

**ASSET COVERED SECURITIES (AMENDMENT) BILL 2007**

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# ASSET COVERED SECURITIES (AMENDMENT) BILL 2007

## ARRANGEMENT OF SECTIONS

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59. *Schedule 3* - further amendments to Principal Act.
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ACTS REFERRED TO

Asset Covered Securities Act 2001	2001, No. 47
Building Societies Act 1989	1989, No. 17
Building Societies Acts 1989 to 2006	
Central Bank Act 1942	1942, No. 22

**ASSET COVERED SECURITIES (AMENDMENT) BILL 2007**

Draft of

**B I L L**

**entitled**

AN ACT TO AMEND THE ASSET COVERED SECURITIES ACT 2001.

**BE IT ENACTED** by the Oireachtas as follows:

**Definition of “Principal Act”.**

**1.**\_\_\_ In this Act, “Principal Act” means the Asset Covered Securities Act 2001.

## **Amendment of section 3 of Principal Act.**

2. \_\_\_ Section 3(1) of the Principal Act is amended -

(a) by inserting the following after the definition of “agricultural land”:

“ ‘article 22(4) securities’ mean bonds which come within the terms of the first sub-paragraph of article 22(4) of Council Directive 85/611/EEC of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)<sup>1</sup> (as inserted by Council Directive 88/220/EC of 22 March 1988 amending, as regards the investment policies of certain UCITS, Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS)<sup>2</sup>);”

(b) in the definition of “asset covered securities” -

(i) in paragraph (a), by deleting “and”, and

(ii) by inserting the following after paragraph (a):

“(ab) in relation to a designated or formerly designated commercial mortgage credit institution, means

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<sup>1</sup> OJ L 375, 31.12.1985, p. 003

<sup>2</sup> OJ L 100, 19.04.1988, p. 0031

commercial mortgage covered securities issued by the institution, and”,

- (c) by substituting the following for the definition of “category A country”:

“category A country means a country to which section 5(1)(b) or (c) relates;”,

- (d) by substituting the following for the definition of “category B country”:

“ ‘category B country’ means a country (other than an EEA country or a category A country) that -

- (a) is a full member of the Organisation for Economic Co-operation and Development, and
- (b) has not rescheduled its external debt at any time during the immediately preceding 5 years;

[‘category 5(1)(b) asset’ means an asset which qualifies as a public credit asset by virtue of *section 5(1)(b)*];

[‘category 5(1)(c) asset’ means an asset which qualifies as a public credit asset by virtue of *section 5(1)(c)*];

‘category 5(1)(d) asset’ means an asset which qualifies as a public credit asset by virtue of *section 5(1)(d)*;

- (e) by substituting the following for the definitions of “Codified Banking Directive” and “commercial property”:

“ ‘Codified Banking Directive’ means Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast)<sup>3</sup>;

‘commercial mortgage covered security’, in relation to a designated or formerly designated commercial mortgage credit institution, means a security that is -

- (a) issued by the institution in accordance with this Act, and
- (b) secured over the cover assets that are included in a cover assets pool maintained by the institution;

‘commercial mortgage credit’ means mortgage credit which is secured on commercial property;

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<sup>3</sup> OJ L 177, 30.06.2006, p. 1

‘commercial mortgage credit asset’

(a) subject to *paragraph (b)*, means property or an asset -

(i) held by a designated or formerly designated commercial mortgage credit institution, and

(ii) which comprises one or more commercial mortgage credits,

[(b) does not include property or an asset which comprises [(whether in whole or in part)] all or any part of any pool hedge collateral;]

‘commercial property’ -

(a) subject to *paragraph (b)*, means -

(i) a building or part of a building fixed on land that is used, or is set aside to be used, primarily for the purpose of any industry, trade or other business undertaking,

(ii) the land on which the building or part of a building, as the case may be, is [situated], and

(iii) the fixtures that are used in conjunction with the building or part of a building, as the case may be,

(b) [does not include] -

(i) a building or part of a building that is fixed on land that is used, or is set aside to be used, primarily for the purpose of any mine, quarry or agriculture, and

(ii) subject to *section 4(6)*, a building or part of a building that is residential property;”,

(f) in the definition of “cover assets” -

(i) in paragraph (a), by deleting “and”,

(ii) in paragraph (b), by substituting “institution, and” for “institution;”, and

(iii) by inserting the following after paragraph (b):

“(c) in relation to a designated or formerly designated commercial mortgage credit institution, means commercial mortgage credit assets, cover assets hedge contracts or substitution assets that are held in a cover assets pool maintained by the institution;”,

(g) in the definition of “cover assets hedge contract” -

(i) in paragraph (a), by deleting “and”,

(ii) in paragraph (b), by substituting “section 45(3), and” for “section 45(3);”, and

(iii) by inserting the following after paragraph (b):

(c) in relation to a designated or formerly designated commercial mortgage credit institution, means a contract of a kind entered into in accordance with section 30(3) [as modified by *section 41B*];”,

(h) in the definition of “cover assets pool” -

(i) [by inserting “or “pool”” after ““cover assets pool””,]

(ii) in paragraph (a), by substituting “institution,” for “institution, and”,

(iii) in paragraph (b) by substituting “institution, and” for “institution;”, and

(iv) by inserting the following after paragraph (b):

“(c) in relation to a designated or formerly designated commercial mortgage credit institution, means the commercial mortgage credit assets, cover assets hedge contracts and substitution assets held by the institution that are recorded in the register of commercial mortgage covered securities business kept by the institution;”,

(i) [in the definition of “credit institution”, by deleting paragraph (d),]

(j) by substituting the following for the definition of “designated credit institution”:

“ ‘designated credit institution’ means -

(a) a designated mortgage credit institution,

(b) a designated commercial mortgage credit institution, or

(c) a designated public credit institution;”,

(k) by inserting the following after the definition of “dealing”:

“ ‘designated commercial mortgage credit institution’ means an institution designated by the Authority in accordance with Part 3 to carry on the permitted business activities referred to in section 27(1) as applied and modified by *section 41B*;”,

- (l) by inserting the following after the definition of “European Central Bank”:

[“ ‘exposure’ means an exposure which qualifies as such for the purposes of the Codified Banking Directive;”,]

- (m) by substituting the following for the definition of “formerly designated credit institution”:

“ ‘formerly designated credit institution’ means an institution that was formerly registered as -

- (a) a designated mortgage credit institution,
- (b) a designated commercial mortgage credit institution, or
- (c) a designated public credit institution;”,

- (n) by inserting the following after the definition of “holder”:

“ ‘include’, in relation to an asset [or property] and a cover assets pool, register of mortgage covered securities business, register of

commercial mortgage covered securities business or register of public  
credit covered securities business -

(a) subject to *paragraph (b)*, means -

- (i) the insertion of that asset [or property, as the case may be], into that pool, or
- (ii) the insertion of an entry in that register in respect of that asset [or property, as the case may be],

as the case requires,

(b) does not include -

- (i) if *paragraph (a)(i)* is applicable, the [continued] maintenance of that asset [or property, as the case may be,] in that pool after it has been inserted therein,
- (ii) if *paragraph (a)(ii)* is applicable, the [continued] maintenance of that entry in that register after it has been inserted therein,

[and “included” and “inclusion” shall be construed accordingly];”,

- (o) by substituting the following for the definition of “mortgage credit asset”:

“ ‘mortgage credit asset’ -

- (a) subject to *paragraph (b)*, means -

- (i) [property or an asset] -

- (I) held by a designated or formerly designated mortgage credit institution, and

- (II) that comprises one or more mortgage credits, or

- (ii) [property or an asset] -

- (I) held by a designated or formerly designated commercial mortgage credit institution, and

- (II) that comprises one or more commercial mortgage credit assets,

(b) does not include property or an asset comprised  
[, whether in whole or in part,] in any pool  
hedge collateral;

(p) by inserting the following after the definition of “national central  
bank”:

“ ‘non-commercial administrative bodies’ include commercial  
undertakings [, or undertaking with non-commercial and commercial  
activities,] owned or controlled by central governments or regional  
governments or local authorities where the debt concerned of the  
undertaking is used directly or indirectly for the purpose of complying  
with public service obligations;”

(q) by inserting the following after the definition of “performing”:

“ ‘pool hedge collateral’, in relation to a cover assets hedge contract,  
means any [asset or property] provided to a designated credit  
institution by or on behalf of [the] *OR* [any] other contracting party to  
that contract where the terms of the contract -

(a) provide for an absolute transfer of the [asset or  
property, as the case may be,] to the institution  
by way of collateral [but not by way of security  
within the meaning of section 58], or

(b) both -

- (i) provide for the transfer of the [asset or property, as the case may be,] to the institution by way of security within the meaning of section 58, and
  - (ii) give the institution the right to deal with the [asset or property, as the case may be,] [under that security] as if the institution were the absolute owner of that [asset or property, as the case may be];”
- (r) in the definition of “prudent market value” -
  - (i) in paragraph (a), by deleting “and”, and
  - (ii) by inserting the following after paragraph (a):
    - “(ab) in relation to a commercial mortgage credit asset or substitution asset held or proposed to be held by a designated commercial mortgage credit institution - the prudent market value as determined in accordance with section 41 as applied and modified by *section 41B*, and”
- (s) by substituting the following for the definition of “public credit asset”:

“ ‘public credit asset’ -

- (a) subject to *paragraph (b)*, means [property or an asset] held by a designated or formerly designated public credit institution that comprises [one or more public credits],
  - (b) does not include property or an asset that comprises [, whether in whole or in part,] any pool hedge collateral;”
- (t) by inserting the following after the definition of “public credit asset”:

“ ‘public sector entities’ mean -

- [(a) non-commercial administrative bodies responsible to -
  - (i) central governments, regional governments or local authorities, or
  - [(ii) authorities that exercise the same responsibilities as [regional governments or] local authorities,]
- (b) non-commercial undertakings owned by central governments that have explicit guarantee arrangements, or

[(c) self-administered bodies governed by law that are under public supervision in [relevant] jurisdictions];”,

(u) by inserting the following after the definition of “record”:

“ ‘register of commercial mortgage covered securities business’, in relation to a designated or formerly designated commercial mortgage credit institution, means the register that the institution is required to keep under section 38 as applied and amended by *section 41B*;

‘register of designated commercial mortgage credit institutions’ means the register established in accordance with *section 17(A)*;”,

(v) in the definition of “residential property”, by inserting “,subject to *section 4(6)*,” after “means”,

(w) by inserting the following after the definition of “secured”;

“ ‘securitised mortgage asset’ means an asset which qualifies as a mortgage credit asset by virtue of *section 4(4)*;”,

(x) in the definition of “super-preferred creditor”, by inserting “, subject to *section 88(5)*,” after “means”, and

(y) in the definition of “supervisory enactment”, by deleting paragraph (d).

