

ASSET COVERED SECURITIES ACT 2001
REGULATORY NOTICE (SECTION 50(9)) 2014

This regulatory notice is issued by the Central Bank of Ireland pursuant to section 50(9) of the Asset Covered Securities Act 2001 (No. 47 of 2001)(the "Act").

1. The creditworthiness standards and criteria specified for the purposes of section 50(8) of the Act are that a substitution asset must have, from an eligible ECAI:
 - (a) credit quality assessment of Credit Quality Step 1; or
 - (b) for exposures within the EEA with maturity not exceeding 100 days, a minimum long or short term credit quality assessment of Credit Quality Step 2.
2. The Central Bank of Ireland may, after consulting the European Banking Authority, allow Credit Quality Step 2 for up to 10% of the total exposure of the nominal value of outstanding covered bonds, provided that significant potential concentration problems have been identified in the State due to the application of the Credit Quality Step 1 requirement referred to in paragraph 1 point (a).
3. Terms and expressions used in paragraphs 1 and 2 shall, subject to the Act, have the meaning given to them in the Capital Requirements Regulation – CRR Regulation (EU) No 575/2013 and laws implementing the Capital Requirements Directive – CRD IV Directive 2013/36/EU in the State (including without limitation the European Union (Capital Requirements) Regulation 2014 (S.I. No. 158 of 2014) and the European Union (Capital Requirements) Regulation 2014 No. 2 (S.I. No. 159 of 2014).
4. The Asset Covered Securities Act 2001 Regulatory Notice (Section (50(9)) 2007 published in Iris Oifigiúil on 4 February 2011 is repealed.

Signed for and on behalf of
THE CENTRAL BANK OF IRELAND

on this the 1 day of July 2014



Mr Cyril Roux
Deputy Governor (Financial Regulation)
Central Bank of Ireland

This regulatory notice was published in Iris Oifigiúil on 4 July 2014 and comes into operation on that date.