



# Monetary Policy Transactions Conditions

Edition January 2021

DeNederlandscheBank

EUROSYSTEM

Monetary Policy Transactions Conditions

De Nederlandsche Bank N.V

Effective from: 1 January 2021

Unofficial translation:

In the event of interpretation differences between the Dutch and the English text, the Dutch text prevails.

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# Part 1. Subject matter and scope

## Article 1. Subject matter and scope

1. These conditions relating to monetary policy transactions ("**Monetary Policy TC**"), which constitute the transposition by De Nederlandsche Bank N.V ("**DNB**") of the uniform rules for the implementation of the single monetary policy by the Eurosystem applying in all Member States of the European Union whose currency is the euro ("**Member States**"), regard all current and future Eurosystem Monetary Policy Operations ("**monetary policy operations**").
2. Guideline (EU) 2015/510 of the European Central Bank on the implementation of the Eurosystem monetary policy framework (recast) (ECB/2014/60) ("**Guideline**"), as amended from time to time, forms an integral part of these Monetary Policy TC<sup>1</sup>.
3. Wherever the Guideline confers a right or authority on the national central bank of a Member State ("**NCB**") or on the Eurosystem, such right or authority is deemed to be a contractual right or a contractual authority of DNB under these Monetary Policy TC vis-à-vis the Counterparty.<sup>2</sup>
4. Wherever the Guideline confers an authority on the ECB or the Eurosystem to take decisions that may affect monetary policy transactions or the relationship between DNB and the Counterparty, the Counterparty will be contractually bound under these Monetary Policy TC to such decisions by the ECB or the Eurosystem.
5. Wherever the Guideline imposes obligations on the Counterparty, such obligations will be deemed to be contractual obligations upon the Counterparty vis-à-vis DNB under these Monetary Policy TC.
6. Obligations imposed by the Guideline on NCBs or the Eurosystem which do not directly concern the relationship between the NCB and the Counterparty do not qualify as contractual obligations on DNB vis-à-vis the Counterparty. Failure on the part of DNB to comply with such obligations incumbent on NCBs or on the Eurosystem may never be designated as a shortcoming on DNB's part in adhering to these Monetary Policy TC.
7. In addition to these Monetary Policy TC, the General Terms and Conditions of DNB ("**General Terms and Conditions**") also apply to all existing and future legal relationships between DNB and the Counterparty. So as to avoid misunderstanding: the Target2-NL conditions apply to all transactions entered into under the present Monetary Policy TC. All references to Target2 in the Guideline are deemed to be references to Target2-NL.

## Article 2. Definitions and Interpretation

1. In case of difference between these Monetary Policy TC and the General Terms and Conditions, these Monetary Policy TC will prevail.
2. All terms written with a capital letter herein are used in the meaning stated in the General Terms and Conditions and/or the Guideline. In case of differences between a definition as stated in the General Terms and Conditions and as stated in the Guideline, the Guideline will prevail, unless either document expressly provides otherwise.<sup>3</sup>
3. In any difference of opinion between DNB and the Counterparty as regards the interpretation of the Monetary Policy TC, DNB's interpretation will prevail. DNB will interpret the Monetary Policy TC in accordance with the interpretation of the Eurosystem.

## Article 3. Amendments

1. DNB is entitled at any time to amend either these Monetary Policy TC or any other procedural rules, methods, schedules or operational arrangements, and to revise any fees and/or costs charged by DNB.
2. DNB will notify the Counterparty of any such amendments/revisions before they come into operation, either in writing or by other means deemed suitable by DNB.
3. The Counterparty will – on expiry of 14 calendar days after the notification referred to in Paragraph 2 has been given – be deemed to have received and taken cognisance of the changes.

<sup>1</sup> The structure of the Monetary Policy TC is the same as the structure of the Guideline.

<sup>2</sup> In these Monetary Policy TC the term 'Counterparty' is used exclusively to refer to the Counterparty as defined in Section 2, subparagraph (a), of the General Terms and Conditions, which definition coincides with that set out in Article 2(11) of the Guideline.

<sup>3</sup> For instance: 'business day' – as defined in the General Terms and Conditions; 'Counterparty' – as defined in the Guideline.

## Part 2. The monetary policy instruments, operations and procedures of the Eurosystem

### Article 4. Monetary policy instruments

1. The instruments used by the Eurosystem in the implementation of its monetary policy are:
  - (a) open market operations;
  - (b) standing facilities; and
  - (c) reserve requirements.<sup>4</sup>

DNB uses these instruments in accordance with the rules and procedures set down in the Guideline, in Regulation (EC) No. 2531/98 and Regulation (EC) No. 1745/2003 and in Annex I to the Guideline.

2. An account in Target2-NL is required for participation in the Monetary Policy Instruments.<sup>5</sup>

## Title I Open market operations

### Article 5. Open market operations

1. Bids in Main refinancing, Longer-term refinancing, Fine-tuning and Structural Operations must be submitted through the eTender software application, which is subject to the eTender Conditions of Use. The eTender Conditions of Use, which form an integral part of these Monetary Policy TC, are appended to these Monetary Policy TC as Annex XIII.<sup>6</sup>
2. If eTender is unavailable or in the event of another emergency, the procedural rules set down in Part 6 of these Monetary Policy TC apply.
3. With respect to all Monetary Policy Operations, the Counterparty is obliged to supply requisite data to DNB at DNB's first request or if the Counterparty must reasonably be aware that such information may be relevant to DNB.

## Title II Permanent facilities

### Article 6. Marginal Lending facility

1. A Counterparty may gain access to the Marginal Lending facility as meant in Article 19(5) of the Guideline by sending an appropriate request to DNB by means of a SWIFT MT299 message.
1. Recourse to the Marginal Lending facility may be used to meet the reserve requirement by topping up the balance in the PM account.<sup>7</sup>

### Article 7. Deposit facility

1. The Deposit facility may be accessed from either a PM account or a HAM account.
2. A Counterparty may seek access to the Deposit facility at DNB by submitting a transaction in the Information and Control module ("**ICM**").<sup>8</sup>

<sup>4</sup> Pursuant to Article 19 of the ESCB Statute, the ECB requires credit institutions to hold minimum reserves at the NCBs in the context of the system of reserve requirements of the Eurosystem. The legal framework underlying this system is laid down in Article 19 of the ESCB Statute, Regulation (EC) No. 2531/98 and Regulation (EC) No. 1745/2003 (ECB/2003/9). Application of Regulation (EC) No. 1745/2003 (ECB/2003/9) ensures the uniformity of the Eurosystem's system of reserve requirements across the Member States.

<sup>5</sup> Institutions holding their minimum reserves in an account in the HAM-NL payment system may only use the Deposit facility.

<sup>6</sup> In order to be able to use eTender, institutions wishing to qualify as Counterparties must contact DNB in time (see Annex I for the contact data and Annex XIII for the eTender Conditions of Use).

<sup>7</sup> Target2-NL Conditions, Article 1: 'PM account' (Payment Module account): an account held by a Target2 participant in the payment module of a CB, which the user needs: (a) to submit payment orders or receive payments through Target2 and (b) to settle such payments with that CB.

<sup>8</sup> Target2-NL Conditions, Article 1: '**Information and Control Module (ICM)**': an on-line SSP module enabling participants to access information, submit orders to transfer liquidities, manage liquidities and, in an emergency, initiate back-up payment orders.