### **Amendment of section 4 of Principal Act.**

#### **3. \_\_\_ Section 4 of the Principal Act is amended –**

- (a) by substituting the following for subsection (4):

“(4) For the purposes of subsection (1), a financial obligation includes a financial obligation that is in the form of security that represents an interest in other mortgage credit that is securitised.”,

- (b) in subsection (5), by substituting “comprised” for “included” in the 2 places where it occurs, and

- (c) by inserting the following after subsection (5):

“(6) [Where a mortgage credit asset secured on residential property would, but for the exclusion of residential property from the definition of “commercial property” in section 3(1), [also] be secured on commercial property, a designated commercial mortgage credit institution may, for the purposes of this Act, treat that asset as if it were secured on commercial property rather than residential property.]

(7) In subsection (1), ‘other security’, in relation to residential or commercial property [located] *OR* [situated] outside the State, means a [type or class] *or* [kind] of security interest over that property that is [recognised] as a valid security interest under the [*lex situs*] of that property.”.

**Amendment of section 5 of Principal Act.**

**4. Section 5 of the Principal Act is amended -**

(a) in subsection (1) -

(i) by substituting “any one of the following:” for “is -”,

(ii) by substituting the following for paragraphs (a) to (f):

“(a) central governments, central banks, public sector entities, regional governments or local authorities in the State or in any other EEA Country,

(b) central governments and central banks in Australia, Canada, Japan, New Zealand, the Swiss Confederation, the United States of America or a country specified in an order made under *subsection (3)*,

(c) public sector entities, regional governments and local authorities in Australia, Canada, Japan, New Zealand, the Swiss confederation, the United States of America or a country specified in an order made under *subsection (3)*,

(d) (i) multilateral development banks,

(ii) international organisations which -

- (I) qualify as such for the purposes of the Codified Banking Directive, or
- (II) are added to the Codified Banking Directive by any directive or regulation made by competent organs of the European Union which has been implemented under the laws of the State

- (e) central governments, central banks, public sector entities, regional governments or local authorities in a category B country, or
- (f) any other entity established in a country to which *paragraph (a), (b) or (c)* relates that is prescribed by order of the Minister for the purposes of this section.”,

- (b) in subsection (2), by inserting “an interest in” after “represents”,
- (c) by substituting the following for subsection (3):

“(3) The Minister may, by order notified in *Iris Oifigiúil*, specify, for the purposes of *paragraph (b) or (c) of subsection (1)*, a country other than -

- (a) a country referred to in the paragraph concerned,  
or
  - (b) an EEA country.”,
- (d) by deleting subsections (4) and (5),
- (e) by substituting the following for subsections (7) and (8):
- (8) Subject to *subsection (9)*, where, but for this subsection, a credit qualifies in part only as a public credit, a designated public credit institution may treat that credit as public credit for the purposes of this Act.
  - (9) A designated public credit institution shall not treat credit as public credit pursuant to *subsection (8)* in any of the following cases:
    - (a) for the purposes of [*section 47(8) and (11)*],
    - (b) for the purposes of any contractual undertaking referred to in *section 47(13)* of the institution, or
    - (c) for the purposes of *section 56(1)*.”.

**Amendment of section 6 of Principal Act.**

**5.**\_\_\_ Section 6(1) of the Principal Act is amended by inserting “(other than such assets that comprise pool hedge collateral)” after “following assets”.

**New: Amendment of section 11 of Principal Act.**

Section 11, subsection (1) of the Principal Act is amended by inserting “following consultation with the Authority,” after “may”

**Amendment of section 12 of Principal Act.**

6. \_\_\_ Section 12 of the Principal Act is amended -

(a) by inserting the following after subsection (1):

“(1A) A person shall not -

- (a) purport to issue commercial mortgage covered securities in accordance with this Act,
- (b) represent or advertise that the person is a designated commercial mortgage credit institution, or is authorised by this Act to carry on a business involving the issue of commercial mortgage covered securities, or
- (c) claim to have the benefits conferred on designated commercial mortgage credit institutions by or under this Act,

unless the person is registered as a designated commercial credit institution in accordance with this Part.”, and

(b) in subsection (3), by inserting “, (1A)” after “*subsection (1)*”.

**Amendment of section 13 of Principal Act.**

7. \_\_\_ Section 13 of the Principal Act is amended -

- (a) in subsection (1), by inserting “, as a designated commercial mortgage credit institution” after “mortgage credit institution”, and
- (b) by substituting the following for subsection (5):

“(5) Nothing in this section prevents the same person from making an application for registration as more than one [type] OR [kind] of [designated credit institution].”.

**Amendment of section 14 of Principal Act.**

**8.**\_\_\_ Section 14 of the Principal Act is amended -

(a) by inserting the following after subsection (1):

“(1A) The Authority may register an applicant as a designated commercial mortgage credit institution only if it is satisfied that the applicant -

(a) is or will be able to carry out, in a proper manner, the responsibilities that a designated commercial mortgage credit institution is required by this Act to carry out, and

(b) complies with, or will be able to comply with, such requirements (if any) relating to designated commercial mortgage credit institutions as are prescribed by the regulations and by the regulatory notices.”,

(b) by inserting the following after subsection (4):

“(4A) On granting an application for registration as a designated commercial mortgage institution, the Authority shall -

- (a) record the appropriate particulars of the applicant in the register of designated commercial mortgage credit institutions, and
- (b) issue the applicant with a certificate of registration as a designated commercial mortgage credit institution,

and, if the Authority has imposed conditions on the applicant under *subsection (3)*, shall specify those conditions in the certificate or in one or more documents that accompany the certificate.”, and

- (c) in subsection (6), by inserting “, designated commercial mortgage credit institution” after “mortgage credit institution”.

**Amendment of section 15 of Principal Act.**

**9.**\_\_\_ Section 15 of the Principal act is amended -

(a) by inserting the following after subsection (1):

“(1A) Registration as a designated commercial mortgage credit institution authorises the institution named in the certificate of registration to carry on the business of a designated commercial mortgage credit institution in accordance with this Act.”,

(b) in subsection (5), by inserting “, a designated commercial mortgage credit institution” after “mortgage credit institution”, and

(c) by inserting the following after subsection (5):

“(6) Registration under this Act of a person as a particular [type] of designated credit institution permitted by this Act does not permit that person to act as another [type] of designated credit institution permitted by this Act unless that person is also registered under this Act as that other [type] of designated credit institution.”.

**Amendment of section 16 of Principal Act.**

**10.**\_\_\_ Section 16 of the Principal act is amended -

- (a) in subsection (2), by inserting “, a designated commercial mortgage credit institution” after “mortgage credit institution”, and
- (b) by inserting the following after subsection (2):

“(3) Without prejudice to the generality of *subsection (1)* or the powers of the Authority under other sections of this Act, the Authority may vary a condition [imposed,] or impose a condition, pursuant to *subsection (1)* which the Authority considers to be necessary, incidental, consequential or supplementary to the implementation of, or compliance with, the Codified Banking Directive or any directive or regulation made by competent organs of the European Union which has been implemented under the laws of the State, and is relevant to article 22(4) [which qualify as covered bonds for the purposes of the Codified Banking Directive].”.

**Amendment of section 17 of Principal Act.**

**11.** \_\_\_ Section 17 of the Principal Act is amended -

(a) by inserting the following after subsection (1):

“(1A) The Authority is required to establish and keep a register of designated commercial mortgage credit institutions.”, and

(b) by inserting the following after subsection (3):

“(3A) The register of designated commercial mortgage credit institutions must contain the name and address of the principal place of business of each designated commercial mortgage credit institution and such other information as the Authority determines.”.

**Amendment of section 18 of Principal Act.**

**12.**\_\_\_ Section 18 of the Principal Act is amended by inserting “a designated commercial mortgage credit institution,” after “mortgage credit institution,”.

**Amendment of section 21 of Principal Act.**

**13.**\_\_\_ Section 21(2) of the Principal Act is amended by deleting “to the satisfaction of the Authority”.

**Amendment of section 22 of Principal Act.**

**14.**\_\_\_ Section 22 (3) of the Principal Act is amended by substituting “section 20 or 21” for  
“this section”.

**Amendment of section 25 of Principal Act.**

**15.**\_\_\_ Section 25 of the Principal Act is amended by substituting the following for paragraphs (b), (c) and (d):

“(b) a trustee savings bank, or

(c) a building society,”.

