

~~Provisional~~ STS Term Master Checklist

ERIDANO II SPV S.R.L.



PRIME COLLATERALISED SECURITIES (PCS) SAS EU

~~For the terms and conditions please refer to the Application's
Terms and Conditions and the disclaimer found on: www.pcsmarket.org~~

21 October 2020

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This is the STS Term Master Checklist for STS Term Verifications.

This STS Term Checklist must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the materials received by PCS as at the date of this document. Any page references in this document are to the prospectus unless otherwise stated.

PCS comments in this STS Term Master Checklist are based on PCS' interpretation of the STS Regulation (the "Regulation") informed by (a) the text of the Regulation itself, (b) the EBA guidelines and recommendations issued in accordance with Article 19(2) of the Regulation (the "EBA Guidelines") and (c) any relevant national competent authorities interpretation of the STS criteria to the extent known to PCS.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

21 October 2020

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Prime Collateralised Securities (PCS) STS Verification

Individual(s) undertaking the assessment	Dr Martina Spaeth
Date of Verification	21 October 2020
The transaction to be verified (the “Transaction”)	ERIDANO II SPV S.R.L.
Issuer	ERIDANO II SPV S.R.L.
Originator(s)	ViViBanca S.p.A. and MCE
Seller(s)	ViViBanca S.p.A. and Legion SPV
Lead Manager(s)	Société Générale, Intesa Sanpaolo S.p.A.
Transaction Legal Counsel	Allen & Overy - Studio Legale Associato
Rating Agencies	DBRS, Moody's and Scope
Stock Exchange	Luxembourg Stock Exchange
Closing Date	21 October 2020

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

A summary of the checklist points by article is set out in the table on the next page together with a reference to summary headings of the respective article contents. To examine a specific article section from the list below in further detail, please click on the article description in the table below to be taken directly to the relevant section of the detailed checklist.

Article	Summary of article contents	Checklist Points	
Article 20 – Simplicity			
20(1)	True sale	1, 2	✓
20(2)	Severe clawback (part 1)	2	✓
20(3)	Severe clawback (part 2)	2	✓
20(4)	True sale with intermediate steps	3	✓
20(5)	Assignment perfection	4	✓
20(6)	Encumbrances to enforceability of true sale	5	✓
20(7)	Eligibility criteria and active portfolio management	6 - 8	✓
20(8)	Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities	9 - 14	✓
20(9)	No securitisation positions	15	✓
20(10)	Origination, underwriting standards and expertise, unverified home loans	16 - 21	✓
20(11)	No undue delay after selection, no exposures in default and to credit-impaired or insolvent debtors/quarantors, portion of restructured debtors, adverse credit history, higher pool risk	22 - 30	✓
20(12)	At least one payment made	31	✓
20(13)	No predominant dependence on the sale of asset	32	✓
Article 21 – Standardisation			
21(1)	Risk retention	33	✓
21(2)	Appropriate mitigation of interest-rate and currency risks, disclosure, no further derivatives, hedging derivatives according to common standards	34 - 39	✓
21(3)	Referenced interest payments	40	✓
21(4)	Requirements in the event of enforcement or delivery of an acceleration notice: no cash trap, sequential amortisation, no automatic liquidation	41 - 44	✓
21(5)	Non-sequential priority of payments	45	✓
21(6)	Early amortisation provisions/triggers for termination of revolving period	46 - 50	✓
21(7)	Duties, responsibilities and replacement of transaction parties	51 - 53	✓
21(8)	Expertise of the servicer	54, 55	✓
21(9)	Remedies and actions by Servicer related to delinquency and default of debtor, priorities of payments, triggers for changes, obligation to report	56 - 61	✓
21(10)	Resolution of investor conflicts and fiduciary party responsibilities and duties	62, 63	✓
Articles 22 and 7 – Transparency			
22(1)	Historical asset data	64 - 66	✓
22(2)	AUP/asset verification	67, 68	✓
22(3)	Liability cashflow model	69, 70	✓
22(4)	Environmental performance of asset	71	✓
22(5)	Responsibility for article 7 and information disclosure before pricing and 15 days after closing	72 - 75	✓
7(1)	Transparency requirements: availability of reports, documentation, underlying loan data	76 - 101	✓
7(2)	Transparency requirements: designation of responsible entity, securitisation repository	102, 103	✓

1	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.	
	STS criteria	
	1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.	
	Verified?	Yes
	PCS Comment	
	<p><i>The portfolio of the transaction consists of several sub-portfolios. In September and October 2018 the two “Initial Portfolios” and, subsequently, during a ramp-up period the “Subsequent Portfolios” were sold by the Seller (ViVibanca) to the Issuer under the Master Transfer Agreement and the relevant Subsequent Transfer Agreements. During the Ramp-up period a further Subsequent Portfolio originated by MCE locam was sold to the Issuer by Legion SPV under a Subsequent Portfolio Transfer Agreement dated 31 January 2019.</i></p> <p><i>In addition, pursuant to the Master Transfer Agreement, the so-called Additional Subsequent Portfolio is sold to the issuer by the Seller (ViVibanca) at the time of issuance of this transaction.</i></p> <p><i>The Purchase Price for each of the historical portfolios (excluding the Additional Subsequent Portfolio) was financed by notes previously issued by the Issuer, that are redeemed in full by the Issuer on the date of issuance and the proceeds are used to repurchase the sub-portfolios of the “new” Transaction. Any “Additional Price Component” that may be needed is financed by the issuance of notes.</i></p> <p><i>In this transaction structure there are two original Sellers who are also the original lenders, ViVibanca and MCE locam. In the case of the ViVibanca portfolio, the relevant receivables were sold to the Issuer in the context of the previous securitisation transaction. Some of these receivables had been sold back from the Issuer to ViVibanca and were then re-sold (back) to the Issuer, while some other receivables remained in the Issuer. Furthermore, new receivables were sold by ViVibanca to the Issuer, the Additional Subsequent Portfolio and financed partly by the issuance of the Class C notes and partly by Available Funds under the waterfall, in a junior position. In these cases, the seller is and has been the original lender. The MCE locam loans were sold from Legion SPV to the Issuer. The original lender for these loans is MCE Locam. The legion transaction was unwound in 2019.</i></p> <p>SEE PROSPECTUS, MASTER TRANSFER AGREEMENT, PURCHASE PRICE or TRANSFER OF THE INITIAL PORTFOLIOS AND SUBSEQUENT PORTFOLIOS or TERMS AND CONDITIONS OF THE NOTES</p> <p>The Purchase Price for each Portfolio (other than the Additional Subsequent Portfolio) (exclusive of the Additional Purchase Price Component) has been financed by the Issuer using, <i>inter alia</i>, the proceeds of the issuance of the Previous Notes. The Additional Purchase Price Component for each Portfolio (other than the Additional Subsequent Portfolio), to the extent not already paid under the Previous Securitisation, will be financed by the Issuer using the Issuer Available Funds applicable for such payment in accordance with the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments, as the case may be.</p> <p>The Purchase Price for the Additional Subsequent Portfolio (exclusive of the Additional Purchase Price Component) will be financed by the Issuer using part of the proceeds of the issuance of the Notes. The Additional Purchase Price Component for the Additional Subsequent Portfolio will be financed by the Issuer using part of the proceeds of the issuance of the Class C Notes and for the remaining portion using the Issuer Available Funds applicable for such payment in accordance with the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments, as the case may be</p> <p><i>“True sale” is not a legal concept but a rating agency creation.</i></p> <p><i>The essence of a “true sale” is that the property in the securitised assets has legally moved from the originator(s)/seller to the SSPE in such a way that the SSPE’s ownership will be recognised as a matter of law, including and especially in the case of the insolvency of the originator(s)/seller. In a “true sale” the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy</i></p>	

the claims of the originator/seller's creditor out of the proceeds of the securitised assets. Following a "true sale" there is no legal device by which the assets can automatically revert to the originator/seller's ownership. Such automatic reversion is associated with security interests and anathema to a "true sale".

This is clearly stated in the wording of the Regulation (20.1). The expression "transfer to the same effect" indicates that, as long as the conditions in the preceding paragraph are met, the Regulation does not seek to limit the type of legal devices which can be used to effect such transfer of title.

The issue of "true sale" is separate from the issue of "clawback". "Clawback" refers to legal processes through which, in the insolvency of the seller of an asset, an insolvency officer is entitled to reverse the sale – even in cases where a "true sale" has taken place.

All European jurisdictions, to PCS' knowledge, have rules allowing for clawbacks. Clawbacks are usually rules to avoid a company heading towards insolvency from "defrauding" its existing creditors either by selling assets at very low prices (to friends and relations) or unfairly preferring certain creditors over others.

The Regulation (20.1) therefore does not require STS "true sales" to be clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to "severe clawback". The Regulation does not define "severe clawback" but gives an example (20.2) where a clawback may occur.

The Regulation (20.3) also explicitly excludes from the definition of "severe clawback" the traditional European basis for such devices which all come under the general category of "preferences".

PCS further notes that the examples (20.2 and 20.3) refer to the insolvency law of a jurisdiction and therefore believes that clawback risk is to be assessed on a jurisdictional basis rather than on a transactional basis.

Finally, PCS does not believe and nor is there any evidence that the legislators or regulatory authorities are seeking to craft a higher standard than that which has been used for decades by the market and was the basis for the legislative text.

Based on the above considerations, PCS believes that transfers from a jurisdiction meeting the following criteria – absent any other indications – shall not fall within the definition of "severe clawback":

- *Clawback requires an unfair preference "defrauding" creditors;*
- *Clawback puts the burden of proof on the insolvency officer or creditors – in other words it cannot be automatic nor require the purchaser to prove their innocence.*

Since "severe clawback" is a jurisdictional concept, in analysing this issue PCS will therefore first seek to determine the Originator's jurisdiction for the purposes of insolvency law. This would be its centre of main interest or "COMI".

The second step would be to determine whether the relevant COMI contains severe claw back provisions in its insolvency legislation.

Although the determination of a COMI can be a technically fraught analysis of international conflicts of law, PCS notes that in the vast majority of securitisations there is no real issue as the COMI is self-evident.

The Originators and Sellers, i.e. ViVibanca, Legion SPV and MCE Locam are all incorporated in Italy (see "Principal Parties" and Definitions of "MCE Locam" and "Legion SPV")

Finally, Italian insolvency law provides for clawback in relation to acts made in the suspect period, provided that also other circumstances occur, such as undue preference or transactions at an undervalue, and may require the insolvency officer to prove that case. The transfers contemplated for this transaction are not, in our view, subject to "severe clawback".

EBA Final non-ABCP STS Guidelines – statements on *background and rationale*

True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))

16. The criterion specified in Article 20(1) aims to ensure that the underlying exposures are beyond the reach of, and are effectively ring-fenced and segregated from, the seller, its creditors and its liquidators, including in the event of the seller's insolvency, enabling an effective recourse to the ultimate claims for the underlying exposures.

22. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:

(a) how to substantiate the confidence of third parties with respect to compliance with Article 20(1): it is understood that this should be achieved by providing a legal opinion. While the guidance does not explicitly require the provision of a legal opinion in all cases, the guidance expects a legal opinion to be provided as a general rule, and omission to be an exception;

(b) the triggers to effect the perfection of the transfer if assignments are perfected at a later stage than at the closing of the transaction.

	<p>EBA Final non-ABCP STS Guidelines</p> <p>4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))</p> <p><i>True sale, assignment or transfer with the same legal effect</i></p> <p>10. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including third parties verifying simple, transparent and standardised (STS) compliance in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided:</p> <p>(a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale;</p> <p>(b) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or any other third party, under the applicable national legal framework;</p> <p>(c) assessment of clawback risks and re-characterisation risks</p> <p>11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same.</p> <p>12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.</p>
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	Article 20 - Requirements relating to simplicity	
	20.1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.	
	STS criteria	
	2. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.	
	Verified?	Yes
	PCS Comment	
	The COMI of the two Originators and of the Seller is Italy (see Prospectus, Principal Parties, and definitions).	
	Further, Vivibanca is a bank authorised in Italy and its home member state is therefore in Italy.	
	Italian insolvency laws do not provide a severe claw-back (see RISK FACTORS, section "Assignment of Receivables and payments made to the Issuer upon disposal of the Receivables may be subject to claw-back upon certain conditions being met").	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))	
	16. The criterion specified in Article 20(1) aims to ensure that the underlying exposures are beyond the reach of, and are effectively ring-fenced and segregated from, the seller, its creditors and its liquidators, including in the event of the seller's insolvency, enabling an effective recourse to the ultimate claims for the underlying exposures.	
	22. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:	
	(a) how to substantiate the confidence of third parties with respect to compliance with Article 20(1): it is understood that this should be achieved by providing a legal opinion. While the guidance does not explicitly require the provision of a legal opinion in all cases, the guidance expects a legal opinion to be provided as a general rule, and omission to be an exception;	
	(b) the triggers to effect the perfection of the transfer if assignments are perfected at a later stage than at the closing of the transaction.	
	EBA Final non-ABCP STS Guidelines	
	4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))	
	<i>True sale, assignment or transfer with the same legal effect</i>	
	10. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including third parties verifying simple, transparent and standardised (STS) compliance in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided:	
	(a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale;	
	(b) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or any other third party, under the applicable national legal framework;	
	(c) assessment of clawback risks and re-characterisation risks.	
	11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same.	
	12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.	

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Article 20 - Requirements relating to simplicity		
<p>20.2. For the purpose of paragraph 1, any of the following shall constitute severe clawback provisions:</p> <p>(a) provisions which allow the liquidator of the seller to invalidate the sale of the underlying exposures solely on the basis that it was concluded within a certain period before the declaration of the seller's insolvency;</p> <p>(b) provisions where the SSPE can only prevent the invalidation referred to in point (a) if it can prove that it was not aware of the insolvency of the seller at the time of sale.</p>		
STS criteria		
Verified?		Yes
PCS Comment		
<p>Neither provision applies in Italy.</p> <p><i>Clawback of the sales of the Receivables does not constitute severe clawback risk because in all cases of claw back, in addition to the “suspect period”, Italian law provides that other circumstances have to be met to allow claw back. These are, as the case may be, the purchase at undervalue and the awareness of the insolvency of the seller which is not the case for this transaction.</i></p> <p>See also RISK FACTORS, RISKS RELATING TO THE UNDERLYING ASSETS, <i>Assignment of Receivables and payments made to the Issuer upon disposal of the Receivables may be subject to claw-back upon certain conditions being met</i></p> <p>In respect of the Seller, such risk is mitigated by the fact that, according to the Master Transfer Agreement, in relation to each Portfolio transferred by it, the Seller has provided the Issuer with (i) a solvency certificate signed by a director of the Seller dated the Transfer Date of the Initial Portfolios (or the relevant Offer Date of each Subsequent Portfolio); (ii) a good standing certificate issued by the competent companies' register (certificato di iscrizione nella sezione ordinaria della Camera di Commercio, Industria, Artigianato ed Agricoltura), dated no earlier than 3 (three) Business Days prior to the Transfer Date of the Initial Portfolios (or the relevant Offer Date of each Subsequent Portfolio), stating that the Seller was not subject to any insolvency proceeding; and (iii) unless already provided to the Issuer in the immediately preceding 3 (three) months, a certificate issued by the bankruptcy division of the competent court (certificato della sezione fallimentare del tribunale), dated no earlier than 5 (five) Business Days prior to the Transfer Date of the Initial Portfolios (or the relevant Offer Date of each Subsequent Portfolio), stating that no insolvency proceedings have been commenced against the Seller (as far as such kind of certificate is issued by the bankruptcy division of the relevant court according to its internal regulations). Furthermore, under the Warranty and Indemnity Agreement, the Seller has represented that it was solvent as at the Transfer Date of the Initial Portfolios and at the Issue Date and such representation shall be deemed to be repeated as at each (i) Transfer Date of the Subsequent Portfolios and (ii) date on which the Purchase Price for the relevant Subsequent Portfolio is paid.</p> <p>Moreover, in case of sale of the Aggregate Portfolio (a) following the service of a Trigger Notice or the occurrence of an Issuer Insolvency Event or (b) in the event of an early redemption of the Notes pursuant to Condition 6(d) (<i>Early redemption for taxation, legal or regulatory reasons</i>), the payment of the relevant purchase price may be subject to claw-back pursuant to article 67, paragraph 1 or 2, of the Italian Bankruptcy Law. In order to mitigate such risk, pursuant to the Intercreditor Agreement, the relevant purchaser shall provide the Issuer and the Representative of the Noteholders with (i) a solvency certificate signed by its director and dated no earlier than the date on which the Aggregate Portfolio will be sold, (ii) a good standing certificate issued by the competent companies' register (<i>certificato di iscrizione nella sezione ordinaria della Camera di Commercio, Industria, Artigianato ed Agricoltura</i>) dated no earlier than 2 (two) Business Days before the date on which the Aggregate Portfolio will be sold, stating that such purchaser is not subject to any insolvency proceeding or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated, and (iii) a certificate issued by the bankruptcy division of the competent court (<i>certificato della sezione fallimentare del tribunale</i>), dated no earlier than 5 (five) Business Days prior to the date on which the Aggregate Portfolio will be sold, stating that no insolvency proceedings have been commenced against such purchaser (as far as such kind of certificate is issued by the bankruptcy division of the relevant court according to its internal regulations), or any other equivalent certificate under the relevant jurisdiction in which the purchaser is incorporated.</p>		
EBA Final non-ABCP STS Guidelines – statements on background and rationale		
True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))		
<p>17. The criterion in Article 20(2) is designed to ensure the enforceability of the transfer of legal title in the event of the seller's insolvency. More specifically, if the underlying exposures sold to the SSPE could be reclaimed for the sole reason that their transfer was effected within a certain period before the seller's insolvency, or if the SSPE could prevent the reclaim only by proving that it was</p>		

<p>unaware of the seller's insolvency at the time of transfer, such clauses would expose investors to a high risk that the underlying exposures would not effectively back their contractual claims. For this reason, Article 20(2) specifies that such clauses constitute severe clawback provisions, which may not be contained in STS securitisation.</p>
<p>EBA Final non-ABCP STS Guidelines</p> <p>4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))</p> <p><i>True sale, assignment or transfer with the same legal effect</i></p> <p>10. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including third parties verifying simple, transparent and standardised (STS) compliance in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided:</p> <p>(a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale;</p> <p>(b) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or any other third party, under the applicable national legal framework;</p> <p>(c) assessment of clawback risks and re-characterisation risks.</p> <p>11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same.</p> <p>12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.</p>

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Article 20 - Requirements relating to simplicity		
20.3. For the purpose of paragraph 1, clawback provisions in national insolvency laws that allow the liquidator or a court to invalidate the sale of underlying exposures in case of fraudulent transfers, unfair prejudice to creditors or of transfers intended to improperly favour particular creditors over others, shall not constitute severe clawback provisions.		
STS criteria		
Verified?		Yes
PCS Comment		
See comments to points above. The Republic of Italy does not have severe clawback provisions for assignments of receivables in the context of securitisation transactions.		
EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>		
True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))		
18. Whereas, pursuant to Article 20(2), contractual terms and conditions attached to the transfer of title that expose investors to a high risk that the securitised assets will be reclaimed in the event of the seller's insolvency should not be permissible in STS securitisations, such prohibition should not include the statutory provisions granting the right to a liquidator or a court to invalidate the transfer of title with the aim of preventing or combating fraud, as referred to in Article 20(3).		
EBA Final non-ABCP STS Guidelines		
4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))		
<i>True sale, assignment or transfer with the same legal effect</i>		
10. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including third parties verifying simple, transparent and standardised (STS) compliance in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided:		
(a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale;		
(b) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or any other third party, under the applicable national legal framework;		
(c) assessment of clawback risks and re-characterisation risks.		
11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same.		
12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.		