## Title III Settlement procedures used in monetary policy operations

### Article 8. Lending against collateral

1. DNB will only grant credit to a Counterparty if it is covered by adequate collateral that meets the eligibility criteria set out in Part Four of the Guideline and Part Four of these Monetary Policy TC.
2. The security rights on the collateral referred to in the first paragraph will be established and exercised in accordance with the General Terms and Conditions. Credit claims are also subject to the provisions of Title III of Part 4 of these Monetary Policy TC.
3. The value of the pool of Eligible Assets held with DNB is determined after the risk control measures set out in Part 4, Title VI of the Guideline have been applied. This total value is recorded in the collateral management system of DNB.
4. At the Counterparty's request, part of the collateral value may be blocked in the collateral management system of DNB for the purpose of activities such as the reservation of collateral for the contingency module of Target2.
5. The remaining collateral value, less any collateral freezing and/or monetary policy operations, is recorded as a credit facility in Target2-NL ("**Credit Facility**").
6. If a euro amount needs to be converted into another currency in the context of a monetary policy operation, the conversion will be made at the foreign exchange reference rate set daily by the ECB or, in the absence of such a rate, at the exchange reference set by the ECB the day before the conversion.
7. All payments made in respect of monetary policy operations by DNB to Counterparts, respectively by Counterparts to DNB, shall be made in euro.

### Article 9. Tender Procedures

1. DNB is authorised at all times to modify the terms and conditions applying to Tender Procedures or to revoke a Tender Procedure without becoming in any way liable thereby to pay damages or other compensation to the Counterparty.
2. The allotment decisions with respect to tender results are published through eTender. Every Counterparty that has entered a successful bid in a Tender Procedure will be shown the individual amount allotted to it in eTender.
3. If the announcement by DNB of an allotment decision regarding the results of a Tender Procedure contains incorrect information, or if an allotment decision cannot be published in eTender, DNB may take any measure it deems fit to correct such incorrect information without becoming in any way liable thereby to pay damages or other compensation.

### Article 10. Execution of monetary policy operations

#### *Monetary lending*

1. Given sufficient collateral headroom, collateralised monetary loans are settled by crediting the Counterparty's PM account.
2. In the case of Main Refinancing Operations, Longer-term Refinancing Operations and Structural Operations, the settlement referred to in Article 10(1) of these Monetary Policy TC will as a rule take place on the business day following the credit allocation, at the opening of TARGET2. In the case of Fine-tuning Operations, the settlement takes place on the day of allocation at the agreed hour. If no hour has been agreed, the settlement will take place at about 15:30 hours.
3. On the maturity date of a monetary policy operation DNB will make a book entry opposite to the one referred to in Article 10(1) of these Monetary Policy TC. In addition, the interest due is charged on the same day by debiting the Counterparty's PM account. In the event of early repayment by a Counterparty of a Longer-term Refinancing Operation, as meant in Article 7(5) of the Guideline, the Counterparty's PM account is debited for the amount to be repaid, plus the interest due, on the early repayment date. These book entries will be effected at the beginning of the business day.



4. In the case of multiple allocations for a Counterparty, or if for a Counterparty a monetary policy transaction matures and on the same day a new allotment to that Counterparty occurs, then the settlement of these transactions will be effected on the basis of the netting principle. Netting means that multiple payment obligations between the Counterparty and DNB are netted into one payment obligation. The netting principle can only be applied for the same Counterparty and for payment obligations, with the exception of interest payments, regarding the same types of monetary policy transactions. DNB reserves the right to settle monetary policy transactions on an individual allocation basis in unforeseen circumstances and to deviate from the principle of netting.

*Foreign exchange swaps*

5. In the case of foreign exchange swaps, DNB credits or debits, as appropriate, the Counterparty's PM account on the agreed value date<sup>9</sup>.

*Collection of fixed-term deposits*

6. In the case of collection of fixed-term deposits, DNB debits the Counterparty's PM account on the day the transaction is concluded.
7. On the maturity date of the transaction underlying the collection of a fixed-term deposit, DNB credits the Counterparty's PM account for the amount of the deposit plus interest due. Where a negative interest rate applies, DNB debits the Counterparty's PM account for the amount due to DNB.

*Outright transactions*

8. When settling outright transactions, DNB acts in accordance with market conventions for the asset used in the transaction.
9. When settling ECB debt certificates, DNB initially debits the Counterparty's PM account on the agreed value date.<sup>10</sup> Subsequently, the ECB debt certificates are settled and delivered free of payment through the CSD<sup>11</sup> of issuance.
10. The ECB debt certificates will be redeemed on their maturity date through the intervention of the CSD of issuance in accordance with the procedures of the CSD of issuance.

*Standing facilities*

11. A negative balance on a Counterparty's PM account at the end of the business day will automatically be regarded as a request for recourse to the Marginal Lending Facility as set out in Article 19(6) of the Guideline.
12. Upon receiving a request by a Counterparty to access the Marginal Lending Facility, as referred to in Article 19(5) of the Guideline, DNB will enter the instructions (sent through an MT299 SWIFT message) into the ICM after having verified the availability of adequate collateral. Subsequently, the Counterparty's PM account is debited at the end of the business day.
13. The Marginal Lending Facility matures at the start of the following business day<sup>12</sup> when Target2-NL opens. If a negative balance results, this will constitute intra-day credit. That same day, the Counterparty's PM account will be debited for the amount due in Marginal Lending interest.
14. After a Counterparty has recourse to the Deposit Facility by entering an order through the ICM, the Counterparty's PM or HAM account will immediately be debited for the corresponding amount and the transaction will be booked as recourse to the Deposit Facility.
15. On the next business day<sup>13</sup>, DNB will transfer the deposit amount back to the Counterparty's PM or HAM account. Also on the next business day, the Counterparty's PM or HAM account will be credited or, in the case of a negative interest rate, debited for the amount of interest due.

<sup>9</sup> The value date is specified as T + the number of days until settlement.

<sup>10</sup> The value date is specified as T + the number of days until settlement.

<sup>11</sup> Central Securities Depository.

<sup>12</sup> Business day as defined in the General Terms and Conditions.

<sup>13</sup> Business day as defined in the General Terms and Conditions.

## Part 3. Eligible counterparties

### Article 11. Eligibility criteria

1. Institutions that meet the criteria set out in Article 55 of the Guideline are, with due regard to Article 55a (5) of the Guideline and Article 57 of the Guideline, entitled to participate through DNB in Eurosystem monetary policy operations.
2. A Counterparty wishing to participate in the full range of monetary policy instruments, must also, in addition to the criteria of the said Article 55, and as a minimum:
  - (a) be able to enter bids on tenders through the eTender software application;
  - (b) hold an account in DNB's Target2-NL payment system;<sup>14</sup>
  - (c) have signed the relevant legal documents; and
  - (d) hold a collateral pool at DNB.
3. DNB keeps a list of Counterparties allowed to participate in Fine-tuning Operations as meant in Article 57 of the Guideline. DNB informs the Counterparties concerned of their inclusion in the said list. DNB may decide at all times to execute Fine-tuning Operations with a broader selection of Counterparties than those included in the said list.
4. Where necessary for the implementation of monetary policy, DNB may provide information on individual Counterparties to the Eurosystem.
5. The Counterparty will in all events act as principal vis-à-vis DNB when entering into monetary policy operations, never as an authorised agent for another party.