**Amendment of section of section 27 of Principal Act.**

**16.**\_\_\_ Section 27 of the Principal Act is amended -

- (a) [in subsection (1)

Change: In section 27(1), replace subparagraph (a) with the following:

- (a) providing mortgage credit, dealing in and holding mortgage credit and providing group mortgage trust services;

Reason: To permit a designated mortgage credit institution to provide mortgage related trust services to members of its corporate group. See also 28C below.

- (i) in paragraph (f), by substituting “assets or activities permitted by this subsection [and engaging in activities permitted by *subsection (6)*]” for “assets of a kind mentioned in *paragraphs (a) to (e)*”, and
- (ii) in paragraph (g), by inserting “and dealing in and holding pool hedge collateral” after “to *(f)*”,
- (b) in subsection (2)(b), by substituting “mortgage” for “asset”,
- (c) [in subsection (3), in the definition of “credit transaction asset”, by substituting “any asset arising from the activities referred to in section 27(1)(c) or (f), mortgage” for “a mortgage”,
- (d) by inserting the following after subsection (5):

“

(6) In the case of a designated mortgage credit institution which is a building society:

(a) where the institution has adopted powers under section 28 of the Building Societies Act 1989, that designated mortgage credit institution may exercise its powers in accordance with that section 28, including where the relevant body to which this section applies or the relevant approved housing body does not restrict its activities to those permitted by *section 27(1)*; and

(b) that designated mortgage credit institution may exercise all the powers conferred on it under or adopted by it in accordance with, the Building Societies Acts 1989 to 2006,

to the extent that such powers are not otherwise permitted on the part of such an institution under this Act.

(7) For the purposes of *subsection(6)(a)* and *section 31(3A)*, “approved housing body” and “body to which this section applies” have the meaning given to them in section 28(5) of the Building Societies Act 1989.

(8) For the purposes of this Chapter, assets arising from the activities referred to in *subsection (6)* shall not include mortgage credit assets, substitution assets, hedge contracts entered into in accordance with *section 30*, assets that comprise pool hedge collateral, assets arising from the activities referred to at *subsection (1)(c)* or assets arising from activities connected with financing or refinancing activities permitted by *subsection (1)*”.

Reason:

In relation to 27(6) and (7) to enable a designated mortgage credit institution which is a building society to invest in and support bodies (including subsidiaries) in accordance with the Building Societies Acts even where their activities beyond the activities of a designated mortgage credit institution permitted by the Act and to permit such institutions to carry on activities permitted by the Building Societies Acts. In relation to 27 (8), to prevent overlaps between section 27(6) assets and other classes of assets permitted by the Act.

**New section 27(9) and (10):**

Change: In section 27, after the new section 27(8), insert the following new subsections (9) and (10):

“(9) For the purposes of this section:

“group entities” means:

(a) a parent entity of the institution;

(b) a subsidiary of the institution or, with the exception of the institution, of its parent entity;

“group mortgage trust services” mean services provided by a designated mortgage credit institution to one or more group entities which involve the institution holding mortgage credit assets and/or security for such assets on trust or as a custodian for or more group entities where the institution also holds an interest in that security;

“subsidiary” has the same meaning as in *section 3(7)*.

(10) To the extent that a designated mortgage credit institution holds an interest, as a trustee or custodian for group entities, in a mortgage credit asset as a consequence of that institution providing group mortgage trust services to one or more group entities:

(a) section 31(1) shall not apply to that mortgage credit asset to the extent only of that interest; and

(b) that mortgage credit asset to the extent only of that interest shall not be included in its cover assets pool.”

Reason: In the case of section 27(8), to define group entities and group mortgage trust services for the purposes of the new section 27(1)(a). See 27A above. In the case of 27(9), to prevent assets held by a designated mortgage credit institution as a result of its provision of group mortgage trust services to group entities being included in its cover assets pool and to disapply section 31(1) in the case of such assets.

**Amendment of section 28 of Principal Act.**

17.\_\_\_\_ Section 28 of the Principal act is amended by substituting the following for the second sentence:

“However, this section does not prevent such an institution that is also registered as a different [type] of designated credit institution permitted by [this] Act from carrying on business activities that can be lawfully carried on by such a designated credit institution.”.

**Amendment of section 30 of Principal Act.**

**18.**\_\_\_ (1) Section 30 of the Principal Act is amended -

(a) in subsection (2)(b), by inserting “(including those relating to pool hedge collateral)” after “into”,

(b) by substituting the following for subsections (3) and (4):

“(3) If a contract of a kind referred to in subsection (1) relates to -

(a) mortgage covered securities issued by a designated mortgage credit institution,

(b) mortgage credit assets or substitution assets that are comprised in a cover assets pool maintained by a designated credit institution, or

[(c) mortgage covered securities issued by a designated mortgage credit institution and mortgage credit assets or substitution assets that are comprised in a cover assets pool maintained by [a] designated credit institution,]

and the institution and the other party to the contract have agreed that the contract is to be included in the cover assets pool as a cover asset,

the institution shall ensure that the contract complies with the requirements of subsections (4) and (5).

(4) A contract of the kind referred to in *subsection (3)* may relate only to -

- (a) mortgage covered securities issued by the institution,
- (b) mortgage credit assets or substitution assets that are comprised in a cover assets pool maintained by it, or
- (c) mortgage covered securities issued by the institution and mortgage credit assets or substitution assets that are included in a cover assets pool maintained by it,

and may consist of one or more contracts which when taken together so relate.”, and

(c) by the insertion of the following after subsection (9):

“(10) A designated mortgage credit institution shall establish and keep a register in respect of any pool hedge collateral that it holds from time to time.

(11) The register referred to in *subsection (10)* shall be called the register of pool hedge collateral and shall be kept separate from the register of mortgage covered securities business.

(12) The register of pool hedge collateral may be kept in book form, in electronic form or in any other form so long as the register is capable of being reproduced visually.

(13) The institution shall include in the register of pool hedge collateral the following particulars:

- (a) particulars of the pool hedge collateral it holds,
- (b) particulars of the cover assets hedge contracts that relate to pool hedge collateral,
- (c) where the institution is also registered as a different [type] of designated credit institution under this Act, particulars of the cover assets pool to which the pool hedge collateral relates, and
- (d) such other particulars as are prescribed by the regulations made by the Authority pursuant to *subsection (15)*.

(14) Unless -

- (a) the Authority otherwise requires, by a direction in writing, whether to an individual institution or to institutions generally, or pursuant to regulations made by the Authority for the purposes of *subsection (15)*, or
- (b) the designated mortgage credit institution is potentially insolvent or insolvent,

the consent of the cover-assets monitor shall not be required for an institution to make, amend or delete an entry in the register of pool hedge collateral.

(15) The Authority may, by regulations , specify requirements in relation to -

- (a) the type of assets or property that qualify as pool hedge collateral,
- (b) the maintenance and operation of the register of pool hedge collateral,
- (c) particulars that an institution shall include in the register of pool hedge collateral for the purposes of *paragraph (d) of subsection (13)*.

(16) The Authority or any person authorised by the Authority may inspect and take copies of the register of pool hedge collateral.

(17) The Authority may require a designated mortgage credit institution to provide to the Authority or the cover-assets monitor, or both of them, such information in relation to pool hedge collateral held by that institution and at such intervals as may be specified to the institution by the Authority.”.

### Sections 31(3) and 31(4):

33A1 Change: In section 31(3), after 'tier 2 assets' insert the following:

"and where applicable, any relevant assets arising from the activities referred to at *section 27(6)*."

Reason: To include certain of the assets arising from the new section 27(6) (see 28B above) in the 10% restriction rule imposed by section 31(3). See also 33B below.

### 33B. New Sections 31(3(A) to 3(E)):

Change: After section 31(3) insert the following new sections 31(3(A), 3(B), 3(C), 3 (D) and 3 (E)):

"(3A) For the purposes of *subsection (3)*, "relevant assets arising from the activities referred to at *section 27(6)*" shall in the case of a designated mortgage credit institution, which is also a building society authorised for the purposes of the Building Societies Acts 1989 to 2006, exclude any relevant section 28 BSA assets. For the purposes of this subsection "relevant section 28 BSA assets" mean assets of a relevant institution arising from the activities referred to at *section 27(6(a))* which are held in an approved housing body or a body to which this section applies, in each case within the meaning of *section 27(7)*, provided that such a body would satisfy *subsections (1), (2) and (3)* if those provisions were applicable to such body under this Act.

(3B) A designated mortgage credit institution which is a building society must ensure at all times that the consolidated assets of the relevant institution would satisfy *subsections (1), (2) and (3)* as if those provisions were applicable to the consolidated assets of the relevant institution under this Act.

(3C) When applying *subsection (1)* and *subsection (3A) or 3(B)* to any approved housing body, a body to which this section applies or a relevant institution in respect of its consolidated assets, any regulatory notices made by the Authority under *section 41* shall apply in respect of such a body or a relevant institution as if references therein to a designated mortgage credit institution were to such a body or, as applicable, to the assets of the relevant institution were to its consolidated assets.

(3D) When applying *subsection (3A)* and *subsection (2) or (3)* to any approved housing body or a body to which this section applies, the assets of such body shall be valued according to generally accepted account principles which apply to such body in the country where such body is incorporated or established.

