Securitisation
– a must for growth and capital management?

6 April 2022

The conference is hosted by Prime Collateralised Securities (PCS) and DLA Piper. It is sponsored by Christofferson Robb & Company (CRC).

The event will be devoted to:

- exploring the benefits of securitisation
- addressing current market trends in Poland and in Europe


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This is an exclusive event for institutions that intend to securitise an existing portfolio and to those that are interested in the warehousing of assets, including banks, loan providers, leasing companies, "buy now pay later" companies and telecoms companies.

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Setting the Standard for Securitisation

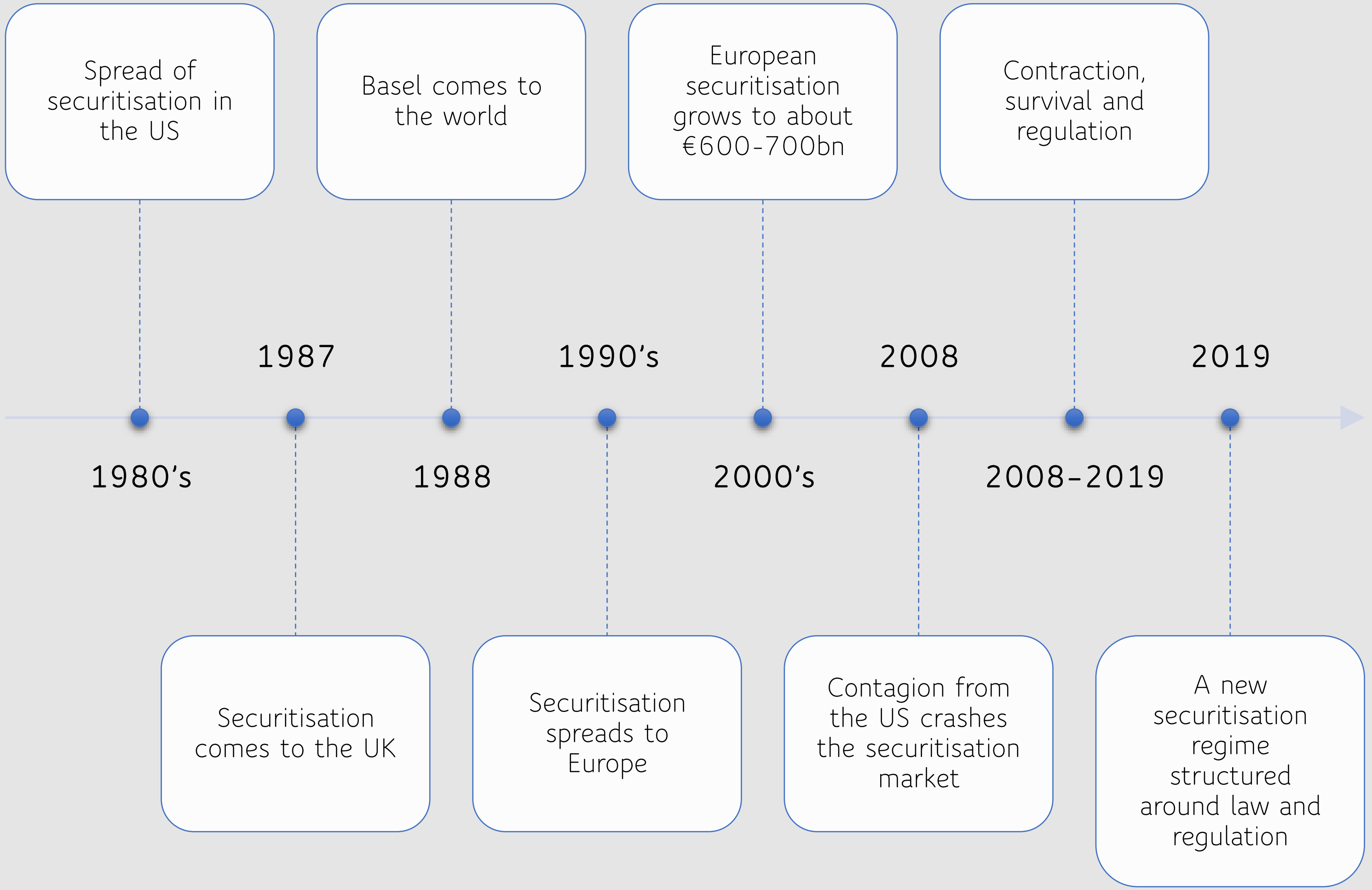
Securitisation – An Introduction

Topics

- A Short History
- Key Concepts
- Synthetic Securitisation
- STS Regime
- PCS – Who we are

Securitisation Short History

Milestones..



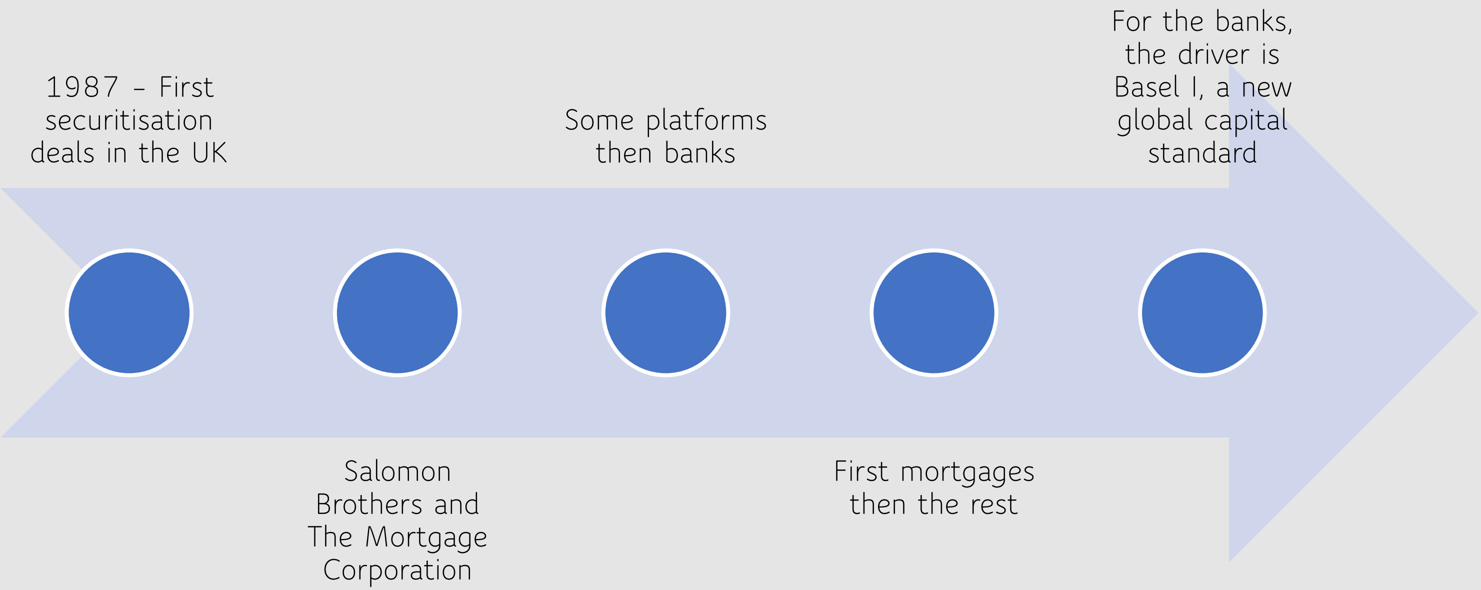
Securitisation Short History

80's – "Its not about size"

- 1980's ROE and ROA eclipses Asset Size in bank rankings
- This change drives "securitisation" because….
- Capital follows accountancy and accountancy allows the deconsolidation of "securitised" assets
- So excess spread gives you infinite returns making securitisation **the trend** of the 80s in the US

Securitisation Short History

The UK



Securitisation Short History

Europe

Securitisation is the cutting edge but still seen as suspiciously American in the 90's but spreads at different speeds through Europe

- 1989 — French securitisation law
- 1992 — first German deal but for a US bank
- 1992 — Spanish securitisation law
- 1999 — Italian securitisation law

Note: transactions were done, eg in Italy before the law was passed

Securitisation Short History

European Growth

From the 90's to 2007/2008 securitisation grows across Europe

We have seen transactions in the following asset classes:

- Residential mortgages
- Commercial mortgages
- SMEs
- Auto Loans
- Auto Leases
- Credit cards
- Consumer loans
- Consumer Loans
- Corporate Loans
- Equipment Leases
- Shipping Loans
- Aircraft Loans
- Non-performing Loans
- Whole Businesses and
- ..movies, diamonds and champagne

