

Chapter 5

Requirements on risk retention

5.19 Disclosure of the level of the commitment to maintain a net economic interest

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- (1) The retainer shall disclose to *investors* within the final offering document, prospectus, transaction summary or overview of the main features of the *securitisation* at least the following information regarding the level of its commitment to maintain a net economic interest in the *securitisation*:
 - (a) confirmation of the retainer's identity, whether it retains as *originator, sponsor or original lender* and, where the retainer is the *originator*, how it meets the requirement set out in ■ [SECN 5.2.5R](#) taking into account the principles set out in ■ [SECN 5.3.6R](#);
 - (b) which of the modalities provided for in ■ [SECN 5.2.8R\(1\)](#) has been applied to retain a net economic interest; and
 - (c) confirmation of the level of retention at origination and of the commitment to retain on an ongoing basis, which shall relate only to the continuation of fulfilment of the original obligation and shall not require data on the current nominal or market value, or on any impairments or write-downs on the retained interest.
- (2) Where the exemptions referred to in ■ [SECN 5.2.10R](#) and ■ [SECN 5.2.11R](#) apply to a *securitisation* transaction, *firms* acting as *originator, sponsor or original lender* shall disclose within the final offering document, prospectus, transaction summary or overview of the main features of the *securitisation* information on the applicable exemption to *investors*.
- (3) The disclosure referred to in (1) and (2) shall be appropriately documented within the final offering document, prospectus, transaction summary or overview of the main features of the *securitisation* and made publicly available, except in bilateral or private transactions where private disclosure is considered by the parties to be sufficient. The inclusion of a statement on the retention commitment in the prospectus for the securities issued under the *securitisation programme* is an appropriate means of fulfilling the requirement.