(3E) For the purposes of *subsections 3(B) and 3(C)*, "consolidated assets" in respect of a relevant institution, means assets of the relevant institution and of all its subsidiary undertakings as such assets appear on a consolidated basis in financial statements of the relevant institution as a parent entity prepared in accordance with the Building Societies Acts 1989 to 2006 and the European Communities (Credit Institutions : Accounts) Regulations 1992. In this subsection, "subsidiary undertakings" has the

meaning given to it on the European Communities (Credit Institutions: Accounts) Regulations 1992.

Reason: In the case of designated mortgage credit institutions which are also building societies, to prevent assets arising from the exercise of powers under section 28 of the Building Societies Act 1989 (investments in or support of bodies) by such institutions being subject to the 10% restriction rule at section 31(3) in the case of assets held in bodies which would comply with sections 31(1), 31(2) and 31(3) if those provisions applied to those bodies under the Act on a solo basis with respect to each such body and to apply sections 31(1), 31(2) and 31(3) to such institutions on a consolidated group basis by reference to consolidated group accounts.

**Amendment of section 32 of Principal Act.**

**19.**\_\_\_ Section 32 of the Principal Act is amended -

- (a) in subsection (5)(a), by substituting “comprised” for “included”,
- (b) in subsection (8) -
  - (i) in paragraph (d), by substituting “comprised” for “included”,  
and
  - (ii) by inserting “but, for the purposes of this subsection,  
[disregarding] the effect of any pool hedge collateral after “and  
those securities”,
- (c) by substituting the following for subsection (9):

“(9) For the purposes of *subsection (8)(a)*, “duration”, in relation to a cover assets pool or mortgage covered securities [secured on the pool], means a weighted average term to maturity of the relevant principal amount of the mortgage credit assets and substitution assets comprised in the pool or those securities, as the case may be, determined in accordance with a formula or criteria specified in a regulatory notice made for the purposes of this subsection and taking into account the effect of any relevant cover assets hedge contract entered into by the institution in relation to the pool or those securities, as the case may be.”,

(d) in subsection (11) -

(i) by substituting “comprised” for “included”, and

(ii) by substituting “property asset” for “property assets”,

(e) by substituting the following for subsection (12):

“(12) For the purposes of this section, the prudent market value of a property asset which relates to a mortgage credit asset is required to be calculated at such times as the Authority specifies, [after] having regard to the valuation requirements applicable to covered bonds under the Codified Banking Directive, in accordance with or under a regulatory notice made under *section 41(1)*.”,

(f) by inserting the following after subsection (14):

“(15) For the purpose of *subsection (8)(b)* but subject to *subsection (16)*, a designated mortgage credit institution is required to maintain a minimum level of regulatory overcollateralisation of its cover assets pool with respect to the mortgage covered securities in issue which are secured on the pool.

(16) *Subsection (15)* shall not affect any contractual undertaking made by the institution in respect of the prudent market value of the cover assets pool being greater than the total of the principal amounts of the mortgage covered securities in issue and

secured on that pool and which is the subject of a cover-assets monitor's functions under the Asset Covered Securities Act 2001 (Sections 61(1), 61(2) and 61(3)) (Overcollateralisation) Regulations 2004 (S.I. No. 419 of 2004), where that undertaking requires a higher level of cover assets to be maintained in the pool than *subsection (15)*.”.

(17) For the purposes of *subsection (15)*, ‘regulatory overcapitalisation’ means that the prudent market value of the mortgage credit assets and substitution assets comprised in the cover assets pool, expressed as a percentage of the total of the principal amounts of the mortgage covered securities in issue which are secured on that pool, is a minimum of 103 per cent after applying the commercial effect of any cover assets hedge contract entered into to mitigate risk for any asset comprised in the cover assets pool.

(18) The Minister may, by order notified in *Iris Oifigiúil*, vary the percentage referred to in *subsection (17)*.”.

**Amendment of section 33 of Principal Act.**

**20.**\_\_\_ Section 33 of the Principal Act is amended -

- (a) by substituting the following for subsections (2), (3) and (4):

“(2) A designated mortgage credit institution may include in a cover assets pool maintained by the institution a mortgage credit asset or substitution asset that is located within one or more category A countries.”, and

- (b) by substituting the following for subsection (6):

“(6) A designated mortgage credit institution may not include in a cover assets pool a mortgage credit asset if a building related to that mortgage credit asset is being or is to be constructed -

- (a) unless the institution attributes to such mortgage credit asset a prudent market value of nil for the purposes of *section 32(8), (16)* [and *(17)*], and
- (b) until the building is ready for occupation as a commercial or residential property.”.

**Amendment of section 34 of Principal Act.**

**21.** \_\_\_ Section 34 of the Principal Act is amended -

(a) in subsection (1), by substituting “section 32(1), (4), (5), (7) or (15) or 33(5) or (6)” for “section 32(1), (4), (5) or (7) or section 33(2), (3), (5) or (6)”, and

(b) by inserting the following after subsection (2):

(2A) A designated mortgage credit institution shall, as soon as practicable after becoming aware that a cover asset comprised in its cover assets pool would, if the institution were to include that asset at that time in its pool, contravene *section 35(8)(a)* or *41A(1)(c)(iii)*, remove that cover asset from its cover assets pool and where required by this Act, replace it in accordance with section 35. Until these steps have been taken, the institution may not issue any further public credit covered securities.”.

**Amendment of section 35 of Principal Act.**

22. \_\_\_ Section 35 of the Principal Act is amended -

(a) in subsections (1) and (3), by substituting “comprised” for “included” [wherever it occurs],

(b) by substituting the following for subsection (8):

“(8) A designated mortgage institution may not at any time include a substitution asset in a cover assets pool maintained by the institution -

(a) unless the substitution asset [concerned] meets the credit worthiness standards or criteria specified by the Authority in a regulatory notice made for the purposes of this subsection, or

(b) if, after including the substitution asset [concerned] in the pool, the total prudent market value of all substitution assets then comprised in the pool at the relevant time would exceed the prescribed percentage of the aggregate nominal or principal amount of outstanding mortgage covered securities secured on the pool. For the purposes of this subsection, the prescribed percentage is 15 per cent or, if an order under

*subsection (9)* specifies some other percentage,  
that other percentage.”,

- (c) by inserting the following after subsection (9):

“(9A) For the purposes of *subsection (8)*, when determining the total prudent market value of all substitution assets comprised in a cover assets pool at any time there shall be disregarded any substitution assets represented by exposures caused by the transmission and management of payments of the obligors of or liquidation proceeds in respect of mortgage credit assets comprised in the pool.

(9B) The Authority shall, by regulatory notice published in *Iris Oifigiúil*, specify creditworthiness standards or criteria for the purposes of *subsection (8)* and such standards or criteria shall -

- (a) have regard to creditworthiness standards or criteria applicable to substitution assets and article 22(4) securities under any regulation or directive made by competent organs of the European Union, and
- (b) may differentiate between substitution assets which have a maximum maturity of 100 days or such other period of days as may be specified by the Minister in an order made for the purposes

of this subsection and those which have a longer maturity.

(9C) The Minister may, by order notified in *Iris Oifigiúil*, vary the period of days referred to in *subsection (9B)*.”.

**Amendment of section 36 of Principal Act.**

**23.**\_\_\_ Section 36(4) of the Principal Act is amended by substituting “comprised” for  
“included”.

**Amendment of section 38 of Principal Act.**

**24.**\_\_\_ Section 38 of the Principal Act is amended -

- (a) in subsection (5), by inserting “, delete” after “make”, and
- (b) by substituting the following for subsection (7):

“(7) If a designated mortgage credit institution is also a designated commercial mortgage credit institution or a designated public credit institution, the institution is required to keep its register of mortgage covered securities business separate from [, as applicable] -

- (a) its register of commercial mortgage covered securities business, or
- (b) its register of public credit covered securities business.”.

**Circumstances in which additional assets need meet requirements of this Part.**

25.\_\_\_\_ The Principal Act is amended by inserting the following after section 39:

**“Circumstances in which additional assets need meet requirements of this Part.**

**39A.**\_ For so long as a cover assets pool maintained by a designated mortgage credit institution is comprised in part of cover assets which meet the requirements of *section 32(8) and (15)* and of any contractual undertaking by the institution as referred to in *section 32(16)* and those cover assets meet the other requirements of this Part, then any provision of this Part which restricts the proportion or percentage of the cover assets pool which may be comprised of certain cover assets or criteria or standards applicable to cover assets shall not apply to any further such cover assets comprised or to be comprised from time to time in that cover assets pool[, and the provisions of this Part shall be construed accordingly].”.

**Amendment of section 40 of Principal Act.**

**26.**\_\_\_ Section 40 of the Principal Act is amended -

- (a) in subsection (1)(c), by substituting “mortgage credit assets and substitution assets comprised in the cover assets pool that relates” for “cover assets pools that relate”,
- (b) in subsection (2) -
  - (i) in paragraph (c), by substituting “mortgage credit assets are non-performing as at that date, and if they are” for “any persons who owe money under mortgage credit assets have defaulted in making payments in respect of those assets when due and payable, and if they have”,
  - (ii) in paragraph (d), by inserting “so as to render them non-performing for the purposes of this Act” after “(€787.56)”, and
  - (iii) in paragraph (h), by inserting “and not on residential property” after “property”, and
- (c) by inserting the following after subsection (2):

“(3) The Authority may, by regulatory notice published in *Iris Oifigiúil*, amend all or any of the figures specified in *subsection (2)(a) or (d)*.”.