Securitisation Short History

European Growth

European countries with securitisation issuance before the GFC

- Austria
- Belgium
- Finland
- France
- Germany
- Greece
- Ireland
- Italy
- Portugal
- Russia
- Spain
- Sweden
- Switzerland
- The Netherlands
- United Kingdom

Securitisation Short History

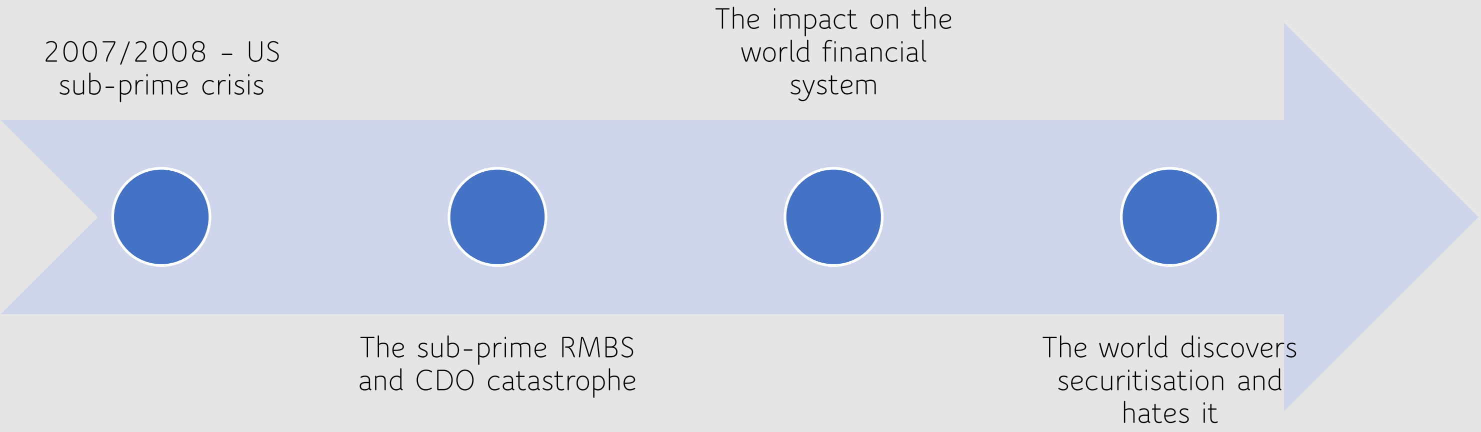
World Growth

Countries outside Europe with meaningful securitisation markets then and today

Canada	Mexico	South Africa
Russia	Japan	China
Australia	New Zealand	

Securitisation Short History

After the rise, the fall



Securitisation Short History

Lessons from the crisis

Outside of CMBS and CDOs, **losses on senior tranches (AAA to A) of European securitisations were literally zero**

As the crisis unfolded it became clear that the **problems of US securitisations had not been replicated in Europe** (save for CDO's)

Issues with securitisations:

- Disclosure issues – too little sometimes, too much often
- Originate to distribute model
- Re-securitisation – models on models
- Re-financing – from credit to liquidity risk

Securitisation Short History

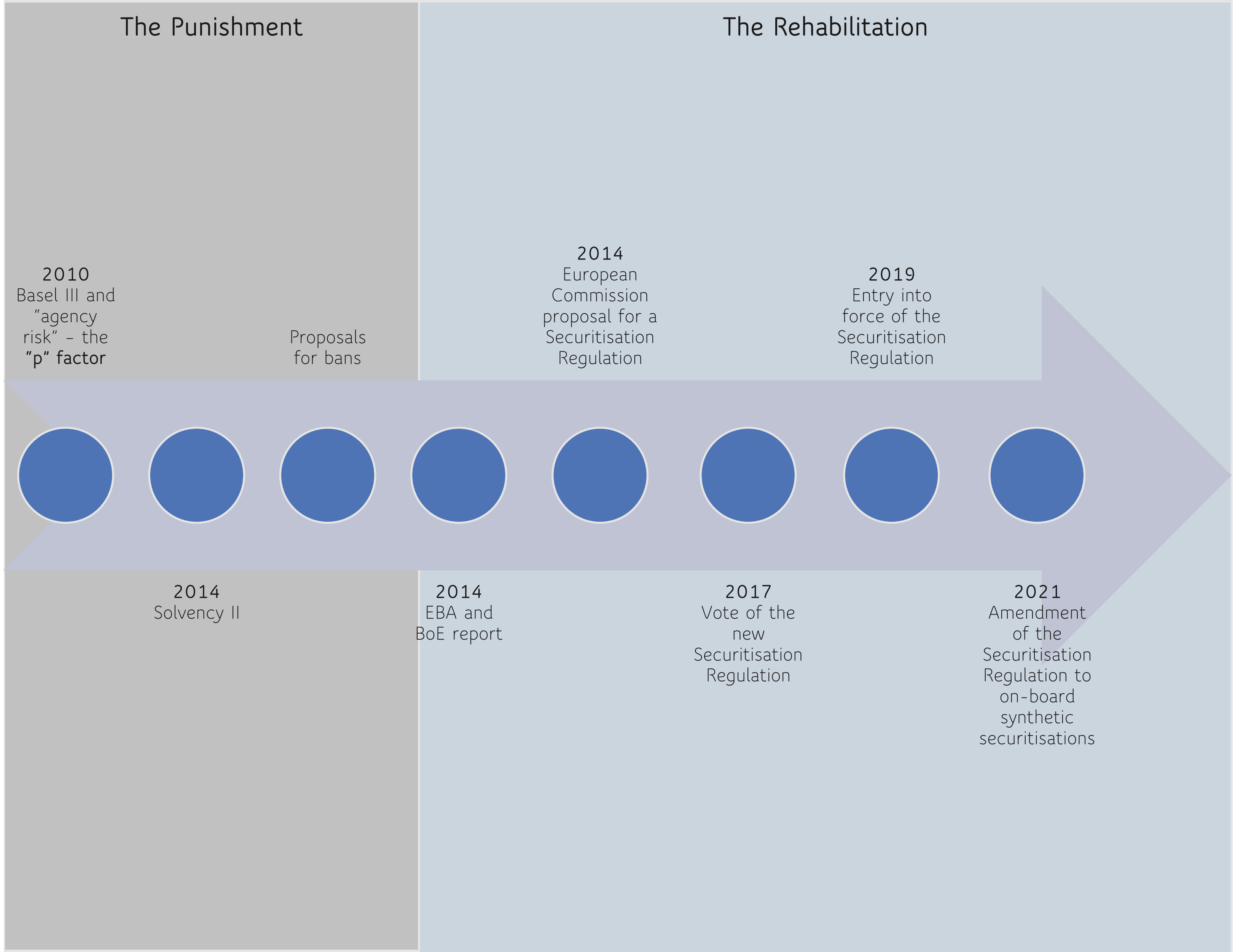
After the fall, the rehabilitation

	Original Issuance (EUR billions)	Default Rate (%)
Europe		
Total PCS eligible asset classes	960.2	0.18
Credit Cards	33.2	0.00
RMBS	756.0	0.14
Other Consumer ABS	65.0	0.16
SMEs	106.0	0.56
Only senior tranches to be PCS labelled, the default rate for which is zero, like Covered Bonds		
Total non PCS eligible asset classes	711.5	5.85
Leveraged loan CLOs	70.6	0.10
Other ABS	68.8	0.00
Corporate Securitisations	47.9	0.17
Synthetic Corporate CDOs	254.4	2.88
CMBS	163.3	10.56
Other CDOs	77.8	6.54
CDOs of ABS	28.9	41.08
Total European securitisation Issuance	1571.7	2.60
Covered Bonds	1385.0	0.00
Total European Issuances	2756.7	1.56
Select US asset classes		
Credit Cards	296.4	0.14
Autos	196.2	0.04
Student loans	266.8	0.35
RMBS	3254.9	22.97

Stats for issuance before the GFC

Securitisation Short History

From fall to rehabilitation



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Setting the Standard for Securitisation

Key Concepts

Securitisation Key Concepts

What is all about

The heart of all securitisations lies in two key concepts:

- Asset-only risk
- Tranching

Securitisation Key Concepts

Asset-only risk

- Securitisation is <u>NOT</u> secured finance
- A securitisation investor <u>ONLY</u> takes the risk of the securitised assets
- If the assets perform, the securitisation investor is paid back
- If the assets do not perform, the securitisation investor suffers those losses
- For a financing to be a securitisation, the two points above must be met <u>EVEN</u> if the bank that originated the assets has defaulted, in insolvent or even is liquidated

