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GUVERNER

Pursuant to Article 5, paragraph (6), Article 16, paragraph (7) and Article 19, paragraph (2) of the Act on the Implementation of Regulation (EU) 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (Official Gazette 63/2020) and Article 43, paragraph (2), item (10) of the Act on the Croatian National Bank (Official Gazette 75/2008, 54/2013 and 47/2020), the Governor of the Croatian National Bank hereby issues the

Decision on resecuritisation, the disclosure of information on private securitisations, websites and supervisory fees

I GENERAL PROVISIONS

Subject matter

Article 1

(1) This Decision prescribes in more detail:

- the content of the application for granting permission to apply exemptions from the ban on resecuritisation and the documentation to be submitted with such an application referred to in Article 5, paragraph (6) of the Act on the Implementation of Regulation (EU) 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (Official Gazette 63/2020, hereinafter referred to as ‘Act’);
- the manner of the disclosure of information referred to in Article 16, paragraph (1) of the Act;
- the requirements referred to in Article 16, paragraph (2) of the Act which the official website must meet;
- the content of the application and the documentation accompanying the application referred to in Article 16, paragraph (3) of the Act; and
- the amount, the method of calculation and the manner in which the supervisory fees are to be paid to the Croatian National Bank referred to in Article 19, paragraph (2) of the Act.

Entities subject to the Decision

Article 2

(1) The provisions of this Decision shall apply to credit institutions with head offices in the Republic of Croatia authorised by the Croatian National Bank.

(2) The provisions of this Decision shall also apply to securitisation special purpose entities (SSPEs) when established by the credit institutions referred to in paragraph (1).

(3) By way of derogation, paragraph (1) of this Article shall not apply to credit institutions directly supervised by the European Central Bank.

Definitions

Article 3

(1) The terms used in this Decision shall have the following meaning:



1. 'resecuritized security' means a security issued on the basis of securitisation where at least one of the underlying exposures is a securitisation position;
 2. 'private securitisation' shall have the meaning as defined in Article 3, paragraph (1), item (11) of the Act;
 3. 'winding-up' means voluntary winding-up of a credit institution, in accordance with Title XX.1 of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020 and 146/2020) and compulsory winding-up in accordance with the provisions of Article 4, paragraph (1), item (3) of the Act on Compulsory Winding-up of Credit Institutions (Official Gazette 146/2020).
- (2) For the purposes of this Decision, other terms shall have the meaning as defined in the Act and Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, OJ L 347/35 (hereinafter referred to as 'Regulation (EU) 2017/2402').

II CONTENT OF THE APPLICATION FOR GRANTING PERMISSION TO APPLY EXEMPTIONS FROM THE BAN ON RESECURITISATION AND DOCUMENTATION ACCOMPANYING SUCH AN APPLICATION

Content of the application for granting permission to apply exemptions from the ban on resecuritisation

Article 4

- (1) The application referred to in Article 8, paragraph (2) of Regulation (EU) 2017/2402 should contain:
 - 1) general information about the applicant;
 - 2) general information on securitised securities or securitised positions intended for resecuritisation or inclusion in the underlying exposures of resecuritized securities;
 - 3) an indication of the legitimate purpose, its description and its legal basis; and
 - 4) a list of the documentation enclosed with the application.
- (2) The application shall be signed by the applicant's responsible person.

Documentation enclosed with the application

Article 5

- (1) For the purposes of deciding on the permissibility of the application of an exemption from the ban on resecuritisation referred to in Article 8, paragraph (3), item (a) of Regulation (EU) 2017/2402, the applicant shall enclose the following documentation:
 - 1) the applicant's audited individual financial statements for the period from 1 January until the date preceding the date of initiation of the winding-up, prepared in accordance with the regulations governing the accounting and the application of financial reporting standards or audited consolidated financial statements for the parent undertaking of a group of applicants;
 - 2) a summary description of the applicant's financial condition, results of its operations and the sources and amounts of cash flows for the period from 1 January until the date preceding the