**Amendment of section 41 of Principal Act.**

27.\_\_\_\_ Section 41 of the Principal Act is amended by inserting the following after subsection

(6):

“(7) A regulatory notice made under this section may, and shall be deemed always to have been capable of, specifying requirements in relation to particular assets or properties or different [classes] of assets or properties (including [classes] with respect to where assets or properties are located or where the assets or properties are secured on commercial or residential properties).”.

**Modifications to Chapter 1 of Part 4 of Principal Act in its application to securitised mortgage credit assets.**

**28.**\_\_\_ The Principal Act is amended by inserting the following after section 41 [but in Chapter 1 of Part 4]:

**“Modifications to this Chapter in its application to securitised mortgage credit assets.**

**41A.**\_ (1) This Chapter shall be modified as follows in relation to securitised mortgage credit assets:

- (a) securitised mortgage credit assets shall be disregarded for the purposes of *sections 31(1), 32(11), (12) and (13) and 40(2)*,
- (b) the location of securitised mortgage credit assets for the purposes of *section 33(1), (2) and (3)* shall be determined by reference to the location of the property assets related to the mortgage credit assets which are securitised,
- (c) securitised mortgage credit assets may only be included by a designated mortgage credit institution in a cover assets pool if those assets satisfy the following requirements:
  - (i) the securitisation entity which is the issuer of the securitised mortgage credit assets is established under and subject to the laws of an EEA country,

- (ii) at least 90 per cent of the assets held, directly or indirectly, by the securitisation entity comprise mortgage credit assets, but disregarding, for the purposes [referred to in *paragraphs (a) and (b)*], such assets representing exposures caused by transmission and management of payments of the obligors under, or liquidation proceeds in respect of, such mortgage credit assets,
- (iii) the securitised mortgage credit assets constitute senior claims of the securitisation entity in that they meet the creditworthiness standards or criteria specified by the Authority in a regulatory notice made for the purposes of [this paragraph],
- (iv) the nominal or principal amount outstanding of the securitised mortgage credit assets comprised in the cover assets pool at any time do not exceed any applicable percentage, which may be specified by the Authority by regulatory notice, of the nominal or principal amount of the outstanding mortgage covered securities issued by the institution,
- (v) that, for the purposes of -
  - (I) [*section 32(8) and (15)*],

(II) any contractual undertakings by the institution as referred to in *section 32(17)*, and

(III) *section 41(1)* and (2),

such securitised mortgage credit assets shall have a prudent market value no greater than an amount equal to the lesser of -

(A) the principal or nominal amount outstanding of the securitised mortgage credit assets concerned,

(B) the principal or nominal amount of mortgage credit assets held by the securitisation entity and any credits having security over the property assets, the subject also of those mortgage credit assets, which rank ahead of the security over those mortgage credit assets held by the securitisation entity, and

(C) an amount equal to the applicable percentage of the value of the property assets which are the subject of the mortgage credit assets held by the securitisation entity,

and for the purpose of determining the principal or nominal amount of credits (including mortgage credit assets) for the purposes of *sub-subparagraph (II)* or the value of property assets for the purposes of *sub-subparagraph (III)*, using an aggregate basis having regard to -

- (A) [the] proportion which the nominal or principal amount of the securitised mortgage credit assets concerned bear as against the total of the nominal or principal amount of securitised mortgage credit assets issued by the securitisation entity and which are secured on the same assets as the securitised mortgage credit assets concerned, and
- (B) the ranking in terms of seniority of the securitised mortgage credit assets concerned as against all securitised mortgage credit assets issued by the [relevant] securitisation entity and which are secured on the same assets as the

securitised mortgage credit assets  
concerned.

(2) The Authority shall, by regulatory notice published in *Iris Oifigiúil*, specify creditworthiness standards or criteria for securitised mortgage credit assets for the purposes of *subsection (1)(c)(iii)*.

(3) The Authority may, by regulatory notice published in *Iris Oifigiúil*, specify -

- (a) a percentage for the purposes of *subsection (1)(c)(iv)*, and
- (b) any circumstances related to creditworthiness of the securitised mortgage credit assets concerned to which such percentage applies.

(4) The applicable percentage for the purposes of *subsection (1)(c)(v)(III)* shall be -

- (a) where the property assets which are related to the securitised mortgage credit assets comprise residential property only, 80 per cent or such other percentage specified by the Minister for the purposes of this paragraph,
- (b) in any other case, 60 per cent or such other percentage specified by the Minister for the purposes of this paragraph.

(5) The Authority may, by regulatory notice published in *Iris Oifigiúil*, specify requirements or criteria with respect to -

- (a) the credit worthiness of securitised mortgage credit assets which may be acquired and held by a designated mortgage credit institution outside its cover assets pool, or
- (b) any matter referred to in this section.

(6) The Minister may, by order notified in *Iris Oifigiúil*, change any percentage which applies for the purposes of *subsection (4)*.

(7) The Minister and the Authority shall, when making any order or, as applicable, regulatory notice for the purposes of this section, have regard to any applicable standards or criteria relevant to article 22(4) securities under any directive or regulation made by competent organs of the European Union.

(8) A designated mortgage credit institution shall include the following information in respect of securitised mortgage credit assets comprised in its cover assets pool in its annual financial statement or in a document accompanying the statement:

- (a) the name of the securitisation entities which are the issuers of those assets and the principal or nominal amount and class or title of those assets, as at the date to which the statement is made up, and

(b) such other information as may be prescribed by the regulations for the purposes of this subsection.”.

**Chapter 1A - Issue of asset covered securities by designated commercial mortgage credit institutions.**

**29.**\_\_\_ Part 4 of the Principal Act is amended by inserting the following after Chapter 1:

“Chapter 1A

*Issue of asset covered securities by designated  
commercial mortgage credit institutions*

**Modifications to Chapter 1 and sections 4, 61 and 91 to enable them to apply to designated commercial mortgage credit institutions.**

**41B.**\_ (1) The provisions of *Chapter 1* and of *sections 4, 61 and 91* shall apply to designated commercial mortgage credit institutions with the following modifications:

- (a) references therein, to ‘asset covered securities’ or ‘mortgage covered securities’ shall mean commercial mortgage covered securities,
- (b) references therein to ‘designated mortgage credit institutions’ or, except in *sections 28 and 38(7)*, to ‘designated credit institutions’, shall mean designated commercial mortgage credit institutions,
- (c) references therein to ‘mortgage credit assets’ shall mean commercial mortgage credit assets,

- (d) references therein to ‘property assets’ shall mean commercial property,
- (e) except in *section 38(7)*, references therein to a ‘register of mortgage covered securities business’ shall mean a register of commercial mortgage covered securities business,
- (f) except in *sections 32(13)(a)* and *41A(4)(a)*, references therein to ‘residential property’ shall mean commercial property,
- (g) references therein to ‘securitised mortgage credit assets’ shall mean securitised mortgage credit assets the related property assets of which comprise commercial property,
- (h) *sections 32(12)* and *(13)(a)*, *33(5)* and *40(2)* shall not apply to designated commercial mortgage credit institutions,
- (i) where orders, regulations, regulatory notices or other notices may be made or given under *section 4(3)* or *(7)*, *27(4)* or *(5)*, *30(2)* or *(15)*, *31(1)*, *(4)* or *(5)*, *32(10)*, *(14)* or *(18)*, *33[(2)]* or *(4)*, *35(9)*, *[(9B)* or *(9C)]*, *38(4)*, *(5)* or *(6)*, *39(2)*, *41(1)*, *(3)* or *(5)*, *41A*, *61(1)*, *(2)* or *(3)* or *91(2)*, *(3)* or *(4)* in relation to designated mortgage credit institutions -
  - (i) separate orders, regulations or, as applicable, regulatory notices may be made in relation to designated commercial mortgage credit institutions, and

- (ii) orders, regulations or, as applicable, regulatory notices may be made in relation to both designated commercial mortgage credit institutions and designated mortgage credit institutions,
- (j) where orders, regulations or regulatory notices have been made under any provision of *Chapter 1* or *section 4, 61 or 91* prior to the commencement of this Chapter, such orders, regulations or, as applicable, regulatory notices shall not apply to designated commercial mortgage credit institutions,
- (k) where orders, regulations or regulatory notices or other notices are made under any provision of *Chapter 1* or of *section 4, 6 or 91* after the commencement of this Chapter, those orders, regulations, regulatory notices or, as applicable, other notices shall not apply in relation to designated commercial mortgage credit institutions unless those orders, regulations, regulatory notices or, as applicable, other notices expressly so provide,
- (l) in *section 32(17)*, the reference to 103 per cent shall, subject to *section 32(18)*, be amended to [110] per cent, and
- [(m) in *sections 61 and 91* references to provisions of *Chapter 1* shall be as such provisions are amended by this section.]

(2) If a designated commercial mortgage credit institution is also a designated mortgage credit institution or a designated public credit institution, the institution is required to keep its register of commercial mortgage covered securities business separate from[, as applicable] -

- (a) its register of mortgage covered securities business, or
- (b) its register of public credit covered securities business.