Securitisation Key Concepts

Pass-through & match funding

Securitisation being an asset-only risk leads necessarily to another key aspect of securitisations: “**pass-through**”

Pass-through means that the investors in a securitisation can only look at the asset to be repaid (asset-only risk), not the ***originator***

Pass-through means that the investor only gets paid when the securitised asset pays. In some cases (e.g., mortgages and credit cards) this is unpredictable

For the ***originator*** *that means that funding is matching the repayment profile of the assets.* ***No funding miss-match****. This is known as “****match-funding****”*

So, in securitisations usually, the **investor** does **NOT** have a bullet repayment at maturity and may not know exactly when he is going to get paid

Securitisation Key Concepts

True sale

Securitisation being an asset-only risk leads necessarily to another key aspect of traditional securitisations: "true sale"

"true sale" means that the investors in a securitisation get repaid even if the originator goes bankrupt

If the securitised assets were only security, all jurisdictions have rules suspending the enforcement of security. This would mean that, in the bankruptcy of the originator, securitisation investors may not be able to get their hands on the securitised assets and so would be dependent in some way on the originator to get repaid

So, to be an asset-only risk, the securitised assets are sold by the originator in a "true sale" that will be recognised by the courts even if the originator is bankrupt

Securitisation Key Concepts

Asset-only risk & true sale give you

The SPV

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Securitisation Key Concepts

Tranching

Securitisations are "*tranched*": the risk of the securitised assets is divided in horizontal slices

The assets securitised are *pools* of multiple single financial assets

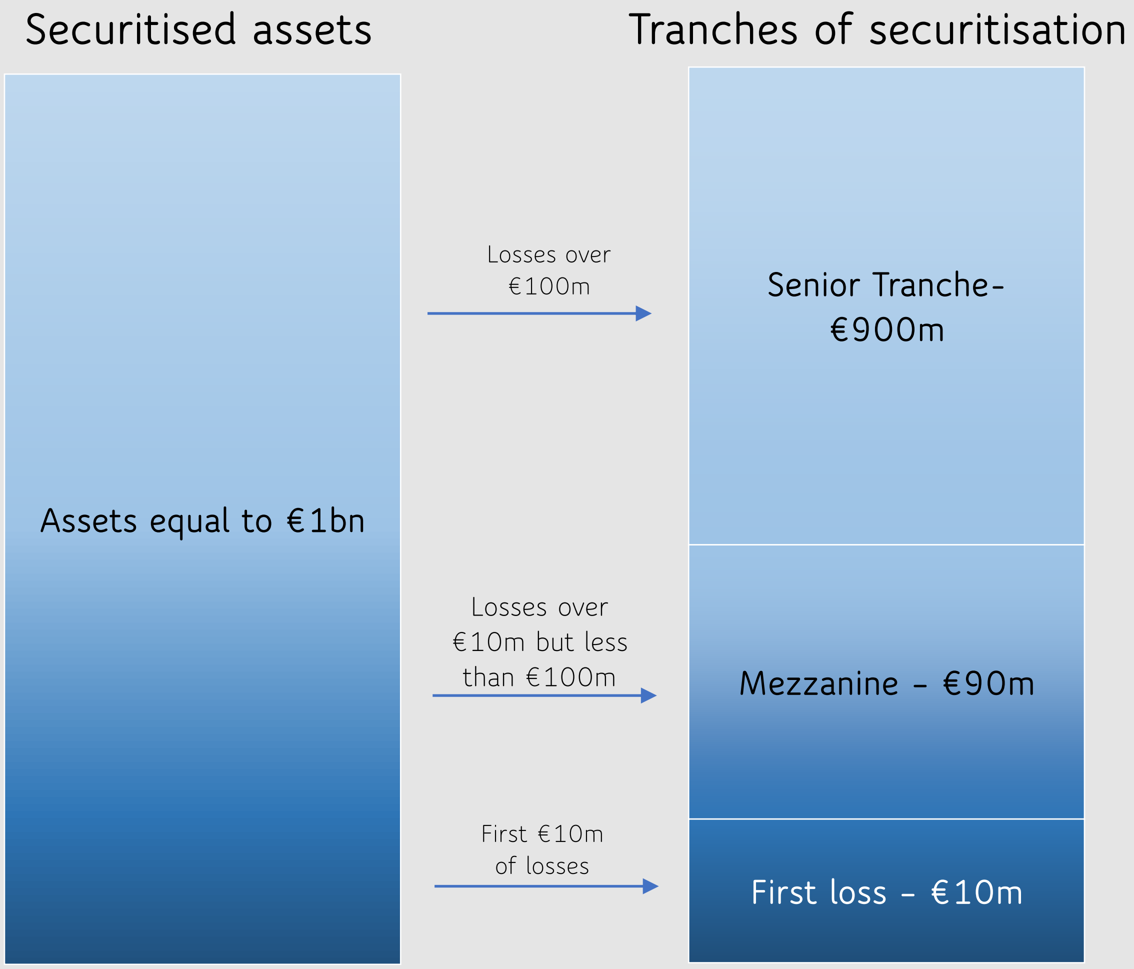
Tranching means that the financing of the pool of assets is made up of different debt instruments ranked by seniority.

The way they are ranked by seniority is that, if defaults happen to the underlying securitised pool, the investors in the lowest ranked debt absorb those losses first, until they are wiped out. Then losses are absorbed by the next highest "tranche" of debt

Securitisation Key Concepts

Tranching

It’s easier with a picture



Securitisation Key Concepts

Tranching

In the example, the investor in the senior tranche will not lose money unless more than 10% of the underlying assets have defaulted

A credit analysis of the underlying pool will tell the investor how likely or unlikely a 10% loss would be

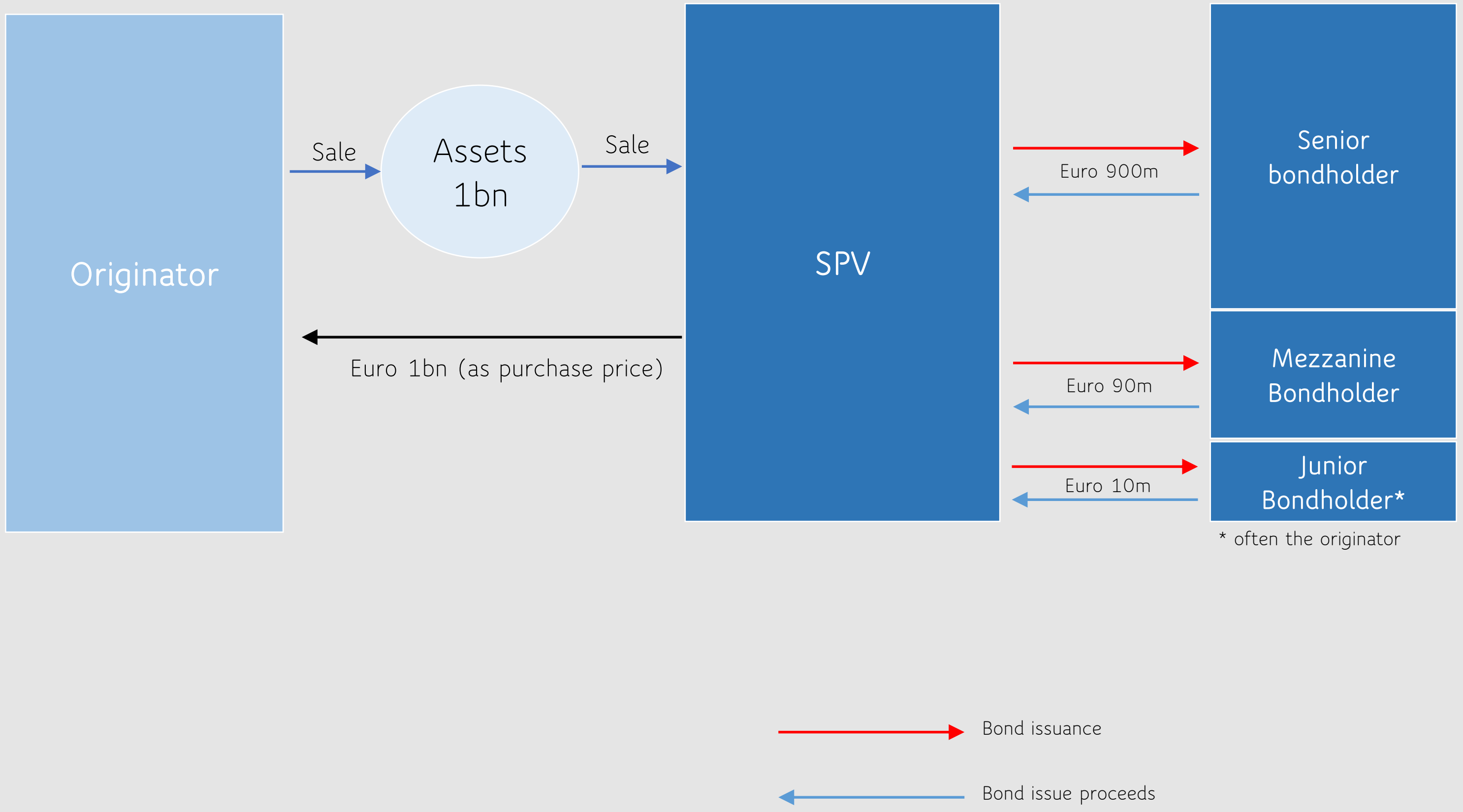
If a 10% loss is extremely unlikely, the senior tranche is extremely safe and so the senior investor will accept a low return (interest rate) to reflect the safety of the tranche

So, another **securitisation rule:**

"the lower the tranche in the stack, the higher the risk and so the higher the interest rate"

Securitisation Key Concepts

Tranching
The Classic



Securitisation Key Concepts

Tranching WARNING!

