have been developed in order to address potential liquidity risks, including maturity mismatches. These structures include the possibility to extend the scheduled maturity of the covered bond for a certain period of time or to allow the cash flows from the assets in the cover pool to pass directly to the covered bond holders. It is important in order to harmonise extendable maturity structures across the Union that the conditions under which Member States may allow these structures be defined to ensure that they are not too complex ***or expose investors to increased risks.***

(22) In a number of Member States, innovative structures for maturity profiles have been developed in order to address potential liquidity risks, including maturity mismatches. These structures include the possibility to extend the scheduled maturity of the covered bond for a certain period of time or to allow the cash flows from the assets in the cover pool to pass directly to the covered bond holders. ***Maturity extensions, by providing an alternative to insolvency or resolution, allow the credit institution to mitigate fire sales and increase investor protection. However,*** it is important in order to harmonise extendable maturity structures across the Union that the conditions under which Member States may allow these structures be defined to ensure that they are not too complex.

Or. en

#### **Amendment 94**

**Alfred Sant**

#### **Proposal for a directive**

#### **Recital 33**

*Text proposed by the Commission*

*Amendment*

(33) Covered bonds are currently marketed in the Union under national denominations and labels, some of which are well-established. In several Member States however such denominations or labels do not exist. It seems therefore necessary to allow credit institutions which issue covered bonds in the Union to use the specific '***European*** Covered Bonds' label when selling covered bonds to both Union and third countries' investors under the condition that those covered bonds comply with the requirements set out in ***Union law***. It is necessary to establish such label in order to make it easier for those investors to assess the quality of the covered bonds

(33) Covered bonds are currently marketed in the Union under national denominations and labels, some of which are well-established. In several Member States however such denominations or labels do not exist. It seems therefore necessary to allow credit institutions which issue covered bonds in the Union to use the specific '***EU*** Covered Bonds' label when selling covered bonds to both Union and third countries' investors under the condition that those covered bonds comply with the requirements set out in ***this Directive. If covered bonds also comply with the requirements set out in Article 129 of Regulation (EU) No 575/2013,***

and hence make them more attractive as an investment vehicle both inside and outside the Union. *The use of that label should however be facultative and Member States should be able to keep their own national denominations and labelling framework in place in parallel to the 'European Covered Bonds' label.*

*credit institutions should be allowed to use the label 'Premium EU Covered Bonds'.* It is necessary to establish such label in order to make it easier for those investors to assess the quality of the covered bonds and hence make them more attractive as an investment vehicle both inside and outside the Union.

Or. en

**Amendment 95**  
**Bernd Lucke**

**Proposal for a directive**  
**Article 3 – paragraph 1 – point 1**

*Text proposed by the Commission*

(1) 'covered bond' means a debt obligation issued by a credit institution and *secured by a cover pool of assets which covered bond investors have direct recourse to as preferred creditors;*

*Amendment*

(1) 'covered bond' means a debt obligation issued *under public supervision according to Article 18* by a credit institution and *which is a dual recourse instrument according to Article 4, which is bankruptcy remote according to Article 5, for which the assets in the cover pool are segregated according to Article 12, and which is collateralised by eligible assets according to Article 6 or Article 6a;*

Or. en

**Amendment 96**  
**Gunnar Hökmark**

**Proposal for a directive**  
**Article 3 – paragraph 1 – point 1**

*Text proposed by the Commission*

(1) 'covered bond' means a debt obligation issued by a credit institution and *secured by a cover pool of assets which covered bond investors have direct recourse to as preferred creditors;*

*Amendment*

(1) 'covered bond' means a debt obligation issued *under supervision according to Article 18* by a credit institution and *which is a dual recourse instrument according to Article 4, which is bankruptcy remote according to Article 5, for which the assets in the cover pool*

*are segregated according to Article 12,  
and which is collateralised by eligible  
assets according to Article 6;*

Or. en

**Amendment 97**  
**Markus Ferber**

**Proposal for a directive**  
**Article 3 – paragraph 1 – point 1**

*Text proposed by the Commission*

(1) 'covered bond' means a debt obligation issued by a credit institution and secured by a cover pool of assets which covered bond investors have direct recourse **to** as preferred creditors;

*Amendment*

(1) 'covered bond' means a debt obligation issued by a credit institution ***in accordance with a Member State's legal framework transposing this Directive*** and secured by a cover pool of assets ***to*** which covered bond investors ***in the case of insolvency or resolution of the credit institution issuing the covered bonds*** have direct recourse as preferred creditors;

Or. en

*Justification*

*The original definition, with its relevant elements of (a) a credit institution being obligor and (b) the credit institution's obligation being secured on a pool of assets, is overly broad and could be understood to also extend to the prepositioning of assets with central banks. Therefore, it should be narrowed.*

**Amendment 98**  
**Dariusz Rosati**

**Proposal for a directive**  
**Article 3 – paragraph 1 – point 1**

*Text proposed by the Commission*

(1) 'covered bond' means a debt obligation issued by a credit institution and secured by a cover pool of assets which covered bond investors have direct recourse **to** as preferred creditors;

*Amendment*

(1) 'covered bond' means a debt obligation issued by a ***credit institution or a specialized mortgage*** credit institution and secured by a cover pool of assets which covered bond investors have direct recourse to as preferred creditors;

**Amendment 99**  
**Jonás Fernández**

**Proposal for a directive**  
**Article 3 – paragraph 1 – point 3**

*Text proposed by the Commission*

(3) 'cover pool' means the assets that constitute the collateral for the covered bonds and that **are** segregated from other assets held by the credit institution issuing covered bonds;

*Amendment*

(3) 'cover pool' means the assets that constitute the collateral for the covered bonds and that **can be** segregated from other assets held by the credit institution issuing covered bonds **in accordance with Article 12**;

Or. en

**Amendment 100**  
**Anne Sander**

**Proposal for a directive**  
**Article 3 – paragraph 1 – point 3**

*Text proposed by the Commission*

(3) 'cover pool' means the assets **that constitute the collateral for** the covered bonds and that are segregated from other assets held by the credit institution issuing covered bonds;

*Amendment*

(3) 'cover pool' means the assets **securing** the covered bonds and that are segregated from other assets held by the credit institution issuing covered bonds;

Or. en

**Amendment 101**  
**Dariusz Rosati**

**Proposal for a directive**  
**Article 3 – paragraph 1 – point 5**

*Text proposed by the Commission*

(5) 'specialised mortgage credit institution' means a credit institution which funds loans **solely** through the issue of  
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*Amendment*

(5) 'specialised mortgage credit institution' means a credit institution which:

covered bonds, **which** is permitted by law to carry out mortgage and public sector lending only **and which** is not permitted to take deposits but can take other repayable funds **from the public**;

**(a)** funds **granted** loans **and/or purchased receivables** through the issue of covered bonds,

**(b)** is permitted by law to carry out mortgage and public sector lending only, **and**

**(c)** is not permitted to take deposits but can take other repayable funds, **without prejudice for ancillary and additional activities restricted and specified in relevant Member States law.**

Or. en

## **Amendment 102** **Markus Ferber**

### **Proposal for a directive** **Article 3 – paragraph 1 – point 6**

#### *Text proposed by the Commission*

(6) 'acceleration of a covered bond' means a situation in which a covered bond **is declared by** the credit institution **which issued the covered bond or the credit institution's representative to be** immediately due and payable and in respect of which the **payments to the** covered bond investors **are** to be repaid earlier than the original maturity date;

#### *Amendment*

(6) '**automatic** acceleration of a covered bond' means a situation in which a covered bond **upon insolvency or resolution of** the credit institution **issuing covered bonds automatically becomes** immediately due and payable and in respect of which the covered bond investors **have an enforceable claim** to be repaid earlier than the original maturity date;

Or. en

## **Amendment 103** **Jonás Fernández**

### **Proposal for a directive** **Article 3 – paragraph 1 – point 12**

#### *Text proposed by the Commission*

(12) 'overcollateralisation' means the statutory **or** contractual level of collateral exceeding the coverage requirement as set out in Article 15;

#### *Amendment*

(12) 'overcollateralisation' means the statutory, contractual **or voluntary** level of collateral exceeding the coverage requirement as set out in Article 15,

*excluding other current or future additional guarantees that could be provided according to national regulation and could vary over time;*

Or. en

**Amendment 104**  
**Anne Sander**

**Proposal for a directive**  
**Article 3 – paragraph 1 – point 12**

*Text proposed by the Commission*

(12) 'overcollateralisation' means the statutory *or* contractual level of collateral exceeding the coverage requirement as set out in Article 15;

*Amendment*

(12) 'overcollateralisation' means the ***entirety of the*** statutory, contractual ***or voluntary*** level of collateral exceeding the coverage requirement as set out in Article 15;

Or. en

*Justification*

*For clarity, it must be specified that any form of overcollateralisation is part of the coverage requirement*

**Amendment 105**  
**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**  
**Article 3 – paragraph 1 – point 13**

*Text proposed by the Commission*

(13) 'match funding requirement' means rules requiring that the cash flows between liabilities and assets falling due be matched by ensuring that payments from borrowers be received prior to making payments to covered bond investors and that the amounts received from the borrowers are at least equivalent in value to the payments to be made to the covered bond investors;

*Amendment*

(13) 'match funding requirement' means rules requiring that the cash flows between liabilities and assets falling due be matched by ***contractually*** ensuring that payments from borrowers ***and counterparties of derivative contracts*** be received, ***fall due*** prior to making payments to covered bond investors and ***the counterparties of derivative contracts, and*** that the amounts received ***contractually falling due*** from the borrowers ***and counterparties of derivative***

***contracts are at least equivalent in value to the payments to be made to the covered bond investors and counterparties of derivative contracts, and that the amounts received from borrowers and derivative counterparties be placed in the cover pool in assets according to Article 16 (3) of this Directive until the payments are due to the covered bond investors and derivative counterparties;***

Or. en

*Justification*

*A precise and prudent definition of a match funding requirement is required, to avoid mismatches, when Member States transpose these requirements into national law. It is also necessary to amend the definition of a match funding requirement to ensure that derivative counterparties are granted similar treatment as covered bonds investors in case of insolvency.*

**Amendment 106**  
**Markus Ferber**

**Proposal for a directive**  
**Article 3 – paragraph 1 – point 17 a (new)**

*Text proposed by the Commission*

*Amendment*

***(17 a) 'resolution' means reorganisation measures within the meaning of the seventh indent of Article 2 of Directive 2001/24/EC having a direct adverse impact on the legal position of covered bond creditors or counterparties of derivative contracts.***

Or. en

*Justification*

*'Insolvency' and 'resolution' are crucial points of reference for the Directive's requirements, and should be defined for its purposes accordingly. In order to capture all legal instruments at Member States that could impinge on covered bond creditors' legal position, resolution should be defined by reference to the broader definition of reorganisation measures as per Art. 2 of the Directive 2001/24 which includes resolution tools of BRRD (and SRMR).*

**Amendment 107**

**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**

**Article 4 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. Member States shall lay down rules entitling the covered bonds investors to the following claims:

*Amendment*

1. Member States shall lay down rules entitling the covered bonds investors **and derivative counterparties** to the following claims:

Or. en

*Justification*

*It is suggested to clarify that derivative counterparties should be granted similar treatment to the covered bond investors in case of insolvency. Derivative counterparties should be granted the same protection (rank pari passu) under the dual recourse mechanism, as derivative contracts are part of the cover pool and they cannot be terminated upon issuer insolvency.*

**Amendment 108**

**Marisa Matias**

**Proposal for a directive**

**Article 4 – paragraph 1 – point c**

*Text proposed by the Commission*

(c) in case of insolvency of the credit institution issuing covered bonds and in the event that the priority claim as referred to in point (b) cannot be fully satisfied, a claim on the insolvency estate of that credit institution, **which ranks pari passu with** the claims of the credit institution's ordinary unsecured creditors determined in accordance with **the** national laws governing the ranking in normal insolvency procedures.

*Amendment*

(c) in case of insolvency of the credit institution issuing covered bonds and in the event that the priority claim as referred to in point (b) cannot be fully satisfied, a **priority** claim on the insolvency estate of that credit institution **over** the claims of the credit institution's ordinary unsecured creditors determined in accordance with national laws governing the ranking in normal insolvency procedures.

Or. en

**Amendment 109**

**Marisa Matias**

**Proposal for a directive**

### Article 4 – paragraph 3

*Text proposed by the Commission*

3. For the purposes of point (c) of paragraph 1, in the case of insolvency of a specialised mortgage credit institution, Member States **may** lay down rules granting the covered bond investors a claim that ranks senior to the claim of that specialised mortgage credit institution's **ordinary unsecured creditors determined in accordance with the national laws governing the ranking of creditors in normal insolvency procedures, but junior to any other preferred** creditors.

*Amendment*

3. For the purposes of point (c) of paragraph 1, in the case of insolvency of a specialised mortgage credit institution, Member States **shall** lay down rules granting the covered bond investors a claim that ranks senior to the claim of that specialised mortgage credit institution's other creditors.