3	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.4. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.	
	STS criteria	
	3. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.	
	Verified?	Yes
	PCS Comment	
	<p><i>In this transaction, the Legion SPV is an intermediate purchaser.</i></p> <p>See Prospectus, RISK FACTORS, 2. RISKS RELATING TO THE UNDERLYING ASSETS</p> <p>Assignment of Receivables and payments made to the Issuer upon disposal of the Receivables may be subject to claw-back upon certain conditions being met</p> <p>In respect of Legion SPV, such risk is mitigated by the fact that, according to the relevant Subsequent Portfolio Transfer Agreement, Legion SPV has provided the Issuer with (i) a solvency certificate signed by a duly authorised officer of Legion SPV and dated the date of the relevant Subsequent Portfolio Transfer Agreement, (ii) a good standing certificate issued by the competent companies' register (certificato di iscrizione nella sezione ordinaria della Camera di Commercio, Industria, Artigianato ed Agricoltura) and dated not earlier than 2 (two) Business Days prior to the date of the relevant Subsequent Portfolio Transfer Agreement, stating that no insolvency proceeding was pending against Legion SPV. In addition, the securitisation transaction previously carried out by Legion SPV has been unwound and all the noteholders and other relevant Legion SPV's creditors have declared that they have no outstanding claims vis-à-vis Legion SPV.</p> <p>See "letter to the issuer"</p> <p>NOW WE HEREBY ACKNOWLEDGE that (i) upon full redemption of the Previous Notes on the Issue Date, we will not have any residual claim against the Issuer under or in relation to the Previous Securitisation except for any residual claim of the Seller for the Additional Purchase Price Component for each Portfolio, to the extent not already paid under the Previous Securitisation, which will be financed by the Issuer using the Issuer Available Funds applicable for such payment in accordance with the Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments, as the case may be, under the Securitisation, and (ii) in any event, we will remain bound by the limited recourse and non-petition provisions set out in the intercreditor agreement entered into on 22 November 2018 in the context of the Previous Securitisation, as subsequently amended (the Previous Intercreditor Agreement).</p> <p>PCS has been provided with the documentation of the unwinding of the Legion SPV. PCS has also reviewed the letter to the issuer by the creditors of the <u>so-called "Previous Securitisation"</u> which contains the acknowledgement that <u>upon full redemption of the Previous Notes on the Issue Date there are no residual claims to the Issuer with regards to the Previous Securitisation</u> except for <u>any remaining amount which would have been due on the payment date of 28 Oct. 2020 and will become payable on the first payment date; at the same time all parties remain bound to the limited recourse and non-petition provisions in the context of the Previous Securitisation.</u> the Additional Purchase Price Component.</p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	19. Article 20(4) specifies that, where the transfer of title occurs not directly between the seller and the SSPE but through one or more intermediary steps involving further parties, the requirements relating to the true sale, assignment or other transfer with the same legal effect, apply at each step.	
	EBA Final non-ABCP STS Guidelines	

4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))

True sale, assignment or transfer with the same legal effect

10. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including third parties verifying simple, transparent and standardised (STS) compliance in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided:

(a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale;

(b) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or any other third party, under the applicable national legal framework;

(c) assessment of clawback risks and re-characterisation risks.

11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same.

12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.

4	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	<p>20.5. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to affect such perfection shall, at least include the following events:</p> <ul style="list-style-type: none"> (a) severe deterioration in the seller credit quality standing; (b) insolvency of the seller; and (c) unremedied breaches of contractual obligations by the seller, including the seller's default. 	
	STS criteria	
	<p>4. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:</p> <ul style="list-style-type: none"> (a) severe deterioration in the seller credit quality standing; (b) insolvency of the seller; and (c) unremedied breaches of contractual obligations by the seller, including the seller's default. 	
	Verified?	Yes
	PCS Comment	
	<p>Article 20.5 does not apply as the transfer is perfected.</p> <p>See Prospectus, DESCRIPTION OF THE TRANSACTION DOCUMENTS, THE MASTER TRANSFER AGREEMENT AND THE RELEVANT TRANSFER AGREEMENTS,</p> <p>The transfer of the Receivables included in the Initial Portfolios has been rendered enforceable against any third party creditors of the Seller (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette no. 119 Part II of 11 October 2018, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 8 October 2018.</p> <p>See SELECTED ASPECTS OF ITALIAN LAW</p> <p>"The enforceability of the transfer of the receivables against the debtors is governed by the ordinary regime provided for by the Italian civil code. As a result, the transfer of the receivables from the assignor to the assignee will become enforceable (opponibile) against the relevant debtors only at such time as a notice (in any form) of the relevant assignment from the assignor to the assignee has been given to the relevant debtors, or the relevant debtors have accepted such assignment, in each case in accordance with the provisions of article 1264 of the Italian civil code. In this respect, it should be noted that, as a consequence of the application of article 4, second paragraph, of the Securitisation Law, as from the date of publication of the notice of transfer in the Official Gazette or the date of payment of the relevant purchase price bearing a date certain at law (data certa), a debtor will not have the right to set-off its claims vis-à-vis the assignor which have arisen after such date against the amounts due by the relevant debtor to the assignee in respect of the receivables. In addition, if a notice of the assignment to the assignee is sent to the relevant debtor (i) by the assignee or (ii) by any other entity validly acting as agent and in the name and on behalf of the assignee or the assignor, provided that such notice duly and unequivocally identifies the relevant receivable, the transfer of the relevant receivable from the assignor to the assignee will become enforceable (opponibile) against the relevant debtor, in accordance with the provisions of article 1264 of the Italian civil code"</p> <p>The transfer of the Receivables included in each Subsequent Portfolio (other than the Additional Subsequent Portfolio) has been or will be, as the case may be, rendered enforceable against any third party creditors of the Seller (or Legion SPV, as the case may be) (including any insolvency receiver of the same) through the annotation of the monies received from the Issuer as Purchase Price for the relevant Subsequent Portfolio on the Seller's (or Legion SPV's, as the case may be) account into which they have been or will be, as the case may be, paid, in order for the relevant payment to bear date certain at law (data certa) in accordance with the provisions of article 2, paragraph 1, letter b), of Legislative Decree no. 170 of 21 May 2004.</p> <p>The transfer of the Receivables included in the Additional Subsequent Portfolio has been rendered enforceable against any third party creditors of the Seller (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette no. <u>122</u> Part II of <u>17 October</u> 2020, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on <u>15 October</u> 2020.</p> <p><i>Criterion 4 requires two steps:</i></p>	

	<p><i>To determine whether the transfer of the assets is by means of an unperfected assignment; and</i></p> <p><i>If it is, whether the transaction contains the requisite triggers.</i></p> <p>PCS notes that the notification of obligors is not required to perfect the sale.</p>
	<p>EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i></p>
	<p>True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))</p> <p>20. The objective of the criterion in Article 20(5) is to minimise legal risks related to unperfected transfers in the context of an assignment of the underlying exposures, by specifying a minimum set of events subsequent to closing that should trigger the perfection of the transfer of the underlying exposures.</p> <p>22. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) how to substantiate the confidence of third parties with respect to compliance with Article 20(1): it is understood that this should be achieved by providing a legal opinion. While the guidance does not explicitly require the provision of a legal opinion in all cases, the guidance expects a legal opinion to be provided as a general rule, and omission to be an exception;</p> <p>(b) the triggers to effect the perfection of the transfer if assignments are perfected at a later stage than at the closing of the transaction.</p>
	<p>EBA Final non-ABCP STS Guidelines</p>
	<p>4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))</p> <p><i>Severe deterioration in the seller credit quality standing</i></p> <p>13. For the purposes of Article 20(5) of Regulation (EU) 2017/2402, the transaction documentation should identify, with regard to the trigger of 'severe deterioration in the seller credit quality standing', credit quality thresholds that are objectively observable and related to the financial health of the seller.</p> <p><i>Insolvency of the seller</i></p> <p>14. For the purposes of Article 20(5) of Regulation (EU) 2017/2402, the trigger of 'insolvency of the seller' should refer, at least, to events of legal insolvency as defined in national legal frameworks.</p>

5	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.6. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.	
	STS criteria	
	5. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.	
	Verified?	Yes
	PCS Comment	
	<p>See Prospectus, THE AGGREGAE PORTFOLIO, Other Features of the Aggregate Portfolio</p> <p>Under the Warranty and Indemnity Agreement, ViViBanca, in its capacity as originator in respect of the ViViBanca Receivables and sponsor of the Securitisation in respect of the MCE Receivables, has represented and warranted that:</p> <p>(for the ViViBanca receivables)</p> <p>(v) as at the relevant Valuation Date (or, with respect to the MCE Receivables, as at 31 January 2019) and as at the relevant Transfer Date, the Receivables comprised in the relevant Portfolio are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale to the Issuer pursuant to article 20(6) of the EU Securitisation Regulation;</p> <p>(for the MCE Locam receivables)</p> <p>(v) receivables in respect of which the relevant Debtor has not notified to the Seller any written claim or taken any legal action against the Seller; receivables in respect of which the relevant Debtor has not notified to MCE Locam any written claim or taken any legal action against MCE Locam;</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	21. The objective of the criterion in Article 20(6), which requires the seller to provide the representations and warranties confirming to the seller's best knowledge that the transferred exposures are neither encumbered nor otherwise in a condition that could potentially adversely affect the enforceability of the transfer of title, is to ensure that the underlying exposures are not only beyond the reach not only of the seller but equally of its creditors, and to allocate the commercial risk of the encumbrance of the underlying exposures to the seller.	
	EBA Final non-ABCP STS Guidelines	

6	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.7. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.	
	STS criteria	
	6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....	
	Verified?	Yes
	PCS Comment	
	See Prospectus, THE AGGREGAE PORTFOLIO, Eligibility Criteria See Prospectus, THE AGGREGAE PORTFOLIO, Other Features of the Aggregate Portfolio	
	PCS has read the Eligibility Criteria in the Prospectus, two sets of criteria of parallel and equivalent wordings, applicable to the ViVibanca and -MCE receivables. -As they are mandatory, they meet the “predetermined” requirement. As they are in the Prospectus, they meet the “documented” requirement. PCS has also concluded that they allow determination in each case and so meet the “clear” requirement.	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	Eligibility criteria for the underlying exposures, active portfolio management (Article 20(7)) 23. The objective of this criterion in Article 20(7) is to ensure that the selection and transfer of the underlying exposures in the securitisation is done in a manner which facilitates in a clear and consistent fashion the identification of which exposures are selected for/transferred into the securitisation, and to enable the investors to assess the credit risk of the asset pool prior to their investment decisions.	
	EBA Final non-ABCP STS Guidelines	
	4.2 Eligibility criteria for the underlying exposures, active portfolio management (Article 20(7)) Clear eligibility criteria 17. For the purposes of Article 20(7) of Regulation (EU) 2017/2402, the criteria should be understood to be ‘clear’ where compliance with them is possible to be determined by a court or tribunal, as a matter of law or fact or both.	

7	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.7. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.	
	STS criteria	
	7. Which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management.	
	Verified?	Yes
	PCS Comment	
	<p>The ViViBanca Receivables comprised in the Initial Portfolios and in each Subsequent Portfolio sold by the Seller shall, as at the relevant Valuation Date, comply with the following Eligibility Criteria:</p> <p>The MCE Receivables sold by Legion SPV shall, as at 31 January 2019, comply with the relevant Eligibility Criteria.</p> <p>PCS: The Valuation Dates are the Dates in the past, on which the assets had been transferred to the Issuer. Therefore, it is possible that a receivable is not eligible any longer. For this situation which is comparable to a non-conforming receivable, a repurchase mechanism has been installed.</p> <p>See DESCRIPTION OF THE TRANSACTION DOCUMENTS, 1. THE MASTER TRANSFER AGREEMENT AND THE RELEVANT TRANSFER AGREEMENTS, Eligibility Criteria and Transfer Limits</p> <p>Pursuant to the Master Transfer Agreement, in case of breach of the Eligibility Criteria and/or the Transfer Limits applicable to the Portfolios sold by the Seller, the Seller shall repurchase Receivables to the extent necessary to cure such breach. Pursuant to the relevant Subsequent Portfolio Transfer Agreement, in case of breach of the Eligibility Criteria applicable to the MCE Receivables, MCE Locam shall, at the option of the Issuer, grant a Limited Recourse Loan to the Issuer, indemnify the Issuer in respect of, inter alia, such Receivables or repurchase such Receivables from the Issuer to the extent necessary to cure such breach.</p> <p>See also TRANSACTION DOCUMENTS, THE MASTER TRANSFER AGREEMENT AND THE RELEVANT TRANSFER AGREEMENTS, Aggregate Portfolio Repurchase Option</p> <p>Under the terms of the Master Transfer Agreement, the Issuer has irrevocably granted to the Seller an option, pursuant to article 1331 of the Italian civil code, to repurchase the Aggregate Portfolio (the Aggregate Portfolio Repurchase Option)</p> <p>See also the MASTER TRANSFER AGREEMENT, 6.1 Breach of Eligibility Criteria, 6.2 Breach of Limits</p> <p>See 5. THE WARRANTY AND INDEMNITY AGREEMENT, Remedies, Re-transfer</p> <p>PCS has reviewed all the repurchase devices set out in the Prospectus (re-Transfer and repurchase of the aggregate Portfolio) and these are acceptable within the context of the EBA final guidelines. There is also a clear definition of the applicable Individual Purchase Price in case of a repurchase of non-conforming receivables.</p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	<p>Eligibility criteria for the underlying exposures, active portfolio management (Article 20(7))</p> <p>24. Consistently with this objective, the active portfolio management of the exposures in the securitisation should be prohibited, given that it adds a layer of complexity and increases the agency risk arising in the securitisation by making the securitisation's performance dependent on both the performance of the underlying exposures and the performance of the management of the transaction. The payments of STS securitisations should depend exclusively on the performance of the underlying exposures.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>4.2 Eligibility criteria for the underlying exposures, active portfolio management (Article 20(7))</p> <p>Active portfolio management</p>	

15. For the purposes of Article 20(7) of Regulation (EU) 2017/2402, active portfolio management should be understood as portfolio management to which either of the following applies:
- (a) the portfolio management makes the performance of the securitisation dependent both on the performance of the underlying exposures and on the performance of the portfolio management of the securitisation, thereby preventing the investor from modelling the credit risk of the underlying exposures without considering the portfolio management strategy of the portfolio manager;
 - (b) the portfolio management is performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit.
16. The techniques of portfolio management that should not be considered active portfolio management include:
- (a) substitution or repurchase of underlying exposures due to the breach of representations or warranties;
 - (b) substitution or repurchase of the underlying exposures that are subject to regulatory dispute or investigation to facilitate the resolution of the dispute or the end of the investigation;
 - (c) replenishment of underlying exposures by adding underlying exposures as substitutes for amortised or defaulted exposures during the revolving period;
 - (d) acquisition of new underlying exposures during the 'ramp up' period to line up the value of the underlying exposures with the value of the securitisation obligation;
 - (e) repurchase of underlying exposures in the context of the exercise of clean-up call options, in accordance with Article 244(3)(g) of Regulation (EU) 2017/2401;
 - (f) repurchase of defaulted exposures to facilitate the recovery and liquidation process with respect to those exposures;
 - (g) repurchase of underlying exposures under the repurchase obligation in accordance with Article 20(13) of Regulation (EU) 2017/2402.

8	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.7. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.	
	STS criteria	
	8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.	
	Verified?	Yes
	PCS Comment	
	<p>This criterion is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the originator will need to inform ESMA and the STS status of the securitisation will be lost.</p> <p>Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting, at the same time, that the absence of any such covenant – although possibly unsettling for some investors - would not invalidate the STS status of the transaction at closing.</p> <p>PCS notes that there are no receivables transferred to the SSPE after closing of the transaction, which is why this criterion does not apply.</p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	<p>Eligibility criteria for the underlying exposures, active portfolio management (Article 20.7)</p> <p>25. Revolving periods and other structural mechanisms resulting in the inclusion of exposures in the securitisation after the closing of the transaction may introduce the risk that exposures of lesser quality can be transferred into the pool. For this reason, it should be ensured that any exposure transferred into the securitisation after the closing meets the eligibility criteria, which are no less strict than those used to structure the initial pool of the securitisation.</p> <p>26. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) the purpose of the requirement on the portfolio management, and the provision of examples of techniques which should not be regarded as active portfolio management: this criterion should be considered without prejudice to the existing requirements with respect to the similarity of the underwriting standards in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, which requires that all the underlying exposures in a securitisation be underwritten according to similar underwriting standards;</p> <p>(b) interpretation of the term 'clear' eligibility criteria;</p> <p>(c) clarification with respect to the eligibility criteria that need to be met with respect to the exposures transferred to the SSPE after the closing.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>4.2 Eligibility criteria for the underlying exposures, active portfolio management (Article 20.7)</p> <p><i>Eligibility criteria to be met for exposures transferred to the SSPE after the closing of the transaction</i></p> <p>18. For the purposes of Article 20(7) of Regulation (EU) 2017/2402, 'meeting the eligibility criteria applied to the initial underlying exposures' should be understood to mean eligibility criteria that comply with either of the following:</p> <p>(a) with regard to normal securitisations, they are no less strict than the eligibility criteria applied to the initial underlying exposures at the closing of the transaction;</p> <p>(b) with regard to securitisations that issue multiple series of securities including master trusts, they are no less strict than the eligibility criteria applied to the initial underlying exposures at the most recent issuance, with the results that the eligibility criteria may vary from closing to closing, with the agreement of securitisation parties and in accordance with the transaction documentation.</p>	

	19. Eligibility criteria to be applied to the underlying exposures in accordance with paragraph 18 should be specified in the transaction documentation and should refer to eligibility criteria applied at exposure level.
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	Article 20 - Requirements relating to simplicity	
	20.8. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors.	
	STS criteria	
	9. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type.	
	Verified?	Yes
	PCS Comment	
	<p>See Prospectus, THE AGGREGATE PORTFOLIO, Homogeneity:</p> <p>Under the Warranty and Indemnity Agreement, ViViBanca, in its capacity as originator in respect of the ViViBanca Receivables and sponsor of the Securitisation in respect of the MCE Receivables, has represented that, as at the relevant Valuation Date (or, with respect to the MCE Receivables, as at 31 January 2019) and as at the relevant Transfer Date, the Receivables comprised in the relevant Portfolio are homogeneous in terms of asset type taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, pursuant to article 20(8), first paragraph, of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, given that:</p> <ul style="list-style-type: none"> (a) all Receivables have been originated based on similar underwriting standards which apply similar approaches to the assessment of credit risk associated with the underlying exposures; (b) all Receivables have been serviced according to similar servicing procedures; (c) all Receivables fall within the same asset category of “credit facilities provided to individuals for personal family or household consumption purposes”; and (d) although no specific homogeneity factor is required to be met, the Loans have been granted to individuals who, as at the relevant Valuation Date (or, with respect to the MCE Receivables, as at 31 January 2019), are resident in the Republic of Italy. <p><i>PCS compared the underwriting criteria of the MCE loans with the ViViBanca loans and came to the conclusion that in the Transaction, the loans were underwritten on a similar basis, they are being serviced by ViViBanca with similar procedures, on the same platform, they are a single asset class – “credit facilities to individuals for personal, family or household consumption purposes” – and, based on the EBA’s suggested approach, the loans are all originated in the same jurisdiction.</i></p> <p><i>PCS also takes great comfort from the fact that transactions containing pools with similar characteristics have always been considered to be “homogenous” by a wide consensus of market participants.</i></p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8)) 27. The criterion on the homogeneity as specified in the first subparagraph of Article 20(8) has been further clarified in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402.	
	EBA Final non-ABCP STS Guidelines	

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	Article 20 - Requirements relating to simplicity	
	20.8. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors.	
	STS criteria	
	10. The underlying exposures shall contain obligations that are contractually binding and enforceable.	
	Verified?	Yes
	PCS Comment	
	<p>See Prospectus, THE AGGREGATE PORTFOLIO, Other features of the Aggregate Portfolio</p> <p>(b) the Receivables comprised in each Portfolio contain obligations that are contractually binding and enforceable, with full recourse to the Debtors, pursuant to article 20(8), second paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;</p> <p>Debtors means the borrowers and any other persons who are liable for the payment of the Receivables (including any third party guarantors).</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))</p> <p>28. The objective of the criterion specified in the third sentence in the first subparagraph and in the second subparagraph of Article 20(8) is to ensure that the underlying exposures contain valid and binding obligations of the debtor/guarantor, including rights to payments or to any other income from assets supporting such payments that result in a periodic and well-defined stream of payments to the investors.</p> <p>30. To facilitate consistent interpretation of this criterion, a clarification should be provided with respect to:</p> <p>(a) interpretation of the term 'contractually binding and enforceable obligations';</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>4.3 Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))</p> <p><i>Contractually binding and enforceable obligations</i></p> <p>20. For the purposes of Article 20(8) of Regulation (EU) 2017/2402, 'obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors' should be understood to refer to all obligations contained in the contractual specification of the underlying exposures that are relevant to investors because they affect any obligations by the debtor and, where applicable, the guarantor to make payments or provide security.</p>	

11	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.8. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors.	
	STS criteria	
	11. With full recourse to debtors and, where applicable, guarantors.	
	Verified?	Yes
	PCS Comment	
	See Prospectus, THE AGGREGATE PORTFOLIO, Other features of the Aggregate Portfolio (b) the Receivables comprised in each Portfolio contain obligations that are contractually binding and enforceable, with full recourse to the Debtors, pursuant to article 20(8), second paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8)) 30. To facilitate consistent interpretation of this criterion, a clarification should be provided with respect to: (a) interpretation of the term ‘contractually binding and enforceable obligations’;	
	EBA Final non-ABCP STS Guidelines	
	4.3 Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8)) <i>Contractually binding and enforceable obligations</i> 20. For the purposes of Article 20(8) of Regulation (EU) 2017/2402, ‘obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors’ should be understood to refer to all obligations contained in the contractual specification of the underlying exposures that are relevant to investors because they affect any obligations by the debtor and, where applicable, the guarantor to make payments or provide security.	