Despite how it is sometimes presented, **securitisation is not alchemy**

Securitisation **cannot turn lead into gold** or low credit risk into high credit risk

The **total risk of a pool** of securitised assets **remains the same**

If you add the credit risks borne by the senior bondholder, the mezzanine bondholder and the junior bondholder, it sums to the exact same credit risk of the pool

But if you think of the pool as a mixed lot, securitisation **can separate the gold** in the pool **from the lead** in the pool

Securitisation Key Concepts

The Waterfall

- As cash is generated from the securitised assets and received by the SPV, it is distributed in a specific order. That order is the "waterfall"
- **The archetypal waterfall looks somewhat like this:**
  - Entities that have to be paid if the securitisation is to continue (servicing fees, swap fees, admin expenses…)
  - Liquidity fees
  - Swap payments
  - Most senior noteholders
  - Mezz noteholders
  - Junior noteholders
  - Excess spread to the originator
- This is an idealised list and waterfalls can be quite complex
- There are usually two waterfall – interest and principal
- There can also be two waterfall – pre and post enforcement

Securitisation Key Concepts

Liquidity

- The cash flow from the assets may suffer for irregularities over time when the securitisation bond must pay in accordance with its schedule eg consumers paying late
- To prevent asset cash flow irregularities resulting in the technical default of the securitisation bond, a bank may provide a committed loan facility to the SPV to be drawn on in case of a cash shortfall. This loan is a "liquidity facility"
- Because the liquidity facility is liquidity not credit support, it gets repaid before the securitisation notes in the waterfall

Securitisation Key Concepts

The Servicer

- The SPVS is insolvency remote so has no employees
- Someone has to service the assets – collect cash, send chasing letters, enforce defaulted receivables
- The "servicer" is usually the originator but not always
- Sometimes a party is appointed upfront in case the servicer is not capable of acting – this is called a "back-up servicer"

Securitisation Key Concepts

Warehouse Facility

- There is a minimum size for a securitisation placed in the public markets
- So how does a non-bank finance the original lending to create the assets that will go in the securitisation pool?
- One financing tool is a committed loan facility from a bank which is itself a securitisation (ie asset backed and tranched). These are called "warehouse facilities" or just "warehouses"
- A customer borrows from the originator eg for example a house purchase. The originator draws down on the committed loan facility in the amount of the mortgage and advances the funds.
- There is an agreement between the lending bank and the originator that when a certain amount of origination has been reached, the originator will refinance the pool via a securitisation
- Because warehouses are legally securitisations, they must comply with the Securitisation Regulation
- The capital that must be allocated by the lending bank is the CRR required capital for a securitisation
- But that means that warehouses can also achieve STS status and a lower capital allocation as a result

Securitisation

Why do it if you are an originator?

Asset-only means securitisation is a form of **financing** ***accessible*** *even when the bank is weak or in danger*

Asset-only means that for a weak bank with strong assets, the ***cost of financing can be lower***

Tranching means that the bank using securitisation can **access** ***new investors*** that would not finance it on an unsecured basis

Tranching means that, by targeting specific investor groups and appealing to their specific risk/reward targets, *the* ***total cost of funding may be lower*** than without tranching

If the **investors take the asset risks**, it means that those risks are **not borne by the originator** and therefore **no capital need be set aside against those assets** – securitisation can be *a* ***capital management tool***

Securitisation

Why do it if you are an investor?

Tranching means that securitisation can create **high quality capital market debt** from mixed quality assets for risk averse investors seeking a good return

Asset-only finance means that capital market **investors can lend** (indirectly) and take the risks of **markets to which they have no other access** (e.g., SMEs or residential mortgages)

The European nature of the market means **investors** can have **access to safe capital market instruments in jurisdictions** to which they have **no other access**

Because **rating agencies allow senior tranches** of securitisations to be **rated higher than the sovereign**, securitisation allows low risk investors to invest in high-risk countries

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Setting the Standard for Securitisation

Synthetic STS

Synthetics an overview

Key notions

"true sale" vs "synthetic"

- All securitisations are limited recourse asset-based finance where the investors take the risk of the assets
- In traditional/"**true sale**" securitisations this is achieved by the legal sale of the relevant assets by the originator to a special purpose vehicle funded by the investors
- "Synthetic" securitisation are so called because they originally were supposed to achieve the same result as "true sale" securitisations ***without*** a legal sale of the assets
- Without a legal transfer (by sale or rarely a security interest) the assets remain on the balance sheet of the originator – and so "on-balance-sheet securitisations"
- "True sale" securitisations and synthetic securitisations share the same parents but grew up and drifted somewhat apart – they now tend to proceed from different motivations, involve different market players and different investor bases
- Yet, they share two fundamental aspects: investors take the risk of the securitised assets *and* they have credit tranching
- It is those two things that make them both, in Europe, legally "securitisations"

Synthetics an overview

Key notions

"synthetics" as credit insurance

- Lawyers will tell you that "synthetic securitisations" are **not legally "insurance"** – or else people would have to go to jail
- Of course, the lawyers are right, but if you want to understand how synthetics work, just remember: "**Synthetic securitisations are insurance**"
- In a synthetic securitisation, an investor tells an originator: "If a borrower X to whom you have lent money does not pay you back, I will compensate you for the loss". Basically, insurance
- If you keep in mind always that fundamental truth – synthetic securitisation is credit insurance by another name – a lot of the real complexity of the world of synthetic securitisation ("Is it a funded CDS or an originator CLN?") will become a lot easier to navigate

Synthetics an overview

Key notions

Finance & jargon

the love affair

Some expressions one hears around synthetics

- "**Protection buyer**" – the bank that is "issuing" the synthetic securitisation also called the "originator" or the "issuer"
- "**Protection seller**" or "**protection provider**"– the entity providing the credit protection also called "investor"
- "**Reference pool**" – the assets which are securitised and part of which are covered by the credit insurance (see "attachment point" and "detachment point")
- "**Attachment point**" – the level of losses on the reference pool at which the protection sellers start to compensate the protection buyer. Anything below the attachment is like an insurance deductible
- "**Detachment point**" – the level of losses beyond which the protection sellers no longer need to compensate the protection buyer. The amount between the attachment point and the detachment point is the maximum amount the protection sellers will ever be obliged to pay
- "**Unfunded**" – means that the protection sellers do not have to put up any money at the start of the transaction. Just like an insurance company, money only moves when a claim is made
- "**Funded**" – means the amount between the attachment point and the detachment point is paid by the protection sellers. That amount is designed so that the protection buyer does not need to worry if the protection sellers are good for the money at the time of a claim. The cash is returned at the end of the deal (minus losses on the protected reference pool)

Synthetics an overview

Key notions

How do they work?

The Classic Three

The *vast majority* are structured using one of 3 legal devices.