Or. en

### Amendment 110

**Jeppe Kofod, Bendt Bendtsen**

### Proposal for a directive

### Article 4 – paragraph 3

*Text proposed by the Commission*

3. For the purposes of point (c) of paragraph 1, in the case of insolvency of a specialised mortgage credit institution, Member States may lay down rules granting the covered bond investors a claim that ranks senior to the claim of that specialised mortgage credit institution's ordinary unsecured creditors determined in accordance with the national laws governing the ranking of creditors in normal insolvency procedures, but junior to any other preferred creditors.

*Amendment*

3. For the purposes of point (c) of paragraph 1, in the case of insolvency of a specialised mortgage credit institution, Member States may lay down rules granting the covered bond investors **and derivative counterparties** a claim that ranks senior to the claim of that specialised mortgage credit institution's ordinary unsecured creditors determined in accordance with the national laws governing the ranking of creditors in normal insolvency procedures, but junior to any other preferred creditors.

Or. en

### *Justification*

*It is suggested to clarify that derivative counterparties should be granted similar treatment to the covered bond investors in case of insolvency. Derivative counterparties should be granted the same protection (rank pari passu) under the dual recourse mechanism, as derivative contracts are part of the cover pool and they cannot be terminated upon issuer insolvency.*

**Amendment 111**

**Dariusz Rosati**

**Proposal for a directive**

**Article 5 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***Member States may lay down rules for the covered bonds acceleration upon bondholders decision.***

Or. en

**Amendment 112**

**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**

**Article 6 – title**

*Text proposed by the Commission*

*Amendment*

***Eligible*** assets

***Cover*** assets ***for premium covered bonds***

Or. en

*Justification*

*Splitting eligible assets in a covered bond in article 6, CRR compliant, and in article 6a, non-CRR compliant, will clarify the two-tier structure which is important for financial stability. CRR compliant covered bonds constitute the premium covered bond segment. Legislation should underpin the very high quality of covered bonds by setting requirements to the assets that can collateralize issued covered bonds. Any dilution of covered bonds by broadening asset classes should be avoided. A narrowing of non-CRR compliant covered bonds is needed and included in the proposed new article 6a.*

**Amendment 113**

**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

*Amendment*

Member States shall ***ensure investor protection by requiring*** that covered bonds

Member States shall ***require*** that covered bonds are at all times ***secured*** by high

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are at all times *collateralised* by high quality assets referred to in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013 **or by other high quality assets that meet at least the following** requirements:

quality *assets*. **Such assets shall include all** assets referred to in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013 **in fulfilment of the requirements for the preferential treatment of covered bonds set out in paragraphs 4 and 5 of Article 129 of that Regulation.**

Or. en

**Amendment 114**  
**Mady Delvaux**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

*Amendment*

Member States shall ensure investor protection by requiring that covered bonds are at all times collateralised by high quality assets referred to in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013 **or by other high quality assets that** meet at least the following requirements:

Member States shall ensure investor protection by requiring that covered bonds are at all times collateralised by high quality assets referred to in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013 **and assets resulting of loans to public undertakings as defined in Article 2(b) of Commission Directive 2006/111/EC.** Other high quality assets **have to** meet at least the following requirements:

Or. en

**Amendment 115**  
**Caroline Nagtegaal**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

*Amendment*

Member States shall ensure investor protection by requiring that covered bonds are at all times collateralised by high quality assets referred to in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013 **or by other high quality assets that meet at least the following**

Member States shall ensure investor protection by requiring that covered bonds are at all times collateralised by high quality assets referred to in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013.

*requirements:*

Or. en

## **Amendment 116**

**Markus Ferber**

### **Proposal for a directive**

#### **Article 6 – paragraph 1 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

*Amendment*

Member States shall ***ensure investor protection by requiring*** that covered bonds are at all times ***collateralised by high quality*** assets ***referred to in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013 or by other*** high quality assets ***that meet at least the following requirements:***

Member States shall ***require*** that covered bonds are at all times ***secured by assets that comply with the legal qualification criteria set out in paragraph 2 and the high quality criteria set out in paragraph 3 ('cover assets')***.

Or. en

*Justification*

*Art. 6 should be amended as follows: all cover assets, comprising a payment claim owed or guaranteed by a counterparty of high statutory quality or a payment claim secured by way of mortgage etc. on suitable physical property, including those mentioned in Article 129(1) CRR, have to comply with cumulative legal qualification requirements (Article 6 paragraph 2) and alternative requirements establishing their high quality (Article 6 paragraph 3).*

## **Amendment 117**

**Jeppe Kofod, Bendt Bendtsen**

### **Proposal for a directive**

#### **Article 6 – paragraph 1 – subparagraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

***(a) either the market value or mortgage lending value of the assets can be determined;***

***deleted***

Or. en

**Amendment 118**  
**Caroline Nagtegaal**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

**(a) either the market value or mortgage lending value of the assets can be determined;** **deleted**

Or. en

**Amendment 119**  
**Markus Ferber**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

**(a) either the market value or mortgage lending value of the assets can be determined;** **deleted**

Or. en

**Amendment 120**  
**Caroline Nagtegaal**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) a mortgage, charge, lien or other guarantee on the asset is enforceable;** **deleted**

Or. en

**Amendment 121**  
**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) a mortgage, charge, lien or other  
guarantee on the asset is enforceable;** *deleted*

Or. en

**Amendment 122**

**Markus Ferber**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) a mortgage, charge, lien or other  
guarantee on the asset is enforceable;** *deleted*

Or. en

**Amendment 123**

**Mady Delvaux**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) a mortgage, charge, lien *or other*  
guarantee on the asset is enforceable;**

**(b) a mortgage, charge, lien, guarantee  
*or transfer of property for security*  
*purposes for the financing of renewable*  
*energy as defined in Article 2(a) of*  
*Directive 2009/28/EC for claims* on the  
asset is enforceable;**

Or. en

**Amendment 124**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 1 – point b**

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*Text proposed by the Commission*

*Amendment*

(b) a mortgage, charge, lien or other guarantee on the asset is enforceable;

(b) a mortgage, charge, lien or other guarantee on the asset is ***legally valid and enforceable and enables the credit institution issuing covered bonds to receive the payment of the claim without undue delay;***

Or. en

#### **Amendment 125**

**Jeppe Kofod, Bendt Bendtsen**

#### **Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

(c) ***all legal requirements for establishing the mortgage, charge, lien or guarantee on the asset have been fulfilled;***

***deleted***

Or. en

#### **Amendment 126**

**Markus Ferber**

#### **Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

(c) ***all legal requirements for establishing the mortgage, charge, lien or guarantee on the asset have been fulfilled;***

***deleted***

Or. en

#### **Amendment 127**

**Caroline Nagtegaal**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

**(c) all legal requirements for establishing the mortgage, charge, lien or guarantee on the asset have been fulfilled;**

**deleted**

Or. en

**Amendment 128**  
**Mady Delvaux**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

**(c) all legal requirements for establishing the mortgage, charge, lien *or* guarantee on the asset have been fulfilled;**

**(c) all legal requirements for establishing the mortgage, charge, lien, guarantee *or transfer of property for security purposes for the financing of renewable energy as defined in Article 2(a) of Directive 2009/28/EC for claims* on the asset have been fulfilled;**

Or. en

**Amendment 129**  
**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – point d**

*Text proposed by the Commission*

*Amendment*

**(d) the mortgage, charge, lien or guarantee securing the asset enable the credit institution issuing covered bonds to realise the value of the asset without undue delay.**

**deleted**

Or. en

**Amendment 130**  
**Caroline Nagtegaal**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – point d**

*Text proposed by the Commission*

*Amendment*

**(d) the mortgage, charge, lien or guarantee securing the asset enable the credit institution issuing covered bonds to realise the value of the asset without undue delay.** **deleted**

Or. en

**Amendment 131**  
**Markus Ferber**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – point d**

*Text proposed by the Commission*

*Amendment*

**(d) the mortgage, charge, lien or guarantee securing the asset enable the credit institution issuing covered bonds to realise the value of the asset without undue delay.** **deleted**

Or. en

**Amendment 132**  
**Mady Delvaux**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 1 – point d**

*Text proposed by the Commission*

*Amendment*

**(d) the mortgage, charge, lien or guarantee securing the asset enable the credit institution issuing covered bonds to realise the value of the asset without undue delay.**

**(d) the mortgage, charge, lien, guarantee or transfer of property for security purposes for the financing of renewable energy as defined in Article 2(a) of Directive 2009/28/EC securing the asset enable the credit institution issuing covered bonds to realise the value of the**

asset without undue delay.

Or. en

**Amendment 133**

**Mady Delvaux**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 1 – point d a (new)**

*Text proposed by the Commission*

*Amendment*

***(d a) for assets in the form of exposures to a counterparty, the counterparty's safety and soundness is inferred from being subject to either public supervision or an ongoing credit risk assessment based on regulator-permitted IRB approach as defined in Articles 143 and 144 of Regulation (EU) No 575/2013 or provided by an independent professional third party.***

Or. en

**Amendment 134**

**Alfred Sant, Mady Delvaux**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 1 – point d a (new)**

*Text proposed by the Commission*

*Amendment*

***(d a) for physical assets, international valuation standards or a public register to record ownership and claims are available.***

Or. en

**Amendment 135**

**Alfred Sant**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 1 a (new)**

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*Text proposed by the Commission*

*Amendment*

***Loans to public undertakings as defined in Article 2(b) of Commission Directive 2006/111/EC shall be considered eligible to serve as collateral in the cover pool if guaranteed by the national authority or Ministry responsible for public finance.***

Or. en

**Amendment 136**  
**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

***For the purposes of point (a), Member States shall lay down rules on valuation of assets.***

***deleted***

Or. en

**Amendment 137**  
**Markus Ferber**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

***For the purposes of point (a), Member States shall lay down rules on valuation of assets.***

***deleted***

Or. en

**Amendment 138**  
**Caroline Nagtegaal**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

***For the purposes of point (a), Member States shall lay down rules on valuation of assets.***

***deleted***

Or. en

**Amendment 139**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

For the purposes of point (a), Member States shall lay down rules on valuation of assets.

For the purposes of point (a), Member States shall lay down rules on valuation of assets. ***The rules shall ensure at least that the assets are valued by an independent evaluator who possesses the necessary qualifications, ability and experience to carry out the valuation.***

Or. en

**Amendment 140**

**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 3**

*Text proposed by the Commission*

*Amendment*

***For the purposes of point (b), Member States shall lay down rules ensuring the prompt filing and registration of mortgages, charges, liens or guarantee on assets in the cover pool.***

***deleted***

Or. en

**Amendment 141**

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Caroline Nagtegaal

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 3**

*Text proposed by the Commission*

*Amendment*

*For the purposes of point (b), Member States shall lay down rules ensuring the prompt filing and registration of mortgages, charges, liens or guarantee on assets in the cover pool.*

*deleted*

Or. en

**Amendment 142**  
**Markus Ferber**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 3**

*Text proposed by the Commission*

*Amendment*

*For the purposes of point (b), Member States shall lay down rules ensuring the prompt filing and registration of mortgages, charges, liens or guarantee on assets in the cover pool.*

*deleted*

Or. en

**Amendment 143**  
**Brian Hayes**

**Proposal for a directive**  
**Article 6 – paragraph 1 – subparagraph 3**

*Text proposed by the Commission*

*Amendment*

For the purposes of point (b), Member States shall lay down rules ensuring the **prompt** filing and registration of mortgages, charges, liens or guarantee on assets in the cover pool.

For the purposes of point (b), Member States shall lay down rules ensuring the **timely** filing and registration of mortgages, charges, liens or guarantee on assets in the cover pool.

