

Question ID	2013_42
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Securitisation and Covered Bonds
Article	129
Paragraph	1
Subparagraph	(b)
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	N/A
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Disclose name of institution / entity	No
Type of submitter	Competent authority
Subject matter	Preferential risk weight of covered bonds containing securitisation positions of sovereign exposures as cover pool assets
Question	Would UCITS compliant covered bonds containing public sector securitisation exposures qualify for preferential risk weights under Article 129 of Regulation (EU) No 575/2013 (CRR)?
Background on the question	Article 129(1)(a) of CRR states that covered bonds can be collateralised, inter alia, by "...exposures to or guaranteed by central governments, central banks, public sector entities, regional governments and local authorities in the Union". However, the text does not mention that securitisation positions resulting from the securitisation of exposures to the public sector can qualify as covered assets, and a look through approach is not possible in this context. Only securitisation exposures to residential and commercial mortgages are explicitly mentioned in Article 129(1)(d) (ii) and (f) (ii) of CRR, and in each case there are specific criteria that must first be fulfilled for such securitisation exposures to qualify.
EBA answer	UCITS-compliant covered bonds containing public sector securitisation exposures do not qualify for preferential risk weights under Article 129 of Regulation (EU) No 575/2013 (CRR), as public sector securitisation

	exposures are not eligible assets under Article 129 (1) of CRR.
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_42

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