- **Guarantees** – where the protection sellers issue a guarantee of the reference pool for which they receive a stream of regular premia
- **Credit Derivatives** – usually a credit default swap where the protection sellers agree to swap the defaulted amounts against a stream of agreed payments
- **Credit Linked Notes** – where the protection sellers purchase a limited recourse debt instrument (e.g., a bond) issued by the protection buyer or an SPV and receive interest on that instrument. The principal is repaid net of any defaults on the reference pool

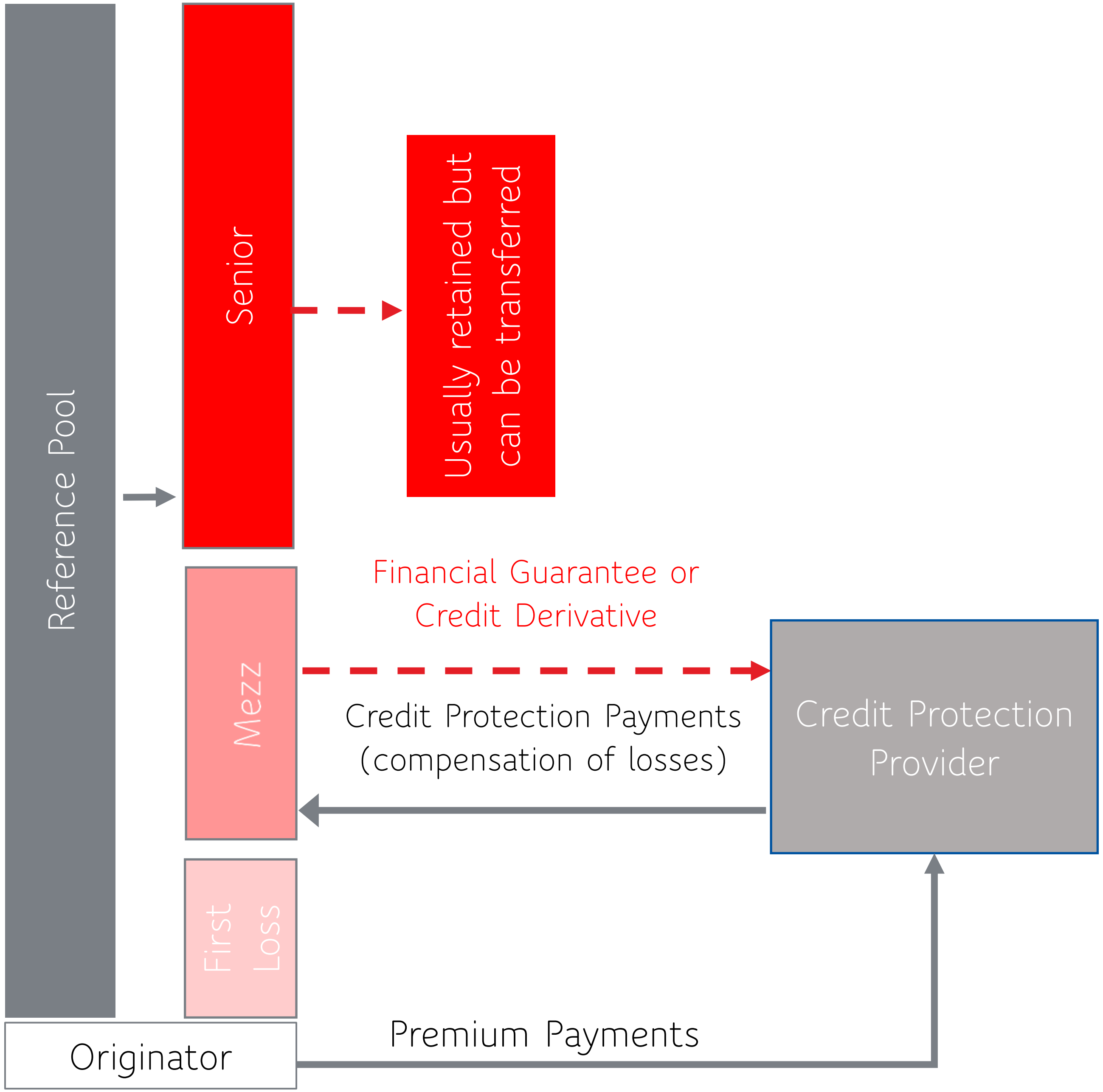
Note: Remember this slide when we discuss collateral and the STS Regulation

Synthetics an overview

Key Structures : 1

"unfunded"

(usually with supranational, sovereign or public counterparty)