12	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts, relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.	
	STS criteria	
	12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.	
	Verified?	Yes
	PCS Comment	
	See Prospectus, THE AGGREGATE PORTFOLIO, Eligibility Criteria (applying to MCE and ViVibanca Receivables)	
	(j) receivables arising from Loans having a fixed interest rate, whose Amortisation Plan provides for monthly instalments having an equal fixed amount to be paid in arrears	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))	
	30 (b) a non-exhaustive list of examples of exposures types that should be considered to have defined periodic payment streams. The individual examples are without prejudice to applicable requirements, such as the requirement with respect to the defaulted exposures in accordance with Article 20(11) of Regulation (EU) 2017/2402 and the requirement with respect to the residual value in accordance with Article 20(13) of that regulation.	
	EBA Final non-ABCP STS Guidelines	
	4.3 Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))	
	<i>Exposures with periodic payment streams</i>	
	21. For the purposes of Article 20(8) of Regulation (EU) 2017/2402, exposures with defined periodic payment streams should include:	
	(a) exposures payable in a single instalment in the case of revolving securitisation, as referred to in Article 20(12) of Regulation (EU) 2017/2402;	
	(b) exposures related to credit card facilities;	
	(c) exposures with instalments consisting of interest and where the principal is repaid at the maturity, including interest-only mortgages;	
	(d) exposures with instalments consisting of interest and repayment of a portion of the principal, where either of the following conditions is met:	
	(i) the remaining principal is repaid at the maturity;	
	(ii) the repayment of the principal is dependent on the sale of assets securing the exposure, in accordance with Article 20(13) of Regulation (EU) 2017/2402 and paragraphs 47 to 49;	
	(e) exposures with temporary payment holidays as contractually agreed between the debtor and the lender.	

13	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	<p>The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts, relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.</p>	
	STS criteria	
	<p>13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.</p>	
	Verified?	Yes
	PCS Comment	
	<p>See LOAN ADMINISTRATION, Insurance Claims: Should the reasons for late payments be a job event or life event then the insurance claim procedure is activated by ViViBanca</p>	
	<p><i>For this type of Receivable there is no underlying asset that could be sold for supporting payments. The only other right to receive income from the asset is triggered if there is a so-called job event or life event which is when the insurance needs to make payments.</i></p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))	
	<p>30 (b) a non-exhaustive list of examples of exposures types that should be considered to have defined periodic payment streams. The individual examples are without prejudice to applicable requirements, such as the requirement with respect to the defaulted exposures in accordance with Article 20(11) of Regulation (EU) 2017/2402 and the requirement with respect to the residual value in accordance with Article 20(13) of that regulation.</p>	
	EBA Final non-ABCP STS Guidelines	
	4.3 Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))	
	<i>Exposures with periodic payment streams</i>	
	<p>21. For the purposes of Article 20(8) of Regulation (EU) 2017/2402, exposures with defined periodic payment streams should include:</p>	
	<p>(a) exposures payable in a single instalment in the case of revolving securitisation, as referred to in Article 20(12) of Regulation (EU) 2017/2402;</p>	
	<p>(b) exposures related to credit card facilities;</p>	
	<p>(c) exposures with instalments consisting of interest and where the principal is repaid at the maturity, including interest-only mortgages;</p>	
	<p>(d) exposures with instalments consisting of interest and repayment of a portion of the principal, where either of the following conditions is met:</p>	
	<p>(i) the remaining principal is repaid at the maturity;</p>	
	<p>(ii) the repayment of the principal is dependent on the sale of assets securing the exposure, in accordance with Article 20(13) of Regulation (EU) 2017/2402 and paragraphs 47 to 49;</p>	
	<p>(e) exposures with temporary payment holidays as contractually agreed between the debtor and the lender.</p>	

14	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.	
	STS criteria	
	14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.	
	Verified?	Yes
	PCS Comment	
	See Prospectus, THE AGGREGATE PORTFOLIO WARRANTY AND INDEMNITY AGREEMENT , Eligibility Criteria (applying to MCE and ViViBanca Receivables) Representations and Warranties . <u>In addition, under the Warranty and Indemnity Agreement, ViViBanca, in its capacity as originator in respect of the ViViBanca Receivables and Sponsor in respect of the MCE Receivables, has represented and warranted that:</u> (d) each Portfolio does not include any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU, pursuant to article 20(8), last paragraph, of the EU Securitisation Regulation;	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8)) 29. The objective of the criterion specified in the third subparagraph is that the underlying exposures do not include transferable securities, as they may add to the complexity of the transaction and of the risk and due diligence analysis to be carried out by the investor.	
	EBA Final non-ABCP STS Guidelines	

15	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.9. The underlying exposures shall not include any securitisation position.	
	STS criteria	
	15. The underlying exposures shall not include any securitisation position.	
	Verified?	Yes
	PCS Comment	
	<p><u>See Prospectus, THE WARRANTY AND INDEMNITY AGREEMENT, Representations and Warranties</u></p> <p><u>In addition, under the Warranty and Indemnity Agreement, ViViBanca, in its capacity as originator in respect of the ViViBanca Receivables and Sponsor in respect of the MCE Receivables, has represented and warranted that:</u></p> <p><u>See Prospectus, THE AGGREGATE PORTFOLIO, Eligibility Criteria (applying to MCE and ViViBanca Receivables)</u></p> <p>(e) each Portfolio does not include any securitisation position pursuant to article 20(9) of the EU Securitisation Regulation;</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>No resecuritisation (Article 20(9))</p> <p>31. The objective of this criterion is to prohibit resecuritisation subject to derogations for certain cases or for resecuritisation as specified in Regulation (EU) 2017/2402. This is a lesson learnt from the financial crisis, when resecuritisations were structured into highly leveraged structures in which notes of lower credit quality could be re-packaged and credit enhanced, resulting in transactions whereby small changes in the credit performance of the underlying assets had severe impacts on the credit quality of the resecuritisation bonds. The modelling of the credit risk arising in these bonds proved very difficult, also due to high levels of correlations arising in the resulting structures.</p> <p>32. The criterion is deemed sufficiently clear and does not require any further clarification.</p>	
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16	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.10. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.	
	STS criteria	
	16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.	
	Verified?	Yes
	PCS Comment	
	<p><u>See Prospectus, THE WARRANTY AND INDEMNITY AGREEMENT, Representations and Warranties</u></p> <p><u>In addition, under the Warranty and Indemnity Agreement, ViViBanca, in its capacity as originator in respect of the ViViBanca Receivables and Sponsor in respect of the MCE Receivables, has represented and warranted that:</u></p> <p><u>See Prospectus, THE AGGREGATE PORTFOLIO, Eligibility Criteria (applying to MCE and ViViBanca Receivables)</u></p> <p>(f) the Receivables comprised in each Portfolio arise from Loans granted under Loan Agreements entered into by ViViBanca (or MCE Locam, as the case may be) in the ordinary course of its business. The underwriting standards pursuant to which the Receivables have been originated are no less stringent than those applied by ViViBanca (or MCE Locam, as the case may be) at the time of origination to similar exposures that are not securitised pursuant to article 20(10), first paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Underwriting standards (Article 20(10))</p> <p>33. The objective of the criterion specified in the first subparagraph of Article 20(10) is to prevent cherry picking and to ensure that the exposures that are to be securitised do not belong to exposure types that are outside the ordinary business of the originator, i.e. types of exposures in which the originator or original lender may have less expertise and/or interest at stake. This criterion is focused on disclosure of changes to the underwriting standards and aims to help the investors assess the underwriting standards pursuant to which the exposures transferred into securitisation have been originated.</p>	
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17	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.10. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.	
	STS criteria	
	17. Pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.	
	Verified?	Yes
	PCS Comment	
	See item criterion 16, above.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Underwriting standards (Article 20(10))	
	37. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:	
	(a) the term 'similar exposures', with reference to requirements specified in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402;	
	(b) the term 'no less stringent underwriting standards': independently of the guidance provided in these guidelines, it is understood that, in the spirit of restricting the 'originate-to-distribute' model of underwriting, where similar exposures exist on the originator's balance sheet, the underwriting standards that have been applied to the securitised exposures should also have been applied to similar exposures that have not been securitised, i.e. the underwriting standards should have been applied not solely to securitised exposures;	
	EBA Final non-ABCP STS Guidelines	
	4.4 Underwriting standards, originator's expertise (Article 20(10))	
	<i>No less stringent underwriting standards</i>	
	23. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, the underwriting standards applied to securitised exposures should be compared to the underwriting standards applied to similar exposures at the time of origination of the securitised exposures.	
	24. Compliance with this requirement should not require either the originator or the original lender to hold similar exposures on its balance sheet at the time of the selection of the securitised exposures or at the exact time of their securitisation, nor should it require that similar exposures were actually originated at the time of origination of the securitised exposures.	

18	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.	
	STS criteria	
	18. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.	
	Verified?	Yes
	PCS Comment	
	Not applicable - since the transaction is not revolving.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Underwriting standards (Article 20(10))	
	37 (c) clarification of the requirement to disclose material changes from prior underwriting standards to potential investors without undue delay: the guidance clarifies that this requirement should be forward-looking only, referring to material changes to the underwriting standards after the closing of the securitisation. The guidance clarifies the interactions with the requirement for similarity of the underwriting standards set out in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, which requires that all the underlying exposures in securitisation be underwritten according to similar underwriting standards;	
	EBA Final non-ABCP STS Guidelines	
	4.4 Underwriting standards, originator's expertise (Article 20(10))	
	<i>Disclosure of material changes from prior underwriting standards</i>	
	25. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, material changes to the underwriting standards that are required to be fully disclosed should be understood to be those material changes to the underwriting standards that are applied to the exposures that are transferred to, or assigned by, the SSPE after the closing of the securitisation in the context of portfolio management as referred to in paragraphs 15 and 16.	
	26. Changes to such underwriting standards should be deemed material where they refer to either of the following types of changes to the underwriting standards:	
	(a) changes which affect the requirement of the similarity of the underwriting standards further specified in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402;	
	(b) changes which materially affect the overall credit risk or expected average performance of the portfolio of underlying exposures without resulting in substantially different approaches to the assessment of the credit risk associated with the underlying exposures.	
	27. The disclosure of all changes to underwriting standards should include an explanation of the purpose of such changes.	
	28. With regard to trade receivables that are not originated in the form of a loan, reference to underwriting standards in Article 20(10) should be understood to refer to credit standards applied by the seller to short-term credit generally of the type giving rise to the securitised exposures and proposed to its customers in relation to the sales of its products and services.	

19	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	<p>In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.</p>	
	STS criteria	
	<p>19. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.</p>	
	Verified?	Yes
	PCS Comment	
	<p>Not applicable – the Receivables are not residential loans.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Underwriting standards (Article 20(10))	
	<p>34. The objective of the criterion specified in the second subparagraph of Article 20(10) is to prohibit the securitisation of self-certified mortgages for STS purposes, given the moral hazard that is inherent in granting such types of loans.</p>	
	<p>37 (d) the scope of the criterion with respect to the specific types of residential loans as referred to in the second subparagraph of Article 20(10) and to the nature of the information that should be captured by this criterion;</p>	
	EBA Final non-ABCP STS Guidelines	
	4.4 Underwriting standards, originator's expertise (Article 20(10))	
	Residential loans	
	<p>29. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, the pool of underlying exposures should not include residential loans that were both marketed and underwritten on the premise that the loan applicant or intermediaries were made aware that the information provided might not be verified by the lender.</p>	
	<p>30. Residential loans that were underwritten but were not marketed on the premise that the loan applicant or intermediaries were made aware that the information provided might not be verified by the lender, or become aware after the loan was underwritten, are not captured by this requirement.</p>	
	<p>31. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, the 'information' provided should be considered to be only relevant information. The relevance of the information should be based on whether the information is a relevant underwriting metric, such as information considered relevant for assessing the creditworthiness of a borrower, for assessing access to collateral and for reducing the risk of fraud.</p>	
	<p>32. Relevant information for general non-income-generating residential mortgages should normally be considered to constitute income, and relevant information for income-generating residential mortgages should normally be considered to constitute rental income. Information that is not useful as an underwriting metric, such as mobile phone numbers, should not be considered relevant information.</p>	

20	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.	
	STS criteria	
	20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.	
	Verified?	Yes
	PCS Comment	
	<p><u>See Prospectus, THE WARRANTY AND INDEMNITY AGREEMENT, Representations and Warranties.</u></p> <p><u>In addition, under the Warranty and Indemnity Agreement, ViViBanca, in its capacity as originator in respect of the ViViBanca Receivables and Sponsor in respect of the MCE Receivables, has represented and warranted that:</u></p> <p><u>See Prospectus, THE AGGREGATE PORTFOLIO, Eligibility Criteria (applying to MCE and ViViBanca Receivables)</u></p> <p>(g) ViViBanca (or MCE Locam, as the case may be) has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of the Directive 2008/48/EC, pursuant to article 20(10), third paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Underwriting standards (Article 20(10))</p> <p>35. The objective of the criterion specified in the third subparagraph of Article 20(10) is to ensure that the assessment of the borrower's creditworthiness is based on robust processes. It is expected that the application of this article will be limited in practice, given that the STS is limited to originators based in the EU, and the criterion is understood to cover only exposures originated by the EU originators to borrowers in non-EU countries.</p> <p>37 (e) clarification of the criterion with respect to the assessment of a borrower's creditworthiness based on equivalent requirements in third countries;</p>	
	EBA Final non-ABCP STS Guidelines	

21	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	
	STS criteria	
	21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	
	Verified?	Yes
	PCS Comment	
	<p><u>See Prospectus, THE WARRANTY AND INDEMNITY AGREEMENT, Representations and Warranties.</u></p> <p><u>In addition, under the Warranty and Indemnity Agreement, ViViBanca, in its capacity as originator in respect of the ViViBanca Receivables and Sponsor in respect of the MCE Receivables, has represented and warranted that:</u></p> <p><u>_See Prospectus, THE AGGREGATE PORTFOLIO, Other features of the Aggregate Portfolio (applying to MCE and ViViBanca Receivables)</u></p> <p>(g) ViViBanca (or MCE Locam, as the case may be) has expertise in originating exposures of a similar nature to those securitised pursuant to article 20(10), last paragraph, of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;</p> <p>For the expertise of ViViBanca, see also chapter in the Prospectus, titled “ViViBanca” for more detailed information on ViViBanca.</p> <p>See also section “THE AGGREGATE PORTFOLIO”, ViViBanca and MCE Locam for a brief description of the originators’ origination expertise.</p> <p>ViViBanca</p> <p>The Aggregate Portfolio comprise Receivables originated by ViViBanca. ViViBanca is a prudentially regulated credit institution. Although the institution with the name ViViBanca has only emerged in 2017 from a reverse takeover by Terfinance, Terfinance has been involved in the business of underwriting Salary Assignment Products and originating these products since 2009. For further details, see the section headed “ViViBanca”.</p> <p>MCE Locam</p> <p>The Aggregate Portfolio also comprise Receivables originated by MCE Locam. MCE Locam is a financial intermediary registered with Bank of Italy and fully owned by the US fund Seer Capital. Since the merger of Locam with Mediocredito Europeo in 2012, the new entity MCE Locam is active in the consumer loan market and since 2017 in the areas of consumer credit and management of non performing loans. For further details, visit the website: https://www.mcelocam.com/en/homepage/.</p> <p>PCS notes that ViViBanca is a prudentially regulated credit institution. Although the institution with the name ViViBanca has only emerged in 2017 from a reverse takeover by Terfinance, Terfinance has been involved in the business of underwriting Salary Assignment Products and originating these products since 2009.</p> <p>PCS also notes that MCE Locam, the other Originator and Collection Agent for the respective sub-portfolio under the Sub-Servicing Agreement is a financial intermediary registered with Bank of Italy and 100% owned by the US fund Seer Capital. Since the merger of Locam with Mediocredito Europeo in 2012, the new entity “ MCE Locam” is active in the consumer loan market and only since 2017 in the CQS area of salary loans and NPL.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Underwriting standards (Article 20(10))</p> <p>36. The objective of the criterion specified in the fourth subparagraph of Article 20(10) is for the originator or original lender to have an established performance history of credit claims or receivables similar to those being securitised, and for an appropriately long period of time.</p> <p>37 (f) identification of criteria on which the expertise of the originator or the original lender should be determined:</p>	

- (i) when assessing if the originator or the original lender has the required expertise, some general principles should be set out against which the expertise should be assessed. The general principles have been designed to allow a robust qualitative assessment of the expertise. One of these principles is the regulatory authorisation: this is to allow for more flexibility in such qualitative assessments of the expertise if the originator or the original lender is a prudentially regulated institution which holds regulatory authorisations or permissions that are relevant with respect to origination of similar exposures. The regulatory authorisation in itself should, however, not be a guarantee that the originator or original lender has the required expertise;
- (ii) irrespective of such general principles, specific criteria should be developed, based on specifying a minimum period for an entity to perform the business of originating similar exposures, compliance with which would enable the entity to be considered to have a sufficient expertise. Such expertise should be assessed at the group level, so that possible restructuring at the entity level would not automatically lead to non-compliance with the expertise criterion. It is not the intention of such specific criteria to form an impediment to the entry of new participants to the market. Such entities should also be eligible for compliance with the expertise criterion, as long as their management body and senior staff with managerial responsibility for origination of similar exposures, have sufficient experience over a minimum specified period.

38. It is expected that information on the assessment of the expertise is provided in sufficient detail in the STS notification.

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4.4 Underwriting standards, originator's expertise (Article 20(10))

Similar exposures

22. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, exposures should be considered to be similar when one of the following conditions is met:

(a) the exposures belong to one of the following asset categories referred to in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402:

- (i) residential loans secured with one or several mortgages on residential immovable property, or residential loans fully guaranteed by an eligible protection provider among those referred to in Article 201(1) of Regulation (EU) No 575/2013 qualifying for credit quality step 2 or above as set out in Part Three, Title II, Chapter 2 of that regulation;
- (ii) commercial loans secured with one or several mortgages on commercial immovable property or other commercial premises;
- (iii) credit facilities provided to individuals for personal, family or household consumption purposes;
- (iv) auto loans and leases;
- (v) credit card receivables;
- (vi) trade receivables;

(b) the exposures fall under the asset category of credit facilities provided to micro-, small-, medium-sized and other types of enterprises and corporates including loans and leases, as referred to in Article 2(d) of the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, as underlying exposures of a certain type of obligor;

(c) where they do not belong to any of the asset categories referred to in points (a) and (b) of this paragraph and as referred to in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous for the purposes of Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, the underlying exposures share similar characteristics with respect to the type of obligor, ranking of security rights, type of immovable property and/or jurisdiction.