Or. en

*Justification*

*The use of the word 'timely' is in line with the existing requirements in Article 208(2) of the CRR (Regulation (EU) No 575/2013) in relation to mortgage filing and registration.*

**Amendment 144**

**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 4**

*Text proposed by the Commission*

*Amendment*

*For the purposes of points (b) and (d), Member States shall ensure that credit institutions issuing covered bonds assess the enforceability of assets before including such assets in the cover pool.*

*deleted*

Or. en

**Amendment 145**

**Caroline Nagtegaal**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 4**

*Text proposed by the Commission*

*Amendment*

*For the purposes of points (b) and (d), Member States shall ensure that credit institutions issuing covered bonds assess the enforceability of assets before including such assets in the cover pool.*

*deleted*

Or. en

**Amendment 146**

**Alfred Sant, Mady Delvaux**

**Proposal for a directive**

**Article 6 – paragraph 1 – subparagraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

*For the purposes of point (da), Member States may decide for legal opinions to replace the registration in a public register, provided that the legal opinions ensure investor protection by confirming the enforceability of the claim. The credit institution issuing covered bonds shall provide, upon request of the competent authority, the most recent version of the independent, written and reasoned legal opinion or opinions that it used to replace the registration in a public register.*

Or. en

**Amendment 147**  
**Markus Ferber**

**Proposal for a directive**  
**Article 6 – paragraph 2**

*Text proposed by the Commission*

2. Member States shall **ensure investor protection by requiring** that credit institutions issuing covered bonds **have in place procedures to monitor that the assets used as collateral are adequately insured against the risk of damage.**

*Amendment*

2. Member States shall **lay down rules ensuring that the assets referred to in paragraph 1 meet all of the following legal requirements:**

- (a) The asset represents a claim for the payment of money, at each point in time at least determinable in amount, which is:**
  - (i) legally valid and enforceable,**
  - (ii) not subject to condition other than maturing at a future date,**
  - (iii) not subject to counter-claim other than right of set-off;**
- (b) the mortgage, charge, lien or other guarantee securing the claim ('collateral instrument')**
  - (i) is legally valid and enforceable;**
  - (ii) enables the credit institution issuing covered bonds to receive the payment of the claim without undue delay.**
- (c) the claim and the collateral instrument are**
  - (i) held by the credit institution issuing covered bonds in form of perfected legal title to ownership interest; Member States may in situations referred to in Article 9 paragraph 2 allow perfectible legal title**

*also, if the claim for perfection is held against a credit institution and in case of the transferor credit institution's insolvency will be segregated for the transferee credit institution's benefit; (ii) not subject to lien, charge or other encumbrance taking priority over that of covered bond creditors.*

*For the purposes of points (a) and (b), Member States shall require that credit institutions issuing covered bonds assess the enforceability of claims and collateral instruments before including them in the cover pool.*

Or. en

#### *Justification*

*This Amendment intends to establish clear criteria for the legal qualification of the claim, of any collateral instrument securing the claim, and of the covered bond issuer's disposition to claim and collateral instrument. These requirements also apply for items referred to as eligible in Article 129(1) CRR. This Amendment incorporates Article 6 paragraph 1 first subparagraph points (b) and (d) of the Commission's proposal.*

#### **Amendment 148**

**Jeppe Kofod, Bendt Bendtsen**

#### **Proposal for a directive**

#### **Article 6 – paragraph 2**

##### *Text proposed by the Commission*

2. Member States shall ensure *investor protection by requiring that credit institutions issuing covered bonds have in place procedures to monitor that the assets used as collateral are adequately insured against the risk of damage.*

##### *Amendment*

2. ***The Member States' rules on valuation of the collateral*** shall ensure that the collateral ***is valued by an independent valuer at the market value or at the mortgage lending value.***

Or. en

#### **Amendment 149**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### **Proposal for a directive**

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## Article 6 – paragraph 2

*Text proposed by the Commission*

2. Member States shall ensure investor protection by requiring that credit institutions issuing covered bonds have in place procedures to monitor that the assets used as collateral are adequately insured against the risk of damage.

*Amendment*

2. Member States shall ensure investor protection by requiring that credit institutions issuing covered bonds have in place procedures to monitor that the assets used as collateral are adequately insured against the risk of *loss or* damage.

Or. en

## Amendment 150

Markus Ferber

### Proposal for a directive

#### Article 6 – paragraph 3

*Text proposed by the Commission*

3. For the purposes of *paragraphs 1 and 2*, Member States shall *require credit institutions issuing covered bonds to document the assets used as collateral and their lending policies regarding their compliance with those paragraphs.*

*Amendment*

3. *Member States shall lay down rules ensuring that the assets referred to in paragraph 1 meet either of the following requirements:*

*(a) it is referred to as eligible in points (a) to (g) of Article 129(1) of the Regulation (EU) No 575/2013;*

*(b) it is secured by virtue of a collateral instrument on either of the following property rights:*

*(i) real estate property or rights equivalent to real estate property;*

*(ii) other durable physical property that is traded in developed, polypolistic markets, is subject to well-defined and generally accepted legal and valuation standards and for which a public register records ownership and encumbering security rights. Either the market value or the mortgage lending value of the property can be determined. The property shall be adequately insured against the risk of damage and the insurance claim shall be segregated in accordance with Article 12.*

*(c) the claim it represents is owed or guaranteed by a counterparty of statutory high quality, this statutory high quality being inferred from its tax-raising powers or from being subject to an on-going public supervision of the counterparty's operational soundness and financial solvability.*

For the purposes of *point (b)*, Member States shall *lay down rules on the valuation methodology and process requiring that for physical property a current valuation is needed upon inclusion in the cover pool, such valuation to be performed by an at least operationally independent valuer and arriving at or at less than its market value or mortgage lending value.*

Or. en

#### *Justification*

*This Amendment establishes clear but still adaptable alternative criteria for what constitutes “high quality” of assets complying with the legal qualification requirements of Article 6 paragraph 2. Public registration for other physical assets is especially important for identification purposes as well as in light of the legal institute of acquisition free of encumbrance on good faith, against which public registration with high barriers to introducing changes provide good protection.*

#### **Amendment 151** **Jeppe Kofod, Bendt Bendtsen**

#### **Proposal for a directive** **Article 6 – paragraph 3**

##### *Text proposed by the Commission*

3. *For the purposes of paragraphs 1 and 2*, Member States shall require credit institutions *issuing covered bonds to document the assets used as collateral and their lending policies regarding their compliance with those paragraphs.*

##### *Amendment*

3. Member States shall require *from* credit institutions *that the* collateral *is adequately insured against the risk of loss or damage and that the claim out of the insurance is part of the cover pool.*

Or. en

*Text proposed by the Commission*

*Amendment*

**Article 6 a**

***Cover assets for ordinary covered bonds***

***1. Member States may allow the issuance of covered bonds secured by high quality cover assets not referred to as eligible in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013. In this case, Member States shall require that cover assets provide the credit institution issuing covered bonds with claims for the payment of a clearly determined amount of money as set out in paragraph 2 and secured by collateral assets as set out in paragraph 3. Member States shall also require that the choice of cover assets mitigates cover pool risk as set out in paragraph 4.***

***2. Member States shall lay down rules ensuring that the claim for payment referred to in paragraph 1 meets the following legal requirements:***

***(a) Each claim is collateralised by assets for which a public register records ownership and collateral rights or is a loan to a public undertaking as defined in Article 2(b) of Commission Directive 2006/111/EC.***

***(b) Each collateralised claim is secured by a legally established mortgage, charge, lien or other guarantee and each of these is enforceable.***

***(c) the mortgage, charge, lien or guarantee referred to in (b) enable the credit institution issuing covered bonds to receive the payment of the claim in due time and at reasonable cost.***

***For the purposes of points (a) and (b), Member States shall lay down rules ensuring the prompt filing or registration of mortgages, charges, liens***

*or guarantees on the claims in the cover pool.*

*For the purposes of points (b) and (c), Member States shall ensure that credit institutions issuing covered bonds assess both the enforceability of claims and the expected length of legal proceedings before including such claims in the cover pool.*

*3. Member States shall lay down rules ensuring that the collateral assets referred to in paragraph 1 meet either of the following requirements:*

*(a) for physical assets either the market or the mortgage lending value can be determined or, if this is not possible, the asset is valued by rules laid down by the Member State;*

*(b) for assets in the form of exposures to a counterparty, the counterparty's safety and soundness is inferred from its tax-raising powers or from being subject to either public supervision or an on-going credit assessment by an independent professional third party. For the purposes of this point, the rating by a nominated ECAI shall be regarded as an independent third party's credit assessment.*

*For the purposes of the asset valuation rules referred to in point (a), Member States shall require that the collateral physical asset is valued by an independent valuer. Moreover, they shall lay down a valuation methodology and process designed to yield values which are equal to or less than the unknown market or mortgage lending value of an asset at the moment of inclusion in the cover pool.*

*4. Member States shall ensure the risk mitigation referred to in paragraph 1 by imposing the following requirements:*

*(a) all collateral for cover pool assets shall be adequately insured against the risk of loss or damage and the claim out of the insurance shall be part of the substitution*

*assets of the cover pool;*

*(b) physical assets referred to in paragraph 3 (a) serve as collateral for cover pool claims with at most 60% of their value determined according to the applicable rules referred to in paragraph 3;*

*(c) assets in the form of exposures to a counterparty referred to in paragraph 3 (b) shall be cover pool eligible at a discount rate applicable to their nominal amount and not exceeding - 90% of the exposure in case the counterparty has tax raising powers, - 80% of the exposure in case the counterparty is under public supervision, - 60% of the exposure in case the counterparty is subject to an ongoing credit assessment by an independent professional third party.*

*Member States shall ensure that credit assessments of independent professional third parties clearly identify a threshold for credit qualities which the professional third party considers to be of investment grade. Exposures to counterparties shall not be eligible as cover pool assets if a credit assessment of an independent professional third party falls below its own threshold for investment grade quality.*

*(d) The cover pool assets shall be sufficiently granular to enable risk diversification. For the purposes of this point, sufficient granularity shall mean that the cover pool contains at least 500 exposures, loans or other types of claims all of which shall have some degree of idiosyncratic risk.*

*(e) The cover pool shall be free of material concentration. For the purposes of this point, material concentration shall mean that aggregate exposure to a single obligor exceeds 2% of the nominal cover pool value.*

Or. en

*Text proposed by the Commission*

*Amendment*

**Article 6 a**

***Cover assets for ordinary covered bonds***

***1. Member States may allow the issuance of covered bonds secured by high quality cover assets not referred to as eligible in points (a) to (g) of Article 129(1) of Regulation (EU) No 575/2013. In this case, Member States shall require that cover assets provide the credit institution issuing covered bonds with claims for the payment of a determined amount of money as set out in paragraph 2 and secured by collateral assets as set out in paragraph 3. Member States shall also require that the choice of cover assets mitigates cover pool risk as set out in paragraph 4. Cover assets shall also include exposures caused by transmission and management of payments of the obligors of, or liquidation proceeds in respect of, the claims for payment referred to in paragraph 2, and exposures caused by the use of derivatives in accordance with Article 11.***

***2. Member States shall lay down rules ensuring that the claim for payment referred to in paragraph 1 meets the following legal requirements:***

***(a) Each claim is collateralised by assets for which a public register records ownership and collateral rights or is a loan to a public undertaking as defined in Article 2(b) of Commission Directive 2006/111/EC.***

***(b) Each claim, which is not a loan to a public undertaking as defined in Article 2 (b) of Commission Directive 2006/111/EC, is secured by a legally established mortgage, charge, lien or other guarantee and each of these is enforceable.***

*(c) the mortgage, charge, lien or guarantee securing the claim enable the credit institution issuing covered bonds to receive the payment of the claim in due time and at reasonable cost.*

*3. Member States shall lay down rules ensuring that the collateral assets referred to in paragraph 1 meet either of the following requirements:*

*(a) for physical assets either the market or the mortgage lending value can be determined or, if this is not possible, the asset is valued by rules laid down by the Member State;*

*(b) for assets in the form of exposures to public undertakings, their safety and soundness is inferred from their tax-raising powers or from being subject to either public supervision or a rating by a nominated ECAI. For the purposes of the asset valuation rules referred to in point (a), Member States shall require that the collateral physical asset is valued by an independent valuer. Moreover, they shall lay down a valuation methodology and process designed to yield values which are equal to or less than the unknown market or mortgage lending value of an asset at the moment of inclusion in the cover pool.*

*4. Member States shall ensure the risk mitigation referred to in paragraph 1 by imposing the following requirements:*

*(a) all collateral for cover pool assets shall be adequately insured against the risk of loss or damage and the claim out of the insurance shall be part of the cover pool.*

*(b) Member States may for physical assets referred to in paragraph 3 (a) set a value limit for serving as collateral for cover pool claims at the initial time of funding the loans with ordinary covered bonds.*

*(c) exposures to public undertakings with no tax-raising powers and without being subject to public supervision shall not be eligible as cover pool assets if a credit assessment of an ECAI falls below its own threshold for investment grade quality.*

*Justification*

*The eligible assets in non-CRR compliant covered bonds – ordinary covered bond - are defined in this new article 6a. The collateral assets of an ordinary covered bond are either a physical asset or a loan to a public undertaking.*

*This narrow definition would underpin the very high quality of covered bonds compared to other types of funding and avoid any dilution of covered bonds by including too broad asset classes.*

**Amendment 154**

**Luigi Morgano, Andrea Cozzolino**

**Proposal for a directive**

**Article 6 a (new)**

Directive 2009/65/EC

Article 6a (new)

*Text proposed by the Commission*

*Amendment*

**Article 6 a**

**European Secured Notes**

***1. Member States may allow the issuance of debt instruments secured by assets bearing value for growth and innovation, in full compliance with the requirements laid down in this Directive, such as exposures to SMEs. Such debt instruments shall be labelled "European Secured Notes" (ESNs).***

***2. The EBA shall lay down minimum requirements for SMEs' exposures' eligibility as a cover asset.***

Or. en

**Amendment 155**

**Marco Valli**

**Proposal for a directive**

**Article 6 a (new)**

*Text proposed by the Commission*

*Amendment*

*Article 6 a*

*European Security Notes*

*Member States may allow credit institutions to issue debt securities covered by SMEs exposures, which meet the requirements laid down in this Directive. These new instruments are labelled "European Secured Notes" (ESNs). EBA shall develop draft regulatory technical standards to specify the minimum requirements that SMEs exposures have to fulfill.*

Or. en

*Justification*

*To be read together with amendments 22-32 of the Rapporteur*

**Amendment 156**  
**Fulvio Martusciello**

**Proposal for a directive**  
**Article 6 a (new)**

*Text proposed by the Commission*

*Amendment*

*Article 6 a*

*Member States may also allow credit institutions issuing debt instruments which meet the requirements laid down in this Directive, covered by SMEs exposures. These new instruments are labelled "European Secured Notes" (ESNs). EBA lays down the minimum requirements that SMEs exposures have to meet. The Regulation (EU) No 575/2013 allows for a preferential treatment of ESNs.*