(3) A designated commercial mortgage credit institution shall include the following information in its annual financial statement, or in a document accompanying the statement, in respect of commercial mortgage credit assets that are recorded in the institution's register of commercial mortgage covered securities business:

- (a) the number of commercial mortgage credit assets, as at the date to which the statement is made up, with the amounts of principal outstanding in respect of the related credits being specified in tranches of -
  - (i) €2,500,000 or less,
  - (ii) more than €2,500,000 but not more than €5,000,000,
  - (iii) more than €5,000,000 but not more than €25,000,000,
  - (iv) more than €25,000,000 but not more than €50,000,000,and

- (v) more than €50,000,000,
- (b) the geographical areas in which the related property assets are [located] and the number and percentage of those assets held in each of those areas,
- (c) whether or not any such commercial mortgage credit assets are non-performing as at that date, and if they are -
  - (i) the number of those assets as at that date, and
  - (ii) the total amount of principal outstanding in respect of those assets at that date,
- (d) whether or not any persons who owed money under commercial mortgage credit assets had, during the immediately preceding financial year of the institution (if any), defaulted in making payments in respect of those assets in excess of €25,000 so as to render them non-performing for the purposes of this Act at any time during that year, and if any such persons had defaulted, the number of those assets that were held in the cover assets pool at the date to which the financial statement for that year was made up,
- (e) the number of cases in which the institution has replaced commercial mortgage credit assets with other assets because those commercial mortgage credit assets were non-performing,

- (f) the total amount of interest in arrears in respect of such commercial mortgage credit assets that has not been written off at that date,
- (g) the total amount of payments of principal repaid and the total amount of interest paid in respect of such commercial mortgage credit assets, and
- (h) any other information prescribed by the regulations for the purposes of this subsection.

(4) The Authority may, by regulatory notice published in *Iris Oifigiúil*, vary any or all of the figures referred to in *subsection (3)*.

(5) *Section [32(17)]* as applied to designated commercial mortgage credit institutions by *subsection (1)(l)* shall not preclude a designated commercial mortgage credit institution from giving contractual undertakings in respect of the prudent market value of the cover assets pool being greater than the total of the nominal or principal amounts of the commercial mortgage covered securities which are in issue and secured on that pool or affect such an undertaking.”.

**Amendment of section 42 of Principal Act.**

**30.**\_\_\_ Section 42 of the Principal Act is amended -

- (a) in subsection (1) -
  - (i) [in paragraph (f), by inserting “and other activities permitted by this subsection” after “(e)”, and]
  - (ii) in paragraph (g), by inserting “and dealing in and holding pool hedge collateral” after “(f)”,
- (b) in subsection (2)(b), by substituting “public credit” for “asset”, and
- (c) in subsection (3), in the definition of “credit transaction asset”, by substituting “any asset arising from the activities referred to in *subsection (1)(c) or (f)*, public” for “a public”.

**Amendment of section 43 of Principal Act.**

**31.**\_\_\_ Section 43 of the Principal Act is amended by substituting the following for the second sentence:

“However, this section does not prevent such an institution that is also a different [type] of designated credit institution permitted by this Act from carrying on business activities that can lawfully be carried on by such an institution.”.

**Amendment of section 45 of Principal Act.**

**32.**\_\_\_ Section 45 of the Principal Act is amended -

- (a) in subsection (2)(b), by inserting “(including those relating to pool hedge collateral)” after “into”,
- (b) by substituting the following for subsections (3) and (4):

“(3) If -

- (a) a contract of a kind referred to in subsection (1) relates to -

- (i) public credit securities issued by a designated public credit institution,
- (ii) public credit assets or substitution assets that are comprised in a cover assets pool maintained by a designated public credit institution, or
- (iii) both public credit securities issued by, and public credit assets or substitution assets that are comprised in a cover assets pool maintained by a designated public credit institution, and

- (b) [the institution and the other party to the contract have agreed that the contract is to be comprised in the cover assets pool as a cover asset,]

the institution shall ensure that the contract complies with the requirements of *subsections (4) and (5)*.

- (4) A contract of the kind referred to in subsection (3) -

- (a) may relate only to -

- (i) public credit covered securities issued by the institution,

- (ii) public credit assets of substitution assets that are comprised in a over assets pool maintained by it, or

- (iii) [both] public credit covered securities issued by the institution and public credit assets or substitution assets that are comprised in a cover assets pool maintained by it, and

- (b) may consist of one or more contracts or transactions which when taken together so relate.”, and

(c) by inserting the following after subsection (9):

“(10) A designated public credit institution shall establish and keep a register in respect of any pool hedge collateral that it holds from time to time.

(11) The register referred to in *subsection (10)* shall be called the register of pool hedge collateral and shall be kept separate from the register of public credit covered securities business.

(12) The register of pool hedge collateral may be kept in book form, in electronic form or in any other form so long as the register is capable of being reproduced visually.

(13) The institution shall include in the register of pool hedge collateral the following particulars:

- (a) particulars of the pool hedge collateral it holds,
- (b) particulars of the cover assets hedge contracts that relate to pool hedge collateral,
- (c) where the institution is also registered as a different [type] of a designated credit institution under this Act, particulars of the cover assets pool to which the pool hedge collateral relates, and

(d) such other particulars as are prescribed by the regulations made by the Authority pursuant to *subsection (15)*.

(14) Unless -

(a) the Authority otherwise requires, by a direction in writing, whether to an individual institution or to institutions generally, or pursuant to regulations made by the Authority for the purposes of *subsection (15)*, or

(b) the designated public credit institution is potentially insolvent or insolvent,

the consent of the cover-assets monitor shall not be required for an institution to make, amend or delete an entry in the register of pool hedge collateral.

(15) The Authority may, by regulations, specify requirements in relation to -

(a) the type of assets or property that qualify as pool hedge collateral,

(b) the maintenance and operation of the register of pool hedge collateral,

(c) particulars that an institution shall include in the register of pool hedge collateral for the purposes of *subsection (13)(d)*.

(16) The Authority or any person authorised by the Authority may inspect and take copies of the register of pool hedge collateral.

(17) The Authority may require a designated public credit institution to provide to the Authority or the cover-assets monitor, or both of them, such information in relation to pool hedge collateral held by that institution and at such intervals as may be specified to the institution by the Authority.”.

**Amendment of section 46 of Principal Act.**

**33.**\_\_\_ Section 46 of the Principal Act is amended by deleting subsections (5), (6) and (7).

**Amendment of section 47 of Principal Act.**

**34.**\_\_\_ Section 47 of the Principal Act is amended -

- (a) in subsection (5)(a), by substituting “comprised” for “included”,
- (b) in subsection (8) -
  - (i) in paragraph (d), by substituting “comprised” for “included”,  
and
  - (ii) by inserting “(but disregarding, for the purposes of this subsection, the effect of any pool hedge collateral)” after “and those securities”,
- (c) by substituting the following for subsection (9):

“(9) For the purposes of *subsection (8)(a)*, “duration”, in relation to a cover assets pool or public credit covered securities [secured on such a pool], means a weighted average term to maturity of the relevant principal amount of the public credit assets and substitution assets comprised in the pool or [public credit covered] OR [those] securities, as the case may be, determined in accordance with a formula or criteria specified in a regulatory notice made for the purposes of this subsection and taking into account the effect of any relevant cover assets hedge contract entered into by the institution in relation to the pool and those securities, as the case may be.”, and

(d) by inserting the following after subsection (10):

“(11) For the [purpose] of *subsection (8)(b)*, a designated public credit institution is required to maintain a minimum level of regulatory overcollateralisation of its cover assets pool with respect to the public credit covered securities in issue which are secured on the pool.

(12) For the purposes of *subsection (11)*, the Authority may by regulatory notice notified in *Iris Oifigiúil* -

(a) specify a formula or criteria to determine the present value of -

(i) public credit assets and substitution assets comprised in a cover assets pool, and

(ii) public credit covered securities in issue which are secured on that pool,

(b) specify the frequency of any determination by the designated public credit institution of those present values.

(13) *Subsection (11)* shall not affect any contractual overcollateralisation undertaking made by the institution and which is

the subject of the cover-assets monitor's functions under the Asset Covered Securities Act 2001 (Sections 61(1), 61(2), 61(3)) (Overcollateralisation) Regulation 2002 (S.I. No. 635 of 2002), where that contractual overcollateralisation undertaking requires a higher level of cover assets to be maintained in the cover assets pool than *subsection (11)*.

(14) In this section -

'contractual over collateralisation undertaking' means a contractual undertaking by the institution that the prudent market value of the cover assets pool is to be maintained by the institution at a specified level greater than the total of the principal amounts of the public credit covered securities in issue which are secured on that pool;

'regulatory over collateralisation' means that the [present] value of the public credit assets and substitution assets comprised in the cover asset pool, expressed as a percentage of the present value of the public credit covered securities in issue which are secured on that pool, is a minimum of 103 per cent after applying the commercial effect of any cover assets hedge contract entered into to mitigate risk for an asset comprised in the cover assets pool.

(15) The Minister may, by order notified in *Iris Oifigiúil*, vary the percentage referred to in the definition of 'regulatory over collateralisation' in *subsection (14)*."

What can be included in a [ ] cover assets pool maintained by a [ ] designated public credit institution.

35.\_\_\_\_ Section 48 of the Principal Act is repealed and substituted by the following:

**“What can be included in a cover assets pool maintained by a designated public credit institution.**

48.\_ (1) Any public credit asset or substitution asset located within an EEA country may be included in a cover assets pool maintained by the designated public credit institution.