Criteria for determining the expertise of the originator or original lender

34. For the purposes of determining whether an originator or original lender has expertise in originating exposures of a similar nature to those securitised in accordance with Article 20(10) of Regulation (EU) 2017/2402, both of the following should apply:

(a) the members of the management body of the originator or original lender and the senior staff, other than the members of the management body, responsible for managing the originating of exposures of a similar nature to those securitised should have adequate knowledge and skills in the origination of exposures of a similar nature to those securitised;

(b) any of the following principles on the quality of the expertise should be taken into account:

- (i) the role and duties of the members of the management body and the senior staff and the required capabilities should be adequate;
- (ii) the experience of the members of the management body and the senior staff gained in previous positions, education and training should be sufficient;
- (iii) the involvement of the members of the management body and the senior staff within the governance structure of the function of originating the exposures should be appropriate;
- (iv) in the case of a prudentially regulated entity, the regulatory authorisations or permissions held by the entity should be deemed relevant to origination of exposures of a similar nature to those

	<p>securitised.</p> <p>35. An originator or original lender should be deemed to have the required expertise when either of the following applies:</p> <p>(a) the business of the entity, or of the consolidated group to which the entity belongs for accounting or prudential purposes, has included the originating of exposures similar to those securitised, for at least five years;</p> <p>(b) where the requirement referred to in point (a) is not met, the originator or original lender should be deemed to have the required expertise where they comply with both of the following:</p> <p>(i) at least two of the members of the management body have relevant professional experience in the origination of exposures similar to those securitised, at a personal level, of at least five years;</p> <p>(ii) senior staff, other than members of the management body, who are responsible for managing the entity's originating of exposures similar to those securitised, have relevant professional experience in the origination of exposures of a similar nature to those securitised, at a personal level, of at least five years.</p> <p>36. For the purposes of demonstrating the number of years of professional experience, the relevant expertise should be disclosed in sufficient detail and in accordance with the applicable confidentiality requirements to permit investors to carry out their obligations under Article 5(3)(c) of Regulation (EU) 2017/2402.</p>
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	STS criteria	
	22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	
	Verified?	Yes
	PCS Comment	
	<p>See GLOSSARY</p> <p>Valuation Date means, in relation to each Portfolio, the date from which the transfer thereof has economic effects <u>and the Portfolio is selected (other than with respect to the MCE Receivables which were selected on 31 January 2019)</u>, being the date specified as such in the relevant Transfer Agreement which shall fall not earlier than <u>1 (one)</u> [-] Business Days prior to the relevant Transfer Date.</p> <p>Transfer Date means, in relation to each Portfolio, the date from which the transfer thereof has legal effects, being the date specified as such in the relevant Transfer Agreement.</p> <p>See also COLLECTION ACCOUNT, (a) Credit, (i)</p> <p>(i) on the Issue Date, (A) all Collections received or recovered in respect of the Additional Subsequent Portfolio from the relevant Valuation Date (included) until the Issue Date (excluded); and (B) any Collection received or recovered in respect of the Additional Subsequent Portfolio until the relevant Valuation Date (excluded), to the extent not deducted by mistake from the Individual Purchase Price of the Receivables comprised in the Additional Subsequent Portfolio, shall be credited to the Collection Account;</p> <p>PCS has assumed that any period of three and a half months or less between the Valuation Date and Transfer Date will meet the requirements of the criterion.</p> <p>This Transaction is in line with market standards.</p> <p>EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i></p> <p>EBA Final non-ABCP STS Guidelines</p>	

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	STS criteria	
	23. And shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...	
	Verified?	Yes
	PCS Comment	
	See Prospectus, THE AGGREGATE PORTFOLIO, Other features of the Aggregate Portfolio	
	(h) — as at the relevant Valuation Date (or, with respect to the MCE Receivables, as at 31 January 2019) and as at the relevant Transfer Date, each Portfolio does not include Receivables qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired Debtor, who, to the best of ViViBanca's (or MCE Locam's, as the case may be) knowledge:	
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	No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))	
	39. The objective of the criterion in Article 20(11) is to ensure that STS securitisations are not characterised by underlying exposures whose credit risk has already been affected by certain negative events such as disputes with credit-impaired debtors or guarantors, debt restructuring processes or default events as identified by the EU prudential regulation. Risk analysis and due diligence assessments by investors become more complex whenever the securitisation includes exposures subject to certain ongoing negative credit risk developments. For the same reasons, STS securitisations should not include underlying exposures to credit-impaired debtors or guarantors that have an adverse credit history. In addition, significant risk of default normally rises as rating grades or other scores are assigned that indicate highly speculative credit quality and high likelihood of default, i.e. the possibility that the debtor or guarantor is not able to meet its obligations becomes a real possibility. Such exposures to credit-impaired debtors or guarantors should therefore also not be eligible for STS purposes.	
	40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:	
	(a) Interpretation of the term 'exposures in default': given the differences in interpretation of the term 'default', the interpretation of this criterion should refer to additional guidance on this term provided in the existing delegated regulations and guidelines developed by the EBA, while taking into account the limitation of scope of that additional guidance to certain types of institutions;	
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	4.5 No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))	
	Exposures in default	
	37. For the purposes of the first subparagraph of Article 20(11) of Regulation (EU) 2017/2402, the exposures in default should be interpreted in the meaning of Article 178(1) of Regulation (EU) 575/2013, as further specified by the Delegated Regulation on the materiality threshold for credit obligations past due developed in accordance with Article 178 of that Regulation, and by the EBA Guidelines on the application of the definition of default developed in accordance with Article 178(7) of that regulation.	
	38. Where an originator or original lender is not an institution and is therefore not subject to Regulation (EU) 575/2013, the originator or original lender should comply with the guidance provided in the previous paragraph to the extent that such application is not deemed to be unduly burdensome. In that case, the originator or original lender should apply the established processes and the information obtained from debtors on origination of the exposures, information obtained from the originator in the course of its servicing of the exposures or in the course of its risk management procedure or information notified to the originator by a third party.	

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	STS criteria	
	24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:	
	Verified?	Yes
	PCS Comment	
	<p>See THE AGGREGATE PORTFOLIO, Eligibility Criteria (<i>regarding both MCE and ViViBanca Receivables, respectively</i>)</p> <p>(x) (<i>receivables</i>) in respect of which none of the relevant Debtors has been served by the Seller with a writ of enforcement (precetto) or an injunction order (decreto ingiuntivo) or entered into an out-of-court settlement following a non-payment;</p> <p>See also THE AGGREGATE PORTFOLIO, Other features of the Aggregate Portfolio</p> <p>(h) as at the relevant Valuation Date (or, with respect to the MCE Receivables, as at 31 January 2019) and as at the relevant Transfer Date, each Portfolio does not include Receivables qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired Debtor, who, to the best of ViViBanca's (or MCE Locam's, as the case may be) knowledge:</p> <p>(i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 (three) years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 (three) years prior to the relevant Transfer Date; or</p> <p>(ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or</p> <p>(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by ViViBanca (or MCE Locam, as the case may be) which have not been assigned under the Securitisation,</p> <p>in each case pursuant to article 20(11) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))</p> <p>39. The objective of the criterion in Article 20(11) is to ensure that STS securitisations are not characterised by underlying exposures whose credit risk has already been affected by certain negative events such as disputes with credit-impaired debtors or guarantors, debt-restructuring processes or default events as identified by the EU prudential regulation. Risk analysis and due diligence assessments by investors become more complex whenever the securitisation includes exposures subject to certain ongoing negative credit risk developments. For the same reasons, STS securitisations should not include underlying exposures to credit-impaired debtors or guarantors that have an adverse credit history. In addition, significant risk of default normally rises as rating grades or other scores are assigned that indicate highly speculative credit quality and high likelihood of default, i.e. the possibility that the debtor or guarantor is not able to meet its obligations becomes a real possibility. Such exposures to credit-impaired debtors or guarantors should therefore also not be eligible for STS purposes.</p> <p>40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(b) Interpretation of the term 'exposures to a credit-impaired debtor or guarantor': the interpretation should also take into account the interpretation provided in recital 26 of Regulation (EU) 2017/2402, according to which the circumstances specified in points (a) to (c) of Article 24(9) of that regulation are understood as specific situations of credit-impairedness to which exposures in the STS securitisation may not be exposed. Consequently, other possible circumstances of credit-impairedness that are not captured in points (a) to (c) should be outside the scope of this requirement. Moreover, taking into account the role of the guarantor as a risk bearer, it should be clarified that the requirement to exclude 'exposures to a credit-impaired debtor or guarantor' is not meant to exclude (i) exposures to a credit-impaired debtor when it has a guarantor that is not credit impaired; or (ii) exposures to a non-credit-impaired debtor when there is a credit-impaired guarantor;</p>	

(c) Interpretation of the term 'to the best knowledge of': the interpretation should follow the wording of recital 26 of Regulation (EU) 2017/2402, according to which an originator or original lender is not required to take all legally possible steps to determine the debtor's credit status but is only required to take those steps that the originator/original lender usually takes within its activities in terms of origination, servicing, risk management and use of information that is received from third parties. This should not require the originator or original lender to check publicly available information, or to check entries in at least one credit registry where an originator or original lender does not conduct such checks within its regular activities in terms of origination, servicing, risk management and use of information received from third parties, but rather relies, for example, on other information that may include credit assessments provided by third parties. Such clarification is important because corporates that are not subject to EU financial sector regulation and that are acting as sellers with respect to STS securitisation may not always check entries in credit registries and, in line with the best knowledge standard, should not be obliged to perform additional checks at origination of any exposure for the purposes of later fulfilling this criterion in terms of any credit-impaired debtors or guarantors;

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4.5 No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))

Exposures to a credit-impaired debtor or guarantor

39. For the purposes of Article 20(11) of Regulation (EU) 2017/2402, the circumstances specified in points (a) to (c) of that paragraph should be understood as definitions of credit-impairedness. Other possible circumstances of credit-impairedness that are not captured in points (a) to (c) should be considered to be excluded from this requirement.

40. The prohibition of the selection and transfer to SSPE of underlying exposures 'to a credit-impaired debtor or guarantor' as referred to in Article 20(11) of Regulation (EU) 2017/2402 should be understood as the requirement that, at the time of selection, there should be a recourse for the full securitised exposure amount to at least one non-credit-impaired party, irrespective of whether that party is a debtor or a guarantor. Therefore, the underlying exposures should not include either of the following:

- (a) exposures to a credit-impaired debtor, when there is no guarantor for the full securitised exposure amount;
- (b) exposures to a credit-impaired debtor who has a credit-impaired guarantor.

To the best of the originator's or original lender's knowledge

41. For the purposes of Article 20(11) of Regulation (EU) 2017/2402, the 'best knowledge' standard should be considered to be fulfilled on the basis of information obtained only from any of the following combinations of sources and circumstances:

- (a) debtors on origination of the exposures;
- (b) the originator in the course of its servicing of the exposures or in the course of its risk management procedures;
- (c) notifications to the originator by a third party;
- (d) publicly available information or information on any entries in one or more credit registries of persons with adverse credit history at the time of origination of an underlying exposure, only to the extent that this information had already been taken into account in the context of (a), (b) and (c), and in accordance with the applicable regulatory and supervisory requirements, including with respect to sound credit granting criteria as specified in Article 9 of Regulation (EU) 2017/2402. This is with the exception of trade receivables that are not originated in the form of a loan, with respect to which credit-granting criteria do not need to be met.

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	(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.	
	STS criteria	
	25.(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.	
	Verified?	Yes
	PCS Comment	
	See item criterion 24, above.	
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	STS criteria	
	26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:	
	Verified?	Yes
	PCS Comment	
	<p>See itemcriterion 24 above</p> <p>See also THE AGGREGATE PORTFOLIO, Eligibility Criteria (regarding MCE and ViVibanca Receivables, respectivelyboth MCE and ViVibanca Receivables)</p> <p>(w) _____ receivables which have not been restructured and in respect of which MCE Locam has not exercised its right to terminate the relevant Loan Agreement, nor it has declared the Debtor's obligations to be immediately due and payable;</p> <p>(w) _____ receivables which have not been restructured and in respect of which the Seller has not exercised its right to terminate the relevant Loan Agreement, nor it has declared the Debtor's obligations to be immediately due and payable;</p>	
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	No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))	
	<p>40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(d) Interpretation of the criterion with respect to the debtors and guarantors found on the credit registry: it is important to interpret this requirement in a narrow sense to ensure that the existence of a debtor or guarantor on the credit registry of persons with adverse credit history should not automatically exclude the exposure to that debtor/guarantor from compliance with this criterion. It is understood that this criterion should relate only to debtors and guarantors that are, at the time of origination of the exposure, considered entities with adverse credit history. Existence on a credit registry at the time of origination of the exposure for reasons that can be reasonably ignored for the purposes of the credit risk assessment (for example due to missed payments which have been resolved in the next two payment periods) should not be captured by this requirement. Therefore, this criterion should not automatically exclude from the STS framework exposures to all entities that are on the credit registries, taking into account that this would unintentionally exclude a significant number of entities given that different practices exist across EU jurisdictions with respect to entry requirements of such credit registries, and the fact that credit registries in some jurisdictions may contain both positive and negative information about the clients;</p>	
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4.5 No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))

Exposures to credit-impaired debtors or guarantors that have undergone a debt-restructuring process

42. For the purposes of Article 20(11)(a) of Regulation (EU) 2017/2402, the requirement to exclude exposures to credit-impaired debtors or guarantors who have undergone a debt-restructuring process with regard to their non-performing exposures should be understood to refer to both the restructured exposures of the respective debtor or guarantor and those of its exposures that were not themselves subject to restructuring. For the purposes of this Article, restructured exposures which meet the conditions of points (i) and (ii) of that Article should not result in a debtor or guarantor becoming designated as credit-impaired.

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	STS criteria	
	27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and	
	Verified?	Yes
	PCS Comment	
	See item criterion 24, above.	
	PCS notes that there are no restructured Receivables in the Portfolio.	
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	STS criteria	
	28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;	
	Verified?	Yes
	PCS Comment	
	<i>PCS notes that there are no restructured Receivables in the Portfolio.</i>	
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	STS criteria	
	29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;	
	Verified?	Yes
	PCS Comment	
	See item criterion 24, above.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))</p> <p>40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(d) Interpretation of the criterion with respect to the debtors and guarantors found on the credit registry: it is important to interpret this requirement in a narrow sense to ensure that the existence of a debtor or guarantor on the credit registry of persons with adverse credit history should not automatically exclude the exposure to that debtor/guarantor from compliance with this criterion. It is understood that this criterion should relate only to debtors and guarantors that are, at the time of origination of the exposure, considered entities with adverse credit history. Existence on a credit registry at the time of origination of the exposure for reasons that can be reasonably ignored for the purposes of the credit risk assessment (for example due to missed payments which have been resolved in the next two payment periods) should not be captured by this requirement. Therefore, this criterion should not automatically exclude from the STS framework exposures to all entities that are on the credit registries, taking into account that this would unintentionally exclude a significant number of entities given that different practices exist across EU jurisdictions with respect to entry requirements of such credit registries, and the fact that credit registries in some jurisdictions may contain both positive and negative information about the clients;</p>	
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4.5 No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))***Credit registry***

43. The requirement referred to in Article 20(11)(b) of Regulation (EU) 2017/2402 should be limited to exposures to debtors or guarantors to which both of the following requirements apply at the time of origination of the underlying exposure:

- (a) the debtor or guarantor is explicitly flagged in a credit registry as an entity with adverse credit history due to negative status or negative information stored in the credit registry;
- (b) the debtor or guarantor is on the credit registry for reasons that are relevant to the purposes of the credit risk assessment.

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	Article 20 - Requirements relating to simplicity	
	<p>20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:</p> <p>(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.</p> <p>or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:</p> <p>(i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and</p> <p>(ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;</p> <p>(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;</p> <p>(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not be made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>	
	STS criteria	
	30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not be made is significantly higher than for comparable exposures held by the originator which are not securitised.	
	Verified?	Yes
PCS Comment		
See item criterion 24, above.		
EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>		
No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))		
<p>40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(e) Interpretation of the term 'significantly higher risk of contractually agreed payments not being made for comparable exposures': the term should be interpreted with a similar meaning to the requirement aiming to prevent adverse selection of assets referred to in Article 6(2) of Regulation (EU) 2017/2402, and further specified in the Article 16(2) of the Delegated Regulation specifying in greater detail the risk retention requirement in accordance with Article 6(7) of Regulation (EU) 2017/2402, given that in both cases the requirement (i) aims to prevent adverse selection of underlying exposures and (ii) relates to the comparison of the credit quality of exposures transferred to the SSPE and comparable exposures that remain on the originator's balance sheet. To facilitate the interpretation, a list is given of examples of how to achieve compliance with the requirement.</p>		
EBA Final non-ABCP STS Guidelines		
4.5 No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))		
<i>Risk of contractually agreed payments not being made being significantly higher than for comparable exposures</i>		
<p>44. For the purposes of Article 20(11)(c) of Regulation (EU) 2017/2402, the exposures should not be considered to have a 'credit assessment of a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised' when the following conditions apply:</p> <p>(a) the most relevant factors determining the expected performance of the underlying exposures are similar;</p>		

	<p>(b) as a result of the similarity referred to in point (a) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the transaction or over a maximum of four years, where the life of the transaction is longer than four years, their performance would not be significantly different.</p> <p>45. The requirement in the previous paragraph should be considered to have been met where either of the following applies:</p> <p>(a) the underlying exposures do not include exposures that are classified as doubtful, impaired, non-performing or classified to the similar effect under the relevant accounting principles;</p> <p>(b) the underlying exposures do not include exposures whose credit quality, based on credit ratings or other credit quality thresholds, significantly differs from the credit quality of comparable exposures that the originator originates in the course of its standard lending operations and credit risk strategy.</p>
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31	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	20.12. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.	
	STS criteria	
	31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.	
	Verified?	Yes
	PCS Comment	
	See THE AGGREGATE PORTFOLIO, Eligibility Criteria <i>(regarding MCE and ViVibanca Receivables, respectively)</i> (p)_____receivables arising from Loan Agreements in respect of which at least 1 (one) Instalment has accrued and has been paid in full;	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	At least one payment made (Article 20(12))	
	41. STS securitisations should minimise the extent to which investors are required to analyse and assess fraud and operational risk. At least one payment should therefore be made by each underlying borrower at the time of transfer, since this reduces the likelihood of the loan being subject to fraud or operational issues, unless in the case of revolving securitisations in which the distribution of securitised exposures is subject to constant changes because the securitisation relates to exposures payable in a single instalment or with an initial legal maturity of an exposure of below one year.	
	42. To facilitate consistent interpretation of this criterion, its scope and the types of payments referred to therein should be further clarified.	
	EBA Final non-ABCP STS Guidelines	
	4.6 At least one payment made (Article 20(12))	
	Scope of the criterion	
	46. For the purposes of Article 20(12) of Regulation (EU) 2017/2402, further advances in terms of an exposure to a certain borrower should not be deemed to trigger a new ‘at least one payment’ requirement with respect to such an exposure.	
	At least one payment	
	47. For the purposes of Article 20(12) of Regulation (EU) 2017/2402, the payment referred to in the requirement according to which ‘at least one payment’ should have been made at the time of transfer should be a rental, principal or interest payment or any other kind of payment.	

32	Legislative text	BACK TO TABLE OF CONTENTS
	Article 20 - Requirements relating to simplicity	
	<p>20.13. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures. This shall not prevent such assets from being subsequently rolled-over or refinanced.</p> <p>The repayment of the holders of the securitisation positions whose underlying exposures are secured by assets the value of which is guaranteed or fully mitigated by a repurchase obligation by the seller of the assets securing the underlying exposures or by another third party shall not be considered to depend on the sale of assets securing those underlying exposures.</p>	
	STS criteria	
	32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.	
	Verified?	Yes
	PCS Comment	
	<p>See Eligibility Criteria <i>(regarding MCE and ViVibanca Receivables, respectively)</i></p> <p>(j) _____ receivables arising from Loans having a fixed interest rate, whose Amortisation Plan provides for monthly instalments having an equal fixed amount to be paid in arrears</p> <p>PCS has reviewed the Receivables structure. There is no dependence on a sale of assets.</p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	<p>No predominant dependence on the sale of assets (Article 20(13))</p> <p>43. Dependence of the repayment of the holders of the securitisation positions on the sale of assets securing the underlying exposures increases the liquidity risks, market risks and maturity transformation risks to which the securitisation is exposed. It also makes the credit risk of the securitisation more difficult for investors to model and assess.</p> <p>44. The objective of this criterion is to ensure that the repayment of the principal balance of exposures at the contract maturity – and therefore repayment of the holders of the securitisation positions – is not intended to be predominantly reliant on the sale of assets securing the underlying exposures, unless the value of the assets is guaranteed or fully mitigated by a repurchase obligation.</p> <p>45. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) the term ‘predominant dependence’ on the sale of assets securing the underlying exposures should be further interpreted:</p> <p>(i) when assessing whether the repayment of the holders of the securitisation positions is or is not predominantly dependent on the sale of assets, the following three aspects should be taken into account: (i) the principal balance at contract maturity of underlying exposures that depend on the sale of assets securing those underlying exposures to repay the balance; (ii) the distribution of maturities of such exposures across the life of the transaction, which aims to reduce the risk of correlated defaults due to idiosyncratic shocks; and (iii) the granularity of the pool of exposures, which aims to promote sufficient distribution in sale dates and other characteristics that may affect the sale of the underlying exposures.</p> <p>(i) no types of securitisations should be excluded ex ante from the compliance with this criterion and from the STS securitisation as long as they meet all the requirements specified in the guidance. For example, this criterion does not aim to exclude leasing transactions and interest-only residential mortgages from STS securitisation, provided they comply with the guidance provided and all other applicable STS requirements. However, it is expected that commercial real estate transactions, or securitisations where the assets are commodities (e.g. oil, grain, gold), or bonds whose maturity dates fall after the maturity date of the securitisation, would not meet these requirements, as in all these cases it is expected that the repayment is predominantly reliant on the sale of the assets, that other possible ways to repay the securitisation positions are substantially limited, and that the granularity of the portfolio is low.</p> <p>46. With respect to the exemption provided in the second subparagraph of Article 20(13) of Regulation (EU) 2017/2402, it should be ensured that the entity providing the guarantee or the repurchase obligation of the assets securing the underlying exposures is not an empty-shell or defaulted entity, so that it has sufficient loss absorbency to exercise the guarantee of the repurchase of the assets.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>4.7 No Predominant dependence on the sale of assets</p> <p>Predominant dependence on the sale of assets</p>	

48. For the purposes of Article 20(13) of Regulation (EU) 2017/2402, transactions where all of the following conditions apply, at the time of origination of the securitisation in cases of amortising securitisation or during the revolving period in cases of revolving securitisation, should be considered not predominantly dependent on the sale of assets securing the underlying exposures, and therefore allowed:

- (a) the contractually agreed outstanding principal balance, at contract maturity of the underlying exposures that depend on the sale of the assets securing those underlying exposures to repay the principal balance, corresponds to no more than 50% of the total initial exposure value of all securitisation positions of the securitisation;
- (b) the maturities of the underlying exposures referred to in point (a) are not subject to material concentrations and are sufficiently distributed across the life of the transaction;
- (c) the aggregate exposure value of all the underlying exposures referred to in point (a) to a single obligor does not exceed 2% of the aggregate exposure value of all underlying exposures in the securitisation.