Or. en

**Amendment 157**  
**Marisa Matias**

**Proposal for a directive**  
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## Article 7 – paragraph 1

*Text proposed by the Commission*

*Amendment*

**1. Subject to the provision in paragraph 2, Member States may allow credit institutions issuing covered bonds to include assets located outside of the Union in the cover pool.**

*deleted*

Or. en

## Amendment 158

**Marisa Matias**

### Proposal for a directive Article 7 – paragraph 2

*Text proposed by the Commission*

*Amendment*

**2. Where Member States allow for the inclusion referred to in paragraph 1, they shall ensure investor protection by verifying whether the assets located outside of the Union meet all the requirements set out in Article 6 and that the realisation of such assets is legally enforceable in a way similar to assets located within the Union.**

*deleted*

Or. en

## Amendment 159

**Philippe Lamberts**

on behalf of the Verts/ALE Group

### Proposal for a directive Article 7 – paragraph 2

*Text proposed by the Commission*

*Amendment*

2. Where Member States allow for the inclusion referred to in paragraph 1, they shall ensure investor protection by verifying whether the assets located outside of the Union meet all the requirements set out in Article 6 and that the realisation of

2. Where Member States allow for the inclusion referred to in paragraph 1, they shall ensure investor protection by verifying whether the assets located outside of the Union meet all the requirements set out in Article 6 and that the realisation of

such assets is legally enforceable in a way similar to assets located within the Union.

such assets is legally enforceable in a way similar to assets located within the Union.  
***Member States shall ensure that such assets located outside of the Union do not exceed 20% of the total cover pool at issuance of the covered bond until maturity.***

Or. en

**Amendment 160**  
**Markus Ferber**

**Proposal for a directive**  
**Article 7 – paragraph 2**

*Text proposed by the Commission*

2. Where Member States allow for the inclusion referred to in paragraph 1, they shall ensure investor protection by verifying whether the assets located outside of the Union meet all the requirements set out in Article 6 and that the realisation of such assets is legally enforceable in a way similar to assets located within the Union.

*Amendment*

2. Where Member States allow for the inclusion referred to in paragraph 1, they shall ensure investor protection by verifying whether the assets located outside of the Union meet all the requirements set out in Article 6 and that the realisation of such assets is legally enforceable in a way similar to assets located within the Union.  
***Member States shall ensure that the collateral offers a comparable level of security to collateral held in the Union.***

Or. en

*Justification*

*The legal enforceability of collateral located outside the Union is related to the security of the collateral in question. Hence, the security of the collateral must be comparable to collateral held in the Union.*

**Amendment 161**  
**Othmar Karas**

**Proposal for a directive**  
**Article 8 – paragraph 1 – introductory part**

*Text proposed by the Commission*

Member States may lay down rules

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*Amendment*

Member States may lay down rules

PE627.923v01-00

43/95

**EN**

regarding the use, by way of an intragroup transaction, of covered bonds issued by a credit institution belonging to a group ('internally issued covered bonds') as collateral for the external issue of covered bonds by another credit institution 'belonging to the same group ('externally issued covered bonds'). Member States shall ensure investor protection by including at least the following requirements in those rules:

regarding the use, by way of an intragroup transaction, of covered bonds issued by a credit institution belonging to a group ('internally issued covered bonds') as collateral for the external issue of covered bonds by another credit institution belonging to the same group *or the same institutional protection scheme according to Article 113(7) of Regulation (EU) 575/2013* ('externally issued covered bonds'). Member States shall ensure investor protection by including at least the following requirements in those rules:

Or. en

### *Justification*

*To ensure more intragroup flexibility this amendment extends Article 8 on intragroup pool covered bond structures to credit institutions belonging to the same institutional protection scheme.*

## **Amendment 162** **Jeppe Kofod, Bendt Bendtsen**

### **Proposal for a directive** **Article 8 – paragraph 1 – introductory part**

#### *Text proposed by the Commission*

Member States may lay down rules regarding the use, by way of an intragroup transaction, of covered bonds issued by a credit institution belonging to a group ('internally issued covered bonds') as **collateral** for the external issue of covered bonds by another credit institution 'belonging to the same group ('externally issued covered bonds'). Member States shall ensure investor protection by including at least the following requirements in those rules:

#### *Amendment*

Member States may lay down rules regarding the use, by way of an intragroup transaction, of covered bonds issued by a credit institution belonging to a group ('internally issued covered bonds') as **cover assets** for the external issue of covered bonds by another credit institution 'belonging to the same group ('externally issued covered bonds'). Member States shall ensure investor protection by including at least the following requirements in those rules:

Or. en

## **Amendment 163** **Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**  
**Article 8 – paragraph 1 – point a**

*Text proposed by the Commission*

(a) the internally issued covered bonds, ***which are used as collateral for the externally issued covered bonds, are recorded on the balance sheet of*** the credit institution ***which issues*** the externally issued covered bonds;

*Amendment*

(a) the internally issued covered bonds ***sold to*** the credit institution ***issuing*** the externally issued covered bonds;

Or. en

**Amendment 164**  
**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**  
**Article 8 – paragraph 1 – point b**

*Text proposed by the Commission*

(b) the credit institution issuing the externally issued covered ***bond has a claim on the credit institution issuing the internally issued covered bonds, which is secured by the internally issued covered*** bonds;

*Amendment*

(b) ***the internally issued covered bonds are used as cover assets in the cover pool for the externally issued covered bonds and recorded on the balance sheet of*** the credit institution issuing the externally issued covered bonds;

Or. en

**Amendment 165**  
**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**  
**Article 8 – paragraph 1 – point c**

*Text proposed by the Commission*

(c) the externally issued covered bonds are sold to covered bond investors outside the group;

*Amendment*

(c) the externally issued covered bonds ***are intended to be*** sold to covered bond investors outside the group;

Or. en

**Amendment 166**  
**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**  
**Article 8 – paragraph 1 – point d**

*Text proposed by the Commission*

(d) ***both*** the internally ***and the*** externally issued covered bonds ***qualify for credit quality step 1 as referred to in Part Three, Title II, Chapter 2 of Regulation (EU) No 575/2013 and*** are collateralised by ***residential or commercial property mortgages***.

*Amendment*

(d) the internally issued covered bonds are collateralised by ***eligible cover assets as referred to in Article 6;***

Or. en

**Amendment 167**  
**Markus Ferber**

**Proposal for a directive**  
**Article 9 – paragraph 1**

*Text proposed by the Commission*

1. Subject to the provisions in paragraph 2, Member States ***shall*** allow the use of ***loans collateralised by residential or commercial property mortgages, charges, liens or other comparable security rights granted by a credit institution as*** assets in the cover pool for the issue of covered bonds ***by another credit institution***.

*Amendment*

1. Subject to the provisions in paragraph 2, Member States ***may*** allow the use of ***eligible cover assets as referred to in Article 6 sold or transferred to the credit institution issuing covered bonds as cover*** assets in the cover pool for the issue of covered bonds.

Or. en

*Justification*

*The mandatory nature of the rule in respect of also the situation referred to in Article 9 paragraph 2 would require Member States to allow equally for utilisation of eligible cover assets sold or transferred to the covered bond issuer. Member States should not be forced to introduce into their covered bond law transactions they, due to a specific legal setting, deem unsound; consequently, the mandatory element of paragraph 1 is to be removed in favour of such a Member States' option.*

## Amendment 168

Anne Sander

### Proposal for a directive

#### Article 9 – paragraph 2

##### *Text proposed by the Commission*

2. Member States shall ensure investor protection by laying down rules regulating the transfer of loans and mortgages, charges, liens or other comparable security rights from the credit institution which issued them to the credit institution issuing covered bonds. Those rules shall ensure that all requirements laid down in Articles 6 and 12 are met.

##### *Amendment*

2. Member States shall ensure investor protection by laying down rules regulating the ***sale or transfer by way of financial collateral arrangement pursuant to Directive 2002/47/EC*** of loans and mortgages, charges, liens or other comparable security rights from the credit institution which issued them to the credit institution issuing covered bonds. Those rules shall ensure that all requirements laid down in Articles 6 and 12 are met.

Or. en

##### *Justification*

*Specificities of French model need to be taken on board, notably where the cover assets usually stays on the balance sheet of the originator.*

## Amendment 169

Markus Ferber

### Proposal for a directive

#### Article 9 – paragraph 2

##### *Text proposed by the Commission*

2. Member States shall ensure investor protection by laying down rules regulating the transfer ***of loans and mortgages, charges, liens or other comparable security rights from the credit institution which issued them*** to the credit institution issuing covered bonds. Those rules shall ensure that all requirements laid down in Articles 6 and 12 are met.

##### *Amendment*

2. Member States shall ensure investor protection by laying down rules regulating the ***sale or transfer by way of financial collateral arrangement pursuant to Directive 2002/47/EC of eligible cover assets as referred to in Article 6*** to the credit institution issuing covered bonds. Those rules shall ensure that all requirements laid down in Articles 6 and 12 are met.

Or. en

**Amendment 170**

**Markus Ferber**

**Proposal for a directive**

**Article 10**

*Text proposed by the Commission*

*Amendment*

**Article 10**

**deleted**

***Composition of the cover pool***

***Member States shall ensure investor protection by providing for a sufficient level of homogeneity of the assets in the cover pool so that they shall be of a similar nature in terms of structural features, lifetime of assets or risk profile.***

Or. en

*Justification*

*This provision violates the idea of the unitary coverage principle .*

**Amendment 171**

**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**

**Article 10**

*Text proposed by the Commission*

*Amendment*

**Article 10**

**deleted**

***Composition of the cover pool***

***Member States shall ensure investor protection by providing for a sufficient level of homogeneity of the assets in the cover pool so that they shall be of a similar nature in terms of structural features, lifetime of assets or risk profile.***

Or. en

*Justification*

*For investors, there is extensive disclosure on the composition of the cover pool. This is market practice. We see no need to supplement requirements on eligible assets by any requirements on the composition of the cover pool in the directive and suggest the deletion of*

*Article 10. Such requirements might have undesirable negative effects on investors in terms of issue sizes and risk diversification.*

**Amendment 172**  
**Dariusz Rosati**

**Proposal for a directive**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

Member States shall ***ensure investor protection by*** providing for a sufficient level of homogeneity of the assets in the cover pool so that they shall be of a similar nature in terms of ***structural features, lifetime of assets or risk profile.***

*Amendment*

Member States shall ***lay down rules*** providing for a sufficient level of homogeneity of the assets in the cover pool so that they shall be of a similar nature in terms of ***the type of collateral backing the claims in the cover pool.***

***With respect to the assets referred to in Article 6, a cover pool shall be considered sufficiently homogenous if its primary assets belong to one of the following three groups:***

***– assets compliant with points (a) to (c) of Article 129(1) of Regulation (EU) No 575/2013;***

***– assets compliant with points (d) to (f) of Article 129(1) of Regulation (EU) No 575/2013;***

***– assets compliant with point (g) of Article 129(1) of Regulation (EU) No 575/2013.***

***Nevertheless, Member States shall allow multiple separate homogeneous cover pools in respect of an asset class.***

Or. en

**Amendment 173**  
**Othmar Karas**

**Proposal for a directive**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

Member States shall ensure investor protection by providing for a sufficient level of homogeneity of the assets in the

*Amendment*

Member States shall ensure investor protection by ***laying down rules*** providing for a sufficient level of homogeneity of the

cover pool so that they shall be of a similar nature in terms of **structural features, lifetime of assets or risk profile.**

assets in the cover pool so that they shall be of a similar nature in terms of **the type of collateral backing the claims in the cover pool. With respect to the assets referred to in Article 6, a cover pool shall be considered sufficiently homogenous only if all of its primary assets belong to one of the following three groups:**

- **assets compliant with points (a) to (c) of Article 129(1) of Regulation (EU) No 575/2013;**
- **assets compliant with points (d) to (f) of Article 129(1) of Regulation (EU) No 575/2013;**
- **assets compliant with point (g) of Article 129(1) of Regulation (EU) No 575/2013.**

Or. en

#### *Justification*

*This amendment revises the definition of homogeneity in the Commission's proposal by providing examples of the admissible degree of heterogeneity for three CRR-eligible asset groups to ensure a balanced approach in respect of risk diversification and liquidity management.*

#### **Amendment 174 Gunnar Hökmark**

#### **Proposal for a directive Article 10 – paragraph 1**

##### *Text proposed by the Commission*

Member States shall **ensure investor protection by** providing for a sufficient level of homogeneity of the assets in the cover pool so that they shall be of a similar nature in terms of **structural features, lifetime of assets or risk profile.**

##### *Amendment*

Member States shall **lay down rules** providing for a sufficient level of homogeneity of the assets in the cover pool so that they shall be of a similar nature in terms of **the type of collateral backing the claims in the cover pool. With respect to the assets referred to in Article 6, a cover pool shall be considered sufficiently homogenous if and only if all of its primary assets belong to one of the following three groups:**

- **assets compliant with points (a) to (c) of Article 129(1) of Regulation (EU) No 575/2013;**
- **assets compliant with points (d) to (f) of**

*Article 129(1) of Regulation (EU) No 575/2013;  
–assets compliant with point (g) of Article 129(1) of Regulation (EU) No 575/2013.*

Or. en

**Amendment 175**  
**Pervenche Berès**

**Proposal for a directive**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

Member States shall ensure investor protection by *providing for a sufficient level of homogeneity of the assets in the cover pool so that they shall be of a similar nature* in terms of structural features, lifetime of assets or risk profile.