- date of initiation of the winding-up, which is based or is consistent with the information contained in the audited financial statements;
- 3) information on the borrowing requirements and funding structure;
 - 4) the forecast or estimate of earnings from resecuritisation, which includes the assumption that it has been granted an exemption from the ban on resecuritisation, prepared on a basis comparable with the historical financial information and consistent with accounting policies;
 - 5) information on any relevant governmental, legal or arbitration proceedings;
 - 6) information on the intended resecuritisation and the scope of the intended resecuritisation within which they intend to use securitisation positions;
 - 7) information on whether resecuritisation is planned to be used for the issuance of securities offered to the public, which requires the drawing up of a prospectus;
 - 8) a detailed description of the proposed resecuritisation;
 - 9) a detailed description of the risks that may arise from the proposed resecuritisation, both in terms of the impact on the credit institutions referred to in Article 2 of this Decision and on the (future) holders of resecuritised securities with special emphasis on legal risks, followed by liquidity and credit risks (including the degree of probability of materialisation of the risk of non-payment of a resecuritisation position and the degree of the adverse effect on the holders of resecuritised securities and the degree of probability of materialisation of the risk of non-payment of securitisation positions arising from the exposures of intended resecuritised securities and the degree of the adverse indirect effect on the holders of resecuritised securities), as well as the description of the manner in which those risks are managed;
 - 10) an analysis containing qualitative and quantitative data showing a clear link between resecuritisation and the facilitation of the winding-up with a clear description of all factors that facilitate the winding-up, which result from resecuritisation (both in financial and non-financial terms);
 - 11) information on the manner in which it shall be ensured that resecuritisation does not reduce the level of transparency or information made available to the holders of resecuritised securities on the characteristics of the underlying assets; and
 - 12) information on whether there are contractual impediments or any other implementing impediments for the implementation of resecuritisation, in addition to the ban on resecuritisation that does not serve the purpose referred to in Regulation (EU) 2017/2402 and this Decision.
- (2) For the purposes of deciding on the permissibility of the application of exemption from the ban on resecuritisation referred to in Article 8, paragraph (3), item (b) of Regulation (EU) 2017/2402, the applicant shall enclose the following documentation:
- 1) the applicant's latest available audited annual financial statements or the applicant's latest available audited consolidated annual financial statements where the applicant is a parent undertaking of a group, prepared in accordance with the regulations governing the application of financial reporting standards;
 - 2) the applicant's latest available annual financial statements (consolidated or non-consolidated), prepared in accordance with the regulations governing the application of financial reporting standards;
 - 3) a description of any significant change in financial results (quantitative and qualitative data) of the applicant since the end of the last financial period for which financial information has been available or a negative statement of its existence until the date preceding the date of the submission of the application;
 - 4) where applicable, a description of the envisaged actions from the recovery plan of the entity referred to in Article 2 of this Decision, which include the use of resecuritisation, as well as an explanation of why other actions from the recovery plan of the undertaking would not be adequate;