### Article 11a. Assessment of financial soundness

1. In accordance with Article 55a of the Guideline, the Counterparty must submit prudential data to DNB on a quarterly<sup>15</sup> basis, unless this data is directly submitted to DNB by the relevant authority responsible for prudential supervision ('**Supervisor**') of the Counterparty.
2. If the prudential data is not directly submitted to DNB by the Supervisor, but by the Counterparty itself, the Counterparty is required to submit the prudential data to DNB via the email address [fm.dealingroom@dnb.nl](mailto:fm.dealingroom@dnb.nl) following applies.
3. The Counterparty is responsible for the availability of a statement regarding the fair presentation of the prudential data submitted. The statement as described in the previous sentence must be supplied by the Supervisor. The submission of such statement is not required if DNB receives the information directly from the Supervisor in accordance with paragraph 1 of this article 11a of the Monetary Policy TC. Additionally, DNB has the right to request an additional opinion by an external auditor from an auditing firm of good repute<sup>16</sup>.
4. In accordance with Article 55a(3) of the Guideline, Counterparties qualifying as a branch must submit data on the capital ratio, leverage ratio and liquidity ratio, as stipulated in the CRR, or, if applicable, data of a comparable standard of the entity (the parent) of which the Counterparty is a branch, on a consolidated and stand-alone basis. The prudential data referred to in this subsection must be submitted by the Counterparty to DNB via the email address [fm.dealingroom@dnb.nl](mailto:fm.dealingroom@dnb.nl).

<sup>14</sup> Institutions holding their minimum reserves in an account in the HAM-NL payment system may only use the Deposit Facility.

<sup>15</sup> The deadlines for data submission are within 14 weeks of the end of each quarter in accordance with article 158 (3a) of the Guideline. For the end of the quarter the following dates apply: 31 March, 30 June, 30 September and 31 December.

<sup>16</sup> Statements and/or opinions must be submitted in pdf format via e-Line DNB simultaneously with the submission of the required prudential information. DNB reserves the right to request the original statements and/or opinions from the Counterparty.

## Part 4. Eligible assets

### Title I General provisions

#### Article 12. General provisions concerning Eligible Assets

1. Save the assets listed in section four TITLE VII to these Monetary Policy TC, only Eligible Assets may be used as collateral in Eurosystem Credit Operations or to secure Intraday Credit.
2. Fixed-term deposits as defined in Article 12 of the Guideline qualify as Eligible Assets for use in Eurosystem Credit Operations. As a supplementary condition, such use requires the Counterparty to send to DNB a duly signed statement in conformity with the model statement included as Annex IV to these Monetary Policy TC.
3. In addition to the assets referred to in Article 12(1) above, and as a temporary measure, assets as described in Annex V may also be used as collateral.
4. Unless otherwise agreed, a pledge on Assets in favour of DNB extends not only to the Assets concerned but also any and all to interest, dividends and any other income received thereon.
5. Management of the Assets in the collateral pool is exercised through SWIFT messages. Annex II presents a list of the SWIFT message types to be used in submitting orders concerning Assets held in the collateral pool.
6. A Counterparty may deposit Assets in its collateral pool with DNB by sending an order to that effect to DNB by SWIFT message (for the appropriate SWIFT message type see Annex II). In addition, the Counterparty must create a security interest in the Assets for the benefit of DNB.
7. Assets may be transferred only at points in time when both the CSD (in the Netherlands: NECIGEF<sup>17</sup>) and the NCBs are open for business.
8. Before finalising the inclusion of assets in a Counterparty's collateral pool, DNB verifies whether the assets satisfy all eligibility criteria as set out in Part 4 of the Guideline. If they do, DNB will inform the Counterparty accordingly. Once the inclusion has been booked, the size of the Credit Facility in Target2-NL will be adjusted without undue delay.
9. If a Counterparty acts in non-compliance with the requirements pertaining to the use of Eligible Assets as laid down in these Monetary Policy TC and in the Guideline, DNB is authorised to impose a financial penalty or sanction, without prejudice to its authority to demand compensation for any actual damages and to require the Counterparty to as yet fulfil its obligations pursuant to these Monetary Policy TC and to the Guideline. The amount of the financial penalty is calculated according to the method described in the Guideline.

#### Article 13. Monetary Pool

1. DNB distinguishes two types of securities pools:
  - (a) the Monetary Pool and
  - (b) the Secondary Pool.

The Monetary Pool comprises the assets administered by DNB and labelled "Monetary Pool" (the "**Monetary Pool**"). These assets serve primarily as security for claims arising from monetary policy operations (and Intraday Credit). In the event of a sale under execution, the proceeds from the assets in the Monetary Pool will be used first to meet the claims arising from monetary policy operations (and Intraday Credit). Any residual balance remaining once these claims are met will be used to meet claims which do not result from or relate to monetary policy operations and/or Intraday Credit. In addition to the Monetary Pool, Counterparties are given the option of setting up a second security pool (the "**Secondary Pool**"). The assets in the Secondary Pool serve primarily as security for claims which do not result from or relate to monetary policy operations and/or Intraday Credit. The proceeds from the sale of the Secondary Pool will first be used to meet claims that do not relate to monetary policy operations and/or Intraday Credit. Any residual balance remaining once these claims are met will be used to meet claims relating to monetary policy operations and Intraday Credit. Within the framework of monetary lending against collateral, the Counterparty's entire Monetary Pool serves as security for all the credit provided to that Counterparty by DNB and for any and all other claims DNB has or will have on the Counterparty. In this way, there are no direct relationships between any specific credit facilities and any specific assets included in the Monetary Pool.

<sup>17</sup> NECIGEF, the Netherlands Central Securities Giro Institute, operates under the name of 'Euroclear Nederland'.

2. For the purposes of these Monetary Policy TC, the terms pool and collateral pool refer to the Monetary Pool. The terms collateral or security/securities refer to assets included in the Monetary Pool which serve primarily as security for claims arising from monetary policy operations (and Intraday Credit).

#### Article 14. Adequate collateral

1. The Counterparty must at all times hold adequate Underlying Assets in its collateral pool.
2. If at any time the debit balance on the Counterparty's account exceeds the amount of the Credit Facility, the Counterparty must, on receipt of notification to this effect from DNB, immediately eliminate the overdraft or provide such additional Underlying Assets, to DNB's satisfaction, that the Credit Facility can be recalculated at an amount equal to or higher than the debit balance.

#### Article 15. Management and custody of Marketable Assets<sup>18</sup>

1. Relative to Marketable Assets provided to DNB as security, with due regard to Paragraphs 5–10 below, DNB has the duty:
  - (a) to collect interest, dividends and any other income, and to transfer the amounts concerned in the manner as agreed, and unless other provisions have been agreed;
  - (b) to give notice of maturity, conversion and exchange events, as well as of entitlements to subscription rights, stock dividends or bonus shares;
  - (c) to perform the activities ensuing from (b);
  - (d) to perform all acts required in connection with (release for) delivery.
 Giving notice of maturity events and entitlements as referred to under (b) shall be effected on the basis of lists of drawn securities, lists of unclaimed drawn securities and other publications appearing after the date of collateralisation of the Assets concerned. With respect to pledged Assets which are included in an aggregate collective securities deposit – to the extent that they are subject to drawing – each individual Counterparty will be assigned, upon each drawing, an amount of drawn Assets proportionate to that Counterparty's holding in the aggregate collective securities deposit.
2. At the beginning of each calendar year, DNB will provide a statement showing the Assets held for the benefit of the Counterparty, as at 31 December of the preceding year.
3. At the Counterparty's request, DNB will provide a statement as at a date other than that referred to in Paragraph 2 of this Article.
4. Assets may be transferred on days and at hours when both the CSD (in the Netherlands: NECIGEF; in Belgium: Euroclear Bank) and the NCBs are open for business.
5. DNB will pass on to the Counterparty only such corporate actions relative to the Marketable Assets in the Counterparty's collateral account as DNB has received from the financial party DNB has engaged as custodian of the Marketable Assets ("Custodian"). DNB will neither verify the accuracy of the corporate action information received from the Custodian or the Counterparty nor augment such information, but will pass the information on unaltered to the Counterparty or the Custodian. Corporate action information which the Counterparty requests DNB to pass on to the Custodian, should be received by DNB at least one full business day prior to the deadline set by the Custodian.
6. Corporate action information concerning collateral held at Euroclear Bank Brussels which the Counterparty requests DNB to pass on must be delivered to DNB by SWIFT MT565 message, at least one full business day prior to the deadline set by Euroclear Bank Brussels. It is incumbent upon the Counterparty to ensure that the SWIFT MT565 is completed correctly; DNB will not verify the accuracy of or augment the message.
7. DNB may instruct the Counterparty to remove individual Marketable Assets from the collateral pool if it finds this advisable in view of imminent corporate actions. Such instruction will not release the Counterparty from its obligation to hold sufficient Eligible Collateral to secure any credits obtained from the Eurosystem.
8. Coupon payments and redemptions received by DNB with respect to Eligible Assets held in the Counterparty's collateral pool will be transferred to the Counterparty, with due observance of the provisions of paragraphs 8 and 9 and strictly after receipt of the payments by DNB. Coupon payments and redemptions received before 16:00 hours will be transferred on a best effort basis on the same business day. In respect