*Amendment*

Member States shall ensure investor protection by *laying down rules on the composition of cover pools. These rules shall, where appropriate, define the conditions for credit institutions issuing covered bonds to include primary cover assets that have different features* in terms of structural features, lifetime of assets or risk profile. *Member States may also, where relevant, lay down rules on the level of homogeneity required from assets in the cover pool.*

Or. en

**Amendment 176**  
**Anne Sander**

**Proposal for a directive**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

Member States shall ensure investor protection by *providing for a sufficient level of homogeneity of the assets in the cover pool so that they shall be of a similar nature* in terms of structural features, lifetime of assets or risk profile.

*Amendment*

Member States shall ensure investor protection by *laying down rules on the composition of cover pools. The rules shall describe, where relevant, the conditions for credit institutions issuing covered bonds to include primary cover assets that have different characteristics* in terms of structural features, lifetime of assets or risk profile. *Member States may*

***lay down rules on the level of homogeneity required from assets in the cover pool.***

Or. en

*Justification*

*Mixed pools, which are an essential feature of many MS covered bond regime, must be authorized. As previously drafted, article 10. raised concerns on the ability of credit institutions issuing covered bonds to use different type of assets pursuant to article 129 of CRR in their respective cover pools.*

**Amendment 177**  
**Brian Hayes**

**Proposal for a directive**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

Member States shall ensure investor protection by providing for a sufficient level of homogeneity of the assets in the cover pool so that they shall be of a similar nature in terms of structural features, lifetime of assets or risk profile.

*Amendment*

Member States shall ensure investor protection by providing for a sufficient level of homogeneity of the assets in the cover pool so that they shall be of a similar nature in terms of structural features, lifetime of assets or risk profile. ***This Article shall not apply to public credit assets, derivative contracts or substitution assets comprised in the cover pool.***

Or. en

**Amendment 178**  
**Alfred Sant**

**Proposal for a directive**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

Member States shall ensure investor protection by ***providing*** for a sufficient level of homogeneity of the assets in the cover pool ***so that they shall be of a similar nature in terms of structural features, lifetime of assets or risk profile.***

*Amendment*

Member States shall ensure investor protection by ***laying down rules on the composition of cover pool, which would provide*** for a sufficient level of homogeneity of the assets in the cover pool.

**Amendment 179**  
**Fulvio Martusciello**

**Proposal for a directive**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

Member States shall ensure investor protection *by providing for a sufficient level of homogeneity* of the *assets* in the cover pool *so that they shall be of a similar nature in terms of structural features, lifetime of assets or risk profile.*

*Amendment*

Member States shall ensure *that derivative contracts entered in the context of a covered bond programme guarantee investor protection and meet all of the requirements below. Member States may allow derivative contracts to be included* in the cover pool.

Or. en

**Amendment 180**  
**Barbara Kappel**

**Proposal for a directive**  
**Article 11 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. Member States shall ensure *investor protection by allowing* derivative contracts *to* be included in the cover pool *only where* at least the following requirements are met:

*Amendment*

1. Member States shall ensure *that* derivative contracts *can* be included in the cover pool. *They shall also ensure that, when derivatives are part of the cover pool,* at least the following requirements are met:

Or. en

*Justification*

*The amendment clarifies that derivatives can and not must be included in the cover pool according to the legal framework of each jurisdiction. If the jurisdiction admits the inclusion of derivatives they have to meet Directive's requirements provided in article 11.*

**Amendment 181**  
**Marisa Matias**

**Proposal for a directive**  
**Article 11 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. Member States shall ensure ***investor protection by allowing*** derivative contracts ***to be*** included in the cover pool ***only where at least the following requirements are met:***

*Amendment*

1. Member States shall ensure ***that*** derivative contracts ***are not*** included in the cover pool

Or. en

**Amendment 182**  
**Marisa Matias**

**Proposal for a directive**  
**Article 11 – paragraph 1 – point a**

*Text proposed by the Commission*

(a) ***the derivative contracts are included in the cover pool exclusively for risk hedging purposes;***

*Amendment*

***deleted***

Or. en

**Amendment 183**  
**Brian Hayes**

**Proposal for a directive**  
**Article 11 – paragraph 1 – point a**

*Text proposed by the Commission*

(a) the derivative contracts are included in the cover pool exclusively for risk hedging purposes;

*Amendment*

(a) the derivative contracts are included in the cover pool exclusively for risk hedging purposes ***the valuation of which is calculated on a net cash flow basis;***

Or. en

*Justification*

*Confirmation is required that, as derivatives can only be used for hedging, the valuation of derivatives should be on a net cash flow basis and not on a market to market or other basis.*

*This would conform with the “nominal principle” that sets out that the total nominal amount of all assets in the cover pool shall be at least of the same value as the total nominal amount of outstanding covered bonds.*

**Amendment 184**  
**Fulvio Martusciello**

**Proposal for a directive**  
**Article 11 – paragraph 1 – point a**

*Text proposed by the Commission*

(a) the derivative contracts are ***included in the cover pool*** exclusively for risk hedging purposes;

*Amendment*

(a) the derivative contracts are ***entered into*** exclusively for risk hedging purposes;

Or. en

**Amendment 185**  
**Marisa Matias**

**Proposal for a directive**  
**Article 11 – paragraph 1 – point b**

*Text proposed by the Commission*

(b) ***the derivative contracts are sufficiently documented;***

*Amendment*

***deleted***

Or. en

**Amendment 186**  
**Olle Ludvigsson**

**Proposal for a directive**  
**Article 11 – paragraph 1 – point c**

*Text proposed by the Commission*

(c) ***the derivative contracts are segregated in accordance with Article 12;***

*Amendment*

***deleted***

Or. en

### *Justification*

*According to the text, derivatives would be seen as assets in the cover pool. In some Member States, derivative contracts may neither be included as assets nor liabilities in the cover pool due to applied accounting principles. If the objective is to keep the requirement on segregation, this can still be found in Article 12 of this Directive.*

#### **Amendment 187**

**Marisa Matias**

#### **Proposal for a directive**

#### **Article 11 – paragraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

**(c) *the derivative contracts are segregated in accordance with Article 12;*** ***deleted***

Or. en

#### **Amendment 188**

**Fulvio Martusciello**

#### **Proposal for a directive**

#### **Article 11 – paragraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

**(c) the derivative contracts are segregated in accordance with Article 12;** **(c) the derivative contracts *obligations and cash flows deriving therefrom* are segregated in accordance with Article 12;**

Or. en

#### **Amendment 189**

**Fulvio Martusciello**

#### **Proposal for a directive**

#### **Article 11 – paragraph 1 – point d**

*Text proposed by the Commission*

*Amendment*

**(d) *the derivative contracts cannot be terminated upon the insolvency or resolution of the credit institution issuing*** ***deleted***

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56/95

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*covered bonds;*

Or. en

**Amendment 190**  
**Marisa Matias**

**Proposal for a directive**  
**Article 11 – paragraph 1 – point d**

*Text proposed by the Commission*

*Amendment*

**(d) *the derivative contracts cannot be terminated upon the insolvency or resolution of the credit institution issuing covered bonds;*** ***deleted***

Or. en

**Amendment 191**  
**Marisa Matias**

**Proposal for a directive**  
**Article 11 – paragraph 1 – point e**

*Text proposed by the Commission*

*Amendment*

**(e) *the derivative contracts comply with the rules laid down in accordance with paragraph 2.*** ***deleted***

Or. en

**Amendment 192**  
**Marisa Matias**

**Proposal for a directive**  
**Article 11 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. *For the purposes of ensuring compliance with the requirements listed in paragraph 1, Member States shall lay down rules for cover pool derivative*** ***deleted***

*contracts including at least:*

*(a) the eligibility criteria for the hedging counterparties;*

*(b) the limits on the amount of derivative contracts in the cover pool;*

*(c) the necessary documentation to be provided in relation to derivative contracts.*

Or. en

**Amendment 193**  
**Olle Ludvigsson**

**Proposal for a directive**  
**Article 11 – paragraph 2 – introductory part**

*Text proposed by the Commission*

*Amendment*

2. For the purposes of ensuring compliance with the requirements listed in paragraph 1, Member States shall lay down rules for cover pool derivative contracts *including at least:*

2. For the purposes of ensuring compliance with the requirements listed in paragraph 1, Member States shall lay down rules for cover pool derivative contracts:

Or. en

**Amendment 194**  
**Olle Ludvigsson**

**Proposal for a directive**  
**Article 11 – paragraph 2 – point a**

*Text proposed by the Commission*

*Amendment*

*(a) the eligibility criteria for the hedging counterparties;*

*deleted*

Or. en

*Justification*

*According to the text, derivatives would be seen as assets in the cover pool. In some Member States, derivative contracts may neither be included as assets nor liabilities in the cover pool due to applied accounting principles. If the objective is to keep the requirement on segregation, this can still be found in Article 12 of this Directive.*

**Amendment 195**  
**Marisa Matias**

**Proposal for a directive**  
**Article 11 – paragraph 2 – point a**

*Text proposed by the Commission*

*Amendment*

**(a) the eligibility criteria for the hedging counterparties;** **deleted**

Or. en

**Amendment 196**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 11 – paragraph 2 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) the limits on the amount of derivative contracts in the cover pool;** **deleted**

Or. en

**Amendment 197**  
**Anne Sander**

**Proposal for a directive**  
**Article 11 – paragraph 2 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) the limits on the amount of derivative contracts in the cover pool;** **deleted**

Or. en

*Justification*

*This article should not disrupt the hedging practices of institutions.*

**Amendment 198**  
**Dariusz Rosati**

**Proposal for a directive**  
**Article 11 – paragraph 2 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) the limits on the amount of derivative contracts in the cover pool;** **deleted**

Or. en

**Amendment 199**  
**Marisa Matias**

**Proposal for a directive**  
**Article 11 – paragraph 2 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) the limits on the amount of derivative contracts in the cover pool;** **deleted**

Or. en

**Amendment 200**  
**Brian Hayes**

**Proposal for a directive**  
**Article 11 – paragraph 2 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) the limits on the amount of derivative contracts in the cover pool;** **deleted**

Or. en

**Amendment 201**  
**Olle Ludvigsson**

**Proposal for a directive**  
**Article 11 – paragraph 2 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) *the limits on the amount of derivative contracts in the cover pool;*** ***deleted***

Or. en

*Justification*

*In small currency areas, credit institutions are offering credits with floating interest rate, and there is a need for issuers to be able to use derivatives to manage interest and currency risks. Therefore, there is no obvious reason for limiting the amount of derivative contracts as suggested in article 11(2)(b).*

**Amendment 202**  
**Caroline Nagtegaal**

**Proposal for a directive**  
**Article 11 – paragraph 2 – point b**

*Text proposed by the Commission*

*Amendment*

**(b) *the limits on the amount of derivative contracts in the cover pool;*** ***deleted***

Or. en

**Amendment 203**  
**Marisa Matias**

**Proposal for a directive**  
**Article 11 – paragraph 2 – point c**

*Text proposed by the Commission*

*Amendment*

**(c) *the necessary documentation to be provided in relation to derivative contracts.*** ***deleted***

Or. en

**Amendment 204**  
**Olle Ludvigsson**

**Proposal for a directive**

## Article 11 – paragraph 2 – point c

*Text proposed by the Commission*

(c) the necessary documentation to be provided in relation to derivative contracts.

*Amendment*

(c) **regarding** the necessary documentation to be provided in relation to derivative contracts.

Or. en

### Amendment 205

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### Proposal for a directive

#### Article 11 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

**2 a. EBA shall develop draft regulatory technical standards to specify the limits on the amount of derivative contracts in the cover pool.**

**EBA shall submit those draft regulatory technical standards to the Commission by 31 December 2020.**

**Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.**

Or. en

### Amendment 206

**Anne Sander**

#### Proposal for a directive

#### Article 11 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

**2 a. Member States shall lay down rules ensuring that, when derivative contracts are concluded to hedge risks linked to covered bonds issuance or**

*assets in the cover pool, they benefit from the provisions mentioned in Chapter 1 on dual recourse and bankruptcy remoteness.*

Or. en

*Justification*

*Issuers will be only able to negotiate the clause required in this article 11(1)(d), (i.e. insolvency is not a termination event), at an acceptable price, if the derivatives counterparties have the same level of protection as the bond holders.*

**Amendment 207**

**Alfred Sant**

**Proposal for a directive**

**Article 12 – paragraph 1 – subparagraph 1 – point b**

*Text proposed by the Commission*

(b) all assets in the cover pool are subject to legally binding and enforceable **separation** by the credit institution issuing covered bonds;

*Amendment*

(b) all assets in the cover pool are subject to legally binding and enforceable **segregation** by the credit institution issuing covered bonds;

Or. en

**Amendment 208**

**Jonás Fernández**

**Proposal for a directive**

**Article 12 – paragraph 1 – subparagraph 1 – point c**

*Text proposed by the Commission*

(c) all assets in the cover pool are protected from any third party claims and do not form part of the insolvency estate of the credit institution issuing covered bonds.