(2) A designated public credit institution may not, subject to *subsection (3)*, include in its cover assets pool -

(a) a category 5(1)(b) asset or a category 5(1)(d) asset unless such asset complies with credit worthiness standards or criteria specified by the Authority in a regulatory notice made for the purposes of this paragraph,

(b) a category 5(1)(c) asset unless such asset complies with -

(i) risk weighting standards or criteria for capital adequacy purposes specified by the Authority in a regulatory notice made for the purposes of this paragraph, and

- (ii) credit worthiness standards or criteria specified by the Authority in a regulatory notice made for the purposes of this paragraph.

(3) A category 5(1)(b) asset, category 5(1)(c) asset or category 5(1)(d) asset may, notwithstanding *subsection (2)*, be included by a designated public credit institution in its cover assets pool provided that -

- (a) any such assets complies with credit worthiness criteria specified by the Authority in a regulatory notice made for the purposes of this paragraph, and
- (b) the total aggregate nominal or principal amount of all such assets comprised in the cover assets pool at any time does not exceed 20%, or such other percentage specified by the Authority in a regulatory notice made for the purposes of this paragraph, of the aggregate nominal or principal amount of outstanding public credit covered securities issued by the institution.

(4) The Authority [shall], by regulatory notice published in *Iris Oifigiúil*, specify credit worthiness standards criteria or[, as applicable,] risk weighting standards or criteria for the purposes of *subsections (2)* and *(3)(a)* and may, by regulatory notice published in *Iris Oifigiúil*, specify a percentage for the purpose of [relevant] *subsection (3)(b)*.

(5) The Authority, when making any regulatory notice provided for in *subsection (4)*, shall have regard to any relevant standards or criteria applicable under the Codified Banking Directive or any directive or regulation made by competent organs of the European Union implemented under the laws of the State, which are relevant to article 22(4) securities that qualify as covered bonds for the purposes of the Codified Banking Directive.”.

**Amendment of section 49 of Principal Act.**

**36.**\_\_\_ Section 49 of the Principal Act is amended -

- (a) in subsection (1), by substituting “, (7) or (11)” for “or (7)”,
- (b) by inserting the following after subsection (2):

“(2A) A designated public credit institution shall, as soon as practicable after becoming aware that a cover asset comprised in its cover assets pool would, if the institution were to include that asset at that time in its pool, contravene *section 48(2)* or *50(8)(a)*, remove that cover asset from its cover assets pool and, where required by this Act, replace it in accordance with *section 50*. Until these steps have been taken, the institution may not issue any further public credit covered securities.”.

**Amendment of section 50 of Principal Act.**

**37.**\_\_\_ Section 50 of the Principal Act is amended -

- (a) in subsection (1), by substituting “comprised” for “included”,
- (b) in subsection (3), by substituting “when comprised” for “included”,  
and
- (c) by substituting the following for subsections (8) and (9):

“(8) A designated public credit institution may not at any time include a substitution asset in a cover assets pool maintained by the institution -

- (a) unless the substitution asset concerned meets the credit worthiness standards or criteria specified by the Authority in a regulatory notice made for the purposes of this subsection, or
- (b) if, after including the substitution asset [concerned] in the pool, the total prudent market value of all substitution assets then comprised in the pool at the relevant time would exceed the prescribed percentage of the aggregate nominal or principal amount of outstanding public credit covered securities secured on the pool. For the purposes of this subsection, the prescribed

percentage is 15 per cent or, if an order under *subsection (9)* specifies some other percentage, that other percentage.

(9) The Minister may, by order notified in *Iris Oifigiúil*, vary the percentage referred to in *subsection (8)* so as to meet requirements under the Codified Banking Directive or any regulation or directive made by competent organs of the European Union implemented under the laws of the State which are relevant to article 22(4) securities that qualify as covered bonds for the purposes of the Codified Banking Directive.

(9A) The Authority shall, by regulatory notice published in *Iris Oifigiúil*, specify creditworthiness standards or criteria for the purposes of *subsection (8)* and such standards or criteria -

- (a) [shall] have regard to [creditworthiness] standards or criteria under the Codified Banking Directive or any regulation or directive made by competent organs of the European Union relevant to substitution assets and article 22(4) securities which qualify as covered bonds for the purposes of the Codified Banking Directive, and
- [(b) may differentiate between substitution assets which have a maximum maturity of 100 days or

such other period of days as may be specified by the Minister in an [order] made for the purposes of this subsection and those which have a longer maturity].”.

**Amendment of section 51 of Principal Act.**

**38.**\_\_\_ Section 51(4) of the Principal Act is amended by substituting “comprised” for  
“included”.

**Amendment of section 53 of Principal Act.**

**39.**\_\_\_ Section 53(5) of the Principal Act is amended by inserting “, delete” after “make”.

**Lifting of certain restrictions on cover assets pool.**

40.\_\_\_\_ The Principal Act is amended by inserting the following after section 54:

**“Lifting of certain restrictions on cover assets pool.**

54A.\_ For so long as -

- (a) a cover assets pool maintained by a designated public credit institution is comprised in part of cover assets which meet the requirements of *section 47(8)* and *(11)* and of any contractual undertaking by the institution as referred to in *section 47(13)*, and
- (b) those cover assets meet the other requirements of this Part,

then any provision of this Part which restricts the proportion or percentage of the cover assets pool which may be comprised of certain cover assets or criteria or standards applicable to cover assets shall not apply to any further such cover assets comprised or to be comprised from time to time in that cover assets pool[, and the provisions of this Part shall be [construed] accordingly].”.

**Amendment of section 55 of Principal Act.**

**41.**\_\_\_ Section 55 of the Principal Act is amended -

- (a) in paragraph (a), by substituting “comprised” for “included”,
- (b) by inserting the following after paragraph (a):

“(ab) in the case of public credit assets comprised in the cover assets pool which are financial obligations of entities referred to in *section 5(1)(d)*, a reference to that [category of public credit assets] and the number and percentage of those assets which are referable to that category,” and
- (c) in paragraph (c), by substituting “section” for “subsection”.

**Amendment of section 56 of Principal Act.**

**42.**\_\_\_ Section 56(1) of the Principal Act is amended -

- (a) by substituting “credit asset comprised” for “credit asset included”, and
- (b) [by substituting “relevant date” for “date that the asset is included in the pool”.]

**Amendment of section 58 of Principal Act.**

**43.**\_\_\_ Section 58 of the Principal Act is amended by inserting the following after subsection (12):

“(12A) A designated credit institution shall be, and shall be deemed always to have been, entitled to transfer its assets or business by any means permitted by law other than this section.”.

**Amendment of section 61 of Principal Act.**

**44.**\_\_\_ Section 61 of the Principal Act is amended -

- (a) in subsection (1) -
  - (i) by substituting “32(8) and (15)” for “32(8)”, and
  - (ii) by substituting “, 38(4) and (5) and 41A(1)(c)” for “and 38(4) and (5)”, and
- (b) in subsection (2)(b), by substituting “and” for “or”.

**Amendment of section 62 of Principal Act.**

**45.**\_\_\_ Section 62(1) of the Principal Act is amended by substituting “47(8) and (11)” for “47(8)”.

**Amendment of section 66 of Principal Act.**

**46.**\_\_\_ Section 66 of the Principal Act is amended -

- (a) in subsection (2)(a), by substituting “comprised” for “included”, and
- (b) in subsection (3)(b), by substituting “, substitution asset or cover assets hedge contract” for “or substitution asset”.

**Amendment of section 71 of Principal Act.**

**47.**\_\_\_ Section 71(c) of the Principal Act is amended by substituting “and” for “, or appropriate”.

**Amendment of section 72 of Principal Act.**

**48.**\_\_\_ Section 72 of the Principal Act is amended by inserting the following after subsection (5):

“(6) The Authority may, by notice in writing given to a manager appointed in respect of a designated credit institution, confer on that manager such additional responsibilities or powers as it considers appropriate for the effective management of the asset covered securities business activities of the institution.

(7) If a liquidator, examiner or receiver is appointed in respect of a designated credit institution to which a manager has been appointed, the manager may enter into arrangements with respect to the management of the institution, including such matters as may be specified in the notice referred to in *subsection (6)*. Those arrangements -

- (a) must include arrangements relating to the payment of the remuneration of, and the costs incurred by, the manager, and
- (b) are subject to such conditions (if any) as are specified in that notice or as the Authority may notify to the manager in writing.”.

**Amendment of section 78 of Principal Act.**

**49.**\_\_\_ Section 78(a) of the Principal Act is amended by inserting “or in a notice referred to in *section 72(6)*” after “appointment”.

**Amendment of section 81 of Principal Act.**

**50.**\_\_\_ Section 81 of the Principal Act is amended by inserting the following after subsection

(3):

“(4) In this Part [and not any other provision of this Act] a reference to ‘cover assets’ and a ‘cover assets pool’ includes -

(a) in the case of mortgage credit assets, public credit assets and substitution assets which constitute cover assets or are comprised in the cover assets pool, any security within the meaning of *section 58*, guarantee, indemnity and insurance held by the designated credit institution in respect of such assets, and

(b) in the case of cover assets hedge contracts, such security, guarantee, indemnity and insurance held by the designated credit institution for, or pool hedge collateral provided under, such contracts.

(5) Any reference in this Part to a ‘cover assets hedge contract’ includes any rights, obligations and title of the [designated credit institution] to, in or arising from pool hedge collateral or security within the meaning of *section 58* provided to the institution under or for that contract.”.