49. Where there are no underlying exposures in the securitisation that depend on the sale of assets to repay their outstanding principal balance at contract maturity, the requirements in paragraph 48 should not apply.

Exemption provided in the second subparagraph of Article 20(13) of Regulation (EU) 2017/2402

50. The exemption referred to in the second subparagraph of Article 20(13) of Regulation (EU) 2017/2402 with regard to the repayment of holders of securitisation positions whose underlying exposures are secured by assets, the value of which is guaranteed or fully mitigated by a repurchase obligation of either the assets securing the underlying exposures or of the underlying exposures themselves by another third party or parties, the seller or the third parties should meet both of the following conditions:

- (a) they are not insolvent;
- (b) there is no reason to believe that the entity would not be able to meet its obligations under the guarantee or the repurchase obligation.

33	Legislative text	BACK TO TABLE OF CONTENTS
	Article 21 - Requirements relating to standardisation	
	21.1. The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.	
	STS criteria	
	33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.	
	Verified?	Yes
	PCS Comment	
	<p>See RISK RETENTION AND TRANSPARENCY REQUIREMENTS, Risk retention</p> <p>Under the Intercreditor Agreement, ViViBanca, in its capacity as originator in respect of the ViViBanca Receivables and Sponsor of the Securitisation in respect of the MCE Receivables, has undertaken to the Issuer, the Arranger, the Joint Lead Managers and the Representative of the Noteholders that, from the Issue Date, it will:</p> <p>(a) ——— retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (a) of article 6(3) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards, which as at the Issue Date consists of a retention of 5 per cent. of the principal amount of each Class of Notes upon issue;</p> <p>PCS notes that ViViBanca satisfies the risk retention requirements according to the securitisation regulation as an Originator of ViViBanca's Receivables and sponsor of the Securitisation in respect of the MCE receivables.</p> <p>See DefinitionsGLOSSARY,</p> <p>Sponsor means ViViBanca as sponsor of the Securitisation in respect of the MCE Receivables pursuant to the EU Securitisation Regulation.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Risk retention (Article 21(1))	
	47. The main objective of the risk retention criterion is to ensure an alignment between the originators'/sponsors'/original lenders' and investors' interests, and to avoid application of the originate-to-distribute model in securitisation.	
	48. The content of the criterion is deemed sufficiently clear that no further guidance in addition to that provided by the Delegated Regulation further specifying the risk retention requirement in accordance with Article 6(7) of Regulation (EU) 2017/2402 is considered necessary.	
	EBA Final non-ABCP STS Guidelines	

34	Legislative text	BACK TO TABLE OF CONTENTS
	Article 21 - Requirements relating to standardisation	
	21.2. The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.	
	STS criteria	
	34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.	
	Verified?	Yes
	PCS Comment	
	<p>See DESCRIPTION OF THE TRANSACTION DOCUMENTS, 11. THE SWAP AGREEMENT</p> <p>The notional amount of the Swap Agreement is equal to the lower of (i) the maximum notional schedule as detailed in the Swap Agreement; and (ii) the higher between (a) the minimum notional schedule as detailed in the Swap Agreement and (b) the Outstanding Principal of the Receivables (other than the Defaulted Receivables).</p> <p>On each Payment Date, the Swap Counterparty will pay to the Issuer a floating amount referenced to the Euribor due on the Rated Notes, and the Issuer will pay to the Swap Counterparty a fixed amount, both calculated on the notional amount of the Swap Agreement.</p> <p><i>PCS has reviewed the Swap documentation and the Swap Bands in the Schedule thereto. PCS has received sufficient evidence regarding appropriate interest rate risk mitigation.</i></p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	<p>Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.</p> <p>50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.</p> <p>51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.</p> <p>52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;</p> <p>(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;</p> <p>(c) clarification of the term 'common standards in international finance'.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>5.1 Appropriate mitigation of interest-rate and currency risks (Article 21(2))</p> <p>Appropriate mitigation of interest-rate and currency risks</p> <p>51. For the purposes of Article 21(2) of Regulation (EU) 2017/2402 in order for the interest-rate and currency risks arising from the securitisation to be considered 'appropriately mitigated', it should be sufficient that a hedge or mitigation is in place, on condition that it is not unusually limited with the effect that it covers a major share of the respective interest-rate or currency risks under relevant scenarios, understood from an economic perspective. Such a mitigation may also be in the form of derivatives or other mitigating measures including reserve funds, over collateralisation, excess spread or other measures.</p> <p>52. Where the appropriate mitigation of interest-rate and currency risks is carried out through derivatives, all of the following requirements should apply:</p>	

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| | <p>(a) the derivatives should be used only for genuine hedging of asset and liability mismatches of interest rates and currencies, and should not be used for speculative purposes;</p> <p>(b) the derivatives should be based on commonly accepted documentation, including International Swaps or Derivatives Association (ISDA) or similar established national documentation standards;</p> <p>(c) the derivative documentation should provide, in the event of the loss of sufficient creditworthiness of the counterparty below a certain level, measured either on the basis of the credit rating or otherwise, that the counterparty is subject to collateralisation requirements or makes a reasonable effort for its replacement or guarantee by another counterparty.</p> <p>53. Where the mitigation of interest-rate and currency risks referred to in Article 21(2) of Regulation (EU) 2017/2402 is carried out not through derivatives but by other risk-mitigating measures, those measures should be designed to be sufficiently robust. When such risk-mitigating measures are used to mitigate multiple risks at the same time, the disclosure required by Article 21(2) of Regulation (EU) 2017/2402 should include an explanation of how the measures hedge the interest-rate risks and currency risks on one hand, and other risks on the other hand.</p> |
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35	Legislative text	BACK TO TABLE OF CONTENTS
	Article 21 - Requirements relating to standardisation	
	21.2. The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.	
	STS criteria	
	35. Currency risks arising from the securitisation shall be appropriately mitigated.	
	Verified?	Yes
	PCS Comment	
	See Eligibility Criteria (<i>regarding MCE and ViVibanca Receivables, respectively both ViVibanca and MCE receivables</i>), (c) receivables arising from Loan Agreements which are denominated in euro and do not contain provisions which allow the conversion of the receivables into another currency; There is no currency risk in this transaction.	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	Appropriate mitigation of interest-rate and currency risks (Article 21(2)) 49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment. 50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned. 51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks. 52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified: (a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks; (b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion; (c) clarification of the term 'common standards in international finance'.	
	EBA Final non-ABCP STS Guidelines	
	5.1 Appropriate mitigation of interest-rate and currency risks (Article 21(2)) Appropriate mitigation of interest-rate and currency risks 51. For the purposes of Article 21(2) of Regulation (EU) 2017/2402 in order for the interest-rate and currency risks arising from the securitisation to be considered 'appropriately mitigated', it should be sufficient that a hedge or mitigation is in place, on condition that it is not unusually limited with the effect that it covers a major share of the respective interest-rate or currency risks under relevant scenarios, understood from an economic perspective. Such a mitigation may also be in the form of derivatives or other mitigating measures including reserve funds, over collateralisation, excess spread or other measures. 52. Where the appropriate mitigation of interest-rate and currency risks is carried out through derivatives, all of the following requirements should apply: (a) the derivatives should be used only for genuine hedging of asset and liability mismatches of interest rates and currencies, and should not be used for speculative purposes; (b) the derivatives should be based on commonly accepted documentation, including International Swaps or Derivatives Association (ISDA) or similar established national documentation standards;	

(c) the derivative documentation should provide, in the event of the loss of sufficient creditworthiness of the counterparty below a certain level, measured either on the basis of the credit rating or otherwise, that the counterparty is subject to collateralisation requirements or makes a reasonable effort for its replacement or guarantee by another counterparty.

53. Where the mitigation of interest-rate and currency risks referred to in Article 21(2) of Regulation (EU) 2017/2402 is carried out not through derivatives but by other risk-mitigating measures, those measures should be designed to be sufficiently robust. When such risk-mitigating measures are used to mitigate multiple risks at the same time, the disclosure required by Article 21(2) of Regulation (EU) 2017/2402 should include an explanation of how the measures hedge the interest-rate risks and currency risks on one hand, and other risks on the other hand.

54. The measures referred to in paragraphs 52 and 53, as well as the reasoning supporting the appropriateness of the mitigation of the interest-rate and currency risks through the life of the transaction, should be disclosed.

36	Legislative text	BACK TO TABLE OF CONTENTS
	Article 21 - Requirements relating to standardisation	
	21.2. The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.	
	STS criteria	
	36. Any measures taken to that effect shall be disclosed.	
	Verified?	Yes
	PCS Comment	
	See point 34 above.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Appropriate mitigation of interest-rate and currency risks (Article 21 (2))	
	49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.	
	50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.	
	51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.	
	52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:	
	(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;	
	(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;	
	(c) clarification of the term 'common standards in international finance'.	
	EBA Final non-ABCP STS Guidelines	
	5.1 Appropriate mitigation of interest-rate and currency risks (Article 21 (2))	
	54. The measures referred to in paragraphs 52 and 53, as well as the reasoning supporting the appropriateness of the mitigation of the interest-rate and currency risks through the life of the transaction, should be disclosed.	

37	Legislative text	BACK TO TABLE OF CONTENTS
	Article 21 - Requirements relating to standardisation	
	<p>Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives. Those derivatives shall be underwritten and documented according to common standards in international finance.</p>	
	STS criteria	
	<p>37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...</p>	
	Verified?	Yes
	PCS Comment	
	<p>4. Covenants (g) Derivatives enter into derivative contracts save for the Interest Rate Swap Agreement or as otherwise expressly permitted by article 21(2) of the EU Securitisation Regulation;</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.</p> <p>50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.</p> <p>51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.</p> <p>52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;</p> <p>(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;</p> <p>(c) clarification of the term 'common standards in international finance'.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>5.1 Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>Derivatives</p> <p>55. For the purpose of Article 21(2) of Regulation (EU) 2017/2402, exposures in the pool of underlying exposures that merely contain a derivative component exclusively serving the purpose of directly hedging the interest-rate or currency risk of the respective underlying exposure itself, which are not themselves derivatives, should not be understood to be prohibited.</p>	

38	Legislative text	BACK TO TABLE OF CONTENTS
	Article 21 - Requirements relating to standardisation	
	<p>Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives. Those derivatives shall be underwritten and documented according to common standards in international finance.</p>	
	STS criteria	
	38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	
	Verified?	Yes
	PCS Comment	
	<p><u>See</u> THE AGGREGATE PORTFOLIO, Other features of the Aggregate Portfolio</p> <p>(i) each Portfolio does not include any derivative pursuant to article 21(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.</p> <p>50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.</p> <p>51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.</p> <p>52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;</p> <p>(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;</p> <p>(c) clarification of the term ‘common standards in international finance’.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>5.1 Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>Derivatives</p> <p>55. For the purpose of Article 21(2) of Regulation (EU) 2017/2402, exposures in the pool of underlying exposures that merely contain a derivative component exclusively serving the purpose of directly hedging the interest-rate or currency risk of the respective underlying exposure itself, which are not themselves derivatives, should not be understood to be prohibited.</p>	

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	Article 21 - Requirements relating to standardisation	
	<p>Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives. Those derivatives shall be underwritten and documented according to common standards in international finance.</p>	
	STS criteria	
	<p>39. Those derivatives shall be underwritten and documented according to common standards in international finance.</p>	
	Verified?	Yes
	PCS Comment	
	<p>See GLOSSARY</p> <p>Swap Agreement means the swap agreement entered into on or about the Issue Date between the Issuer and the Swap Counterparty in the form of an International Swaps and Derivatives Association 1992 Master Agreement (Multicurrency - Cross Border), together with the relevant Schedule, Credit Support Annex and confirmation thereunder, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.</p> <p>50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.</p> <p>51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.</p> <p>52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;</p> <p>(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;</p> <p>(c) clarification of the term 'common standards in international finance'.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>5.1 Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>Common standards in international finance</p> <p>56. For the purposes of Article 21(2) of Regulation (EU) 2017/2402, common standards in international finance should include ISDA or similar established national documentation standards.</p>	

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	Article 21 - Requirements relating to standardisation	
	21.3. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, and shall not reference complex formulae or derivatives.	
	STS criteria	
	40. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds and shall not reference complex formulae or derivatives.	
	Verified?	Yes
	PCS Comment	
	<p>For the Notes:</p> <p>See TERMS AND CONDITIONS OF THE NOTES, 5. Interest and Class C Variable Return</p> <p>(c) Rate of interest on the Notes</p> <p>The rate of interest applicable from time to time in respect of the Notes (the Rate of Interest) will be:</p> <ul style="list-style-type: none"> (i) in respect of the Class A Notes, a floating rate equal to Euribor plus a margin of <u>0.8%</u> per cent. per annum; (ii) in respect of the Class B Notes, a floating rate equal to Euribor plus a margin of <u>3.00%</u> per cent. per annum; and (iii) in respect of the Class C Notes, a fixed rate equal to <u>6.00%</u> per cent. per annum. <p>For the Receivables:</p> <p>See Eligibility Criteria <u>(regarding MCE and ViVibanca Receivables, respectively)</u></p> <p>(j) receivables arising from Loans having a fixed interest rate, whose Amortisation Plan provides for monthly instalments having an equal fixed amount to be paid in arrears</p> <p>PCS notes that the “Euribor” component of the notes is defined according to market standard in the prospectus. The stratification tables show the fixed interest rates on the loans to range between 3 and 16, >98% of which range between 3 and 12%, which is in accordance with generally used market rates.</p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	<p>Referenced interest payments (Article 21 (3))</p> <p>53. The objective of this criterion is to prevent securitisations from making reference to interest rates that cannot be observed in the commonly accepted market practice. The credit risk and cash flow analysis that investors must be able to carry out should not involve atypical, complex or complicated rates or variables that cannot be modelled on the basis of market experience and practice.</p> <p>54. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <ul style="list-style-type: none"> (a) the scope of the criterion (by specifying the common types and examples of interest rates captured by this criterion); (b) the term ‘complex formulae or derivatives’. 	
	EBA Final non-ABCP STS Guidelines	
	<p>5.2 Referenced interest payments (Article 21 (3))</p> <p>Referenced rates</p>	

57. For the purposes of Article 21(3) of Regulation (EU) 2017/2402, interest rates that should be considered to be an adequate reference basis for referenced interest payments should include all of the following:

(a) interbank rates including the Libor, Euribor and other recognised benchmarks;

(b) rates set by monetary policy authorities, including FED funds rates and central banks' discount rates;

(c) sectoral rates reflective of a lender's cost of funds, including standard variable rates and internal interest rates that directly reflect the market costs of funding of a bank or a subset of institutions, to the extent that sufficient data are provided to investors to allow them to assess the relation of the sectoral rates to other market rates.

Complex formulae or derivatives

58. For the purposes of Article 21(3) of Regulation (EU) 2017/2402, a formula should be considered to be complex when it meets the definition of an exotic instrument by the Global Association of Risk Professionals (GARP), which is a financial asset or instrument with features that make it more complex than simpler, plain vanilla, products. A complex formula or derivative should not be deemed to exist in the case of the mere use of interest-rate caps or floors.

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	Article 21 - Requirements relating to standardisation	
	<p>21.4. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p>	
	STS criteria	
	<p>41. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p>	
	Verified?	Yes
	PCS Comment	
	<p>See TERMS AND CONDITIONS OF THE NOTES, 9. Trigger Events</p> <p>(c) Consequences of the delivery of a Trigger Notice</p> <p>(ii) Following the service of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Acceleration Priority of Payments and pursuant to the terms of the Transaction Documents, as required by article 21(4)(a) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Requirements in case of enforcement or delivery of an acceleration notice (Article 21(4))</p> <p>55. The objective of this criterion is to prevent investors from being subjected to unexpected repayment profiles and to provide appropriate legal comfort regarding their enforceability, for instances where an enforcement or an acceleration notice has been delivered.</p> <p>56. STS securitisations should be such that the required investor's risk analysis and due diligence do not have to factor in complex structures of the payment priority that are difficult to model, nor should the investor be exposed to complex changes in such structures throughout the life of the transaction. Therefore, it should be ensured that junior noteholders do not have inappropriate payment preference over senior noteholders that are due and payable.</p> <p>57. In addition, taking into account that market risk on the underlying collateral constitutes an element of complexity in the risk and due diligence analysis to be carried out by investors, the objective is also to ensure that the performance of STS securitisations does not rely, due to contractual triggers, on the automatic liquidation at market price of the underlying collateral.</p> <p>58. To facilitate consistent interpretation of this criterion, the scope and operational functioning of conditions specified under letters (a), (b) and (d) of Article 21(4) should be specified further.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>5.3 Requirements in the event of enforcement or delivery of an acceleration notice (Article 21(4))</p> <p>Exceptional circumstances</p> <p>59. For the purposes of Article 21(4)(a) of Regulation (EU) 2017/2402, a list of 'exceptional circumstances' should, to the extent possible, be included in the transaction documentation.</p> <p>60. Given the nature of 'exceptional circumstances' and in order to allow some flexibility with respect to potential unusual circumstances requiring that cash be trapped in the SSPE in the best interests of investors, where a list of 'exceptional circumstances' is included in the transaction documentation in accordance with paragraph 59, such a list should be non-exhaustive.</p> <p>Amount trapped in the SSPE in the best interests of investors</p>	

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| <p>61. For the purposes of Article 21(4)(a) of Regulation (EU) 2017/2402, the amount of cash to be considered as trapped in the SSPE should be that agreed by the trustee or other representative of the investors who is legally required to act in the best interests of the investors, or by the investors in accordance with the voting provisions set out in the transaction documentation.</p> <p>62. For the purposes of Article 21(4)(a) of Regulation (EU) 2017/2402, it should be permissible to trap the cash in the SSPE in the form of a reserve fund for future use, as long as the use of the reserve fund is exclusively limited to the purposes set out in Article 21(4)(a) of Regulation (EU) 2017/2402 or to orderly repayment to the investors.</p> |
|---|

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	Article 21 - Requirements relating to standardisation	
	<p>21.4. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p> <p>(b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;</p>	
	STS criteria	
	42. Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;	
	Verified?	Yes
	PCS Comment	
	<p>See TERMS AND CONDITIONS OF THE NOTES, 6. ISSUER AVAILABLE FUNDS AND PRIORITY OF PAYMENTS</p> <p>Post-Acceleration Priority of Payments</p> <p>PCS notes that the Priority of Payments in an enforcement scenario is sequential.</p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	<p>Requirements in case of enforcement or delivery of an acceleration notice (Article 21(4))</p> <p>55. The objective of this criterion is to prevent investors from being subjected to unexpected repayment profiles and to provide appropriate legal comfort regarding their enforceability, for instances where an enforcement or an acceleration notice has been delivered.</p> <p>56. STS securitisations should be such that the required investor's risk analysis and due diligence do not have to factor in complex structures of the payment priority that are difficult to model, nor should the investor be exposed to complex changes in such structures throughout the life of the transaction. Therefore, it should be ensured that junior noteholders do not have inappropriate payment preference over senior noteholders that are due and payable.</p> <p>57. In addition, taking into account that market risk on the underlying collateral constitutes an element of complexity in the risk and due diligence analysis to be carried out by investors, the objective is also to ensure that the performance of STS securitisations does not rely, due to contractual triggers, on the automatic liquidation at market price of the underlying collateral.</p> <p>58. To facilitate consistent interpretation of this criterion, the scope and operational functioning of conditions specified under letters (a), (b) and (d) of Article 21(4) should be specified further.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>5.3 Requirements in the event of enforcement or delivery of an acceleration notice (Article 21(4))</p> <p>Repayment</p> <p>63. The requirements in Article 21(4)(b) of Regulation (EU) 2017/2402 should be understood as covering only the repayment of the principal, without covering the repayment of interest.</p> <p>64. For the purposes of Article 21(4)(b) of Regulation (EU) 2017/2402, non-sequential payments of principal in a situation where an enforcement or an acceleration notice has been delivered should be prohibited. Where there is no enforcement or acceleration event, principal receipts could be allowed for replenishment purposes pursuant to Article 20(12)) of that Regulation.</p>	