<sup>18</sup> Taking into account Article 107a paragraph 8 of the Guideline, the regulations in Article 15 of these Monetary Policy TC also apply to DECCs, although DECCs qualify as non-marketable assets.

- of amounts received after 16:00 hours DNB will do its best to transfer the payments to the Counterparty on the same business day. If this is not feasible such payments will be effected on the next business day.
9. Before endorsing the on-payment of coupon payments and redemptions received in respect of Marketable Assets, DNB will recalculate the Counterparty's Credit Facility. If upon recalculation the negative balance exceeds the current Credit Facility, DNB will suspend the transfer.
  10. In on-paying amounts received for the Counterparty, DNB will, if reasonably possible, comply with country-specific terms and conditions so as to prevent source taxation. DNB does not accept liability vis-à-vis the Counterparty or any other person should taxes be withheld at the source.
  11. In the event the coupon of the Eligible Assets deposited as collateral results in a negative cash flow, the Counterparty, which on record date qualifies as owner of the aforementioned Asset, is responsible for the payment of the related amount. The Counterparty herewith grants DNB an unconditional and irrevocable power of attorney to debit the Counterparty's TARGET2 account for an amount corresponding to the aforementioned negative cash flow, plus any fees charged or to be charged by the (I)CSD, on coupon payment date.
  12. If the Counterparty fails to fulfill its payment obligations under paragraph 11 and should the debiting as provided for in paragraph 11 prove to be impossible, the amount not paid shall be regarded as a credit for which a sanction is applicable as referred to in Article 29 of this Monetary Policy TC.

#### Article 16. Fees and charges

1. DNB is authorised to charge the Counterparty for the custody and management of assets and for transaction costs. Additional costs may be charged for transfers to DNB's Securities accounts at other NCBs. In accordance with Article 23 of the General Terms and Conditions, the amounts of such costs may be debited from the Counterparty's PM account without notice.

#### Article 17. Withdrawal of Assets

1. The Counterparty may withdraw Assets from the Asset Pool provided that sufficient Assets remain in the pool and the negative balance does not exceed the Counterparty's Credit Facility.
2. A Counterparty may withdraw Assets from its Collateral Pool by sending an order to that effect to DNB by SWIFT message (for the appropriate SWIFT message type see Annex II).
3. Once the Assets have been withdrawn, DNB will reduce the Credit Facility accordingly.
4. If the Counterparty's balance does not permit such reduction because the Assets in the Collateral Pool provide insufficient cover for the Counterparty's aggregate credit amounts and guarantees, DNB will abort the withdrawal order. DNB will inform the Counterparty of this without delay. In such a case, the withdrawal can only be effected if the Counterparty either supplements its Collateral Pool to the satisfaction of DNB or adjusts its withdrawal order.
5. Prior to on-paying the balance on matured Assets, DNB will reduce the Credit Facility by the amount for which these Assets contributed to the Credit Facility. If the debit balance in the Counterparty's account does not permit such reduction, DNB suspends the transfer.

## Title II Eligibility criteria and credit quality requirements for marketable assets

#### Article 18. Shares in a CSD account<sup>19</sup>

1. For a right of pledge to be created for the benefit of DNB, as meant in Articles 9 ff. of the General Terms and Conditions, on Marketable Assets included in a CSD account ("aandeel in een girodepot", with girodepot defined as in the Securities (Bank Giro Transactions) Act [Wet giraal effectenverkeer]) registered in the name of the Counterparty, the securities must be transferred to the account of DNB in the records of NECIGEF.

<sup>19</sup> Taking into account Article 107a paragraph 8 of the Guideline, the regulations in Article 18 of these Monetary Policy TC also apply to DECCs, although DECCs qualify as non-marketable assets.

2. DNB will process such transfers (upon receipt of confirmation of each transfer from NEGICEF) on business days between 9:00 and 17:00 hours, and on certain public holidays<sup>20</sup>. With regard to transfers in connection with a specific monetary policy operation, confirmation from NEGICEF must be received by DNB before 14:30 hours on the settlement date of the operation.

## Article 19. Assessment of Asset-Backed Securities (“ABSs”)

### 1. Statement concerning close links

A Counterparty wishing to deposit an ABS with DNB for use as collateral to obtain Eurosystem credit must declare in writing to DNB that with respect to the ABS concerned, the conditions regarding close links set out in Article 138 of the Guideline have been met in full. A model statement to that effect is included as Annex III herein.

### *Information to be supplied*

2. A Counterparty wishing to use an ABS as collateral must supply the following information to DNB:
  - the prospectus;
  - at least two new issue reports by recognised credit rating agencies;
  - rating letters;
  - information showing that the ABS has been admitted for trading on a regulated market<sup>21</sup> or on certain non-regulated markets;
  - a legal opinion confirming the existence of a true sale of the cash flow generating assets enforceable under the laws of an EU Member State;
  - latest investor reports;
  - swap confirmations/agreements;
  - servicing agreements;
  - sale agreements;
  - security agreements<sup>22</sup>;
  - authorized investment agreements/declarations.<sup>23</sup>
  - The information supplied must be in either the Dutch or the English language.

### *ABS Eligibility Assessment Form*

3. In addition, the ABS Eligibility Assessment Form must be sent, fully completed and duly signed, to [collateral\\_management@DNB.nl](mailto:collateral_management@DNB.nl). Also, a duly signed hard-copy original must be sent to DNB at De Nederlandsche Bank, Afdeling BOS/Collateral Services, PO Box 98, 1000 AB, Amsterdam.
4. The ABS Eligibility Assessment Form consists of two parts, viz. General Information and Eligibility Criteria. It is attached to these Monetary Policy TC as Annex VI (partly) and also available in electronic form on the DNB website<sup>24</sup>. The ABS Eligibility Assessment Form must include exact references to where the requested information can be found. The information must be in accordance with the requirements set out in the Guideline.
5. A Counterparty that has deposited an ABS in its collateral pool must notify DNB without delay of any and all changes in the information supplied on the relevant ABS Eligibility Assessment Form. DNB reserves the right

<sup>20</sup> On public holidays when both Target2-NL and the CSD concerned are open (for the specification of such holidays, see the Target2-NL Terms and Conditions) assets may be deposited in the Counterparty's asset pool, with the proviso that on such days DNB will process such transfers only between 10:00 and 16:00 hours.

<sup>21</sup> In accordance with the definition set out in Directive 2004/39/EC of the European Parliament and the Council.

