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STATUTORY INSTRUMENTS

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**2024 No. 102**

**The Securitisation Regulations 2024**

**PART 1**

Introductory

**Citation and extent**

- 1.—(1) These Regulations may be cited as the Securitisation Regulations 2024.  
(2) These Regulations extend to England and Wales, Scotland and Northern Ireland.

**Commencement**

2.—(1) The following provisions come into force on the day after that on which these Regulations are made—

- (a) this Part,
- (b) Part 2 (designated activities),
- (c) regulation 8 (matters to which FCA and PRA must have regard when making rules relating to securitisation),
- (d) regulation 13 (designation of country or territory in relation to securitisations), for the purpose only of enabling the Treasury to make regulations, and
- (e) the remaining provisions, for the purposes only of enabling the FCA or the PRA—
  - (i) to make rules,
  - (ii) to give directions or guidance, or
  - (iii) to issue statements of policy.

(2) So far as not already in force by virtue of paragraph (1), these Regulations come into force on the day on which the revocation of the EU Securitisation Regulation 2017<sup>(1)</sup> by section 1(1) of, and Schedule 1 to, the Financial Services and Markets Act 2023 comes into force (“the main commencement day”).

**Interpretation**

3.—(1) In these Regulations—

“ABCP programme” means a programme of securitisations the securities issued by which predominantly take the form of asset-backed commercial paper with an original maturity of one year or less;

“ABCP transaction” means a securitisation within an ABCP programme;

“authorised person” has the meaning given in section 31(2) of FSMA 2000;

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(1) For the meaning of “the EU Securitisation Regulation 2017” see regulation 3(1).

“the Capital Requirements Regulation” means [Regulation \(EU\) No 575/2013](#) of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending [Regulation \(EU\) No 648/2012](#)(2);

“credit institution” means an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account;

“designated activity rules” means rules made under section 71N of FSMA 2000(3);

“EMIR” means [Regulation \(EU\) No 648/2012](#) of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories(4);

“established in the United Kingdom” means constituted under the law of a part of the United Kingdom—

- (a) with a registered office in any part of the United Kingdom, or
- (b) if the person does not have a registered office, with a head office in any part of the United Kingdom;

“the EU Securitisation Regulation 2017” means [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 securitisations, and amending Directives [2009/65/EC](#), [2009/138/EC](#) and [2011/61/EU](#) and Regulations (EC) No [1060/2009](#) and (EU) No [648/2012](#)(5);

“FSMA 2000” means the Financial Services and Markets Act 2000;

“institutional investor” means an investor which is one of the following—

- (a) an insurance undertaking as defined in section 417(1) of FSMA 2000(6);
- (b) a reinsurance undertaking as defined in section 417(1) of FSMA 2000(7);
- (c) the trustees or managers of an occupational pension scheme;
- (d) a fund manager of an occupational pension scheme appointed under section 34(2) of the Pensions Act 1995(8) that, in respect of activity undertaken pursuant to that appointment, is authorised for the purposes of section 31 of FSMA 2000;
- (e) an AIFM (as defined in regulation 4 of the Alternative Investment Fund Managers Regulations 2013(9))—
  - (i) with permission under Part 4A of FSMA 2000(10) in respect of the activity specified by article 51ZC of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(11) (managing an AIF), and
  - (ii) which markets or manages an AIF (as defined in regulation 3 of the 2013 Regulations) in the United Kingdom,

and for the purposes of sub-paragraph (ii), an AIFM markets an AIF when the AIFM makes a direct or indirect offering or placement of units or shares of an AIF managed by it or with an investor domiciled or with a registered office in the United Kingdom, or when another person makes such an offering or placement at the initiative of, or on behalf of, the AIFM;

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(2) EUR 2013/575.

(3) Section 71N was inserted by section 8 of the Financial Services and Markets Act 2023.

(4) EUR 2012/648.

(5) EUR 2017/202.

(6) Definition substituted by [S.I. 2019/632](#).

(7) Definition substituted by [S.I. 2019/632](#).

(8) [1995 c. 26](#). Definition amended by section 5(3) of the Trustee Delegation Act 1999 (c. 15).

(9) [S.I. 2013/1773](#).

(10) Part 4A was substituted by section 11 of the Financial Services Act 2012 (c. 21).

(11) [S.I. 2001/544](#). Article 51ZC was substituted by [S.I. 2013/1773](#).