- 5) a description of the applicant's financial condition, results of its operations and sources and amounts of cash flows for the period from 1 January until the date preceding the date of the submission of the application, accompanied by its description for the financial year preceding the financial year in which the application was submitted;
 - 6) information on the borrowing requirements and funding structure of the applicant;
 - 7) a description of any significant event that has occurred in the applicant's operation which has led to increasing the risk of the degree of probability of initiating winding-up and a description of the management of such risk;
 - 8) the earnings forecast or estimate, which includes the assumption that the entity referred to in Article 2 of this Decision has been granted exemption from the ban on resecuritisation, prepared on a basis comparable with the historical financial information and consistent with the accounting policies of an investment firm or a financial institution;
 - 9) plans for the use of earnings intended to be realised by resecuritisation;
 - 10) information on any governmental, legal or arbitration proceedings;
 - 11) information on the intended resecuritisation and the scope of the intended resecuritisation within which they intend to use securitisation positions as the underlying exposures of the securitised securities issued through resecuritisation;
 - 12) information on whether resecuritisation is planned to be used for the issuance of securities offered to the public, which requires the drawing up of a prospectus;
 - 13) a detailed description of the proposed resecuritisation;
 - 14) a detailed description of the risks that may arise from the proposed resecuritisation, with special emphasis on legal risks, followed by liquidity and credit risks (including the degree of probability of materialisation of the risk of non-payment of a resecuritisation position and the degree of the adverse effect on the holders of resecuritised securities and the degree of probability of materialisation of the risk of non-payment of securitisation positions arising from the exposures of intended resecuritised securities and the degree of the adverse indirect effect on the holders of resecuritised securities), as well as the description of the manner in which those risks are managed;
 - 15) information on the manner in which it shall be ensured that resecuritisation does not reduce the level of transparency or information made available to the holders of resecuritised securities on the characteristics of the underlying assets and the events relating to the underlying assets;
 - 16) an analysis containing qualitative and quantitative data showing a clear link between the proposed resecuritisation and avoiding winding-up with a clear description of all factors that will contribute to avoiding winding-up, which result from the proposed resecuritisation; and
 - 17) information on whether there are contractual impediments or any other implementing impediments for the implementation of resecuritisation, in addition to the ban on resecuritisation that does not serve the purpose referred to in Regulation (EU) 2017/2402 and this Decision.
- (3) For the purposes of deciding on the permissibility of the application of exemption from the ban on resecuritisation referred to in Article 8, paragraph (3), item (c) of Regulation (EU) 2017/2402, the applicant shall enclose the following documentation:
- 1) a detailed description of the planned resecuritisation;
 - 2) an analysis of underlying exposures which have been non-performing for which resecuritisation is used, which include qualitative and quantitative data and a comparable overview with other underlying exposures within a securitisation position other than underlying exposures that have been non-performing, as at the date not older than one month before the date of the submission of the application;
 - 3) information on whether potential liquidity shortfalls may occur or have already occurred and on the availability of any liquid supports and data on provisions designed to cover interest/principal shortfall risks;

- 4) where applicable, an explanation of the manner in which the cash flow from securitised positions, forming the underlying exposures of resecuritised securities, or income based on them will have an impact on preserving the interests of investors in the case of underlying exposures which have been non-performing;
 - 5) an analysis of the probability of a continuation of meeting the obligations to the holders of securitisation positions in a timely manner, which includes the assumption that the entity referred to in Article 2 of this Decision has been granted an exemption from the ban on resecuritisation;
 - 6) information on any governmental, legal or arbitration proceedings of the entity referred to in Article 2 of this Decision;
 - 7) information on the intended resecuritisation and the scope of the intended resecuritisation within which they intend to use securitisation positions as the underlying exposures of the securitised securities issued through resecuritisation;
 - 8) a detailed description of the risks that may arise from the proposed resecuritisation, with special emphasis on legal risks, followed by liquidity and credit risks (including the degree of probability of materialisation of the risk of non-payment of a resecuritisation position and the degree of the adverse effect on the holders of resecuritised securities and the degree of probability of materialisation of the risk of non-payment of securitisation positions arising from the exposures of intended resecuritised securities and the degree of the adverse indirect effect on the holders of resecuritised securities), as well as the description of the manner in which those risks are managed;
 - 9) information on the manner in which it shall be ensured that resecuritisation does not reduce the level of transparency or information made available to the holders of resecuritised securities on the characteristics of the underlying assets and the events relating to the underlying assets;
 - 10) an analysis containing qualitative and quantitative data showing a clear link between the need for resecuritisation and preserving the interests of investors in the case of underlying exposures which have been non-performing with a clear indication of all factors of the preservation of the interests of investors in the case of underlying exposures which have been non-performing; and
 - 11) information on whether there are contractual impediments or any other implementing impediments for the implementation of resecuritisation, in addition to the ban on resecuritisation that does not serve the purpose referred to in Regulation (EU) 2017/2402 and this Decision.
- (4) The applicant shall, in the cases referred to in paragraphs (1) to (3) of this Article, submit to the Croatian National Bank an explanation with the reasons due to which the use of resecuritisation is necessary because there are no other appropriate equivalent measures that would achieve the legitimate purposes referred to in Article 8, paragraph (3) of Regulation (EU) 2017/2402.
 - (5) The applicant shall also submit an explanation of the capacity to produce funds to service any payments due and payable on the resecuritised securities.
 - (6) The Croatian National Bank may request from the applicant any additional documentation and/or statement to establish the existence of legitimate purposes for resecuritisation.
 - (7) After having assessed that it is necessary for the assessment of permissibility of use of the exemption referred to in paragraph (2) of this Article, the Croatian National Bank may instruct an audit of the annual financial statements referred to in paragraph (2), item (2) of this Article.