*Amendment*

(c) all assets in the cover pool are protected from any third party claims and do not form part of the insolvency estate of the credit institution issuing covered bonds **until the priority claim according to point b of Article 4(1) is satisfied.**

Or. en

**Amendment 209**

**Brian Hayes**

**Proposal for a directive  
Article 12 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

*For the purposes of the first subparagraph, the assets in the cover pool shall include any collateral received in connection with derivative contract positions.*

*deleted*

Or. en

**Amendment 210  
Jonás Fernández**

**Proposal for a directive  
Article 12 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

For the purposes of the first subparagraph, the assets in the cover pool shall include any collateral received in connection with derivative contract positions.

For the purposes of the first subparagraph, the assets in the cover pool shall include any collateral received in connection with derivative contract positions, ***but excluding other current or future additional guarantees existing according to national regulation that are not considered as overcollateralization as defined in point 12 of Article 3.***

Or. en

**Amendment 211  
Olle Ludvigsson**

**Proposal for a directive  
Article 13 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

1. Member States ***may*** require that credit institutions issuing covered bonds appoint a cover pool monitor to perform ongoing monitoring of the cover pool with

1. Member States ***shall*** require that credit institutions issuing covered bonds appoint a cover pool monitor to perform ongoing monitoring of the cover pool with

regard to the requirements set out in Articles 6 to 12 and Articles 14 to 17.

regard to the requirements set out in Articles 6 to 12 and Articles 14 to 17.

Or. en

**Amendment 212**  
**Caroline Nagtegaal**

**Proposal for a directive**  
**Article 13 – paragraph 1**

*Text proposed by the Commission*

1. Member States *may* require that credit institutions issuing covered bonds appoint a cover pool monitor to perform ongoing monitoring of the cover pool with regard to the requirements set out in Articles 6 to 12 and Articles 14 to 17.

*Amendment*

1. Member States *shall* require that credit institutions issuing covered bonds appoint a cover pool monitor to perform ongoing monitoring of the cover pool with regard to the requirements set out in Articles 6 to 12 and Articles 14 to 17.

Or. en

**Amendment 213**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 13 – paragraph 1**

*Text proposed by the Commission*

1. Member States *may* require that credit institutions issuing covered bonds appoint a cover pool monitor to perform ongoing monitoring of the cover pool with regard to the requirements set out in Articles 6 to 12 and Articles 14 to 17.

*Amendment*

1. Member States *shall* require that credit institutions issuing covered bonds appoint a cover pool monitor to perform ongoing monitoring of the cover pool with regard to the requirements set out in Articles 6 to 12 and Articles 14 to 17.

Or. en

**Amendment 214**  
**Anne Sander**

**Proposal for a directive**  
**Article 13 – paragraph 1**

*Text proposed by the Commission*

1. Member States may require that credit *institutions* issuing covered bonds **appoint** a cover pool monitor to perform ongoing monitoring of the cover pool with regard to the requirements set out in Articles 6 to 12 and Articles 14 to 17.

*Amendment*

1. Member States may require that **a** credit *institution* issuing covered bonds **appoints** a cover pool monitor to perform ongoing monitoring of the cover pool with regard to the requirements set out in Articles 6 to 12 and Articles 14 to 17.

Or. en

*Justification*

*Where, in a Member State, the legal obligation for a covered bond issuer, to monitor the portfolio, already exists, such an overlap should be avoided.*

**Amendment 215**  
**Caroline Nagtegaal**

**Proposal for a directive**  
**Article 13 – paragraph 2 – introductory part**

*Text proposed by the Commission*

2. **Where** Member States **use the option provided for in paragraph 1, they** shall lay down rules at least on the following aspects:

*Amendment*

2. Member States shall lay down rules at least on the following aspects:

Or. en

**Amendment 216**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 13 – paragraph 2 – introductory part**

*Text proposed by the Commission*

2. **Where** Member States **use the option provided for in paragraph 1, they** shall lay down rules at least on the following aspects:

*Amendment*

2. Member States shall lay down rules at least on the following aspects:

Or. en

**Amendment 217**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 13 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

**2 a. Member States shall ensure that, for the purposes of paragraph 2, point (c), the duties of the cover pool monitor include at least the following:**

**(a) ongoing monitoring of the covered bonds' compliance with the provisions transposing this Directive, including requirements related to the eligibility of cover assets, coverage, liquidity, cover pool derivatives and transparency;**

**(b) reporting to the competent authorities designated pursuant to Article 18(2) on compliance with the provisions transposing this Directive and on material observations regarding the covered bond business, including in cases where assets are added/removed to the cover pool and cause substantial change in the coverage requirements;**

**(c) responding to informations requests and inquiries from the competent authorities designated pursuant to Article 18(2);**

Or. en

**Amendment 218**  
**Anne Sander**

**Proposal for a directive**  
**Article 13 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

3. A cover pool monitor shall be separate and independent from the credit institution issuing covered bonds and from

3. A cover pool monitor shall be separate and independent from the credit institution issuing covered bonds and from

that credit institution's auditor.

that credit institution's auditor. ***The competent authority, designated pursuant to Article 18 (2), may authorize - on a case-by-case basis only - that the credit institution issuing covered bonds monitors its cover pool.***

Or. en

#### *Justification*

*One of the French covered bonds issuer (the CRH) is a jointly owned by the main French banks, using it as a refinancing vehicle. The issuer's only function is to fund French residential home loans granted by its shareholding banks by issuing covered bonds and it has received authorization from our national competent authority to carry out itself the monitoring of the home loans which make up its cover pool.*

#### **Amendment 219**

**Pervenche Berès**

#### **Proposal for a directive Article 13 – paragraph 3**

##### *Text proposed by the Commission*

3. A cover pool monitor shall be separate and independent from the credit institution issuing covered bonds and from that credit institution's auditor.

##### *Amendment*

3. A cover pool monitor shall be separate and independent from the credit institution issuing covered bonds and from that credit institution's auditor. ***The competent authority designated pursuant to Article 18(2) may - on a case by case basis only - allow the credit institution issuing covered bonds to monitor its cover pool.***

Or. en

#### **Amendment 220**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### **Proposal for a directive Article 13 – paragraph 4**

##### *Text proposed by the Commission*

4. ***Where Member States use the***

##### *Amendment*

***deleted***

*option provided for in paragraph 1, they shall notify EBA.*

Or. en

**Amendment 221**  
**Caroline Nagtegaal**

**Proposal for a directive**  
**Article 13 – paragraph 4**

*Text proposed by the Commission*

*Amendment*

**4. Where Member States use the option provided for in paragraph 1, they shall notify EBA.** **deleted**

Or. en

**Amendment 222**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 14 – paragraph 2 – subparagraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

(b) the geographical distribution and type of assets in the cover pool, their loan size and valuation method;

(b) the geographical distribution and type of assets in the cover pool, their loan size and valuation method, ***including the indexation method used if applicable;***

Or. en

**Amendment 223**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 14 – paragraph 2 – subparagraph 1 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

***(b a) for mortgage assets in the cover***

*pool, the methodology used for calculating the value of property, the loan-to-value ratio and the loan-to-income ratio;*

Or. en

**Amendment 224**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 14 – paragraph 2 – subparagraph 1 – point b b (new)**

*Text proposed by the Commission*

*Amendment*

*(b b) for residential mortgage assets in the cover pool, the loan purpose and the credit characteristics of the debtor;*

Or. en

**Amendment 225**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 14 – paragraph 2 – subparagraph 1 – point b c (new)**

*Text proposed by the Commission*

*Amendment*

*(b c) for commercial mortgage assets in the cover pool, the distribution by sector;*

Or. en

**Amendment 226**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 14 – paragraph 2 – subparagraph 1 – point b d (new)**

*Text proposed by the Commission*

*Amendment*

*(b d) for public sector assets in the cover pool, the type of public borrower;*

Or. en

**Amendment 227**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 14 – paragraph 2 – subparagraph 1 – point d**

*Text proposed by the Commission*

(d) the maturity structure of assets in the cover pool and covered bonds;

*Amendment*

(d) the maturity structure of assets in the cover pool and covered bonds, *including an overview of the maturity extension triggers if applicable;*

Or. en

**Amendment 228**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 14 – paragraph 2 – subparagraph 1 – point e**

*Text proposed by the Commission*

(e) the levels of required coverage, contractual and voluntary overcollateralisation;

*Amendment*

(e) the levels of required *and available* coverage, *including statutory*, contractual and voluntary overcollateralisation;

Or. en

**Amendment 229**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 14 – paragraph 2 – subparagraph 1 – point f a (new)**

*Text proposed by the Commission*

*Amendment*

*(f a) an overview of the key transaction parties;*

Or. en

**Amendment 230**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 14 – paragraph 2 – subparagraph 1 – point f b (new)**

*Text proposed by the Commission*

*Amendment*

*(f b) a glossary with definitions, data sources and criteria;*

Or. en

**Amendment 231**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 14 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

Member States shall ensure that the information is provided to investors on an aggregated basis. Member States may also require the information to be provided on a loan-by-loan basis.

Member States shall ensure that the information is provided to investors on an aggregated basis. Member States may also require the information to be provided on a *separate or* loan-by-loan basis.

Or. en

**Amendment 232**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 15 – paragraph 1 – subparagraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

(a) ***all liabilities of the*** covered bonds, including the obligations for the payment of principal and any accrued interest of outstanding covered bonds and costs related to maintenance and administration of a covered bond programme, ***are covered by the assets in the cover pool***;

(a) ***the sum of all payment claims on the assets in the cover pool has, at all times, to be at least equal to the sum of all payment obligations attached to the corresponding*** covered bonds, including the obligations for the payment of principal and any accrued interest of outstanding covered bonds and costs related to maintenance and administration of a covered bond programme;

Or. en

**Amendment 233**  
**Anne Sander**

**Proposal for a directive**  
**Article 15 – paragraph 1 – subparagraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

(a) all liabilities of the covered bonds, including the obligations for the payment of principal and any accrued interest of outstanding covered bonds and costs related to maintenance and administration of a covered bond programme, are covered by the assets in the cover pool;

(a) all ***book value of*** liabilities of the covered bonds, including the obligations for the payment of principal and any accrued interest of outstanding covered bonds and costs related to maintenance and administration of a covered bond programme, are covered by the ***book value of*** assets in the cover pool;

Or. en

*Justification*

*In several jurisdictions, covered bonds issuers apply accrued accounting and not mark-to-market accounting in their financial statement, in particular for derivatives.*

**Amendment 234**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 15 – paragraph 1 – subparagraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

(b) the calculation of the level of

(b) the calculation of the level of

coverage required ensures that the total nominal amount of all assets in the cover pool are at least of the same value as the total nominal amount of outstanding covered bonds ('nominal principle');

coverage required ensures that:  
**(i)** the total nominal amount of all assets in the cover pool, ***with the exception of assets which are derivatives***, are at least of the same value as the total nominal amount of outstanding covered bonds ('nominal principle') ***and***  
**(ii)** ***assets and liabilities resulting from derivatives are measured at market value***;

Or. en

#### **Amendment 235**

**Marisa Matias**

#### **Proposal for a directive**

#### **Article 15 – paragraph 1 – subparagraph 1 – point c – point iv**

*Text proposed by the Commission*

*Amendment*

**(iv) derivative contracts held in accordance with Article 11;**

***deleted***

Or. en

#### **Amendment 236**

**Brian Hayes**

#### **Proposal for a directive**

#### **Article 15 – paragraph 1 – subparagraph 1 – point c – point iv**

*Text proposed by the Commission*

*Amendment*

**(iv) derivative contracts held in accordance with Article 11;**

***deleted***

Or. en

#### **Amendment 237**

**Alfred Sant**

#### **Proposal for a directive**

#### **Article 15 – paragraph 1 – subparagraph 1 – point c – point iv**

*Text proposed by the Commission*

*Amendment*

(iv) derivative contracts held in accordance with Article 11;

(iv) derivative contracts held in accordance with Article 11 ***or outside the cover pool but segregated or otherwise secured to the benefit of the covered bondholders and in compliance with the segregation requirements set out in Article 12 of this Directive;***

Or. en

**Amendment 238**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 15 – paragraph 1 – subparagraph 1 – point c – point v**

*Text proposed by the Commission*

*Amendment*

(v) ***statutory overcollateralisation;***

***deleted***

Or. en

**Amendment 239**

**Brian Hayes**

**Proposal for a directive**

**Article 15 – paragraph 1 – subparagraph 1 – point c – point v**

*Text proposed by the Commission*

*Amendment*

(v) ***statutory overcollateralisation;***

***deleted***

Or. en

**Amendment 240**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 15 – paragraph 1 – subparagraph 1 a (new)**

***For the purpose of point (a) of the first subparagraph, the same limits as set out in Article 129 of Regulation (EU) No 575/2013 shall be applicable. For the purpose of the limit on the value of the properties comprising the collateral security, such properties shall be monitored and updated at least on a yearly basis by using an indexation method.***

Or. en

**Amendment 241  
Caroline Nagtegaal**

**Proposal for a directive  
Article 15 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

2. Member States shall ensure that the calculation of coverage and the calculation of liabilities is based on the same methodology.

