

Chapter 4

Due diligence requirements

4.5 Institutional investor delegation

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Without prejudice to ■ SECN 4.2 and ■ SECN 4.4, where the managing party has been given authority by the *institutional investor* described below to make investment management decisions that might expose it to a *securitisation*, the following paragraphs apply in respect of any exposure to a *securitisation* arising from those decisions. Unless specified below the responsibility for fulfilling the obligations under ■ SECN 4.1, ■ SECN 4.2 and ■ SECN 4.4 shall remain with the *institutional investor*:

- (1) Where an *institutional investor* who is subject to ■ SECN 4.5.1R ('the managing party') is instructed under ■ SECN 4.5.1R to fulfil any of the obligations of another *institutional investor* who is also subject to ■ SECN 4.5.1R and fails to do so, the managing party is responsible for the failure to comply with the relevant obligation and not the *institutional investor* who is exposed to the *securitisation*.
- (2) Where an *institutional investor* who is subject to ■ SECN 4.5.1R ('the managing party') is instructed under ■ SECN 4.5.1R to fulfil any of the obligations of another *institutional investor* who is subject to Article 5 of Chapter 2 of the Securitisation Part of the *PRA Rulebook* or to regulation 32A to 32D of the *Securitisation Regulations 2024* and fails to do so, the managing party is responsible for the failure to comply with the relevant obligation.
- (3) Where an *institutional investor* ('the managing party') who is subject to Article 5 of Chapter 2 of the Securitisation Part of the *PRA Rulebook* is instructed under ■ SECN 4.5.1R to fulfil any of the obligations of another *institutional investor* who is subject to ■ SECN 4.5.1R and fails to do so, the *institutional investor* who is exposed to the *securitisation* is not responsible for the failure to comply.