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	Article 21 - Requirements relating to standardisation	
	<p>21.4. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p> <p>(b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;</p> <p>(c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and</p>	
	STS criteria	
	43. Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	
	Verified?	Yes
	PCS Comment	
	<p>See TERMS AND CONDITIONS OF THE NOTES, 6. ISSUER AVAILABLE FUNDS AND PRIORITY OF PAYMENTS</p> <p>Post-Acceleration Priority of Payments</p> <p><i>The notes are repaid in their order of seniority.</i></p>	
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	Article 21 - Requirements relating to standardisation	
	<p>21.4. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p> <p>(b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;</p> <p>(c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and</p> <p>(d) No provisions shall require automatic liquidation of the underlying exposures at market value.</p>	
	STS criteria	
	44. No provisions shall require automatic liquidation of the underlying exposures at market value.	
	Verified?	Yes
	PCS Comment	
	<p>See TERMS AND CONDITIONS OF THE NOTES, 10. Enforcement, (b)</p> <p>(b) Disposal of the Aggregate Portfolio following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event</p> <p>Following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event, the Issuer (or the Representative of the Noteholders on its behalf) may (with the prior consent of an Extraordinary Resolution of the holders of the Most Senior Class of Notes) or shall (if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) dispose of the Aggregate Portfolio then outstanding in accordance with the provisions of the Intercreditor Agreement.</p> <p>See also INTERCREDITOR AGREEMENT, Disposal of the Aggregate Portfolio following the delivery of a Trigger Notice or the occurrence of an Issuer Insolvency Event</p> <p>PCS notes that according to the description of the disposal process the liquidation is not automatic, but follows a process involving the full repayment of the Class A notes, the Noteholders information or direction of such process. The sale price of the portfolio follows a process whereby only the Defaulted Receivables shall be sold at a market value determined by a third party expert.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	EBA Final non-ABCP STS Guidelines	
	<p>5.3 Requirements in the event of enforcement or delivery of an acceleration notice (Article 21(4))</p> <p><i>Liquidation of the underlying exposures at market value</i></p> <p>65. For the purposes of Article 21(4)(d) of Regulation (EU) 2017/2402, the investors' decision to liquidate the underlying exposures at market value should not be considered to constitute an automatic liquidation of the underlying exposures at market value.</p>	

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	Article 21 - Requirements relating to standardisation	
	21.5. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.	
	STS criteria	
	45. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.	
	Verified?	Yes
	PCS Comment	
	<i>There is no non-sequential priority of payments in this transaction.</i>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Non-sequential priority of payments (Article 21(5))	
	59. The objective of this criterion is to ensure that non-sequential (pro rata) amortisation should be used only in conjunction with clearly specified contractual triggers that determine the switch of the amortisation scheme to a sequential priority, safeguarding the transaction from the possibility that credit enhancement is too quickly amortised as the credit quality of the transaction deteriorates, thereby exposing senior investors to a decreasing amount of credit enhancement. 60. To facilitate consistent interpretation of this criterion, a non-exhaustive list of examples of performance-related triggers that may be included is provided in the guidance.	
	EBA Final non-ABCP STS Guidelines	
	5.4 Non-sequential priority of payments (Article 21(5))	
	Performance-related triggers	
	66. For the purposes of Article 21(5) of Regulation (EU) 2017/2402, the triggers related to the deterioration in the credit quality of the underlying exposures may include the following: (a) with regard to underlying exposures for which a regulatory expected loss (EL) can be determined in accordance with Regulation (EU) 575/2013 or other relevant EU regulation, cumulative losses that are higher than a certain percentage of the regulatory one-year EL on the underlying exposures and the weighted average life of the transaction; (b) cumulative non-matured defaults that are higher than a certain percentage of the sum of the outstanding nominal amount of tranche held by the investors and the tranches that are subordinated to them; (c) the weighted average credit quality in the portfolio decreasing below a given pre-specified level or the concentration of exposures in high credit risk (probability of default) buckets increasing above a pre-specified level.	

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	Article 21 - Requirements relating to standardisation	
	21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:	
	STS criteria	
	46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:	
	Verified?	Yes
	PCS Comment	
	<i>There is no revolving period.</i>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Early amortisation provisions/triggers for termination of the revolving period (Article 21 (6))	
	61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.	
	62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the insolvency-related event with respect to the servicer should be further clarified.	
	EBA Final non-ABCP STS Guidelines	
	5.5 Early amortisation provisions/triggers for termination of the revolving period (Article 21 (6))	
	<i>Insolvency-related event with regard to the servicer</i>	
	67. For the purposes of Article 21(6)(b) of Regulation (EU) 2017/2402, an insolvency-related event with respect to the servicer should lead to both of the following:	
	(a) it should enable the replacement of the servicer in order to ensure continuation of the servicing;	
	(b) it should trigger the termination of the revolving period.	

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	Article 21 - Requirements relating to standardisation	
	<p>21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p>	
	STS criteria	
	<p>47. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p>	
	Verified?	Yes
	PCS Comment	
	<p>See itemcrit<u>erion</u> 46, above.</p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	<p>Early amortisation provisions/triggers for termination of the revolving period (Article 21(6))</p> <p>61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.</p> <p>62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the insolvency-related event with respect to the servicer should be further clarified.</p>	
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	Article 21 - Requirements relating to standardisation	
	<p>21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <ul style="list-style-type: none"> (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold; (b) the occurrence of an insolvency-related event with regard to the originator or the servicer; 	
	STS criteria	
	<p>48. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <ul style="list-style-type: none"> (b) the occurrence of an insolvency-related event with regard to the originator or the servicer; 	
	Verified?	Yes
	PCS Comment	
	<i>See item criterion 46, above.</i>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Early amortisation provisions/triggers for termination of the revolving period (Article 21(6))</p> <p>61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.</p> <p>62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the insolvency-related event with respect to the servicer should be further clarified.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>5.5 Early amortisation provisions/triggers for termination of the revolving period (Article 21(6))</p> <p><i>Insolvency-related event with regard to the servicer</i></p> <p>67. For the purposes of Article 21(6)(b) of Regulation (EU) 2017/2402, an insolvency-related event with respect to the servicer should lead to both of the following:</p> <ul style="list-style-type: none"> (a) it should enable the replacement of the servicer in order to ensure continuation of the servicing; (b) it should trigger the termination of the revolving period. 	

49	Legislative text	BACK TO TABLE OF CONTENTS
	Article 21 - Requirements relating to standardisation	
	<p>21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <ul style="list-style-type: none"> (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold; (b) the occurrence of an insolvency-related event with regard to the originator or the servicer; (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event); 	
	STS criteria	
	<p>49. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <ul style="list-style-type: none"> (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event); 	
	Verified?	Yes
	PCS Comment	
	See item criterion 46 , above.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Early amortisation provisions/triggers for termination of the revolving period (Article 21(6))</p> <p>61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.</p> <p>62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the insolvency-related event with respect to the servicer should be further clarified.</p>	
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	Article 21 - Requirements relating to standardisation	
	<p>21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <ul style="list-style-type: none"> (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold; (b) the occurrence of an insolvency-related event with regard to the originator or the servicer; (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event); (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period). 	
	STS criteria	
	<p>50. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <ul style="list-style-type: none"> (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period). 	
	Verified?	Yes
	PCS Comment	
	See item criterion 46 , above.	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	<p>Early amortisation provisions/triggers for termination of the revolving period (Article 21(6))</p> <p>61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.</p> <p>62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the insolvency-related event with respect to the servicer should be further clarified.</p>	
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	<p>21.7. The transaction documentation shall clearly specify:</p> <p>(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;</p>	
	STS criteria	
	<p>51. The transaction documentation shall clearly specify:</p> <p>(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;</p>	
	Verified?	Yes
	PCS Comment	
	<p>See DESCRIPTION OF THE TRANSACTION DOCUMENTS</p> <p>2. THE SERVICING AGREEMENT</p> <p>Pursuant to the Servicing Agreement, the Issuer has appointed ViViBanca as Servicer of the Receivables and the Servicer has agreed to administer and service the Receivables.</p> <p>3. THE BACK-UP SERVICING AGREEMENT</p> <p>Pursuant to the Back-up Servicing Agreement, the Issuer has appointed Quinservizi as Back-up Servicer to act (i) as sub-delegate of the Servicer in relation to the MCE Receivables, and (ii) as sub-delegate of the Substitute Servicer upon termination of the appointment of ViViBanca as Servicer pursuant to the Servicing Agreement, in each case upon the terms and subject to the conditions set out in the Back-up Servicing Agreement and the Servicing Agreement.</p> <p>4. THE SUB-SERVICING AGREEMENT</p> <p>Pursuant to the Sub-Servicing Agreement, the Issuer has appointed MCE Locam as Collection Agent.</p> <p>6. THE AGENCY AND ACCOUNTS AGREEMENT</p> <p>Pursuant to the Agency and Accounts Agreement, the Calculation Agent, the Account Bank and the Paying Agent have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, investment and cash management services in respect of the Receivables.</p> <p>7. THE INTERCREDITOR AGREEMENT</p> <p>Pursuant to the Intercreditor Agreement, provision is made as to the application of the Issuer Available Funds in accordance with the applicable Priority of Payments and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Aggregate Portfolio.</p> <p>12. DEED OF CHARGE</p> <p>Pursuant to the Deed of Charge, the Issuer has assigned by way of security in favour of the Representative of the Noteholders (acting for itself and as security trustee for the Noteholders and the Other Issuer Creditors) all the Issuer's rights, title, interest and benefit in and to the Swap Agreement and all payments due to it thereunder.</p> <p>The Agreements 2., 3., and 4. are originally dated 22 November 2018 and have been amended on 17 December 2019, the agreements 6., 7. And 12 are dated on or around issue date of this transaction.</p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	<p>Transaction Documentation (Article 21 (7))</p> <p>63. The objective of this criterion is to help provide full transparency to investors, assist investors in the conduct of their due diligence and prevent investors from being subject to unexpected disruptions in cash flow collections and servicing, as well as to provide investors with certainty about the replacement of counterparties involved in the securitisation transaction.</p> <p>64. This criterion is considered sufficiently clear and no further guidance is considered necessary.</p>	
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	Article 21 - Requirements relating to standardisation	
	<p>21.7. The transaction documentation shall clearly specify:</p> <p>(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;</p> <p>(b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and</p>	
	STS criteria	
	52. (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and	
	Verified?	Yes
	PCS Comment	
	<p>See DESCRIPTION OF THE TRANSACTION DOCUMENTS</p> <p>See 3. THE BACK-UP SERVICING AGREEMENT</p> <p>Upon the occurrence of a Servicer Termination Event pursuant to clause 8 (Termination of appointment of the Servicer) of the Servicing Agreement, the Issuer shall give written notice thereof to the Servicer (with copy to the Back-up Servicer, the Representative of the Noteholders and the Arranger) (the Servicer Termination Notice). Starting from the date falling 30 (thirty) days following the receipt by the Back-up Servicer of the Servicer Termination Notice (the Replacement Date), the Back-up Servicer shall (i) assume the role of sub-delegate of the Substitute Servicer (in accordance with an agreement to be entered into between Quinservizi, the Issuer and such Substitute Servicer within 30 (thirty) days following the receipt by the Back-up Servicer of the Servicer Termination Notice subject to the prior written consent of the Representative of the Noteholders), and (ii) in accordance with the provisions of clause 8 of the Servicing Agreement and the Back-up Servicing Agreement, carry out, as sub-delegate of the Substitute Servicer, the Delegated Activities in relation to the Aggregate Portfolio, in accordance with schedule 2 (Delegated Services) to the Back-up Servicing Agreement.</p> <p>See 2. THE SERVICING AGREEMENT</p> <p>Termination of the appointment of the Servicer</p> <p>Pursuant to the Servicing Agreement, the Issuer may (or shall, if so requested by the Representative of the Noteholders) terminate the appointment of the Servicer if one of the following events occurs:</p> <p>(v) — an Insolvency Event occurs with respect to the Servicer;</p> <p>Without prejudice to the replacement of the Servicer with the Back-up Servicer pursuant to the Back-up Servicing Agreement, the Issuer may at any time (upon termination of the appointment of the Servicer) appoint a Substitute Servicer who (i) meets the requirements of the Securitisation Law and the Bank of Italy to act as Servicer; (ii) has expertise in servicing exposures of a similar nature to the Receivables and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; (iii) is able to ensure, directly or indirectly, the efficient and professional performance of any activities provided under any laws or regulation from time to time applicable to the Issuer and, if such legislations requires, the production of such information as is necessary to meet the information requirements of the Bank of Italy; and (iv) has sufficient assets (including personnel and IT system) to ensure the continuous and effective performance of its duties.</p> <p>Based of the above description of the Servicing and Back-up servicing agreement, PCS reached confidence that this requirement is satisfied.</p>	
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	Transaction Documentation (Article 21 (7))
	63. The objective of this criterion is to help provide full transparency to investors, assist investors in the conduct of their due diligence and prevent investors from being subject to unexpected disruptions in cash flow collections and servicing, as well as to provide investors with certainty about the replacement of counterparties involved in the securitisation transaction.
	64. This criterion is considered sufficiently clear and no further guidance is considered necessary.
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	Article 21 - Requirements relating to standardisation	
	<p>21.7. The transaction documentation shall clearly specify:</p> <ul style="list-style-type: none"> (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers; (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable. 	
	STS criteria	
	53. (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.	
	Verified?	Yes
	PCS Comment	
	<p>Swap Counterparty replacement:</p> <p>See Prospectus, Risk Factors, RISKS RELATED TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES,</p> <p>Interest Rate Risk arising from the mismatch...</p> <p>[...]</p> <p>In the event of early termination of the Swap Agreement, including any termination upon failure by the Swap Counterparty to perform its obligations, the Issuer has covenanted with the Representative of the Noteholders under the Intercreditor Agreement that it will use its best endeavours to find, with the cooperation of the Seller, a suitably rated replacement swap counterparty who is willing to enter into a replacement swap agreement substantially on the same terms as the Swap Agreement. However, no assurance can be given that the Issuer will be able to enter into a replacement swap agreement with a suitably rated entity that will provide the Issuer with the same level of protection as the Swap Agreement.</p> <p>Comingling risk may affect availability of funds to pay the Notes...</p> <p>[...] Indeed, although article 3, paragraphs 2-<i>bis</i> and 2-<i>ter</i>, of the Securitisation Law provides that the sums credited to the accounts opened in the name of the issuer, the servicer or a sub-servicer with an account bank (whether before or during the relevant insolvency proceeding of such account bank) will not be subject to suspension of payments or will not be deemed to form part of the estate of the servicer or the sub-servicer and shall be immediately and fully repaid to the issuer, without the need to file any petition (<i>domanda di ammissione al passivo o di rivendica</i>) and wait for the distributions (<i>riparti</i>) and the restitutions of sums (<i>restituzioni di somme</i>), such provisions of the Securitisation Law have not been the subject of any official interpretation and to date they have been commented by a limited number of legal commentators. Consequently, there remains a degree of uncertainty with respect to the interpretation and application thereof.</p> <p>Account Bank replacement:</p> <p>See AGENCY AND ACCOUNTS AGREEMENT, Clause 14.7</p> <p>(b) In the event of the termination, revocation or resignation of the Account Bank or the Paying Agent becoming effective in accordance with this Agreement, the Issuer shall, at its own cost (or, in case of loss of status of the Eligible Institution by the Account Bank or the Paying Agent, at the cost of the Account Bank or the Paying Agent having lost the status of Eligible Institution, as the case may be, such costs to be limited in all cases to such administrative costs referred to in Clause 7.3 (<i>Costs and expenses</i>) above), promptly and in event within 30 (thirty) calendar days, transfer the data and information in its possession and, in case of loss of status of Eligible Institution by the Account Bank, the balance of funds (together with accrued interest) or securities held in the relevant Accounts to another bank which shall qualify as Eligible Institution.</p>	
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	<p>Transaction Documentation (Article 21 (7))</p> <p>63. The objective of this criterion is to help provide full transparency to investors, assist investors in the conduct of their due diligence and prevent investors from being subject to unexpected disruptions in cash flow collections and servicing, as well as to provide investors with certainty about the replacement of counterparties involved in the securitisation transaction.</p> <p>64. This criterion is considered sufficiently clear and no further guidance is considered necessary.</p> <p>EBA Final non-ABCP STS Guidelines</p>
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	Article 21 - Requirements relating to standardisation	
	21.8. The servicer shall have expertise in servicing exposures of a similar nature to those securitised and shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	
	STS criteria	
	54. The servicer shall have expertise in servicing exposures of a similar nature to those securitised	
	Verified?	Yes
	PCS Comment	
	<p>See Prospectus, DESCRIPTION OF THE TRANSACTION DOCUMENTS, 2. THE SERVICING AGREEMENT, Obligations and representations of the Servicer</p> <p>The Servicer has represented to the Issuer, <i>inter alia</i>, that (i) it has expertise in servicing exposures of a similar nature to those securitised and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures in accordance with article 21(8) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and (ii) it has the software, hardware, information technology and human resources such as to allow it to manage, collect, and recover the Receivables and to comply with the other obligations under the Servicing Agreement in accordance with the efficiency standards set out herein and in the Bank of Italy's regulations, and in particular to create a computerised archive of all information and data relating to the management, collection and recovery of the Receivables, adopting appropriate daily recovery and back-up systems and measures.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Expertise of the Servicer (Article 21 (8))</p> <p>65. The objective of this criterion is to ensure that all the conditions are in place for the proper functioning of the servicing function, taking into account the crucial importance of servicing in securitisation and the central nature of this function within any securitisation transaction.</p> <p>66. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) criteria for determining the expertise of the servicer;</p> <p>(b) criteria for determining well-documented and adequate policies, procedures and risk management controls of the servicer.</p> <p>67. The criteria for the expertise of the servicer should correspond to those for the expertise of the originator or the original lender. Newly established entities should be allowed to perform the tasks of servicing, as long as the back-up servicer has the appropriate experience. It is expected that information on the assessment of the expertise is provided in sufficient detail in the STS notification.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>5.8 Expertise of the servicer (Article 21 (8))</p> <p>Criteria for determining the expertise of the servicer</p> <p>68. For the purposes of determining whether a servicer has expertise in servicing exposures of a similar nature to those securitised in accordance with Article 21(8) of Regulation (EU) 2017/2402, both of the following should apply:</p> <p>(a) the members of the management body of the servicer and the senior staff, other than members of the management body, responsible for servicing exposures of a similar nature to those securitised should have adequate knowledge and skills in the servicing of exposures similar to those securitised;</p> <p>(b) any of the following principles on the quality of the expertise should be taken into account in the determination of the expertise:</p> <p>(i) the role and duties of the members of the management body and the senior staff and the required capabilities should be adequate;</p> <p>(ii) the experience of the members of the management body and the senior staff gained in previous positions, education and training should be sufficient;</p> <p>(iii) the involvement of the members of the management body and the senior staff within the governance structure of the function of servicing the exposures should be appropriate;</p> <p>(iv) in the case of a prudentially regulated entity, the regulatory authorisations or permissions held by the entity should be deemed relevant to the servicing of similar exposures to those securitised.</p>	

69. A servicer should be deemed to have the required expertise where either of the following applies:

(a) the business of the entity, or of the consolidated group, to which the entity belongs, for accounting or prudential purposes, has included the servicing of exposures of a similar nature to those securitised, for at least five years;

(b) where the requirement referred to in point (a) is not met, the servicer should be deemed to have the required expertise where they comply with both of the following:

(i) at least two of the members of its management body have relevant professional experience in the servicing of exposures of a similar nature to those securitised, at personal level, of at least five years;

(ii) senior staff, other than members of the management body, who are responsible for managing the entity's servicing of exposures of a similar nature to those securitised, have relevant professional experience in the servicing of exposures of a similar nature to those securitised, at a personal level, of at least five years;

(iii) the servicing function of the entity is backed by the back-up servicer compliant with point (a).

70. For the purpose of demonstrating the number of years of professional experience, the relevant expertise should be disclosed in sufficient detail and in accordance with the applicable confidentiality requirements to permit investors to carry out their obligations under Article 5(3)(c) of Regulation (EU) 2017/2402.

Exposures of similar nature

71. For the purposes of Article 21(8) of Regulation (EU) 2017/2402, interpretation of the term 'exposures of similar nature' should follow the interpretation provided in paragraph 23 above.