2. Member States shall ensure that the calculation of coverage and the calculation of liabilities is based on the same methodology, ***with the exception of substitution assets.***

Or. en

**Amendment 242  
Gunnar Hökmark**

**Proposal for a directive  
Article 16 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

1. Member States shall ensure investor protection by requiring that the cover pool includes ***at all times*** a liquidity buffer composed of liquid assets available to cover the net liquidity outflow of the covered bond programme.

1. Member States shall ensure investor protection by requiring that the cover pool includes a liquidity buffer composed of liquid assets available to cover the net liquidity outflow of the covered bond programme.

Or. en

## Amendment 243

Othmar Karas

### Proposal for a directive

#### Article 16 – paragraph 2

*Text proposed by the Commission*

2. The cover pool liquidity buffer shall cover the net liquidity outflow for 180 calendar days.

*Amendment*

2. The cover pool liquidity buffer shall cover the net liquidity outflow for 180 calendar days, ***excluding the net liquidity outflow for those days that are already included in the liquidity coverage ratio pursuant to Article 412 of Regulation (EU) No 575/2013.***

Or. en

#### *Justification*

*This amendment aims to ensure that any double-counting of the liquidity requirements is avoided by excluding assets from the cover pool liquidity buffer that are already included in the liquidity coverage ratio pursuant to Article 412 of Regulation (EU) No 575/2013.*

## Amendment 244

Bernd Lucke

### Proposal for a directive

#### Article 16 – paragraph 2

*Text proposed by the Commission*

2. The cover pool liquidity buffer shall cover the net liquidity outflow for 180 calendar days.

*Amendment*

2. The cover pool liquidity buffer shall cover the net liquidity outflow for 180 calendar days ***except in those periods of stress in which the liquidity buffer must be used to cover the net liquidity outflow of the covered bond programme.***

Or. en

## Amendment 245

Philippe Lamberts

on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 16 – paragraph 2**

*Text proposed by the Commission*

2. The cover pool liquidity buffer shall cover the net liquidity outflow for 180 calendar days.

*Amendment*

2. The cover pool liquidity buffer shall cover, **as a minimum**, the net liquidity outflow for 180 calendar days.

Or. en

**Amendment 246**  
**Bernd Lucke**

**Proposal for a directive**  
**Article 16 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

**2 a. Member States shall ensure that credit institutions may monetise their liquid assets to cover their net liquidity outflows during stress periods, even if such a use of liquid assets may result in their liquidity coverage ratio falling below requirements in paragraph 2 during such periods.**

Or. en

**Amendment 247**  
**Gunnar Hökmark**

**Proposal for a directive**  
**Article 16 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

**2 a. Member States shall ensure that credit institutions may monetise their liquid assets to cover their net liquidity outflows during stress periods, even if such a use of liquid assets may result in their liquidity coverage ratio falling below requirement in paragraph 2 during such periods.**

**Amendment 248**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 16 – paragraph 3 – subparagraph 1 – point a**

*Text proposed by the Commission*

(a) assets qualifying as level 1, **level 2A** and level **2B** assets pursuant to Articles 10, **11 and 12** of Delegated Regulation (EU) 2015/61, valuated in accordance with Article 9 of that Delegated Regulation **and** segregated in accordance with Article 13 of this Directive;

*Amendment*

(a) assets qualifying as level 1 and level **2A** assets pursuant to Articles 10 **and 11** of Delegated Regulation (EU) 2015/61, valuated in accordance with Article 9 of that Delegated Regulation, segregated in accordance with Article 13 of this Directive **and appropriately diversified in accordance with Article 8(1) of that Delegated Regulation**;

Or. en

**Amendment 249**

**Gunnar Hökmark**

**Proposal for a directive**

**Article 16 – paragraph 3 – subparagraph 1 – point a**

*Text proposed by the Commission*

(a) assets qualifying as level 1, level 2A and level 2B assets pursuant to Articles 10, 11 and 12 of Delegated Regulation (EU) 2015/61, **valuated in accordance with Article 9 of that Delegated Regulation and segregated in accordance with Article 13 of this Directive**;

*Amendment*

(a) assets qualifying as level 1, level 2A and level 2B assets pursuant to Articles 10, 11 and 12 of Delegated Regulation (EU) 2015/61.

Or. en

**Amendment 250**

**Bernd Lucke**

**Proposal for a directive**

## Article 16 – paragraph 3 – subparagraph 1 – point a

*Text proposed by the Commission*

*Amendment*

(a) assets qualifying as level 1, level 2A and level 2B assets pursuant to Articles 10, 11 and 12 of Delegated Regulation (EU) 2015/61, **valuated in accordance with Article 9 of that Delegated Regulation and segregated in accordance with Article 13 of this Directive;**

(a) assets qualifying as level 1, level 2A and level 2B assets pursuant to Articles 10, 11 and 12 of Delegated Regulation (EU) 2015/61;

Or. en

### **Amendment 251** **Alfred Sant**

#### **Proposal for a directive** **Article 16 – paragraph 3 – subparagraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

(a) assets qualifying as level 1, level 2A and level 2B assets pursuant to Articles 10, 11 and 12 of Delegated Regulation (EU) 2015/61, valuated in accordance with Article 9 of that Delegated Regulation and segregated in accordance with Article **13** of this Directive;

(a) assets qualifying as level 1, level 2A and level 2B assets pursuant to Articles 10, 11 and 12 of Delegated Regulation (EU) 2015/61, valuated in accordance with Article 9 of that Delegated Regulation and segregated in accordance with Article **12** of this Directive;

Or. en

### **Amendment 252** **Barbara Kappel**

#### **Proposal for a directive** **Article 16 – paragraph 3 – subparagraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

(a) assets qualifying as level 1, level 2A and level 2B assets pursuant to Articles 10, 11 and 12 of Delegated Regulation (EU) 2015/61, valuated in accordance with Article 9 of that Delegated Regulation and segregated in accordance with Article **13** of this Directive;

(a) assets qualifying as level 1, level 2A and level 2B assets pursuant to Articles 10, 11 and 12 of Delegated Regulation (EU) 2015/61, valuated in accordance with Article 9 of that Delegated Regulation and segregated in accordance with Article **12** of this Directive;

**Amendment 253**

**Marco Valli**

**Proposal for a directive**

**Article 16 – paragraph 3 – subparagraph 1 – point b**

*Text proposed by the Commission*

(b) exposures to credit institutions that qualify for the credit quality step 1, ***in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.***

*Amendment*

(b) exposures ***in the form of cash deposits*** to credit institutions that qualify for the credit quality step 1, ***credit quality step 2 and credit quality step 3 to the extent that, in the relevant jurisdiction, they are segregated.***

Or. en

*Justification*

*Exposures to institutions qualifying for credit quality step 2 and 3 shall also be eligible for liquidity buffer purposes. Limiting eligible counterparties in relation to their credit quality restricts the market to a very limited number of credit institutions, increasing systemic concentration risk. In addition, such restriction would result in a fragmentation of the covered bonds market along national lines, which is at odds with the aim of this Directive to develop a truly integrated market for covered bonds.*

**Amendment 254**

**Barbara Kappel**

**Proposal for a directive**

**Article 16 – paragraph 3 – subparagraph 1 – point b**

*Text proposed by the Commission*

(b) exposures to credit institutions that qualify for the credit quality step 1, ***in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.***

*Amendment*

(b) exposures ***in the form of cash deposits*** to credit institutions that qualify for the credit quality step 1, ***credit quality step 2 and credit quality step 3 to the extent that, in the relevant jurisdiction, they are segregated.***

Or. en

## *Justification*

*Exposures qualified also as credit quality "Step 2 and 3" to be eligible for liquidity buffer purposes should also be allowed. Limiting eligible counterparties to their credit quality restricts the market to a very limited number of eligible counterparties for many issuing banks, increasing systemic concentration risk and the all-in cost of the programmes, together with unwarranted operational issues (adequate credit lines are in fact needed to deposit liquidity on a eligible third party).*

### **Amendment 255**

**Alfred Sant**

#### **Proposal for a directive**

##### **Article 16 – paragraph 3 – subparagraph 1 – point b**

*Text proposed by the Commission*

(b) exposures to credit institutions that qualify for the credit quality step 1, in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.

*Amendment*

(b) exposures to credit institutions that qualify for the credit quality step 1, ***credit quality step 2 or credit quality step 3***, in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.

Or. en

### **Amendment 256**

**Brian Hayes**

#### **Proposal for a directive**

##### **Article 16 – paragraph 3 – subparagraph 1 – point b**

*Text proposed by the Commission*

(b) exposures to credit institutions that qualify for the credit quality step 1, in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.

*Amendment*

(b) exposures to credit institutions that qualify for the credit quality step 1 ***and step 2 exposures***, in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.

Or. en

### **Amendment 257**

**Anne Sander**

#### **Proposal for a directive**

## Article 16 – paragraph 3 – subparagraph 1 – point b

*Text proposed by the Commission*

*Amendment*

(b) exposures to credit institutions that qualify for the credit quality step 1, in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.

(b) exposures to credit institutions that qualify for the credit quality step 1 **and step 2**, in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.

Or. en

*Justification*

*Credit rating agencies currently tolerate credit step 2 exposures. The liquidity buffer is generally constituted of short-term exposures, and credit institutions that have a step 2 long term rating and a step 1 short-term rating*

### Amendment 258

Caroline Nagtegaal

#### Proposal for a directive

## Article 16 – paragraph 3 – subparagraph 1 – point b

*Text proposed by the Commission*

*Amendment*

(b) exposures to credit institutions **that qualify for the credit quality step 1**, in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.

(b) exposures to credit institutions in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.

Or. en

### Amendment 259

Andrea Cozzolino, Luigi Morgano

#### Proposal for a directive

## Article 16 – paragraph 3 – subparagraph 1 – point b

*Text proposed by the Commission*

*Amendment*

(b) exposures to credit institutions that **qualify for the credit quality step 1**, in accordance with Article **129(1)(c) of Regulation (EU) No 575/2013**.

(b) exposures to credit institutions that **are segregated** in accordance with Article **12 of this Directive**.

Or. en

**Amendment 260**  
**Fulvio Martusciello**

**Proposal for a directive**  
**Article 16 – paragraph 3 – subparagraph 1 – point b**

*Text proposed by the Commission*

(b) exposures to credit institutions that qualify for the credit quality step 1, *in accordance with Article 129(1)(c) of Regulation (EU) No 575/2013.*

*Amendment*

(b) exposures to credit institutions that qualify for the credit quality step 1, *credit quality step 2 and credit quality step 3.*

Or. en

**Amendment 261**  
**Anne Sander**

**Proposal for a directive**  
**Article 16 – paragraph 3 – subparagraph 1 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

*(b a) assets eligible to European Central Bank refinancing*

Or. en

*Justification*

*Assets that are eligible colateral for central bank refinancing should be included in the liquidity buffer*

**Amendment 262**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 16 – paragraph 3 – subparagraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

*For the purposes of point (a) of the first subparagraph, Member States shall ensure that own-issued covered bonds cannot contribute to the cover pool*

*liquidity buffer.*

Or. en

**Amendment 263**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 16 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3 a. Liquid assets in the cover pool liquidity buffer shall not contribute towards the liquidity requirements set out in Delegated Regulation (EU) 2015/61.**

Or. en

**Amendment 264**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 16 – paragraph 4**

*Text proposed by the Commission*

*Amendment*

**4. Where the credit institution issuing covered bonds is subject to liquidity requirements set out in other acts of Union law, Member States may decide that the national rules transposing paragraphs 1, 2 and 3 do not apply throughout the period foreseen in those acts of Union law.**

**4. By way of derogation from paragraph 3a, Member States may decide that the liquid assets in the cover pool liquidity buffer that are referred to in point (a) of paragraph 3, while always held separately within the covered bond programme and always segregated from the liquid assets held for the purposes of the liquidity requirements set out in Delegated Regulation (EU) 2015/61, may contribute towards those liquidity requirements, but only up to the amount of the net liquidity outflow of the covered bond programme.**

Or. en

**Amendment 265**  
**Alfred Sant**

**Proposal for a directive**  
**Article 16 – paragraph 4**

*Text proposed by the Commission*

4. Where the credit institution issuing covered bonds is subject to liquidity requirements set out in other acts of Union law, Member States may decide that the national rules transposing paragraphs 1, 2 and 3 do not apply throughout the period foreseen in those acts of Union law.