- (f) a small registered UK AIFM;
- (g) a management company as defined in section 237(2) of FSMA 2000(12);
- (h) a UCITS, as defined in section 236A of FSMA 2000(13), which is an authorised open ended investment company as defined in section 237(3) of FSMA 2000;
- (i) a CRR firm as defined in Article 4(1)(2A) of the Capital Requirements Regulation(14);
- (j) an FCA investment firm as defined in Article 4(1)(2AB) of the Capital Requirements Regulation(15);

“investor” means a person holding a securitisation position;

“main commencement day” has the meaning given in regulation 2(2);

“occupational pension scheme” means an occupational pension scheme as defined in section 1(1) of the Pension Schemes Act 1993(16) that has its main administration in the United Kingdom;

“original lender”, in relation to a securitisation, means an entity which, itself or through related entities, directly or indirectly, concluded the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised;

“originator”, in relation to a securitisation, means an entity which—

- (a) itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposures being securitised, or
- (b) purchases a third party’s exposures on its own account and then securitises them;

“PRA-authorized person” has the meaning given in section 2B(5) of FSMA 2000(17);

“securitisation” means a transaction or scheme, whereby the credit risk associated with an exposure or a pool of exposures is tranching, having all of the following characteristics—

- (a) payments in the transaction or scheme are dependent upon the performance of the exposure or of the pool of exposures,
- (b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme, and
- (c) the transaction or scheme does not create exposures which possess all of the following characteristics—
  - (i) the exposure is to an entity which was created specifically to finance or operate physical assets or is an economically comparable exposure;
  - (ii) the contractual arrangements give the lender a substantial degree of control over the assets and the income that they generate;
  - (iii) the primary source of repayment of the obligation is the income generated by the assets being financed, rather than the independent capacity of a broader commercial enterprise;

“securitisation position” means an exposure to a securitisation;

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(12) Definition inserted by S.I. 2011/1613 and substituted by S.I. 2019/325.

(13) Section 236A was inserted by S.I. 2019/325.

(14) Article 4(1)(2A) was inserted by S.I. 2018/1401; the definition was amended by section 1(2) of the Financial Services Act 2021 (c. 22).

(15) Article 4(1)(2AB) was inserted by section 1(4) of the Financial Services Act 2021.

(16) 1993 c. 48. Definition was substituted by section 239 of Pensions Act 2004 (c. 35) and amended by S.I. 2019/192.

(17) Section 2B was substituted by section 6(1) of the Financial Services Act 2012; there are amendments which are not relevant.

“securitisation repository” means a body corporate that centrally collects and maintains the records of securitisations;

“securitisation special purpose entity” or “SSPE” means a corporation, trust or other entity, other than an originator or sponsor, established for the purpose of carrying out one or more securitisations, the activities of which are limited to those appropriate to accomplishing that objective and the structure of which is intended to isolate the obligations of the securitisation special purpose entity from those of the originator;

“small registered UK AIFM” has the meaning given in regulation 2(1) of the Alternative Investment Fund Managers Regulations 2013(18);

“sponsor” means a credit institution or an investment firm as defined in paragraph 1A of Article 2 of Regulation 600/2014/EU(19), whether located in the United Kingdom or in a country or territory outside the United Kingdom, which—

- (a) is not an originator, and
- (b) either—
  - (i) establishes and manages an ABCP programme or other securitisation that purchases exposures from third party entities, or
  - (ii) establishes an ABCP programme or other securitisation that purchases exposures from third party entities and delegates the day-to-day active portfolio management involved in that securitisation to an entity which is authorised to manage assets belonging to another person in accordance with the law of the country or territory in which the entity is established;

“STS criteria” has the meaning given in regulation 9(1)(a);

“STS notification” means a notification under regulation 10(1);

“STS securitisation” has the meaning given in regulation 9;

“territory” includes the European Union and any other international organisation or authority comprising countries or territories;

“third party verifier” has the meaning given in regulation 24;

“tranche” means a contractually established segment of the credit risk associated with an exposure or a pool of exposures, where a position in the segment entails a risk of credit loss greater than or less than a position of the same amount in another segment, without taking account of credit protection provided by third parties directly to the holders of positions in the segment or in other segments;

“the Tribunal” means the Upper Tribunal;

“trustees or managers”, in relation to an occupational pension scheme, means—

- (a) in relation to a scheme established under a trust, the trustees, and
- (b) in relation to any other scheme, the persons responsible for the management of the scheme;

“working day” means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971(20) in any part of the United Kingdom.

(2) In these Regulations, references to rules made by the FCA or the PRA are to those rules as they have effect from time to time.

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(18) S.I. 2013/1773.

(19) EUR 2014/600. Paragraph 1A of Article 2 was inserted by S.I. 2018/1403.

(20) 1971 c. 80.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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