



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Andrew Bailey
Chief Executive Officer
Financial Conduct Authority
12 Endeavour Square
London
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Dear Andrew

11th October 2018

Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulation (EC) No 1060/2009 and (EU) No 648/2012 (the "Securitisation Regulation")

The Securitisation Regulation was published in the Official Journal on 28 December 2017 and will come into effect on 1 January 2019. The UK Government is currently undertaking the process of implementing this Regulation.

This letter provides confirmation that HM Treasury intends to designate the Financial Conduct Authority (FCA) as the competent authority responsible for the supervision of compliance, in each case if established in the UK:

- of sellers of a securitisation position with the obligations set out in Article 3 of the Securitisation Regulation;
- of persons with the obligations set out in Article 4 of the Securitisation Regulation;
- of originators, original lenders, and SSPEs not covered by the European Union legislative acts referred to in paragraph 3 of article 29 of the Securitisation Regulation with the obligations set out in Articles 6,7,8 and 9 of the Securitisation Regulation, except where they are PRA-authorized persons; and
- of originators, sponsors and SSPEs with the obligations set out in Article 18 to 27 of the Securitisation Regulation.

This is in addition to the designation of the FCA as the competent authority responsible for the authorisation of third party verifiers and the supervision of their compliance with the obligations set out in Article 28 of the Securitisation Regulation as confirmed in my letter dated 23 July 2018.

For the avoidance of doubt, this designation is not intended to limit the FCA's ability to exercise its existing statutory powers in relation to securitisations where appropriate. This designation is subject to any applicable provisions in the Securitisation Regulation insofar as they apply.

with very best regards,

JOHN GLEN
ECONOMIC SECRETARY TO THE TREASURY