

# Chapter

## Article 1 Definitions

For the purposes of this Regulation the following definitions apply:

- (a) "retainer" means the entity acting as originator, sponsor or original lender which retains a net economic interest in the securitisation in accordance with Article 405(1) of Regulation (EU) No 575/2013;
- (b) "Synthetic form of retention" means retention of economic interest through the use of derivative instruments;
- (c) "Contingent form of retention" means retention of economic interest through the use of guarantees, letters of credit and other similar forms of credit support ensuring an immediate enforcement of the retention;
- (d) "Vertical tranche" means a tranche which exposes the holder of the tranche to the credit risk of each issued tranche of the securitisation transaction on a pro-rata basis.