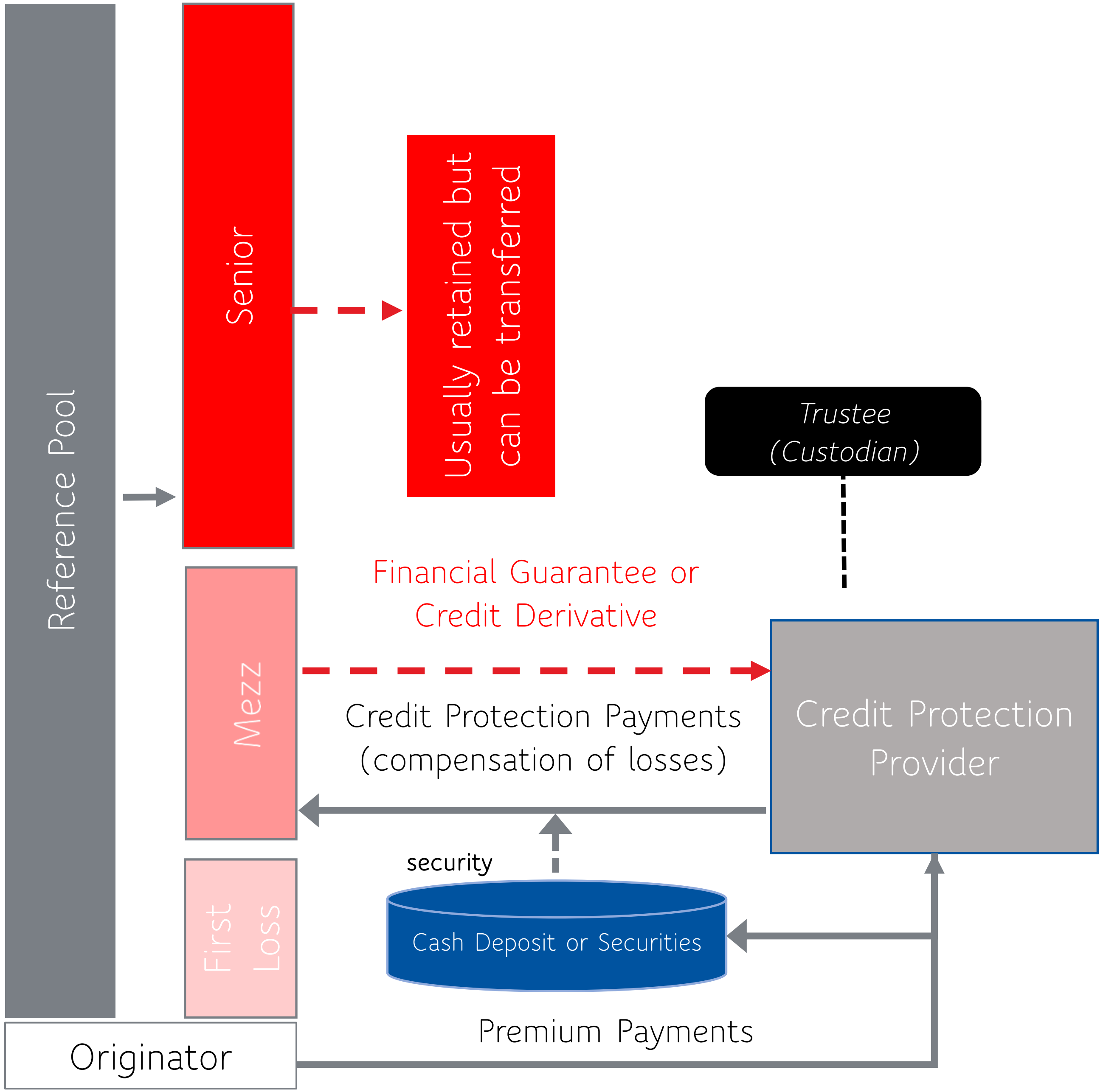


Synthetics an overview

Key Structures : 2

"funded" Version 1

*(usually with a bank, fund or insurance company as "**protection provider**")*

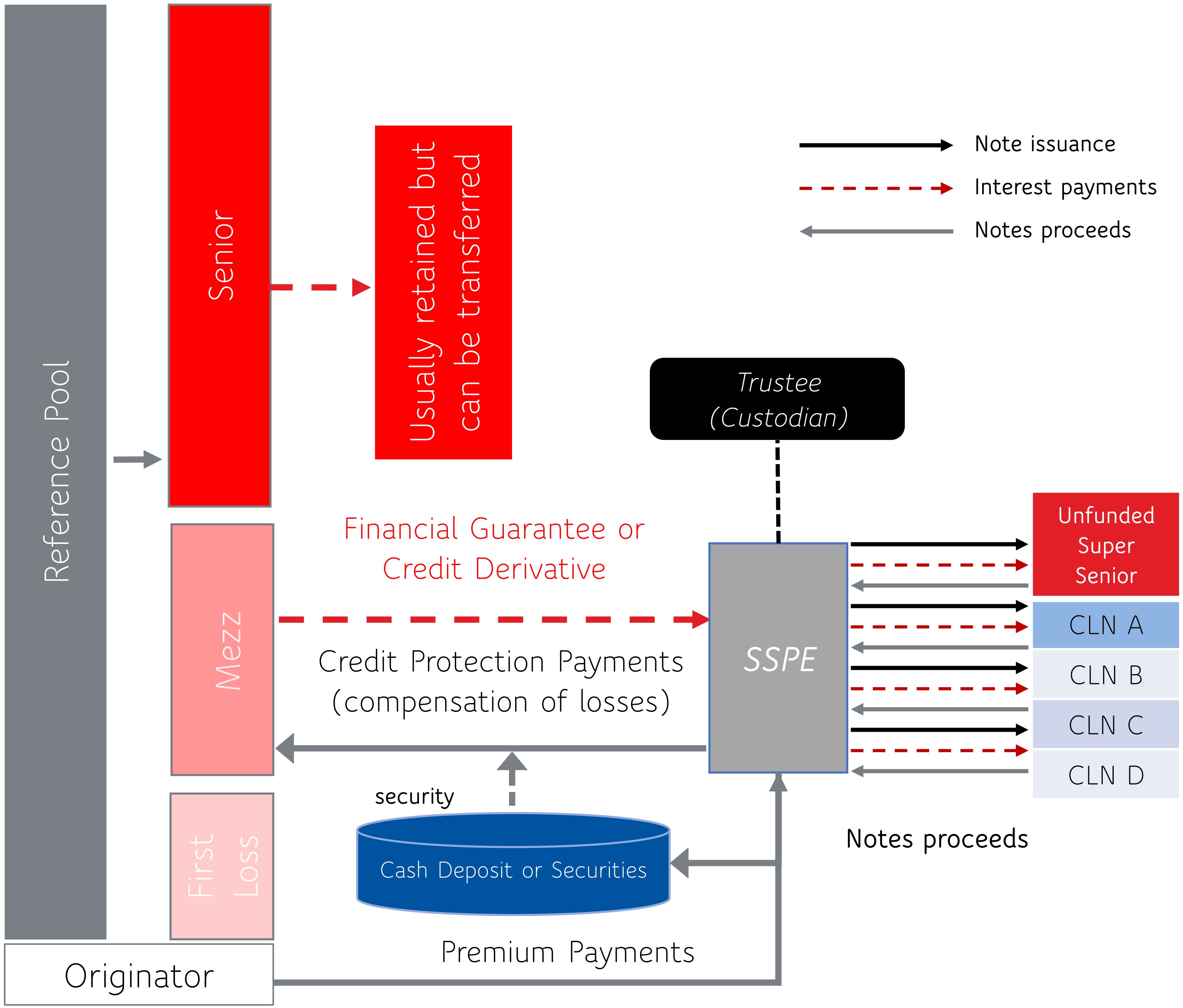


Synthetics an overview

Key Structures : 3

“funded” Version 2

(with SPV issuing credit-linked notes to investors)



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Setting the Standard for Securitisation

STS Regime

STS Regime

Origins

2007-2008
- Financial crisis engulfs the world
- Securitisation is considered a key culprit

2008-2009
- Tsunami of new financial regulations across the world
- Securitisation "punished" (Basel 2 changes, Solvency II, etc.)

2009-2011
- Financial crisis becomes a sovereign crisis – EU deeply concerned about the future of European finance
- But EU securitisations weather the crisis extremely well - public authorities start to wonder (ECB, BoE, EC…)

2012-2014
- "Good securitisation" becomes rehabilitated in policy circles
- Official sector looks to soften the regulatory punishment but only for "high quality" securitisations

2015
- EBA Report and European Commission legislative proposal
- A new definition of high-quality securitisation is proposed: STS

2017-2019
- Law is passed in December 2017
- Law comes into force on 1st January 2019

2021
- Law is amended to include synthetic securitisations and to fix some issues with NPLs

STS Regime

THE LAW

(EU) 2017/2402

General framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation **("STS Regulation")**

amended by

(EU) 2021/557 - amending Regulation (EU) 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation to help the recovery from the COVID-19 crisis **("Synthetic STS Regulation")**

STS Regime

THE LAW
Structure

- The "STS Regulation" is also called, probably more accurately, the "Securitisation Regulation" as it sets out the rules for all securitisations in the European Union
- The STS Regulation is therefore two sets of rules in one legislative text
- The first part of the Regulation (articles 5 to 17) sets out the rules applicable to all securitisations and market participants
- The second part (articles 18 to 28), sets out the rules for the STS regime
- The third part (articles 29 to 48) is concerned with procedural and regulatory matters (including the respective powers of various regulatory bodies and sanctions)
- *Note: the new 2021 regulation allowing synthetic STS transactions amended this regulation but left the structure broadly unchanged*

STS Regime

THE LAW
Benefits of STS

- The CRR Regulation provides for lower capital requirements for EU bank investors holding STS securitisations that also meet some additional requirements

- The Money Market Funds Regulation provides that money market funds can only invest 10% of their holding in securitisations. This limit is increased to 15% for STS securitisations

- The Solvency 2 legislation provides for EU insurance companies to hold substantially less capital against the senior tranches of STS securitisations

- An amendment to the Liquidity Cover Ratio ("LCR") rules changed the eligibility rules for LCR to the benefit of STS

PCS

Setting the Standard for Securitisation

PCS - Who we are

PCS

Prime Collateralised Securities (PCS) was set up by market stakeholders as an independent, not-for-profit initiative to help rebuild a safe securitisation market in Europe

Our Mission

- The aim of the Prime Collateralised Securities ("PCS") initiative is to strengthen the securitisation market as a sustainable investment and funding tool for both investors and originators, promote growth in the real economy and improve market resilience by supporting standards of quality, transparency, and simplicity
- The PCS initiative – as an independent entity – has, since its foundation in 2012, sought to define and promote standards of "best practice" in both the "true sale" and "risk transfer" asset backed markets: standards of quality, transparency and simplicity. It did this initially through its labels and now through its work as a verification agent but also through its advocacy and thought leadership
- PCS is committed to retaining its not-for-profit status

Strong Team of Securitisation Experts

- We are a team of experts with an average experience of more than 25 years in securitisation markets
- We are based in 7 cities across Europe and have offices in London and Paris
- Our team members are fluent in several European languages including English, French, German, Italian, Spanish & Greek

Market Outreach Team

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You can chick on the photo for the CV

PCS Members & Permanent Observers

PCS Members

- Allen & Overy
- Allianz
- Amundi
- APG
- Ashurst LLP
- AXA
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- Banca Sella Holding S.p.A.
- Barclays
- BBVA
- Bishopsfield Capital Partners
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- Deutsche Bank
- European Banking Federation
- Freshfields Bruckhaus Deringer
- Hengeler Mueller
- Hogan Lovells
- ING
- J.P.Morgan Asset Management
- Linklaters
- Lloyds Banking Group
- Intesa San Paolo
- Mayer Brown
- Moody's
- National Bank of Greece
- Nationwide Building Society
- NIBC Bank
- NN Investment Partners
- Obvion
- Rabobank
- RBS
- Robeco
- Santander
- Securitisation Services
- Societe Generale
- Swiss Re
- TwentyFour Asset Management
- UBS
- UniCredit
- Vieira De Almeida
- Weil, Gotshal & Manges

PCS Permanent Observers

- Association for Financial Markets in Europe (AFME)
- Dutch Securitisation Association (DSA)
- Eurofinas
- European Bank for Reconstruction and Development (EBRD)
- European Banking Authority (EBA)
- European Central Bank (ECB)
- European Fund and Asset Management Association (EFAMA)
- European Financial Services Round Table (EFR)
- European Investment Bank (EIB)
- European Investment Fund (EIF)
- European Securities and Markets Authority (ESMA)
- Hellenic Financial Stability Fund (HFSF)
- Insurance Europe
- International Association of Credit Portfolio Managers (IACPM)
- Irish Debt Securities Association (IDSA)
- KfW
- LeaseEurope

PCS

actively supports European securitisation

How does PCS support the market?

- Provider of thought leadership & advocacy
- Third Party Verification Agent
- Provider of LCR and CRR assessments
- Information resource

Since the introduction of STS in 2019, we have provided more than 250 STS verifications across Europe covering a wide range of deal types and asset classes in every jurisdiction from which an STS notification has been done.

PCS

has an active role in European securitisation markets

How does PCS contribute?