III PRIVATE SECURITISATION, PUBLICATION BY MEANS OF A WEBSITE AND EXCEPTION FROM PUBLICATION BY MEANS OF A WEBSITE

Content of the application for exemption from the use of the website for publication
Article 6

- (1) The application for an exemption referred to in Article 16, paragraph (3) of the Act shall contain:
- 1) general identification information on the applicant;
 - 2) general identification information on securitisation;
 - 3) legal basis and a description of the subject request from the application for exemption;
 - 4) a list of documentation accompanying the application for exemption; and
 - 5) the signatures of responsible persons/responsible person of the applicant for exemption.
- (2) In addition to the application for exemption referred to in paragraph (1) of this Article, the applicant shall enclose the following documentation:
- 1) where applicable, a copy of the notification of the application of an exemption from the obligation of publication of the prospectus accompanied by the documentation prescribed by the provisions governing the capital market or equivalent documentation;
 - 2) where applicable, a notification that Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC shall not apply to securitisation, for securitisation to which the application for exemption refers;
 - 3) an assessment of actual and foreseeable costs of the publication of data by means of a website (the costs of the establishment and maintenance of the website and other related costs);
 - 4) a comparison of quantitative ratios between the above mentioned costs and the amount of the securitisation issuance;
 - 5) an indication of the number and type of investors in a specific private securitisation (if data are not provided in the notification of the use of an exemption from the obligation of the publication of a prospectus);
 - 6) an indication of the type of underlying exposures;
 - 7) a description of the organisation of a model (the use of e-mail or otherwise) substituting the publication by means of a website, which ensures the timeliness, integrity and accessibility of data, accompanied by a simplified presentation of examples of the functioning of the manner in which the requested data will be made available to the holders of a securitisation position, potential investors and the Croatian National Bank;
 - 8) an explanation of how the information referred to in Article 7, paragraph (1) of Regulation (EU) 2017/2402 are planned to be made available to the holders of securitisation positions, potential investors and the Croatian National Bank and how is it ensured that data are available to the Croatian National Bank;
 - 9) a description of how the probability of making information available to the holders of a securitisation position and the Croatian National Bank in an untimely and incomplete manner will be minimised; and
 - 10) information on whether the model substituting the publication of information by means of a website shall represent a segment of outsourcing and the manner in which these tasks will be outsourced (where applicable).

Manner of the publication of information by means of a website
Article 7



The entities subject to supervision referred to in Article 2 of this Decision shall, based on the obligations referred to in Article 16, paragraph (1) of the Act:

- 1) submit information on the uniform resource locator (URL) of the website to the holders of a securitisation position and the Croatian National Bank as well as any other information necessary to realise access by means of a website;
- 2) continuously provide access to the holders of a securitisation position and the Croatian National Bank to the website by authentication through the user name and password and ensure the integrity of accessed data;
- 3) where it establishes that it concerns a potential investor, meet the obligations referred to in this Article towards the potential investor in the appropriate manner;
- 4) prior to initiating the fulfilment of its obligations referred to in this Article, deliver user instructions for the access to the website and data retrieval to the holders of securitisation positions, potential investors and the Croatian National Bank;
- 5) adopt and update in a timely manner the internal act on the functioning of the publication of data via the website, showing who the persons in charge are and their responsibilities with regard to the publication of data by means of the website as well as the manner in which all persons who have access (within and outside the entity subject to supervision) are determined, and the internal act that is delivered to the Croatian National Bank upon its request.