**Amendment of section 83 of Principal Act.**

**51.**\_\_\_ Section 83 of the Principal Act is amended -

- (a) in subsection (1) -
  - (i) by inserting “or formerly designated” after “designated”, and
  - (ii) by substituting “comprised” for “included”, and
- (b) in subsection (5) -
  - (i) by inserting “or application” after “disposal”, and
  - (ii) by substituting “comprised” for “included”.

**Amendment of section 85 of Principal Act.**

**52.**\_\_\_ Section 85(2) and (3) of the Principal act is amended by substituting “comprised” for “included”.

**Amendment of section 88 of Principal Act.**

**53.**\_\_\_ Section 88 of the Principal Act is amended -

- (a) in subsection (1) -
  - (i) by inserting “or formerly designated” after “designated”, and
  - (ii) by substituting “comprised” for “included”,
- (b) in subsection (2) -
  - (i) by inserting “or formerly designated” after “designated”,
  - (ii) by substituting “comprised” for “included”, and
  - (iii) in paragraph (b), by inserting “(but disregarding, for the purposes of this [subsection], any claims over those assets arising from mandatory laws in the relevant jurisdictions and any costs associated with administering the security interest and realising assets under the security interest)” after “Part”,
- (c) in subsection (3) -
  - (i) by inserting “or formerly designated” after “designated”, and
  - (ii) by substituting “comprised” for “included”, and
- (d) by inserting the following after subsection (3):

“(3A) Where a security interest of the kind referred to in *subsection (2)* is granted in favour of a trustee or other representative for the benefit of the persons referred to in *subsection (2)(b)* (which may include the claims of that trustee or other representative in [its] own right), then the claims of that trustee or other representative in [its] own right agreed by the manager, or where no manager has been appointed to the institution, the cover-assets monitor, shall be deemed to be the claims of super-preferred creditors for the purposes of this Act.

(3B) The cover-assets monitor or any manager may enter into arrangements with any trustee or other representative referred to in *subsection (5)* in connection with -

- (a) their respective functions under this Act and operations relating to cover assets which are also subject to the security arrangements referred to in *subsection (2)*,
- (b) their respective functions under this Act and the enforcement or administration of cover assets which are also subject to security arrangements referred to in *subsection (2)*.”.

**Amendment of section 89 of Principal Act.**

**54.**\_\_\_ Section 89(2)(a) of the Principal Act is amended by substituting “comprised” for  
“included”.

**Provisions applicable where [a] credit institution is both [a] designated mortgage credit institution and [a] designated public credit institution.**

55.\_\_\_\_ Section 90 of the Principal Act is repealed and substituted by the following:

**“Provisions applicable where [a] credit institution is both [a] designated mortgage credit institution and [a] designated public credit institution.**

90.\_ (1) If a credit institution that is or was formerly a designated mortgage credit institution and a different [kind] of designated credit institution permitted under this Act has -

- (a) issued mortgage covered securities, or
- (b) entered into a cover assets hedge contract comprised in its register of mortgage credit covered securities business,

the rights of the holder of those securities, or the other party to the contract, are secured only on the cover assets that comprise the relevant cover assets pool.

(2) If a credit institution that is or was formerly a designated public credit institution and a different [kind] of designated credit institution permitted under this Act has -

- (a) issued public credit covered securities, or
- (b) entered into a cover assets hedge contract comprised in its register of public credit covered securities business,

the rights of the holders of those securities, or the other party to the contract, are secured only on the cover assets comprised in the relevant cover assets pool.

(3) If a credit institution that is or was formerly a designated commercial mortgage credit institution and a different [type] of designated credit institution permitted by this Act has -

- (a) issued commercial mortgage covered securities, or
- (b) entered into a cover assets hedge contract comprised in its register of commercial mortgage credit covered securities business,

the rights of the holders of those securities, or the other party to the contract, are secured only on the cover assets that comprise the relevant cover assets pool.”.

**Amendment of section 91 of Principal Act.**

**56.**\_\_\_ Section 91 of the Principal Act is amended -

- (a) in subsection (1) -
  - (i) in paragraphs (b) and (c), by substituting “pool” for “pools”,
  - (ii) in paragraph (e) by substituting “comprised” for “included”,
  - (ii) in paragraph (j), by substituting “grounds.” for “grounds,” and
  - (iii) by deleting paragraphs (k) and (l), and
- (b) by inserting the following after subsection (2):

“(2A) The Authority may, by regulatory notice published in *Iris Oifigiúil*, impose requirements consistent with the provisions of this Act so as to ensure that asset covered securities meet criteria which apply in relation to article 22(4) securities under any directive or regulation made by competent organs of the European Union.”.

**Principles and policies applicable to making of orders, etc. under Principal Act.**

57.\_\_\_\_ The Principal Act is amended by inserting the following after section 95:

**“Principles and policies applicable to making of orders, etc. under this Act.**

**95A.\_** When the Minister or the Authority makes an order, regulation, regulatory notice or other notice under this Act, the Minister, or as applicable, the Authority, shall have regard to the following principles and policies to the extent applicable to the relevant order, regulation, regulatory notice or, as applicable, other notice:

- (a) the purposes of this Act as set out in *section 2*,
- (b) the need to develop the business of one or more types of designated credit institutions permitted by this Act having regard to domestic or international markets in which the institutions operate or may propose to operate,
- (c) the need to protect the interests of preferred creditors or other creditors of one or more types of designated credit institutions permitted by this Act,
- (d) the need for the proper and proportionate regulation of one or more types of designated credit institutions permitted by this Act, and

- (e) the Codified Banking Directive and any regulations and directives made by competent organs of the European Union which have been implemented under the laws of the State relevant to article 22(4) securities and asset covered securities.

**Further amendments to Principal Act.**

58.\_\_\_\_ The Principal Act is amended by inserting the following after section 106:

**“Further amendments to this Act.**

107.\_ (1) The Minister may, by order notified in *Iris Oifigiúil*, appoint a date for the purposes of *Part 1, 2 or 3 of Schedule 3*.

(2) [On the date appointed under *subsection (1)* for a Part of *Schedule 3*, this Act is amended as specified in that Part.”.]

**Schedule 3 - further amendments to Principal Act.**

**59.**\_\_\_ The Principal Act is amended by inserting the following after Schedule 2:

“SCHEDULE 3

*Section 107*

FURTHER AMENDMENTS TO THIS ACT

PART 1

Deletion of references to tier 2 asset

<b>Item No.</b>	<b>Section affected</b>	<b>Amendment</b>
1.	Section 3	(a) In subsection (1), in the definition of “tier 1 asset”, substitute “assets.” for “assets; and”.  (b) In subsection (1), delete the definition of “tier 2 asset”.
2.	Section 27	(a) In subsection (1), delete paragraph (e).  (b) In subsection (3), in the definition of “credit transaction asset”, substitute “or substitution asset” for “, substitution asset or tier 2 asset”.
3.	Section 31	(a) In subsection (3), delete “and tier 2 assets”.  (b) In subsection (5), delete “or tier 2 assets”.
4.	Section 41	In subsection (5), delete “tier 2 assets,”.

5.	Section 42	(a) In subsection (1), delete paragraph (e).  (b) In subsection (3), in the definition of “credit transaction asset”, substitute “or substitution asset” for “, substitution asset or tier 2 asset”.
6.	Section 46	In subsection (4), delete “or tier 2 assets”.
7.	Section 56	In subsection (5), delete “tier 2 assets”.

## PART 2

### Deletion of references to tier 1 asset

Item No.	Section affected	Amendment
1.	Section 3	<p>(a) In subsection (1), in the definition of “supervisory enactment”, substitute “notices.” for “notices;”.</p> <p>(b) In subsection (1), delete the definition of “tier 1 asset”.</p> <p>(c) In subsection (2) -</p> <p style="padding-left: 20px;">(i) delete paragraph (b), and</p> <p style="padding-left: 20px;">(ii) in paragraph (c) -</p> <p style="padding-left: 40px;">(I) substitute “an exposure” for “a deposit of money”, and</p> <p style="padding-left: 40px;">(II) substitute “subject of the exposure” for “holding the</p>

		<p style="text-align: right;">deposit”.</p> <p>(d) Delete subsection (3).</p> <p>(e) In subsection (4) -</p> <p style="padding-left: 40px;">(i) delete paragraph (b), and</p> <p style="padding-left: 40px;">(ii) in paragraph (c) -</p> <p style="padding-left: 80px;">(I) substitute “an exposure” for “a deposit of money”, and</p> <p style="padding-left: 80px;">(II) substitute “subject of the exposure” for “hold the deposit”.</p> <p>(f) Substitute the following for subsection (5):</p> <p style="padding-left: 40px;">“(5) In <i>subsection (4)</i>, ‘primary financial obligation’ means the financial obligations that enables the asset to qualify as a public credit asset.”.</p>
2.	Section 6	In subsection (1), delete paragraph (b).

### PART 3

Deletion of definitions of “European Central Bank” and “national central bank”

Item No.	Section affected	Amendment
1.	Section 3	In subsection (1), delete the definitions of “European Central Bank” and “national central bank”.

**Short title, construction, collective citation and commencement.**

**60.**\_\_\_ (1) This Act may be cited as the Asset Covered Securities (Amendment) Act 2007.

(2) The Asset Covered Securities Act 2001 and this Act shall be construed together as one Act and may be cited together as the Asset Covered Securities Acts 2001 [and] 2007.

(3) This Act shall come into operation on such day or days as the Minister for Finance may appoint by order or orders either generally or with reference to any particular purpose or provision and different days may be so appointed for different purposes and different provisions.