- Responding to consultations
- Publications
- Newsletters
- White Papers
- Webinars and seminars
- Criteria Papers
- Active dialogue & advocacy with policy makers
- Active dialogue with prudential and market regulators

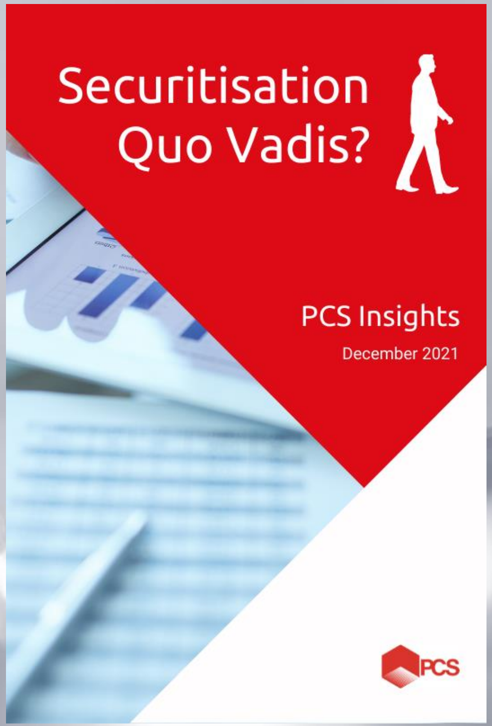
STS

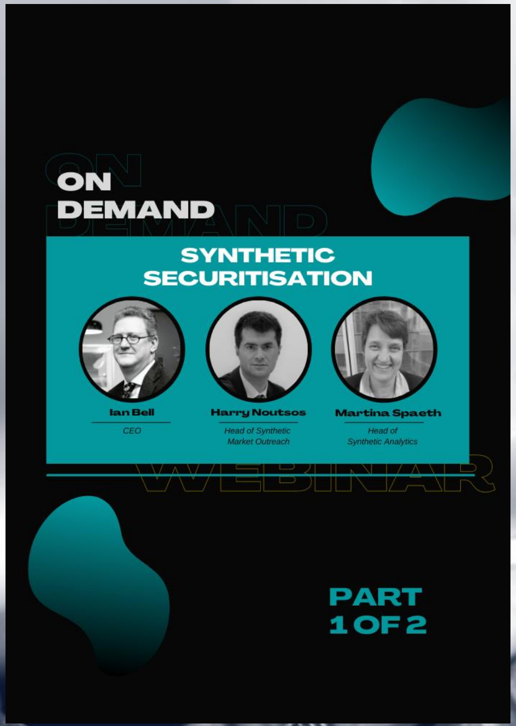
Third Party Verification Agent

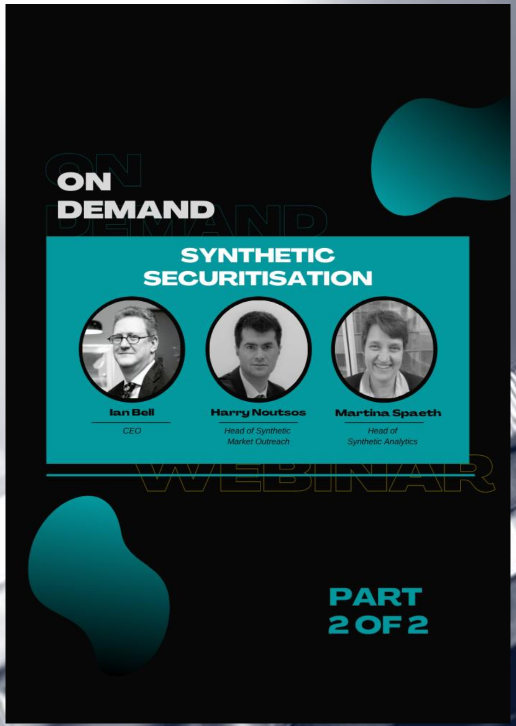
What do third party verification agents do?

- A third party verification agent verifies the STS status of a securitisation at the request of an originator
- The verification agent does this by checking each and every STS criterion to ensure that it has been met
- In checking each criterion, the third party verification agent brings into play its expertise of both securitisation and the STS rules, derived from its experience over many transactions as well as its ongoing dialogue with regulatory authorities
- By informing investors and potential investors of the independent third party verification of its transaction, the originator provides comfort to investors but also assists ***all investors*** (regulated or not) to fulfill their legally required due diligence obligations

Webinars







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Legal issues in Securitisation

Paweł Turek

Counsel, DLA Piper

DLA PIPER

DLA Piper | Global presence

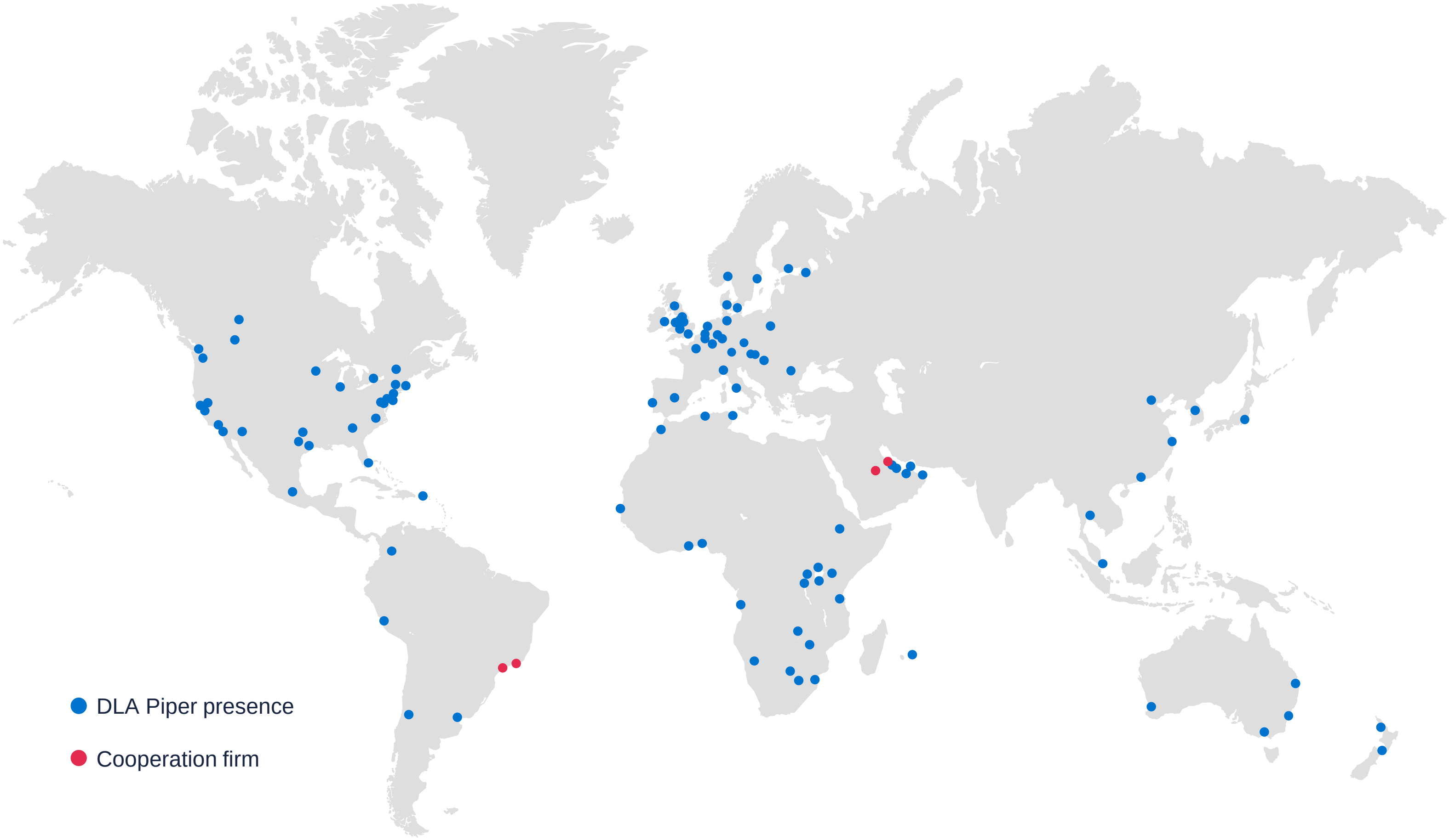
AMERICAS
Argentina
Brazil*
Canada
Colombia
Chile
Mexico
Peru
United States

MIDDLE EAST
Bahrain
Oman
Qatar
Saudi Arabia*
United Arab Emirates

ASIA PACIFIC
Australia
China
Japan
New Zealand
Singapore
South Korea
Thailand

EUROPE
Austria
Belgium
Czech Republic
Denmark
Finland
France
Germany
Hungary
Ireland
Italy
Luxembourg
Netherlands
Norway
Poland
Portugal
Romania
Slovak Republic
Spain
Sweden
United Kingdom

AFRICA
Algeria
Angola
Botswana
Burundi
Ethiopia
Ghana
Kenya
Mauritius
Morocco
Mozambique
Namibia
Nigeria
Rwanda
Senegal
South Africa
Tanzania
Tunisia
Uganda
Zambia
Zimbabwe



**Cooperation Firm*

DLA Piper | Poland

DLA Piper is one of the largest global law firms in Poland, offering legal and tax services to both domestic and international clients and institutions.