<sup>22</sup> The relevant legal instruments providing security interests in all of the issuer's and, if applicable, any intermediary's assets (including, but not limited to, the cash-flow generating assets) in favour of the fiduciary (e.g. security trustee) for the benefit of, among others, the note holders. (Examples of security agreements include: security trust deed, deed of charge, deed of pledge, etc.).

<sup>23</sup> An investment management agreement may exist where a portfolio of cash-flow generating assets is managed on behalf of the issuer by a third party (e.g. the Originator/transferor of the cash flow-generating assets). Essentially it sets out the relationship between the investment manager and the issuer in terms of powers, duties, obligations, etc., including portfolio management, in respect of the said cash-flow generating assets.

<sup>24</sup> Go to: [www.dnb.nl](http://www.dnb.nl), select English from the top menu and navigate to 'Monetary Policy' then choose 'Operations, rates and collateral' followed by 'Information for counterparties'. The forms are among the list of download items at the bottom of the page on 'Information for counterparties'.

to ask the Counterparty to clarify or supplement the information provided on the ABS Eligibility Assessment Form.

#### *Loan-level data*

6. With respect to ABSs deposited as Eligible Assets in a Counterparty's collateral pool, the Counterparty must provide comprehensive and standardised "loan level data", as meant in Article 78 and Annex VIII of the Guideline, to DNB.

#### *Surveillance reports*

7. To continuously fulfil the ABS eligibility criteria surveillance reports must be available on a regular basis for every eligible ABS: at least one surveillance associated with the best available ECAI rating and at least one surveillance report associated with the second best ECAI rating.

## Title III Eligibility criteria and credit quality requirements for non-marketable assets

### Article 20. "Undisclosed assignment" securing Credit Claims<sup>25</sup>

1. In order for Credit Claims to be accepted by DNB as security in Eurosystem Credit Operations, the ownership must be transferred to DNB through undisclosed assignment in the context of a financial collateral arrangement ("financiële zekerheids overeenkomst"). The other rules, including the requirements applying to the master assignment deed, the supplementary private deed and the repurchase agreement, are appended hereto as Annexes VII, VIII and IX.
2. With effect from 1 January 2018, or in the case of Credit Claims originated before 1 January 2018, 31 December 2019, the Credit Claim agreement between the Counterparty and the Debtor shall, in case the Counterparty mobilizes or has mobilized the Credit Claim to a Eurosystem Central Bank as collateral, incorporate a written agreement, which agreement shall be legally valid, binding and enforceable against the debtor, including in the event of its insolvency, that the debtor irrevocably and unconditionally waives all rights of set-off, present and future and howsoever arising pursuant to contract or law or that the debtor may otherwise have or acquire against the creditor from time to time in respect of the credit claim, De Nederlandsche Bank N.V., the European Central Bank or any other Eurosystem Central Bank or any person deriving any interest in the credit claim through any such creditor, including, without limitation, any successor in title, transferee or assignee of any such creditor, any person for whose benefit the Credit Claim is mobilized as collateral and any person acquiring an interest as a result of realization of such collateral.
3. 'In case the loan documentation / loan agreement between the Counterparty and its debtor does not contain a written agreement as provided for in art. 20 paragraph 2 an additional haircut of 8% will be applied. The additional haircut shall be reviewed on an annual basis.
4. Credit Claims submitted as collateral by the Counterparty must have a minimum outstanding value of EUR 1,000,000 (one million euro) at the time of submission.
5. The loan documentation on the Credit Claims, containing at least the loan agreement, must be provided in digital form through a secure email connection.
6. After the Undisclosed Assignment, the Counterparty nevertheless remains authorised, with due regard to the provisions of the Model Master Deed of Assignment (included as Annex VII), to manage and collect the assigned Credit Claims. The Counterparty's said authority to collect will lapse while an Enforcement Event as defined in the Model Master Deed of Assignment continues. DNB may revoke the said authority at any time and at its sole discretion.
7. The value of the asset in the collateral pool will be set at zero five days before the final repayment. This will entail a reduction of the Credit Facility.

<sup>25</sup> This provision applies to Credit Claims deposited after 1 October 2011 in the collateral pool at DNB. It does not affect the validity of any pledges concerning Credit Claims for the benefit of DNB which were created before that date.



## Article 21. Verification whether Credit Claims comply with eligibility requirements

1. In order to guarantee the legal validity of the assignment to DNB<sup>26</sup> of Credit Claims in the context of a financial collateral arrangement, and also to ensure that the security interests on such loans may be quickly enforced in case of default on the Counterparty's part, the following provisions apply.
2. Before accepting a Credit Claim as an eligible asset, DNB will verify the existence of the borrower and the Credit Claim and check whether the loan meets eligibility criteria.<sup>27</sup>
3. Pursuant to Article 100 of the Guideline, DNB will check whether the procedures of the Counterparty regarding the provision of Credit Claim information to the Eurosystem provide sufficient guarantee that such Credit Claims meet the eligibility criteria.<sup>28</sup>
4. The procedures are designed so as to ensure, with respect to every individual Credit Claim, that it exists, satisfies all eligibility criteria as set out in Part 4 of the Guideline and may be mobilised only once as collateral. The procedures for depositing a Credit Claim must ensure that:
  - (a) the current residual value exceeds the threshold of EUR 1,000,000 (one million euro) and EUR 500,000 (half a million euro) in the case of cross-border use;
  - (b) the maturity date is at least two weeks later than the deposit date;
  - (c) the Counterparty explicitly notifies DNB whether the loan documentation contractually excludes set off rights in accordance with Article 20(2) of these Monetary Policy TC or that DNB shall apply the additional haircut because the Counterparty has not contractually excluded set off rights in accordance with Article 20(2) of these Monetary Policy TC;
  - (d) the internal procedures provide assurance that DNB is informed at least one business day in advance of a change in the characteristics of the Credit Claim (enumerated in Annex XII.2) by means of a SWIFT MT598;
  - (e) Counterparties inform DNB no later than in the course of the following business day concerning a credit event which has come to their knowledge, including but not limited to a delay in debt service by the borrower in the collateralised Credit Claim;
  - (f) the internal procedures provide assurance that with respect to a collateralised Credit Claim, DNB is informed at least one business day in advance of a restructuring of that Credit Claim;
  - (g) the internal procedures ensure that DNB is informed no later than 10 business days if the borrower in a collateralised Credit Claim undergoes a merger and/or change of name.

The Counterparty is obliged to provide full cooperation with respect to the above and to supply all information DNB requests.

5. DNB will carry out ad-hoc inspections<sup>29</sup> with regard to:
  - (a) the quality and accuracy of the self-certification as meant in paragraph 6 of this Article (the "ex-post random check"), and
  - (b) the procedures applied by the Counterparty in respect of the provision to DNB of information concerning the Credit Claims to be assigned to DNB as collateral.

The Counterparty will supply the data required for such checks to DNB and allow the party or parties appointed to carry out the checks, whether they are DNB officials, third parties or the Counterparty's external auditor<sup>30</sup>, to access the said data or information, and where necessary to the premises where such data are located.

6. In accordance with Article 101 of the Guideline, the Counterparty will at least quarterly send DNB a written statement ("self-certification"<sup>31</sup>) to the effect that:
  - (a) the Credit Claims presented for mobilisation by the Counterparty exist;

<sup>26</sup> This provision applies to Credit Claims deposited at DNB after 1 October 2011. It does not affect the validity of any pledges concerning Credit Claims for the benefit of DNB which were created before that date.

<sup>27</sup> Including a 'legal confirmation' regarding the guarantee – see the model presented in Annex X.

