

## Chapter 7

# Ban on resecuritisation



## 7.1 Application

### 7.1.1

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- (1) The *rules* in this chapter apply to *originators, sponsors and SSPEs* which are not *PRA-authorised persons*, and which are *established in the United Kingdom*.
- (2) The *rules* in this chapter also apply to *institutional investors* which are not *occupational pension schemes* or *PRA-authorised persons*.

## 7.2 Securitisation positions as underlying exposures

7.2.1

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- (1) The underlying exposures used in a *securitisation* shall not include *securitisation positions*.
- (2) Paragraph (1) does not apply to:
  - (a) any *securitisation* the securities of which were issued before 1 January 2019; or
  - (b) any *securitisation* in respect of which the *FCA* has disapplied, modified or dispensed with (1) such that the underlying exposures may include *securitisation positions*.

7.2.2

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- (1) Where an *originator*, *sponsor* or *SSPE* has included *securitisation positions* as an underlying exposure in a *securitisation* in accordance with ■ SECN 7.2.1R(1) an *institutional investor* may apply to the *FCA* for a waiver of ■ SECN 7.2.1R(1) in order to invest in the *resecuritisation*. The *FCA*'s applicable waiver powers are set out in ■ SECN Sch 6.



## 7.3 Fully supported ABCP programme

### 7.3.1

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A *fully supported ABCP programme* shall not be considered to be a *resecuritisation* for the purposes of ■ SECN 7, provided that none of the *ABCP transactions* within that programme is a *resecuritisation* and that the credit enhancement does not establish a second layer of tranching at the programme level.