

Regulated Covered Bonds

Chapter 3

Notifications

3.5 Other notifications

Notifications of change of owner

- 3.5.1** **G** Regulation 25 of the *RCB Regulations* (change of owner) sets out the procedures which apply where a *regulated covered bond* has been issued and the *owner* of the *relevant asset pool* proposes to transfer ownership to another person.
- 3.5.2** **D** If an *owner* proposes to transfer the *asset pool* to a new *owner* it must provide the *FCA* as a minimum with the following information in writing at least three *months* before the proposed transfer date:
- (1) name, address and contact details of the proposed new *owner*;
 - (2) proposed transfer date and reasons for the transfer;
 - (3) an explanation of how the proposed new *owner* will comply with the requirements imposed on it by the *RCB Regulations* and *RCB*; and
 - (4) confirmation that the existing *owner* and the proposed new *owner* have obtained appropriate advice in relation to the proposed transfer, and details of such advice.

Notifications of material changes

- 3.5.3** **G** Regulation 20 of the *RCB Regulations* (material changes to the regulated covered bond) sets out the procedures which apply where an *issuer* proposes to make a material change to the contractual terms of the bond.
- 3.5.4** **D** If an *issuer* proposes to make a material change to the contractual terms of a *regulated covered bond*, it must inform the *FCA* of the following information to the *FCA* at least 3 months before the proposed date of the change:
- (1) details of the proposed change including proposed date of change and the reasons for it;
 - (2) an assessment of the impact of the change on the ability of the *issuer* and *owner* to continue to comply with their requirements under the *RCB Regulations* and *RCB*; and
 - (3) confirmation that the *issuer* has obtained appropriate advice in relation to the proposed change and details of such advice.

- 3.5.5 **G** The *FCA* will regard as material any change that may affect the ability of the *issuer* or the *owner* to continue to comply with the requirements made on them under the *RCB Regulations* and *RCB*.

Notifications to the FCA if asset pool is not capable or not likely to be capable of covering claims and of other matters

- 3.5.6 **D** The *issuer* or the *owner*, as the case may be, must notify the *FCA* immediately, in writing by e-mail or hand-delivered letter, if Regulation 18(2), or 24(1)(c) of the *RCB Regulations* (obligation to inform *FCA* if *asset pool* not capable, or not likely to be capable of covering claims) is triggered.

- 3.5.7 **D** The *issuer* or the *owner*, as the case may be, must notify the *FCA* immediately in writing by e-mail, or hand-delivered letter, if requirements relating to the relevant *regulated covered bond* under the *RCB Regulations* or *RCB* are, or are likely to be, materially breached, or of any other matter which the *FCA* should be made aware of.

- 3.5.8 **G** The *issuer* or the *owner*, as the case may be, should include details of proposals to rectify the breach at the time they notify, or as soon as practicable after that time.

Notification of cancellation

- 3.5.9 **D** The *issuer* must notify the *FCA* if it proposes to cancel in full or in part a *regulated covered bond* or *programme* at least 3 *business days* before the cancellation will take effect.

- 3.5.10 **D** The *issuer* must send to the *FCA* the information in the form set out in **RCB 3 Annex 6 D** and an updated asset and liability profile form (**RCB 3 Annex 3 D**) on the date of cancellation of the *regulated covered bond* or *programme*.

Publication of asset pool information and transaction documents

- 3.5.11 **D** The *issuer* must publish the asset notification form sent to the *FCA* under **RCB 3.3.1 D**.

- 3.5.12 **D** The *issuer* must publish the information relating to the individual loan assets in the *asset pool* in the form set out in **RCB 3 Annex 7A D** (loan level disclosure) within one *month* of the end of each quarter following any issuance of *regulated covered bonds* after 1 January 2013.

- 3.5.13 **D** The *issuer* must publish the transaction documents (excluding legal opinions) relating to the *regulated covered bond* or *programme*.

- 3.5.14 **G** The publication of the information and documents required under **RCB 3.5.11 D**, **RCB 3.5.12 D** and **RCB 3.5.13 D** should be made on a subscription-only, secure, password-protected website. This website should

also contain a link to the latest published *prospectus* relating to the relevant *regulated covered bond* or *programme*.

3.5.15

G

- (1) The transaction documents published under ■ RCB 3.5.13 D should include the asset sale agreement, the servicing agreements, the administration and cash management agreements, the trust deed, the security deed, the agency agreements, the account bank agreement, the guaranteed investment contract, the master definitions agreement, intercompany loan agreements, the LLP deed, the asset monitor agreement, the swap documentation, the final terms of the *regulated covered bonds* or equivalent issuance documents setting out the terms of the *regulated covered bonds* and, if applicable, liquidity facility agreements.
- (2) Where the transaction documents contain sensitive commercial terms (such as the up-front costs associated with a swap), the *issuer* may redact these terms for the purposes of publication, provided the relevant transaction documents are non-public and the relevant redacted terms refer to sunk costs which do not impact the transaction cash flows.

3.5.16

D

If the *issuer* is in insolvency, the *owner* must publish the information set out at ■ RCB 3.5.11 D and ■ RCB 3.5.12 D in accordance with those directions.