



Chapter



Article 12 The concept of gain on sale for the purposes of Article 32(1)(a) of Regulation (EU) No 575/2013

(1) The concept of gain on sale referred to in point (a) paragraph 1 of Article 32 of Regulation (EU) No 575/2013 shall mean any recognised gain on sale for the institution that is recorded as an increase in any element of own funds and is associated with future margin income arising from a sale of securitised assets when they are removed from the institution's balance sheet in the context of a securitisation transaction.

(2) The recognised gain on sale shall be determined as the difference between the following points (a) and (b) as determined by applying the relevant accounting framework:

(a) the net value of the assets received including any new asset obtained less any other asset given or any new liability assumed;

(b) and the carrying amount of the securitised assets or of the part derecognised.

(3) The recognised gain on sale which is associated with the future margin income, shall refer, in this context, to the expected future "excess spread" as defined in Article 242 of Regulation (EU) No 575/2013.