<sup>28</sup> The relevant initial statement by the Counterparty and annual statement by the auditor are available on the DNB website and also presented in Annexes XII.1 and XII.2.

<sup>29</sup> Either check (the *ex post* random check and the procedural check) may in principle be carried out every year.

<sup>30</sup> The statement on the random check by the Counterparty's auditor is available on the DNB website and in Annex XII.2.

<sup>31</sup> The model self-certification statement is included in Annex XII.3.



- (b) the Credit Claims pledged to DNB or assigned to DNB in the context of a financial collateral agreement meet the Eurosystem's eligibility criteria;
  - (c) no Credit Claim pledged or assigned to DNB is or will be simultaneously used as security vis-à-vis a third party; and
  - (d) that the Counterparty will notify DNB no later than the next business day of any event that materially affects the contractual relationship between the Counterparty and DNB, in particular partial or full early repayment of collateralised Credit Claims, downgrading of the borrower's credit status, an attachment against the Counterparty upon one or more Credit Claims pledged or assigned to DNB under a financial collateral arrangement, a claim or notification by a third party regarding one or more Credit Claims pledged or assigned to DNB under a financial collateral arrangement, a petition for bankruptcy or suspension of payments or a similar procedure by whatever party against the borrower or a guarantor in Credit Claims pledged or assigned to DNB under a financial collateral arrangement and material changes in the characteristics of Credit Claims pledged or assigned to DNB under a financial collateral arrangement or in the conditions of the agreements establishing the Credit Claims.
7. If the Counterparty fails to fulfil the duty of information under this Article in time, DNB may impose a contractual fine in accordance with Article 29 of these Monetary Policy TC, without prejudice to DNB's power to claim compensation for actual damages and to as yet require fulfilment of the duty of information under this Article.
8. The Counterparty will inform DNB forthwith of any changes in the eligibility of Credit Claims deposited at DNB for collateralisation and, if necessary, withdraw such Credit Claims from the collateral pool.

## Article 22. DECCs

1. For Counterparties acting as originator ('**Originator**') of credit claims securing DECCs<sup>32</sup> ('**Underlying Credit Claims**') the following obligations apply. For clarity's sake, it should be noted that these obligations apply under the Guideline as well as under the Monetary Policy TC.
2. Prior to the acceptance by DNB of a DECC as collateral, DNB will verify if the debtor of the Underlying Credit Claim and if the Underlying Credit Claim exist. Additionally, DNB will check if the Underlying Credit Claims comply with all eligibility criteria for Credit Claims.
3. In accordance with Article 107f(3) of the Guideline, DNB will check at the Originator whether the procedures for submission of data on Underlying Credit Claims are suitable to ensure compliance with the requirements imposed on these Underlying Credit Claims set by the Guideline<sup>33</sup>.
4. The procedures must be designed in such a way as to ensure that the Underlying Credit Claims exist, that they comply with all eligibility criteria as set out in Part Four of the Guideline, and that they cannot serve as cover for DECCs or eligible assets of a Counterparty more than once. The procedure for submission of DECCs must ensure that:
  - (a) the value of outstanding Underlying Credit Claims exceeds the minimum value of EUR 1,000,000 (one million euro) at the time the DECC is submitted for eligibility assessment;
  - (b) the Counterparty explicitly notifies DNB whether the loan documentation contractually excludes set off rights in accordance with Article 104 (paragraph 3 (a)) of the Guideline or that DNB shall apply the additional haircut because the Counterparty has not contractually excluded set off rights in accordance with Article 104 (paragraph 3 (a)) of the Guideline.
  - (c) the internal procedures guarantee that the Originator informs DNB of an amendment to the loan characteristics of an Underlying Credit Claim by means of a SWIFT-message (MT598) at least one business day in advance (see Annex XIV.2 for loan characteristics);
  - (d) the Originator informs DNB of any credit events that have come to its knowledge, such as a delayed payment by an Underlying Credit Claim debtor, no later than the following business day;
  - (e) the internal procedures guarantee that the Originator informs DNB of a proposed restructuring of an Underlying Credit Claim no later than one business day in advance;
  - (f) the internal procedures guarantee that DNB is informed no later than 10 business days if the issuer of a credit claim undergoes a merger and/or change of name.

<sup>32</sup> Assets under the definition of Article 2(70a) of the Guideline.

<sup>33</sup> Templates for the statement of the Counterparty acting as the Originator for the Underlying Credit Claims and the annual auditor's opinion can be found in Annexes XIV.1 and XIV.2, respectively.

The Originator will fully cooperate with DNB and provide all the necessary data.

5. The Counterparty must submit to DNB monthly comprehensive and standardised loan level data on the Underlying Credit Claims securing the DECCs deposited as eligible assets in its collateral account in accordance with Article 107e(3). The template for the submission of loan level data must comply with the requirements as set out in Article 107a(2) and Annex VIII of the Guideline.
6. At least once every quarter the Originator sends DNB a written statement ("self-certification")<sup>34</sup> in accordance with Article 107f(4) of the Guideline, confirming that:
  - (a) the Underlying Credit Claims transferred through undisclosed assignment from the Originator to the issuer of a DECC do exist;
  - (b) the Underlying Credit Claims meet the eligibility criteria of the Eurosystem;
  - (c) none of the Underlying Credit Claims transferred through undisclosed assignment from the Originator to the issuer of a DECC is or will be simultaneously used as security for the benefit of a third party and
  - (d) the Originator will notify DNB no later than the next business day of any event that materially affects the creditworthiness of the DECCs, in particular partial or full early repayments, downgrading of the Originator's credit ratings, an attachment against the Originator upon one or more Underlying Credit Claims transferred to the issuer of a DECC through undisclosed assignment, a claim or notification thereof by a third party regarding one or more Underlying Credit Claims transferred to the issuer of a DECC, a petition for bankruptcy or suspension of payments or a similar procedure by whatever party against the debtor of an Underlying Credit Claim transferred to the issuer of a DECC through undisclosed assignment or a guarantee and substantial amendments to the conditions of one or more Underlying Credit Claims transferred to the issuer of a DECC through undisclosed assignment and/or the agreements establishing the credit claims.
7. DNB will perform *ad hoc* random checks<sup>35</sup> on:
  - (a) the quality and accuracy of self-certification as meant in subsection 5 of this Article (the *ex post* random check); and
  - (b) the Originator's procedures for submission of data on Underlying Credit Claims to DNB.

The Originator will provide DNB with the data necessary for these checks and give DNB staff, third parties engaged by DNB or the Counterparty's external auditor,<sup>36</sup> as applicable, access to the relevant data and the location(s) where these data can be found.
8. Each Underlying Credit Claim must be assessed via a credit assessment source or system as described in Article 24 of these Monetary Policy TC. If the Originator has provided Credit Claims as collateral to DNB, then the Underlying Credit Claims must also be assessed via the same credit assessment system as the aforementioned Credit Claims. The credit quality of Underlying Credit Claims will be assessed via the debtor, or guarantor, of the Underlying Credit Claims in accordance with Article 112a(3) of the Guideline. DECCs will not be assessed via a credit assessment system as described in Article 24 van these Monetary Policy TC.
9. If an Originator fails to comply with any of the stipulations in this Article, the value of the DECC covered by the Originator's Underlying Credit Claims will be set at nil at the next valuation.

## Title IV Guarantees for marketable and non-marketable assets

### Article 23. Guarantees

1. If the Counterparty wishes to use Marketable Assets or Credit Claims as collateral in monetary policy operations, and satisfaction of the Eurosystem credit quality requirements as set out in Articles 82–84 and Article 108 of the Guideline requires a supplementary guarantee provided by a guarantor, the Counterparty must supply, as an additional condition over and above the provisions on guarantors in the Guideline, a legal opinion of a well-reputed law firm in conformity with the model included herein as Annex X.