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	Article 21 - Requirements relating to standardisation	
	21.8. The servicer shall have expertise in servicing exposures of a similar nature to those securitised and shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	
	STS criteria	
	55. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	
	Verified?	Yes
	PCS Comment	
	See #em criterion 54, above.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Expertise of the Servicer (Article 21 (8))</p> <p>65. The objective of this criterion is to ensure that all the conditions are in place for the proper functioning of the servicing function, taking into account the crucial importance of servicing in securitisation and the central nature of this function within any securitisation transaction.</p> <p>66. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) criteria for determining the expertise of the servicer;</p> <p>(b) criteria for determining well-documented and adequate policies, procedures and risk management controls of the servicer.</p> <p>67. The criteria for the expertise of the servicer should correspond to those for the expertise of the originator or the original lender. Newly established entities should be allowed to perform the tasks of servicing, as long as the back-up servicer has the appropriate experience. It is expected that information on the assessment of the expertise is provided in sufficient detail in the STS notification.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>Expertise of the Servicer (Article 21 (8))</p> <p><i>Well-documented and adequate policies, procedures and risk management controls</i></p> <p>72. For the purposes of Article 21(8) of Regulation (EU) 2017/2402, the servicer should be considered to have well documented and adequate policies, procedures and risk management controls relating to servicing of exposures' where either of the following conditions is met:</p> <p>(a) The servicer is an entity that is subject to prudential and capital regulation and supervision in the Union and such regulatory authorisations or permissions are deemed relevant to the servicing;</p> <p>(b) The servicer is an entity that is not subject to prudential and capital regulation and supervision in the Union, and a proof of existence of well-documented and adequate policies and risk management controls is provided that also includes a proof of adherence to good market practices and reporting capabilities. The proof should be substantiated by an appropriate third-party review, such as by a credit rating agency or external auditor.</p>	

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	Article 21 - Requirements relating to standardisation	
	21.9. The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	
	STS criteria	
	56. The transaction documentation shall set out in clear and consistent terms definitions	
	Verified?	Yes
	PCS Comment	
	<p>See THE CREDIT AND COLLECTION POLICIES, LOAN ADMINISTRATION, Recovery Processes and Procedures</p> <p>For further details on the remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies, please see the section headed "<i>Description of the Transaction Documents - The Servicing Agreement</i>".</p> <p>See also the description of the SERVICING AGREEMENT (in particular "Permitted renegotiations"), and the SERVICING AGREEMENT itself.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Remedies and actions related to delinquency and default of debtor (Article 21 (9))</p> <p>68. Investors should be in a position to know, when they receive the transaction documentation, what procedures and remedies are planned in the event that adverse credit events affect the underlying exposures of the securitisation. Transparency of remedies and procedures, in this respect, allows investors to model the credit risk of the underlying exposures with less uncertainty. In addition, clear, timely and transparent information on the characteristics of the waterfall determining the payment priorities is necessary for the investor to correctly price the securitisation position.</p> <p>69. To facilitate consistent interpretation of this criterion, the terms 'in clear and consistent terms' and 'clearly specify' should be further clarified.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>5.7 Remedies and actions related to delinquency and default of debtor (Article 21 (9))</p> <p><i>Clear and consistent terms</i></p> <p>For the purposes of Article 21(9) of Regulation (EU) 2017/2402, to 'set out clear and consistent terms' and to 'clearly specify' should be understood as requiring that the same precise terms are used throughout the transaction documentation in order to facilitate the work of investors.</p>	

57	Legislative text	BACK TO TABLE OF CONTENTS
	Article 21 - Requirements relating to standardisation	
	21.9. The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	
	STS criteria	
	57. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	
	Verified?	Yes
	PCS Comment	
	See criterion 56 above.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Remedies and actions related to delinquency and default of debtor (Article 21 (9)) 68. Investors should be in a position to know, when they receive the transaction documentation, what procedures and remedies are planned in the event that adverse credit events affect the underlying exposures of the securitisation. Transparency of remedies and procedures, in this respect, allows investors to model the credit risk of the underlying exposures with less uncertainty. In addition, clear, timely and transparent information on the characteristics of the waterfall determining the payment priorities is necessary for the investor to correctly price the securitisation position. 69. To facilitate consistent interpretation of this criterion, the terms ‘in clear and consistent terms’ and ‘clearly specify’ should be further clarified.	
	EBA Final non-ABCP STS Guidelines	
	5.7 Remedies and actions related to delinquency and default of debtor (Article 21 (9)) Clear and consistent terms For the purposes of Article 21(9) of Regulation (EU) 2017/2402, to ‘set out clear and consistent terms’ and to ‘clearly specify’ should be understood as requiring that the same precise terms are used throughout the transaction documentation in order to facilitate the work of investors.	

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	Article 21 - Requirements relating to standardisation		
	21.9...The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.		
	STS criteria		
	58. The transaction documentation shall clearly specify the priorities of payment,		
	Verified?	Yes	
	PCS Comment		
	See TERMS AND CONDITIONS OF THE NOTES, 6. ISSUER AVAILABLE FUNDS AND PRIORITY OF PAYMENTS		
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>		
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	Article 21 - Requirements relating to standardisation		
	The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.		
	STS criteria		
	59. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.		
	Verified?	Yes	
	PCS Comment		
	See TERMS AND CONDITIONS OF THE NOTES-, 9. (a) Trigger Events (b) Delivery of a Trigger Notice <i>The documentation clearly lists the relevant Trigger Events which lead to the enforcement of the portfolio in accordance with the Post-Acceleration Priority of Payments.</i>		
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	Article 21 - Requirements relating to standardisation		
	The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.		
	STS criteria		
	60. The transaction documentation shall clearly specify the obligation to report such events.		
	Verified?		Yes
	PCS Comment		
	See TERMS AND CONDITIONS OF THE NOTES 9. Trigger Events, (b) Delivery of a Trigger Notice; If a Trigger Event occurs, then the Representative of the Noteholders [...] shall [...] serve a written notice to the Issuer (with copy to the Seller, the Servicer, the Swap Counterparty, the Noteholders and the Calculation Agent) (the Trigger Notice), provided that the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all duly documented fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.		
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61	Legislative text	BACK TO TABLE OF CONTENTS
	Article 21 - Requirements relating to standardisation	
	The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.	
	STS criteria	
	61. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.	
	Verified?	Yes
	PCS Comment	
	<p>See RISK RETENTION, TRANSPARENCY REQUIREMENTS or TRANSACTION DOCUMENTS, INTERCREDITOR AGREEMENT or TRANSACTION OVERVIEW</p> <p>(b) the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, by no later than one month after each Quarterly Payment Date (simultaneously with the Loan by Loan Report and the SR Investors Report).</p> <p>Inside Information and Significant Event Report means the report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation and any amendment to the Priority of Payments, to be prepared and delivered by the Servicer in accordance with the Servicing Agreement.</p>	
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Article 21 - Requirements relating to standardisation

21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.

STS criteria

62. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders

Verified?

Yes

PCS Comment

Although the wording of the Regulation as to what constitutes the “facilitation of timely resolution of conflicts” is very vague, the EBA Guidelines have helpfully set out the five minimum requirements that the documents should contain to meet this criterion. PCS notes that the following key points are addressed in the SCHEDULE 1, in the following sections:

SCHEDULE I TO THE TERMS AND CONDITIONS OF THE NOTES, RULES OF THE ORGANISATION OF NOTEHOLDERS

(a) the method for calling meetings; as for method:	PART 2, THE MEETING OF NOTEHOLDERS, 7. CONVENING OF MEETING,
(b) the maximum timeframe for setting up a meeting:	PART 2, THE MEETING OF NOTEHOLDERS, 8. NOTICE AND 11. ADJOURNMENT FOR WANT OF QUORUM.
(c) the required quorum:	PART 2, THE MEETING OF NOTEHOLDERS, 10. QUORUM
(d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision:	PART 2, THE MEETING OF NOTEHOLDERS, 15. PASSING OF ORDINARY RESOLUTION OR EXTRAORDINARY RESOLUTION
(e) where applicable, a location for the meetings which should be in the EU:	PART 2, THE MEETING OF NOTEHOLDERS, 7. CONVENING OF MEETING AND 12. ADJOURNED MEETING.

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Resolution of conflicts between different classes of investors

70. The objective of this criterion is to help ensure clarity for securitisation noteholders of their rights and ability to control and enforce on the underlying credit claims or receivables. This should make the decision-making process more effective, for instance in circumstances where enforcement rights on the underlying assets are being exercised.

71. To facilitate consistent interpretation of this criterion, the term ‘clear provisions that facilitate the timely resolution of conflicts between different classes of investors’ should be further interpreted.

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5.8 Resolution of conflicts between different classes of investors (Article 20 (10))

Clear provisions facilitating the timely resolution of conflicts between different classes of investors

73. For the purposes of Article 21(10) of Regulation (EU) 2017/2402, provisions of the transaction documentation that ‘facilitate the timely resolution of conflicts between different classes of investors’, should include provisions with respect to all of the following:

(a) the method for calling meetings or arranging conference calls;

(b) the maximum timeframe for setting up a meeting or conference call;

(c) the required quorum;

(d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision;

(e) where applicable, a location for the meetings which should be in the Union.

74. For the purposes of Article 21(10) of Regulation (EU) 2017/2402, where mandatory statutory provisions exist in the applicable jurisdiction that set out how conflicts between investors have to be resolved, the transaction documentation may refer to these provisions.

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	Article 21 - Requirements relating to standardisation		
	21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.		
	STS criteria		
	63. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.		
	Verified?	Yes	
	PCS Comment		
	See TRANSACTION DOCUMENTS, 7. Intercreditor Agreement		
	PCS notes that the Intercreditor Agreement sets out the duties and responsibilities of the Noteholder Representative, its appointment and the duties of other entities and parties.		
	EBA Final non-ABCP STS Guidelines – statements on background and rationale		
Resolution of conflicts between different classes of investors (Article 20 (10))			
70. The objective of this criterion is to help ensure clarity for securitisation noteholders of their rights and ability to control and enforce on the underlying credit claims or receivables. This should make the decision-making process more effective, for instance in circumstances where enforcement rights on the underlying assets are being exercised.			
71. To facilitate consistent interpretation of this criterion, the term ‘clear provisions that facilitate the timely resolution of conflicts between different classes of investors’ should be further interpreted.			
EBA Final non-ABCP STS Guidelines			

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	Article 22 - Requirements relating to transparency	
	22.1. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period no shorter than five years.	
	STS criteria	
	64. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,	
	Verified?	Yes
	PCS Comment	
	<p>See TRANSACTION DOCUMENTS, 7. INTERCREDITOR AGREEMENT, Transparency requirements</p> <p>As to pre-pricing information, the Issuer has confirmed that it has made available to potential investors in the Notes, through the Calculation Agent, before pricing:</p> <p>(b) on the Securitisation Repository, data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised covering a period of at least 5 (five) years, and the sources of those data and the basis for claiming similarity, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria; and</p> <p>See THE AGGREGATE PORTFOLIO, ViViBanca and MCE Locam</p> <p>The historical experience of ViViBanca can be considered similar to that of MCE Locam, as detailed above.</p> <p>See THE AGGREGATE PORTFOLIO, Historical Performance Data</p> <p>The historical data set out in the tables below are substantially similar to those of the ViViBanca Receivables and the MCE Receivables comprised in the Aggregate Portfolio pursuant to, and for the purposes of, article 22(1) of the EU Securitisation Regulation, given that (i) the most relevant factors determining the expected performance of the underlying exposures are similar; and (ii) as a result of the similarity referred to in point (i) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the Securitisation, their performance would not be significantly different</p> <p>PCS has reviewed the data made available for the historical experience of ViViBanca and can confirm that they are acceptable within the EBA guidelines on the subject. The ViViBanca historical data can also be considered representative for the MCE Locam portfolio as confirmed in the prospectus.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Data on historical default and loss performance (Article 22(1))</p> <p>72. The objective is to provide investors with sufficient information on an asset class to conduct appropriate due diligence and to provide access to a sufficiently rich data set to enable a more accurate calculation of expected loss in different stress scenarios. These data are necessary for investors to carry out proper risk analysis and due diligence, and they contribute to building confidence and reducing uncertainty regarding the market behaviour of the underlying asset class. New asset classes entering the securitisation market, for which a sufficient track record of performance has not yet been built up, may not be considered transparent in that they cannot ensure that investors have the appropriate tools and knowledge to carry out proper risk analysis.</p> <p>73. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) its application to external data;</p> <p>(b) the term 'substantially similar exposures'.</p>	
	EBA Final non-ABCP STS Guidelines	

6.1 Data on historical default and loss performance (Article 22(1))

Data

75. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, where the seller cannot provide data in line with the data requirements contained therein, external data that are publicly available or are provided by a third party, such as a rating agency or another market participant, may be used, provided that all of the other requirements of that article are met.

Substantially similar exposures

76. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, the term 'substantially similar exposures' should be understood as referring to exposures for which both of the following conditions are met:

- (a) the most relevant factors determining the expected performance of the underlying exposures are similar;
- (b) as a result of the similarity referred to in point (a) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the transaction, or over a maximum of four years, where the life of the transaction is longer than four years, their performance would not be significantly different.

77. The substantially similar exposures should not be limited to exposures held on the balance sheet of the originator.

65	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	22.1. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period no shorter than five years.	
	STS criteria	
	65. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	
	Verified?	Yes
	PCS Comment	
	See criterion 64 above.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>Data on historical default and loss performance (Article 22(1))</p> <p>72. The objective is to provide investors with sufficient information on an asset class to conduct appropriate due diligence and to provide access to a sufficiently rich data set to enable a more accurate calculation of expected loss in different stress scenarios. These data are necessary for investors to carry out proper risk analysis and due diligence, and they contribute to building confidence and reducing uncertainty regarding the market behaviour of the underlying asset class. New asset classes entering the securitisation market, for which a sufficient track record of performance has not yet been built up, may not be considered transparent in that they cannot ensure that investors have the appropriate tools and knowledge to carry out proper risk analysis.</p> <p>73. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) its application to external data;</p> <p>(b) the term ‘substantially similar exposures’.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>6.1 Data on historical default and loss performance (Article 22(1))</p> <p>Data</p> <p>75. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, where the seller cannot provide data in line with the data requirements contained therein, external data that are publicly available or are provided by a third party, such as a rating agency or another market participant, may be used, provided that all of the other requirements of that article are met.</p> <p>Substantially similar exposures</p> <p>76. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, the term ‘substantially similar exposures’ should be understood as referring to exposures for which both of the following conditions are met:</p> <p>(a) the most relevant factors determining the expected performance of the underlying exposures are similar;</p> <p>(b) as a result of the similarity referred to in point (a) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the transaction, or over a maximum of four years, where the life of the transaction is longer than four years, their performance would not be significantly different.</p> <p>77. The substantially similar exposures should not be limited to exposures held on the balance sheet of the originator.</p>	

66	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	<p>22.1. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period no shorter than five years.</p>	
	STS criteria	
	<p>66. Those data shall cover a period no shorter than five years.</p>	
	Verified?	Yes
	PCS Comment	
	<p>See cCriterion 64 above.</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	<p>72. The objective is to provide investors with sufficient information on an asset class to conduct appropriate due diligence and to provide access to a sufficiently rich data set to enable a more accurate calculation of expected loss in different stress scenarios. These data are necessary for investors to carry out proper risk analysis and due diligence, and they contribute to building confidence and reducing uncertainty regarding the market behaviour of the underlying asset class. New asset classes entering the securitisation market, for which a sufficient track record of performance has not yet been built up, may not be considered transparent in that they cannot ensure that investors have the appropriate tools and knowledge to carry out proper risk analysis.</p> <p>73. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) its application to external data;</p> <p>(b) the term ‘substantially similar exposures’.</p>	
	EBA Final non-ABCP STS Guidelines	
	6.1 Data on historical default and loss performance (Article 22(1))	
	Data	
	<p>75. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, where the seller cannot provide data in line with the data requirements contained therein, external data that are publicly available or are provided by a third party, such as a rating agency or another market participant, may be used, provided that all of the other requirements of that article are met.</p>	
	Substantially similar exposures	
	<p>76. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, the term ‘substantially similar exposures’ should be understood as referring to exposures for which both of the following conditions are met:</p>	
	<p>(a) the most relevant factors determining the expected performance of the underlying exposures are similar;</p>	
	<p>(b) as a result of the similarity referred to in point (a) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the transaction, or over a maximum of four years, where the life of the transaction is longer than four years, their performance would not be significantly different.</p>	
	<p>77. The substantially similar exposures should not be limited to exposures held on the balance sheet of the originator.</p>	

67	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	22.2. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate.	
	STS criteria	
	67. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,	
	Verified?	Yes
	PCS Comment	
	See THE AGGREGATE PORTFOLIO, Pool Audit	
	Pool Audit	
	Pursuant to article 22(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, an appropriate and independent party has verified prior to the Issue Date (i) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems in respect of each selected position of a representative sample of the Initial Portfolios, the Subsequent Portfolios (other than the Additional Subsequent Portfolio) and a provisional portfolio from which the Additional Subsequent Portfolio was extracted and which was in a reasonably final form ¹ ; (ii) the accuracy of the data disclosed in the paragraph entitled “ <i>Description of the Aggregate Portfolio</i> ” of this section headed “ <i>The Aggregate Portfolio</i> ”; and (iii) the compliance of the data contained in the loan by loan data tape prepared by ViViBanca in relation to the Receivables comprised in the provisional Aggregate Portfolio with the Eligibility Criteria that are able to be tested prior to the Issue Date	
	<i>PCS is not an auditing firm, nor has it or has it sought access to the underlying information which was the basis of the AUP. However, it has read the AUP with the aim of determining whether, on its face, it appears to cover the items required by the criterion. PCS can confirm that the AUP appears to meet the EBA guidelines on the matter.</i>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	Verification of a sample of the underlying exposures (Article 22 (2))	
	74. The objective of the criterion is to provide a level of assurance that the data on and reporting of the underlying credit claims or receivables is accurate and that the underlying exposures meet the eligibility criteria, by ensuring checks on the data to be disclosed to the investors by an external entity not affected by a potential conflict of interest within the transaction.	
	75. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:	
	(a) requirements on the sample of the underlying exposures subject to external verification;	
	(b) requirements on the party executing the verification;	
	(c) scope of the verification;	
	(d) requirement on the confirmation of the verification.	
	EBA Final non-ABCP STS Guidelines	
	6.2 Verification of a sample of the underlying exposures (Article 22 (2))	
	Sample of the underlying exposures subject to external verification	
	78. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, the underlying exposures that should be subject to verification prior to the issuance should be a representative sample of the provisional portfolio from which the securitised pool is extracted and which is in a reasonably final form before issuance.	
	Party executing the verification	

¹ TBC.

79. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, an appropriate and independent party should be deemed to be a party that meets both of the following conditions:

- (a) it has the experience and capability to carry out the verification;
- (b) it is none of the following:
 - (i) a credit rating agency;
 - (ii) a third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402;
 - (iii) an entity affiliated to the originator.

Scope of the verification

80. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, the verification to be carried out based on the representative sample, applying a confidence level of at least 95%, should include both of the following:

- (a) verification of the compliance of the underlying exposures in the provisional portfolio with the eligibility criteria that are able to be tested prior to issuance;
- (b) verification of the fact that the data disclosed to investors in any formal offering document in respect of the underlying exposures is accurate.

Confirmation of the verification

81. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, confirmation that this verification has occurred and that no significant adverse findings have been found should be disclosed.

68	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	22.2. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate.	
	STS criteria	
	68. Including verification that the data disclosed in respect of the underlying exposures is accurate.	
	Verified?	Yes
	PCS Comment	
	See criterion 67 above.	
	<i>PCS is not an auditing firm, nor has it or has it sought access to the underlying information which was the basis of the AUP. However, it has read the AUP with the aim of determining whether, on its face, it appears to cover the items required by the criterion. PCS can confirm that the AUP appears to meet the EBA guidelines on the matter.</i>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	Verification of a sample of the underlying exposures (Article 22 (2)) 74. The objective of the criterion is to provide a level of assurance that the data on and reporting of the underlying credit claims or receivables is accurate and that the underlying exposures meet the eligibility criteria, by ensuring checks on the data to be disclosed to the investors by an external entity not affected by a potential conflict of interest within the transaction. 75. To facilitate consistent interpretation of this criterion, the following aspects should be clarified: (a) requirements on the sample of the underlying exposures subject to external verification; (b) requirements on the party executing the verification; (c) scope of the verification; (d) requirement on the confirmation of the verification.	
	EBA Final non-ABCP STS Guidelines	
	6.2 Verification of a sample of the underlying exposures (Article 22 (2)) Sample of the underlying exposures subject to external verification 78. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, the underlying exposures that should be subject to verification prior to the issuance should be a representative sample of the provisional portfolio from which the securitised pool is extracted and which is in a reasonably final form before issuance. Party executing the verification 79. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, an appropriate and independent party should be deemed to be a party that meets both of the following conditions: (a) it has the experience and capability to carry out the verification; (b) it is none of the following: (i) a credit rating agency; (ii) a third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402; (iii) an entity affiliated to the originator. Scope of the verification	

80. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, the verification to be carried out based on the representative sample, applying a confidence level of at least 95%, should include both of the following:

- (a) verification of the compliance of the underlying exposures in the provisional portfolio with the eligibility criteria that are able to be tested prior to issuance;
- (b) verification of the fact that the data disclosed to investors in any formal offering document in respect of the underlying exposures is accurate.