*Amendment*

4. Where the credit institution issuing covered bonds is subject to liquidity requirements set out in other acts of Union law, **resulting in overlapping with the cover pool liquidity buffer**, Member States may decide that the national rules transposing paragraphs 1, 2 and 3 do not apply throughout the period foreseen in those acts of Union law. **Member States shall ensure that the cover pool liquidity buffer is maintained from the calendar day after the expiry of the period foreseen in those acts of the Union law and shall cover any calendar days remaining under the requirement set out in paragraph 2.**

Or. en

**Amendment 266**  
**Brian Hayes**

**Proposal for a directive**  
**Article 16 – paragraph 4**

*Text proposed by the Commission*

4. Where the credit institution issuing covered bonds is subject to liquidity requirements set out in other acts of Union law, Member States may decide that the national rules transposing paragraphs 1, 2 and 3 do not apply throughout the period foreseen in those acts of Union law.

*Amendment*

4. Where the credit institution issuing covered bonds is subject to liquidity requirements set out in other acts of Union law, Member States may decide that **the assets used for the purposes of paragraph 1 may be used to fulfil those liquidity requirements set out in acts of Union law.** National rules transposing paragraphs 1, 2 and 3 do not apply throughout the period foreseen in those acts of Union law.

Or. en

## **Amendment 267**

**Bernd Lucke**

### **Proposal for a directive Article 16 – paragraph 4**

*Text proposed by the Commission*

4. Where the credit institution issuing covered bonds is subject to liquidity requirements set out in other acts of Union law, Member States may decide that the national rules transposing paragraphs 1, 2 and 3 do not apply throughout the period foreseen in those acts of Union law.

*Amendment*

4. Where the credit institution issuing covered bonds is subject to liquidity requirements set out in other acts of Union ***or national*** law, Member States may decide that the national rules transposing paragraphs 1, 2 and 3 do not apply throughout the period foreseen in those acts of Union ***or national*** law.

Or. en

## **Amendment 268**

**Gunnar Hökmark**

### **Proposal for a directive Article 16 – paragraph 4**

*Text proposed by the Commission*

4. Where the credit institution issuing covered bonds is subject to liquidity requirements set out in other acts of Union law, Member States may decide that the national rules transposing paragraphs 1, 2 and 3 do not apply throughout the period foreseen in those acts of Union law.

*Amendment*

4. Where the credit institution issuing covered bonds is subject to liquidity requirements set out in other acts of Union ***or national*** law, Member States may decide that the national rules transposing paragraphs 1, 2 and 3 do not apply throughout the period foreseen in those acts of Union ***or national*** law.

Or. en

## **Amendment 269**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

### **Proposal for a directive Article 16 – paragraph 5**

*Text proposed by the Commission*

*Amendment*

5. *Member States may allow for the calculation of the principal for extendable maturity structures to be based on the final maturity date of the covered bond.*

*deleted*

Or. en

**Amendment 270**  
**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**  
**Article 16 – paragraph 5**

*Text proposed by the Commission*

5. Member States may allow for *the* calculation of the principal for extendable maturity structures to be based on the final maturity date of the covered bond.

*Amendment*

5. Member States may allow for calculation of the principal for extendable maturity structures to be based on the final maturity date of the covered bond.

Or. en

**Amendment 271**  
**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**  
**Article 17 – paragraph 1 – point b**

*Text proposed by the Commission*

(b) the maturity extension is not triggered at the discretion of the credit institution issuing covered bonds;

*Amendment*

(b) the maturity extension is not triggered at the *sole* discretion of the credit institution issuing covered bonds;

Or. en

**Amendment 272**  
**Brian Hayes**

**Proposal for a directive**  
**Article 17 – paragraph 1 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

**(b a) *The maturity extension may only***

*be affected upon:*

*(i) the insolvency of the credit institution issuing the covered bond; and*

*(ii) breach of triggers in point (c)(i);*

Or. en

## **Amendment 273**

**Markus Ferber**

### **Proposal for a directive**

#### **Article 17 – paragraph 1 – point e**

*Text proposed by the Commission*

(e) the maturity extension does not affect the ranking of covered bond investors;

*Amendment*

(e) the maturity extension does not affect the ranking of covered bond investors, ***specifically it does not invert the order of time subordination of principal repayments;***

Or. en

#### *Justification*

*Maturity extensions must not result in situations where creditors of originally later maturing covered bonds are being receive principal repayment earlier than creditors of originally earlier maturing covered bonds. This situation is captured inadequately by the existing reference to ‘ranking of creditors’.*

## **Amendment 274**

**Caroline Nagtegaal**

### **Proposal for a directive**

#### **Article 17 – paragraph 1 – point f a (new)**

*Text proposed by the Commission*

*Amendment*

***(f a) the cover pool monitor is required to organise bondholder meetings on a regular basis, in case of a default of the issuer, and in these meetings bondholders and the cover pool monitor shall discuss the possibilities to sell (part of) the cover pool.***

**Amendment 275**

**Pervenche Berès**

**Proposal for a directive**

**Article 18 – paragraph 2**

*Text proposed by the Commission*

2. For the purposes of the covered bond public supervision referred to in paragraph 1, Member States shall designate one or more competent authorities. They shall inform the Commission **and EBA** of those designated authorities and shall indicate any division of functions and duties.

*Amendment*

2. For the purposes of the covered bond public supervision referred to in paragraph 1, Member States shall designate one or more competent authorities. They shall inform the Commission, **EBA and ESMA** of those designated authorities and shall indicate any division of functions and duties.

Or. en

**Amendment 276**

**Pervenche Berès**

**Proposal for a directive**

**Article 18 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

**2 a. EBA shall cooperate closely with ESMA in order to ensure the proper functioning of covered bond public supervision.**

Or. en

**Amendment 277**

**Pervenche Berès**

**Proposal for a directive**

**Article 18 – paragraph 2 b (new)**

*Text proposed by the Commission*

*Amendment*

**2 b. ESMA shall provide an opinion to the designated competent authority**

*referred to in paragraph 2 for the purpose of adopting consistent approaches as regards covered bond public supervision.*

Or. en

## **Amendment 278**

**Markus Ferber**

### **Proposal for a directive**

#### **Article 20 – paragraph 3 – point c**

##### *Text proposed by the Commission*

(c) carrying out legal transactions necessary for the proper administration of the cover pool, for the on-going monitoring of the coverage of the liabilities attached to the covered bonds, to initiate proceedings in order to recover assets in the cover pool and to transfer those remaining assets after all covered bond liabilities are met to the insolvency estate of the credit institution which issued the covered bonds.

##### *Amendment*

(c) carrying out legal transactions necessary for the proper administration of the cover pool, for the on-going monitoring of the coverage of the liabilities attached to the covered bonds, to initiate proceedings in order to recover assets in the cover pool and to transfer those remaining assets after all covered bond liabilities are met to the insolvency estate of the credit institution which issued the covered bonds. ***Limited to all of these purposes, Member States may provide for rules permitting a special administrator to operate under the authorisation of the credit institution issuing covered bonds held prior to its insolvency, subject to the same operational requirements.***

Or. en

##### *Justification*

*It is necessary for the special administrator's ability to act to know the boundaries of his or her permissible activities. The amendment is necessary to provide for a quick determination of the boundaries of a special administrator's permissible operation for the purpose of the orderly wind-down of the covered bond estate.*

## **Amendment 279**

**Jeppe Kofod, Bendt Bendtsen**

### **Proposal for a directive**

#### **Article 23 – paragraph 1 – introductory part**

*Text proposed by the Commission*

*Amendment*

1. Member States shall lay down rules establishing appropriate administrative penalties and remedial measures applicable at least in the following situations:

1. ***Without prejudice to the right of Member States to lay down criminal penalties***, Member States shall lay down rules establishing appropriate administrative penalties and remedial measures applicable at least in the following situations:

Or. en

*Justification*

*It is suggested to allow Member States to choose not to lay down administrative penalties or other administrative measures for infringements that are subject to national criminal law. This optionality would be similar to that included in other financial services files and is suggested due to constitutional needs in some Member States.*

**Amendment 280**

**Jeppe Kofod, Bendt Bendtsen**

**Proposal for a directive**

**Article 23 – paragraph 1 – subparagraph 1 (new)**

*Text proposed by the Commission*

*Amendment*

***Member States may decide not to lay down rules for administrative penalties for infringements which are subject to criminal penalties under their national law. In such cases, Member States shall communicate to the Commission the relevant criminal law provisions.***

Or. en

*Justification*

*Due to constitutional requirements in some Member States, it is necessary to allow Member States to choose not to lay down administrative penalties or other administrative measures, specifically for infringements that are already subject to penalty under national criminal law. This solution would be similar to that already included in other financial services files.*

**Amendment 281**

**Alfred Sant**

**Proposal for a directive**  
**Article 27 – paragraph 1**

*Text proposed by the Commission*

Member States shall *allow credit institutions to use* the label *European Covered Bonds* *in respect of* covered bonds which meet the requirements laid down in the provisions transposing this Directive.

*Amendment*

Member States shall *ensure that* the label *'Premium EU Covered Bonds'* *is used only for* covered bonds *which meet the requirements laid down in the provisions transposing this Directive and do not fall below the requirements set by Article 129 (1) of Regulation (EU) No 575/2013.* *Member States shall ensure that the label 'EU Covered Bonds' is used only for* covered bonds which meet the requirements laid down in the provisions transposing this Directive.

Or. en

**Amendment 282**  
**Gunnar Hökmark**

**Proposal for a directive**  
**Article 30 – paragraph 1**

*Text proposed by the Commission*

Member States shall ensure that covered bonds issued before XX [OP: please insert the date laid down in the second subparagraph of Article 32(1) of this Directive + 1 day"] and complying with the requirements laid down in Article 52(4) of Directive 2009/65/EC, in the version applicable on the date of their issue, are not subject to the requirements set out in Articles 5 to 12 and Articles 15, 16, 17 and 19 of this Directive, but may continue to be referred to as covered bonds in accordance with this Directive until their maturity.

*Amendment*

Member States shall ensure that covered bonds issued before XX [OP: please insert the date laid down in the second subparagraph of Article 32(1) of this Directive + 1 day"] and complying with the requirements laid down in Article 52(4) of Directive 2009/65/EC, in the version applicable on the date of their issue, are not subject to the requirements set out in Articles 5 to 12 and Articles 15, 16, 17 and 19 of this Directive, but may, *notwithstanding the definition in article 3(1)*, continue to be referred to as covered bonds in accordance with this Directive until their maturity.  
*The first paragraph also applies to new tranches or tap issues of a series of covered bonds for which the first issue date is prior to [OP: please insert the date laid down in the second subparagraph of Article 32(1) of this Directive + 1 day].*

**Amendment 283****Brian Hayes****Proposal for a directive****Article 30 – paragraph 1***Text proposed by the Commission*

Member States shall ensure that covered bonds issued before XX [OP: please insert the date laid down in the second subparagraph of Article 32(1) of this Directive + 1 day"] and complying with the requirements laid down in Article 52(4) of Directive 2009/65/EC, in the version applicable on the date of their issue, are not subject to the requirements set out in Articles 5 to 12 and Articles 15, 16, 17 and 19 of this Directive, but may continue to be referred to as covered bonds in accordance with this Directive until their maturity.

*Amendment*

Member States shall ensure that **cover pools, cover bond programmes and** covered bonds issued before XX [OP: please insert the date laid down in the second subparagraph of Article 32(1) of this Directive + 1 day"] and complying with the requirements laid down in Article 52(4) of Directive 2009/65/EC, in the version applicable on the date of their issue, are not subject to the requirements set out in Articles 5 to 12 and Articles 15, 16, 17 and 19 of this Directive, but may continue to be referred to as covered bonds in accordance with this Directive until their maturity.

Or. en

**Amendment 284****Jonás Fernández****Proposal for a directive****Article 30 – paragraph 1***Text proposed by the Commission*

Member States shall ensure that covered bonds issued before XX [OP: please insert the date laid down in the second subparagraph of Article 32(1) of this Directive + 1 day"] and complying with the requirements laid down in Article 52(4) of Directive 2009/65/EC, in the version applicable on the date of their issue, are not subject to the requirements set out in **Articles 5 to 12 and Articles 15, 16, 17 and 19** of this Directive, but may continue to be

*Amendment*

Member States shall ensure that covered bonds issued before XX [OP: please insert the date laid down in the second subparagraph of Article 32(1) of this Directive + 1 day"] and complying with the requirements laid down in Article 52(4) of Directive 2009/65/EC, in the version applicable on the date of their issue, **according to national regulation**, are not subject to the requirements set out in this Directive, but may continue to be referred

referred to as covered bonds in accordance with this Directive until their maturity.

to as covered bonds in accordance with this Directive until their maturity **and use the label *European Covered Bonds***.

Or. en

## **Amendment 285**

**Dariusz Rosati**

### **Proposal for a directive**

#### **Article 32 – paragraph 1 – subparagraph 1**

##### *Text proposed by the Commission*

Member States shall adopt and publish, by [to be inserted – entry into force + **1 year**] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.

##### *Amendment*

Member States shall adopt and publish, by [to be inserted – entry into force + **2 years**] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.

Or. en

## **Amendment 286**

**Alfred Sant**

### **Proposal for a directive**

#### **Article 32 – paragraph 1 – subparagraph 1**

##### *Text proposed by the Commission*

Member States shall adopt and publish, by [to be inserted – entry into force + **1 year**] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.

##### *Amendment*

Member States shall adopt and publish, by [to be inserted – entry into force + **2 years**] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.

Or. en