Our cohesive organizational structure ensures the constant exchange of know-how as well as fluid and effective internal communication. This facilitates the performance of cross-border projects and also enables our advisers to continually develop their knowledge and experience.

Our clients value our responsiveness, strong business acumen, commitment, client-centricity and work ethics. With over **100 lawyers and tax advisers** we can provide international corporations, financial institutions, as well as local businesses with legal and tax services of the highest quality seamlessly.

At DLA Piper we operate and provide advice to a variety of sectors. No matter the scale or complexity of the project, our market approach will support your business by every means.

Ranked in **all 21 categories by The Legal 500 EMEA 2021**

Forbes Magazine Diamond for companies with the most dynamic increase in value, 2020

Practices

Corporate

Marta Frąckowiak
Head of Corporate

Jakub Marcinkowski
Patner

Jakub Domalik-Plakwicz
Patner

Employment

Agnieszka Lechman-Filipiak
Head of Employment

IPT

Ewa Kurowska-Tober
Head of IPT

Finance, Projects & Restructuring

Mariusz Hyla
Head of FPR

Real Estate

Michał Pietuszko
Head of Real Estate

Jacek Giziński
Co-managing Partner

Litigation & Regulatory

Krzysztof Kycia
Head of Ligitation and Regulatory

Andrzej Balicki
Partner | Regulatory

Tomasz Rudyk
Partner | White-Collar Crime

Tax

Bartosz Matusik
Head of Tax

Łukasz Dynysiuk
Partner

Legal issues in Securitisation

Paweł Turek

Counsel, DLA Piper

Agenda

1. Legal environment
2. Polish law issues
3. True sale
4. Polish law governed documents

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Legal Environment

Polish legal acts

- Banking Law
- Civil Code
- Registered Pledge Law
- Bankruptcy Law/
- Other acts

EU legal acts

- STS Regulation
- CRR Regulation
- GDPR Regulation
- ESMA/EBA

Polish law issues

Scope of receivables

- Principal amount
- Interest
- Ancillary rights

Security interests

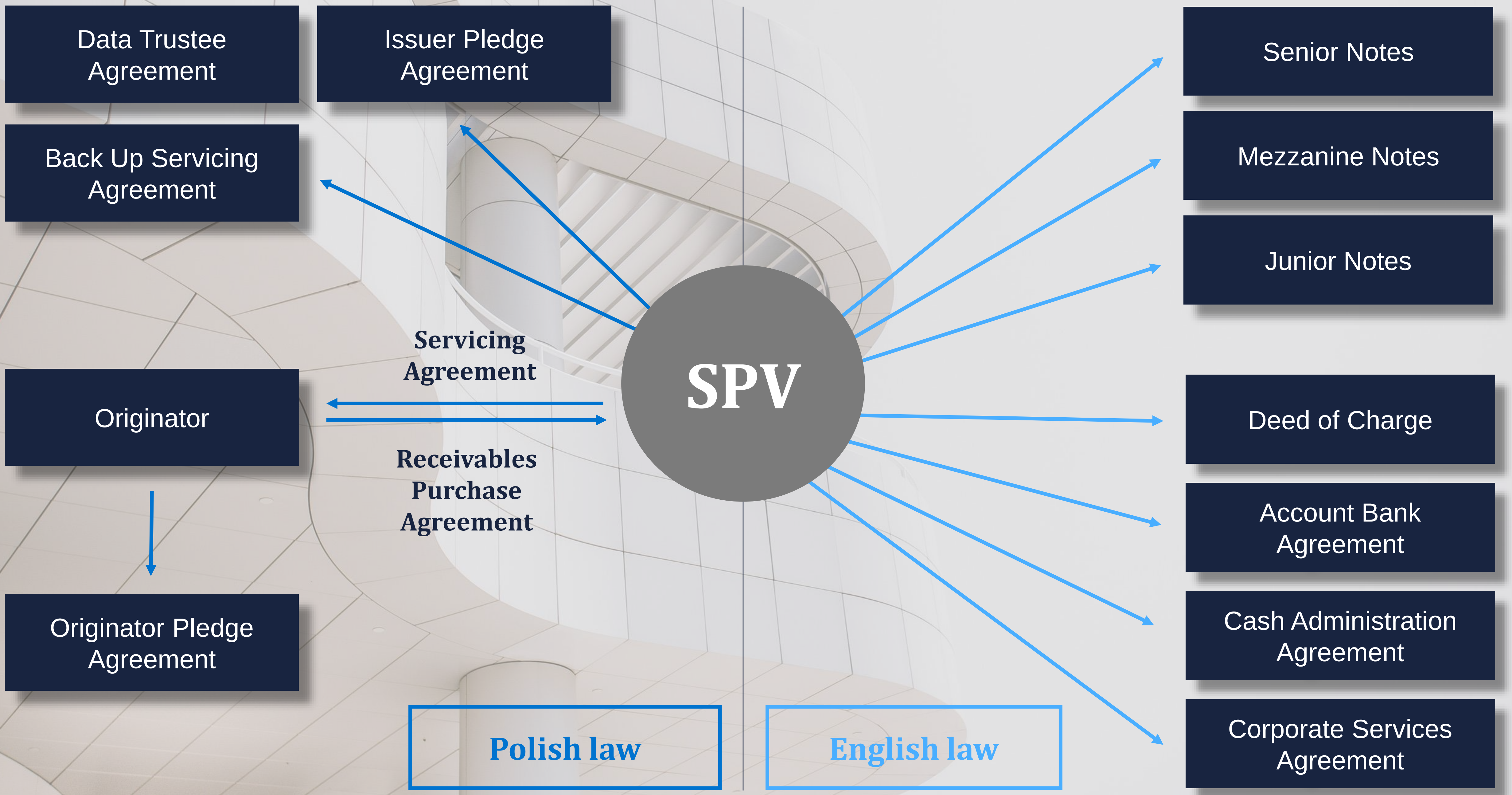
- Bills of exchange
- Security transfer
- Pledge over vehicles

Notification to/ consent of the debtors

Legal opinions

True sale

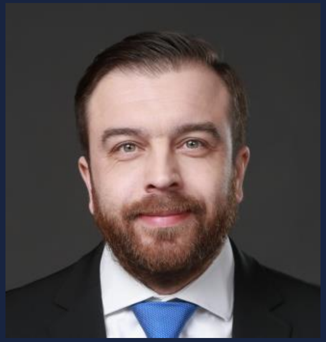
- Choice of law
- Receivables purchase agreement
- Formalities
- True sale v. secured loan


Data Trustee Agreement
Issuer Pledge Agreement
Back Up Servicing Agreement
Originator
Originator Pledge Agreement
Servicing Agreement
Receivables Purchase Agreement
SPV
Senior Notes
Mezzanine Notes
Junior Notes
Deed of Charge
Account Bank Agreement
Cash Administration Agreement
Corporate Services Agreement
Polish law
English law

Polish law governed documents

- Servicing agreement
- Back – up servicing agreement
- Data trustee agreement
- Security transfer of leased assets
- Registered pledge over leased assets
- Registered pledge over transaction documents

Thank you



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Tax issues in Securitisation

Bartosz Matusik

Partner, DLA Piper

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Tax aspects of securitisation

No rules directly addressing tax implications of securitisation

- Need to rely on general rules
- Main issues

Tax rulings regime

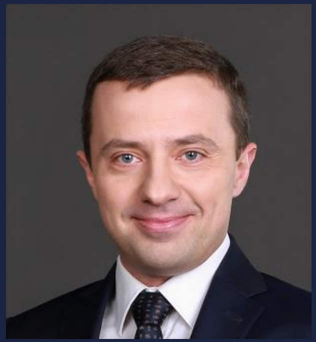
- Rulings' protection
- Time needed to obtain rulings

Tax authorities' practice

Location of SPV

- Market practice
- Polish SPV - approach of Polish tax authoruities
- Irish SPV

Thank you



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