Confirmation of the verification

81. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, confirmation that this verification has occurred and that no significant adverse findings have been found should be disclosed.

69	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	<p>22.3. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE, and shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>	
	STS criteria	
	<p>69. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.</p>	
	Verified?	Yes
	PCS Comment	
	<p>See 7. THE INTERCREDITOR AGREEMENT, Transparency requirements</p> <p>As to pre-pricing information, the Issuer has confirmed that it has made available to potential investors in the Notes, through the Calculation Agent, before pricing:</p> <p>(c) — on the websites of Intex (being, as at the date of this Prospectus, www.intex.com) and Bloomberg page [ERDN 2] (or such other page as may replace it for the purpose of displaying such information, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.</p> <p><i>Having seen the Intex model, read a statement in the prospectus that the model will be made available in accordance with the requirements of the criteria and assessed the firm responsible for the model, PCS is prepared to verify this criterion.</i></p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	<p>Liability cashflow model (Article 22(3))</p> <p>76. The objective of this criterion is to assist investors in their ability to appropriately model the cash flow waterfall of the securitisation on the liability side of the SSPE.</p> <p>77. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) interpretation of the term ‘precise’ representation of the contractual relationships;</p> <p>(b) implications when the model is provided by third parties.</p>	
	EBA Final non-ABCP STS Guidelines	
	<p>Liability cash flow model (Article 22(3))</p> <p>Precise representation of the contractual relationship</p> <p>82. For the purposes of Article 22(3) of Regulation (EU) 2017/2402, the representation of the contractual relationships between the underlying exposures and the payments flowing among the originator, sponsor, investors, other parties and the SSPE should be considered to have been done ‘precisely’ where it is done accurately and with an amount of detail sufficient to allow investors to model payment obligations of the SSPE and to price the securitisation accordingly. This may include algorithms that permit investors to model a range of different scenarios that will affect cash flows, such as different prepayment or default rates.</p> <p>Third parties</p> <p>83. For the purposes of Article 22(3) of Regulation (EU) 2017/2402, where the liability cash flow model is developed by third parties, the originator or sponsor should remain responsible for making the information available to potential investors.</p>	

70	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	22.3. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE, and shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.	
	STS criteria	
	70. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.	
	Verified?	Yes
	PCS Comment	
	<p>See RISK RETENTION AND TRANSPARENCY REQUIREMENTS</p> <p>As to post-closing information, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows: [...]</p> <p><i>In addition, the Issuer has undertaken to make available, through the Calculation Agent, to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request on the websites of Intex (being, as at the date of this Prospectus, www.intex.com) and Bloomberg page ERDN 2 (or such other page as may replace it for the purpose of displaying such information), a liability cash flow model (as updated from time to time) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria. In addition, pursuant to the Intercreditor Agreement, ViViBanca has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through [the websites of Bloomberg and Intex (being, as at the date of this Prospectus, www.bloomberg.com and www.intex.com respectively)], a liability cash flow model (as updated from time to time) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Seller, the investors in the Notes, other third parties and the Issuer.</i></p> <p>Wording is also available in description of the Intercreditor Agreement and the summary of terms.</p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	Liability cashflow model (Article 22(3))	
	76. The objective of this criterion is to assist investors in their ability to appropriately model the cash flow waterfall of the securitisation on the liability side of the SSPE.	
	77. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:	
	(a) interpretation of the term 'precise' representation of the contractual relationships;	
	(b) implications when the model is provided by third parties.	
	EBA Final non-ABCP STS Guidelines	
	Liability cash flow model (Article 22(3)) <i>Precise representation of the contractual relationship</i>	
	82. For the purposes of Article 22(3) of Regulation (EU) 2017/2402, the representation of the contractual relationships between the underlying exposures and the payments flowing among the originator, sponsor, investors, other parties and the SSPE should be considered to have been done 'precisely' where it is done accurately and with an amount of detail sufficient to allow investors to model payment obligations of the SSPE and to price the securitisation accordingly. This may include algorithms that permit investors to model a range of different scenarios that will affect cash flows, such as different prepayment or default rates.	
	Third parties	
	83. For the purposes of Article 22(3) of Regulation (EU) 2017/2402, where the liability cash flow model is developed by third parties, the originator or sponsor should remain responsible for making the information available to potential investors.	

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	Article 22 - Requirements relating to transparency	
	22.4. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).	
	STS criteria	
	71. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).	
	Verified?	Yes
	PCS Comment	
	Not applicable, the assets securitised are Consumer Loans.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Environmental performance of assets (Article 22(4))	
	78. It should be clarified that this is a requirement of disclosure about the energy efficiency of the assets when this information is available to the originator, sponsor or SSPE, rather than a requirement for a minimum energy efficiency of the assets.	
	79. To facilitate consistent interpretation of this criterion, the term ‘available information related to the environmental performance’ should be further clarified.	
	EBA Final non-ABCP STS Guidelines	
	Environmental performance of assets (Article 22(4))	
	<i>Available information related to the environmental performance</i>	
	84. This requirement should be applicable only if the information on the energy performance certificates for the assets financed by the underlying exposures is available to the originator, sponsor or the SSPE and captured in its internal database or IT systems. Where information is available only for a proportion of the underlying exposures, the requirement should apply only in respect of the proportion of the underlying exposures for which information is available.	

72	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.		
	STS criteria		
	72. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.		
	Verified?	Yes	
	PCS Comment		
	See RISK RETENTION AND TRANSPARENCY REQUIREMENTS, Transparency Requirements Under the Intercreditor Agreement, the parties thereto have acknowledged that ViViBanca shall be responsible for compliance with article 7 of the EU Securitisation Regulation.		
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>		
	Compliance with transparency requirements 80. The objective of this criterion is to ensure that investors have access to the data that are relevant for them to carry out the necessary risk and due diligence analysis with respect to the investment decision. 81. The criterion is deemed sufficiently clear and not requiring any further clarification.		
EBA Final non-ABCP STS Guidelines			

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	Article 22 - Requirements relating to transparency	
	22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.	
	STS criteria	
	73. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.	
	Verified?	Yes
	PCS Comment	
	<p>See RISK RETENTION, TRANSPARENCY REQUIREMENTS or TRANSACTION DOCUMENTS, INTERCREDITOR AGREEMENT or TRANSACTION OVERVIEW</p> <p>As to pre-pricing information, the Issuer has confirmed that it has made available to potential investors in the Notes, through the Calculation Agent, before pricing:</p> <p>(a) through the Securitisation Repository, the information under point (a) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation and, in draft form, the information and documentation under points (b) and (d) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation;</p>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	EBA Final non-ABCP STS Guidelines	

74	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.		
	STS criteria		
	74. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.		
	Verified?		Yes
	PCS Comment		
	See item <u>riterion</u> 73 above.		
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>		
	EBA Final non-ABCP STS Guidelines		

75	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.		
	STS criteria		
	75. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.		
	Verified?	Yes	
	PCS Comment		
	See “Transparency requirements” or “Intercreditor Agreement” or “Summary”: (c) the Issuer shall deliver to the Reporting Entity (A) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (B) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes and the competent authorities referred to in article 29 of the EU Securitisation Regulation pursuant to the EU Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties),		
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76	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	<p>7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:</p> <p>(a) information on the underlying exposures on a quarterly basis, or, in the case of ABCP, information on the underlying receivables or credit claims on a monthly basis;</p>	
	STS criteria	
	<p>76. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:</p> <p>(a) information on the underlying exposures on a quarterly basis,</p>	
	Verified?	Yes
	PCS Comment	
	<p>See RISK RETENTION, TRANSPARENCY REQUIREMENTS or TRANSACTION DOCUMENTS, INTERCREDITOR AGREEMENT or TRANSACTION OVERVIEW</p> <p>(a) the Servicer shall prepare:</p> <p>(i) the Loan by Loan Report setting out information relating to each Loan as at the end of the immediately preceding Collection Period, in compliance with point (a) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Loan by Loan Report (simultaneously with the SR Investors Report and the Significant Event and Inside Information Report) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than one month after each Quarterly Payment Date;</p>	
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77	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	<p>7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:</p> <p>(b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:</p> <p>(i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;</p>	
	STS criteria	
	<p>77. All underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:</p> <p>(i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;</p>	
	Verified?	Yes
	PCS Comment	
	<p>See criterion item 75.</p> <p>Also see TERMS AND CONDITIONS OF THE NOTES, and the definition of "Transaction Documents"</p> <p>Transaction Documents means the Master Transfer Agreement, each Transfer Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Sub-Servicing Agreement, the Warranty and Indemnity Agreement, the Corporate Services Agreement, the Intercreditor Agreement, the Agency and Accounts Agreement, the Quotaholder's Agreement, the Stichting Corporate Services Agreement, the Subscription Agreements, the Swap Agreement, the Deed of Charge and any other agreement, deed or documents which may be entered into by the Issuer under the Securitisation from time to time.</p>	
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78	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;		
	STS criteria		
	78. For traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;		
	Verified?		Yes
	PCS Comment		
	See point-criterion 77 above.		
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79	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	(iii) the derivatives and guarantees agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;	
	STS criteria	
	79. The derivatives and guarantees agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;	
	Verified?	Yes
	PCS Comment	
	See criterionpoint 77 above.	
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80	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(iv) the servicing, back-up servicing, administration and cash management agreements;		
	STS criteria		
	80. The servicing, back-up servicing, administration and cash management agreements;		
	Verified?	Yes	
	PCS Comment		
	See point criterion 77 above.		
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81	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;		
	STS criteria		
	81. The trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;		
	Verified?		Yes
	PCS Comment		
	See point-criterion 77 above.		
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82	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;		
	STS criteria		
	82. Any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;		
	Verified?		Yes
	PCS Comment		
	See point-criterion 77 above.		
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83	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	That underlying documentation shall include a detailed description of the priority of payments of the securitisation;		
	STS criteria		
	83. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;		
	Verified?		Yes
	PCS Comment		
	See Terms and Conditions of the Notes, Condition 3, Priority of Payments		
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84	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:		
	(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;		
	STS criteria		
	84. Where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:		
	(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;		
	Verified?		Yes
	PCS Comment		
	The Prospectus is made in compliance with the Prospectus Regulation. This requirement, therefore, does not apply.		
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85	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:		
	(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;		
	(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;		
	STS criteria		
	85. (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;		
	Verified?		Yes
	PCS Comment		
	Not applicable.		
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86	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:		
	(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;		
	(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;		
	(iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;		
	STS criteria		
	86. (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;		
	Verified?		Yes
	PCS Comment		
Not applicable.			
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87	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:		
	(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;		
	(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;		
	(iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;		
	(iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;		
	STS criteria		
	87. (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;		
	Verified?		Yes
PCS Comment			
Not applicable..			
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88	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	(d) in the case of STS securitisations, the STS notification referred to in Article 27;	
	STS criteria	
	88. In the case of STS securitisations, the STS notification referred to in Article 27;	
	Verified?	Yes
	PCS Comment	
	<p>As to pre-pricing information, the Issuer has confirmed that it has made available to potential investors in the Notes, through the Calculation Agent, before pricing:</p> <p>(a) on the Securitisation Repository, the information under point (a) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation and, in draft form, the information and documentation under points (b) and (d) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation;</p> <p>As to post-closing information, the Servicer, the Calculation Agent and the Issuer have agreed and undertaken as follows:</p> <p>(c) — the Issuer shall deliver to the Reporting Entity (A) a copy of the final documentation referred to in article 22(5) of the Securitisation Regulation in a timely manner in order for the Reporting Entity to make available, through the Calculation Agent, on the Securitisation Repository, such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (B) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes and the competent authorities referred to in article 29 of the EU Securitisation Regulation pursuant to the EU Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already provided by other parties),</p>	
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89	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:		
	STS criteria		
	89. Quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:		
	Verified?	Yes	
	PCS Comment		
	See RISK RETENTION AND TRANSPARENCY REQUIREMENTS, Transparency requirements		
	(b) the Calculation Agent shall, subject to receipt of any relevant information from the Issuer or the Servicer, prepare the SR Investors Report setting out certain information with respect to the Aggregate Portfolio and the Notes (including the information referred to in point (e), items (i), (ii) and (iii), of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the SR Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than one month after each Quarterly Payment Date; and		
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90	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(i) all materially relevant data on the credit quality and performance of underlying exposures;		
	STS criteria		
	90. All materially relevant data on the credit quality and performance of underlying exposures;		
	Verified?	Yes	
	PCS Comment		
	Refer to criterion 89 above.		
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91	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	(ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties, and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;	
	STS criteria	
	91. Information on events which trigger changes in the priority of payments or the replacement of any counterparties,	
	Verified?	Yes
	PCS Comment	
	Refer to criterion 89 above.	
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92	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties, and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;		
	STS criteria		
	92. And, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;		
	Verified?		Yes
	PCS Comment		
	Refer to criterion 89 above.		
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93	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.		
	STS criteria		
	93. Information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.		
	Verified?		Yes
	PCS Comment		
	Refer to criterion 89 above.		
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94	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;		
	STS criteria		
	94. Any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;		
	Verified?		Yes
	PCS Comment		
	See item-criterion 95, below.		
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95	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	(g) where point (f) does not apply, any significant event such as:	
	(i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;	
	STS criteria	
	95. (g) where point (f) does not apply, any significant event such as:	
	(i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;	
	Verified?	Yes
	PCS Comment	
	See 3. PRINCIPAL FEATURES OF THE NOTES, Transparency requirements under the EU Securitisation Rules	
	See also 4. The AGGREGATE PORTFOLIO (b)	
	See also 8. RISK RETENTION AND TRANSPARENCY REQUIREMENTS	
	(a) the Servicer shall prepare:	
	(ii) the Inside Information and Significant Event Report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Inside Information and Significant Event Report to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes without undue delay following the occurrence of the relevant event triggering the delivery of such report in accordance with the EU Securitisation Regulation and the applicable Regulatory Technical Standards and, in any case, by no later than one month after each Quarterly Payment Date (simultaneously with the Loan by Loan Report and the SR Investors Report);	
	See also the definition of these reports in GLOSSARY :	
	Inside Information and Significant Event Report means the report containing the information set out in points (f) and (g) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation, to be prepared and delivered by the Servicer in accordance with the Servicing Agreement.	
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96	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(ii) a change in the structural features that can materially impact the performance of the securitisation;		
	STS criteria		
	96. (ii) a change in the structural features that can materially impact the performance of the securitisation;		
	Verified?		Yes
	PCS Comment		
	See criterion 95 above.		
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97	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;		
	STS criteria		
	97. (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;		
	Verified?		Yes
	PCS Comment		
	See criterion 95 above.		
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98	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;		
	STS criteria		
	98. (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;		
	Verified?		Yes
	PCS Comment		
	See criterion 95 above.		
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99	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	(v) any material amendment to transaction documents.		
	STS criteria		
	99. (v) any material amendment to transaction documents.		
	Verified?		Yes
	PCS Comment		
	See criterion 95 above.		
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100	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest [...ABCP provisions]		
	STS criteria		
	100. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest [...ABCP provisions]		
	Verified?		Yes
	PCS Comment		
	See item-criterion 76 , as well as the statement quoted below:		
	(i) the Loan by Loan Report setting out information relating to each Loan as at the end of the immediately preceding Collection Period, in compliance with point (a) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation and the applicable Regulatory Technical Standards and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available, through the Securitisation Repository, the Loan by Loan Report (simultaneously with the SR Investors Report and the Significant Event and Inside Information Report) to the holders of a securitisation position, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, to potential investors in the Notes by no later than one month after each Quarterly Payment Date;		
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101	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	<p>Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay</p> <p>When complying with this paragraph, the originator, sponsor and SSPE of a securitisation shall comply with national and Union law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated.</p> <p>In particular, with regard to the information referred to in point (b) the originator, sponsor and SSPE may provide a summary of the concerned documentation.</p> <p>Competent authorities referred to in Article 29 shall be able to request the provision of such confidential information to them in order to fulfil their duties under this Regulation.</p>	
	STS criteria	
	101. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay	
	Verified?	Yes
	PCS Comment	
	See criterionitem 76, above.	
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102	Legislative text	BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency	
	<p>7.2 The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.</p> <p>Or</p> <p>The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.</p> <p>Or</p> <p>Where no securitisation repository is registered in accordance with Article 10, the entity designated to fulfil the requirements set out in paragraph 1 of this Article shall make the information available by means of a website that:</p> <ul style="list-style-type: none"> (a) includes a well-functioning data quality control system; (b) is subject to appropriate governance standards and to maintenance and operation of an adequate organisational structure that ensures the continuity and orderly functioning of the website; (c) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk; (d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information; and (e) makes it possible to keep record of the information for at least five years after the maturity date of the securitisation. 	
	STS criteria	
	<p>102. Where no securitisation repository is registered in accordance with Article 10, the entity designated to fulfil the requirements set out in paragraph 1 of this Article shall make the information available by means of a website that:</p> <ul style="list-style-type: none"> (a) includes a well-functioning data quality control system; (b) is subject to appropriate governance standards and to maintenance and operation of an adequate organisational structure that ensures the continuity and orderly functioning of the website; (c) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk; (d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information; and (e) makes it possible to keep record of the information for at least five years after the maturity date of the securitisation 	
	Verified?	Yes
	PCS Comment	
	<p>See RISK RETENTION AND TRANSPARENCY REQUIREMENTS, Transparency requirements</p> <p>Under the Intercreditor Agreement, the parties thereto have acknowledged that, as at the date of this Prospectus, European DataWarehouse is not registered in accordance with article 10 of the EU Securitisation Regulation but meets the requirements set out in the fourth sub-paragraph of article 7(2) of the EU Securitisation Regulation, as referred to in the European DataWarehouse's press release published at the following website: https://eurodw.eu/wp-content/uploads/0_2018_NOVEMBER_European-DataWarehouse-Offers-Website-Which-Adheres-to-Standards-Outlined-in-the-Securitisation-Regulation.pdf. In addition, each of the Issuer and ViViBanca has agreed that ViViBanca is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27(1) of the EU Securitisation Regulation</p> <p><i>The designated Reporting Entity will provide the information on the website of the European Data Warehouse.</i></p>	
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103	Legislative text		BACK TO TABLE OF CONTENTS
	Article 22 - Requirements relating to transparency		
	7.2 The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.		
	STS criteria		
	103. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.		
	Verified?	Yes	
	PCS Comment		
	See 102, above.		
	SEE RISK RETENTION AND TRANSPARENCY REQUIREMENTS, Transparency requirements		
	Each of the Issuer and ViViBanca has agreed that ViViBanca is designated as Reporting Entity, pursuant to and for the purposes of article 7(2) of the EU Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and article 22 of the EU Securitisation Regulation.		
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Definitions:

“AUP”: the agreed upon procedures through which an external firm verifies certain aspects of the asset pool.

“COMI”: centre of main interest – broadly, the legal jurisdiction where the insolvency of the seller of assets will be primarily determined.

“Issuer Notification”: the notification provided by the originator or sponsor pursuant to article 27 of the STS Regulation.

“Jurisdiction List”: the list of jurisdictions where it has been determined that severe clawback provisions do not apply.

“Legal Opinion”: an opinion signed by a law firm qualified in the relevant jurisdiction and acting for the originator or the arranger where the law firm sets out the reasons why, in its opinion and subject to customary assumptions and qualifications, the assets are transferred in such a way as to meet the STS Criterion for “true sale” or the same type of opinion for prior sales together with an opinion on the enforceability of the underlying assets.

“Marketing Documents”: Documents prepared by or on behalf of the originator and used in the marketing of the transaction with potential investors.

“Model”: a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.

“Prospectus/Deal Sheet”: the prospectus, or for a deal where no prospectus needs to be drawn up, the deal sheet envisaged by article 7.1(c) of the STS Regulation.

“Prospectus Regulation”: Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

“Transaction Document”: a document entered into in relation to the transaction binding on one or more parties connected to the transaction.