Requirements to be met by the website

Article 8

- (1) The conditions referred to in Article 16, paragraph (2) of the Act, which a website must meet on an ongoing basis, shall be the following:
 - 1) the data quality control system referred to in Article 16, paragraph (2), item (1) of the Act must provide that the requested data of the supervision by the Croatian National Bank are of the quality (the contextual component of completeness and consistency and the timeliness component) that is required for the data on private securitisations in accordance with Regulation (EU) 2017/2402 and other acts adopted on its basis;
 - 2) appropriate governance standards that ensure the continuity and orderly functioning of the website referred to in Article 16, paragraph (2), item (2) of the Act must ensure to the holders of securitisation positions, potential investors and the Croatian National Bank the possibility of a constant access to data and that the access to data by means of a website includes the implementation of a protocol designed for a safe transfer of private data on the internet, i.e. through an interface that ensures simple access and visibility of information of the quality as mentioned above;
 - 3) appropriate systems, controls and procedures that identify all relevant sources of operational risk referred to in Article 16, paragraph (2), item (3) of the Act shall be those systems, controls and procedures that contribute to the effective operational risk control and management, with the aim of prevention and prompt elimination of errors (of human or technical nature) that may appear in the functioning and managing of the website system;
 - 4) a system that ensures the protection and integrity of the information received and the prompt recording of the information referred to in Article 16, paragraph (2), item (4) of the Act must ensure that the holders of securitisation positions, potential investors and the Croatian National Bank have the possibility of accessing the data without undue delay; and
 - 5) the obligation to keep record of the information for at least five years after the maturity date of the securitisation.

IV AMOUNT, METHOD OF CALCULATION AND MANNER OF PAYMENT OF SUPERVISORY FEE TO THE CROATIAN NATIONAL BANK

Article 9

- (1) The Croatian National Bank shall charge the fee to the entities referred to in Article 2 of this Decision in the amount of 3‰ of the nominal value of the purchased securitised securities in the course of a single calendar year.
- (2) The Croatian National Bank shall charge the fee to the entities referred to in Article 2 of this Decision in the role of the issuer of securitised securities in the amount of 3‰ of the nominal value of the issued securitised securities in a single quarter.
- (3) The Croatian National Bank shall charge the fee to the entities referred to in Article 2 of this Decision in other roles in securitisation in the amount of 3‰ of the nominal value of the securitisation exposures in a single quarter.
- (4) Credit institutions shall notify the Croatian National Bank about the total nominal value of securitised securities referred to in paragraph (1) of this Article until 31 January for the previous calendar year.
- (5) Credit institutions shall notify the Croatian National Bank about the total nominal value of securitised securities referred to in paragraph (2) of this Article before the 15th calendar day in the month for the quarter preceding the calculation.
- (6) Credit institutions shall notify the Croatian National Bank about the total nominal value of securitised exposures referred to in paragraph (3) of this Article before the 15th calendar day in the month for the quarter preceding the calculation.

TRANSITIONAL AND FINAL PROVISIONS

Article 10

- (1) This Decision shall be published in the Official Gazette and shall enter into force on the eighth day after its publication in the Official Gazette.
- (2) The entities referred to in Article 2 of this Decision shall, not later than by 31 December 2021, harmonise their policies with this Decision.
- (3) The fee referred to in Article 9, paragraph (1) of this Decision shall be charged as of 1 January 2023 for the previous year.

No.: 178-091/07-21/BV
Zagreb, 27 July 2021

Governor
Boris Vujčić