
STATUTORY INSTRUMENTS

2008 No. 346

The Regulated Covered Bonds Regulations 2008

PART 6

PRIORITY OF PAYMENT

Realisation of a charge

28.—(1) Subject to regulation 29, if—

- (a) any asset comprised in the asset pool is charged as security for claims in priority to any charge over that asset granted to secure the claims of relevant persons; and
- (b) the charge which has priority is realised at any time when the owner is not in the course of being wound up;

the proceeds of the realisation of that charge must, after payment of the expenses referred to in regulation 29 and any other expenses relating to that charge, be first applied to satisfy the claims of relevant persons at such time as those claims fall due for payment.

(2) Subject to regulation 29, if—

- (a) any asset comprised in the asset pool is charged as security for several claims;
- (b) any agreement between the creditors of that charge gives priority to the claims of any person above the claims of the relevant persons; and
- (c) that charge is realised at any time when the owner is not in the course of being wound up;

the proceeds of the realisation of that charge must, after payment of the expenses referred to in regulation 29 and any other expenses relating to that charge, be first applied to satisfy the claims of the relevant persons at such time as those claims fall due for payment.

[^{F1}(3) For the purposes of paragraphs (1) and (2) the claims of the persons mentioned in regulation 27(2)(b), (c) and (d) may rank equally with, but not in priority to, the claims of the persons mentioned in regulation 27(2)(a).]

Textual Amendments

- F1** [Reg. 28\(3\)](#) inserted (22.7.2008) by [The Regulated Covered Bonds \(Amendment\) Regulations 2008](#) (S.I. 2008/1714), regs. 1, **2(5)**

Changes to legislation:

The Regulated Covered Bonds Regulations 2008, Section 28 is up to date with all changes known to be in force on or before 06 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)