<sup>34</sup> The model statement for self-certification can be found in Annex XIV.3.

<sup>35</sup> Both checks (i.e. the *ex post* random check and the procedural check) may be performed on an annual basis.

<sup>36</sup> The Counterparty's external auditor's opinion for the random checks can be found in Annex XIV.2.

## Title V Eurosystem credit assessment framework (ECAF) for eligible assets

### Article 24. Request for permission to use a Credit Assessment System

1. Counterparties may declare which of the eligible credit assessment sources or systems as meant in Article 119 of the Guideline they intend to use to establish whether Assets meet the credit standards applied by the Eurosystem and qualify as collateral in Eurosystem Credit Operations. Pursuant to Article 126 of the Guideline, every credit assessment source and system is subjected to the ECAF performance monitoring process ("**performance monitoring process**").
2. Counterparties must apply to DNB for permission to use a credit assessment source or system as meant in Article 119 of the Guideline.
3. They must do so using forms and models, and providing information to DNB, as follows:
  - (a) Every individual application must include the general form (Annex XI.1) and a source-specific explanatory note (Annex XI.2.1 or .2).
  - (b) ECAF-accepted External Credit Assessment Institution ("**ECAI**")  
To apply for permission to use an ECAI, the general application form (Annex XI.1) and the ECAI form (Annex XI.2.1) must be submitted.
  - (c) Counterparty's proprietary internal ratings based (IRB) system ("**IRB system**")  
An application for permission to use an IRB system requires submission to DNB of a request, signed either by the Counterparty's CEO or CFO or another officer of equal rank, or by an authorised signatory on behalf of such an officer. A model of such a request is included herein as Annex XI.2.2. The request must be submitted together with the general application form (Annex XI.1), the IRB application form (Annex XI.3) and the documentation required under Article 122(3) of the Guideline.
  - (d) In-house credit assessment system ("**ICAS**")  
To apply for permission to use an ICAS, submission of the general application form (Annex XI.1) suffices. The accepted ICAS are listed on the website of the ECB.
4. By signing the application as meant in Annex XI.2.2, the Counterparty agrees to the reporting requirements in the context of the annual performance monitoring process as meant in Article 126 of the Guideline. The Counterparty also agrees to provide the data required for this process to DNB.

## Title VI Risk control measures

### Article 25. Risk control measures

1. The Eligible Assets mobilised for use as collateral in Eurosystem Credit Operations are subject to the risk control measures meant in Article 128(1) of the Guideline, which aim to protect the Eurosystem against the risk of financial loss in the event of default on the part of a Counterparty.
2. Pursuant to *inter alia* decisions of the Eurosystem in line with Article 18.1 of the Statute of the ECB and the relevant provisions of the Guideline, DNB is authorised to decide whether or not an issue, issuer, borrower or guarantor satisfies the requirement of high credit standards and, with regard to assets, to reject them, to limit their use as collateral or to apply additional valuation haircuts if deemed necessary to achieve adequate risk control. Such measures can also be applied to specific Counterparties, in particular if the credit quality of the Counterparty appears to exhibit a high correlation with the credit quality of the collateral assets submitted by the Counterparty.
3. The Counterparty will notify DNB forthwith of all facts and circumstances as a result of which it no longer complies with all required procedures, rules and techniques applicable to IRB systems, or that may affect the continued use of the IRB system in the context of the credit assessment framework or the valuation techniques which the IRB system uses to value assets.
4. The haircuts as defined in Article 128, Paragraph 1(a) of the Guideline are determined by Guideline ECB/2015/35, the Guideline on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework (the 'valuation haircuts Guideline'), as amended from time to time. The valuation

haircuts Guideline forms an integral part of these Monetary Policy TC analogous to the way the Guideline forms an integral part of these Monetary Policy TC, as described in 'Part 1' of these Monetary Policy TC.

## Title VII Acceptance of non euro-denominated collateral in contingencies

### Article 26. Non euro-denominated collateral

1. In line with Article 137 of the Guideline, the Governing Council of the ECB may decide to accept certain Marketable Assets issued by non-euro area G-10 central governments in their national currency as collateral in monetary policy operations.

## Title VIII Rules for the use of eligible assets

### Article 27. Notification, valuation and removal of assets that are ineligible or contravene the rules for the use of eligible assets

1. The Counterparty is obliged to notify DNB of any and all events as a result of which assets deposited in its collateral pool at DNB may no longer be used as collateral, as because of the existence of close links as defined in Article 138 of the Guideline or because the assets have been removed from the list of Eligible Assets published by the ECB. DNB will value such assets at zero in its next revaluation.
2. DNB will inform the Counterparty accordingly and if the negative balance in the Counterparty's account exceeds the Credit Facility, will request the Counterparty to remedy the overdraft without delay in line with Article 14 of these Monetary Policy TC.
3. When the assets have been removed from the list of Eligible Assets published by the ECB, the Counterparty must withdraw the assets concerned from its collateral pool at DNB within seven (7) calendar days of the assets' removal from the said list. If the Counterparty can no longer use the assets due to the creation of close links (through a merger or acquisition), the Counterparty is likewise required to withdraw the assets from the asset pool as soon as possible, but no later than 7 calendar days after such creation. There is no grace period for existing close links: the Counterparty is required to immediately withdraw the assets concerned from its collateral pool at DNB.
4. If as a result of the assets' removal the negative balance in the Counterparty's account exceeds the Credit Facility, DNB will request the Counterparty to remedy the overdraft without delay in line with Article 14 of these Monetary Policy TC.
5. Counterparties that have deposited assets as collateral in a collateral pool must provide quarterly statements of their substantial interests in entities where an increase in those interests can, at any moment, lead to the creation of a close link as referred to in Article 138 of the Guideline. There is a 'substantial interest' when:
  - a. the Counterparty holds directly, or indirectly through one or more other undertakings, 10% or more of the capital of that other entity;
  - b. that other entity holds directly, or indirectly through one or more other undertakings, 10% or more of the capital of the Counterparty; and
  - c. a third party holds, either directly or indirectly through one or more undertakings, 10% or more of the capital of the Counterparty and 10 % or more of the capital of the other entity.
6. The substantial interests report is available only in electronic form and can be requested by email via [structuurinformatie@dnb.nl](mailto:structuurinformatie@dnb.nl). By submitting this information electronically, Counterparties authorise DNB to save the data in the ESCB's Register of Institutions and Affiliates Database (RIAD) for all EU Member States.

## Title IX Cross-border use of eligible assets

### Article 28. Cross-border use of Eligible Assets

1. Eligible Assets may be used as Underlying Assets by the Counterparty to obtain liquidity from DNB, irrespective of the Member State where the assets are held.
2. In order to facilitate the cross-border use of Eligible Assets, the Counterparty may use the Correspondent Central Banking Model and/or eligible links between securities settlement systems in the EU as included in Part 4, Title IX of the Guideline.
3. Assets issued outside the Netherlands and deposited in local collateral pools / securities settlement systems (SSSs) may be mobilised by way of transfer to the securities account of DNB at the NCB of the country where the SSS concerned is established, for the benefit of the Counterparty's collateral pool at DNB, with due adherence to the rules applicable to such transfers.
4. Eurobonds not included in the records of NECIGEF must be transferred to DNB's securities account at Euroclear Bank S.A./N.V. in Brussels. DNB will then add the assets to the Counterparty's collateral pool at DNB. The Counterparty's claim on DNB regarding the assets is pledged to DNB under Articles 9–12 of the General Terms and Conditions of DNB.
5. If:
  - (a) a transfer of non-Dutch-issued Marketable Assets is announced to DNB by 16:00<sup>37</sup> hours at the latest by means of a SWIFT message as described in Annex II of these Monetary Policy TC and
  - (b) the confirmation of that transfer into the account of DNB at the foreign NCB is announced no later than at 16:45 hours, the Credit facility will be increased accordingly on the same day.

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<sup>37</sup> On Dutch public holidays when Target2-NL is open, the announcements must be received by DNB by 14:00 hours at the latest. The confirmation of receipt from the local NCB must in that case be received by DNB by 15:30 hours.

## Part 5. Sanctions and discretionary powers

### Article 29. Contractual penalty

1. Financial sanctions imposed on account of non-compliance by the Counterparty to obligations under these Monetary Policy TC, as described in Article 154 of the Guideline, must be legally classified as a contractual penalty as meant in the Dutch Civil Code, Section 6:91. Imposition of a penalty on the Counterparty by DNB does not prejudice against DNB's powers to require compensation for actual damages, to as yet require adherence to the obligations under these Monetary Policy TC and to apply an alternative sanction as described in Article 156 of the Guideline.
2. The amounts of penalties are calculated and set in accordance with the method described in the Guideline. The financial sanction is calculated pursuant to Annex VII, section III of the Guideline in accordance with the amount of cash that the counterparty could not reimburse or pay, or to the value of the assets which were not delivered and the number of calendar days during which the counterparty was unable to reimburse any amount of the credit, pay the repurchase price or the cash otherwise due; or deliver the assets at maturity or when otherwise due.
3. If the Counterparty is in default under Article 14 or Article 15 of the General Terms and Conditions, DNB has power, without prejudice to its other rights and powers under the General Terms and Condition or these Monetary Policy TC, to employ the remedies described in Article 166(1) of the Guideline.
4. Where a counterparty rectifies a failure to comply with an obligation referred to in Article 154(1)(c) of the Guideline, and notifies the NCB before the counterparty has been notified of the non compliance by the NCB, ECB or an external auditor ("self-reported infringement"), the applicable financial penalty as calculated in accordance with Annex VII of the Guideline shall be reduced by 50%. The reduction of the financial penalty shall also be applicable in cases where the counterparty notifies the NCB of a breach that was not discovered by the ECB or NCB and in relation to assets that have been demobilised. The reduction of the financial penalty shall not be applicable to assets that fall under the scope of an ongoing verification procedure of which the counterparty is aware due to a notification by the NCB, ECB or an external auditor.

### Article 29a. Discretionary measures

1. DNB is at all times authorized to suspend, restrict or exclude the access of a counterparty to monetary policy operations for reasons of prudential action in accordance with Article 158 of the Guideline or take any other measure for reason of prudential action as referred to in Article 158.1(b) of the Guideline and Article 159 of the Guideline.
2. In the event a counterparty is deemed to be 'failing or likely to fail'<sup>38</sup> by the relevant authorities, the counterparty's access to monetary policy operations will be limited in a manner as described in Article 158(4) of the Guideline. The aforementioned limitation of access is automatic, without necessitating any notice or other action by DNB, and effective on the next calendar day following the calendar day on which the relevant authorities deemed the relevant counterparty "failing or likely to fail".

<sup>38</sup> Based on the conditions laid down in Article 18(4)(a) to (d) of Regulation (EU) No 806/2014 or laid down in national legislation implementing Article 32(4)(a) to (d) of Directive 2014/59/EU.

## Part 6. Miscellaneous procedures and contingency measures

### Article 30. Procedure in case bidding via eTender is impossible

1. If a Counterparty is unable to submit bids in the context of a Tender Procedure through eTender, bids may be submitted by telephone to DNB's Financial Markets division at number +31 (0)20 520 5000. During the submission period, such bids can be submitted between 8.30 and 17.00 hours. The submission must be confirmed no later than five minutes after the end of the submission period, by fax (+31 (0)20 524 2538) or secure email (fm.dealingroom@dnb.nl), stating the tender reference number.
2. Counterparties can access the results of open market operations via wire services and on the ECB website. Based on this information, Counterparties are able to calculate their own allotment. Counterparties will not be informed individually about allotments.

### Article 31. Bidding in tender operations in the event that DNB is unreachable

1. If DNB is unable to execute a Tender Procedure owing to an emergency, the National Bank of Belgium ("**NBB**") will temporarily assume the duties of DNB with regard to the execution of Tender Procedures.
2. If during the bidding window in a tender operation bids cannot be submitted via DNB, Counterparties may contact the Front Office of the NBB at telephone number +32 (0)2 221 4971. If the NBB confirms that it has assumed DNB's front office activities, Counterparties may submit their bids to the NBB. Counterparties must confirm their bids thus submitted by fax at +32 (0)2 221 3274 no more than 15 minutes after the bid submission deadline. The fax confirmation must state the tender reference number. Counterparties are requested to state the names and telephone numbers of their contact persons on the fax.
3. Counterparties can access the results of open market operations via wire services and on the ECB website. Based on this information, Counterparties are able to calculate their own allotment. Counterparties will not be informed individually about allotments.

### Article 32. Procedure for an emergency arising during a Tender Procedure

1. If, on account of an emergency arising during the bidding window of an ongoing open market operation, DNB decides to hand over its front office tasks to the NBB, DNB will pass on previously received telephone bids to the Front Office of the NBB. Counterparties that had already submitted bids to DNB, should in such a case verify the correct transfer of their bids to the NBB with the NBB Front Office at telephone number +32 (0)2 221 4971.
2. During an emergency as described in the last paragraph, Counterparties that find it impossible to submit bids to DNB may contact the NBB Front Office at +32 (0)2 221 4971. If the NBB confirms that it has assumed DNB's front office activities, Counterparties may submit their bids to the NBB. Counterparties must confirm their bids thus submitted by fax at +32 (0)2 221 3274 no more than 15 minutes after the bid submission deadline. Counterparties should state the names and telephone numbers of their contact persons on the fax.
3. Counterparties may access the results of open market operations via the usual channels. Based on this information, Counterparties are able to calculate their own allotment. They will not be individually informed about allotments by fax.

### Article 33. Minimum reserves<sup>39</sup>

1. DNB will endeavour to inform the Counterparty on the day preceding the start of each reserve period regarding the amount of its minimum reserve requirement. The standard procedure is for DNB to calculate the reserve requirement for each institution on the basis of reports submitted by the institutions. DNB will inform the institution at least three business days before the start of the new maintenance period by means of a secured email message, if available, or else through an automatically generated, unsigned fax message. In the event of an emergency, such notification may be delayed.
2. If a Counterparty has not received a notification as mentioned above before the start of the new maintenance period and no new reserve requirement is shown in Target2, the Counterparty is requested to contact DNB immediately. In the meantime, the Counterparty may estimate its reserve requirement as calculated from its earlier report to DNB on balance sheet data for the end of the antepenultimate calendar month. As soon as the emergency at DNB has been remedied, DNB will send a notification and present the reserve requirement

<sup>39</sup> Pursuant to Article 19 of the ESCB Statute, the ECB requires credit institutions to hold minimum reserves at the NCBs in the context of the system of reserve requirements of the Eurosystem. The legal framework underlying this system is laid down in Article 19 of the ESCB Statute, Regulation (EC) No. 2531/98 and Regulation (EC) No. 1745/2003 (ECB/2003/9). Application of Regulation (EC) No. 1745/2003 (ECB/2003/9) ensures the uniformity of the Eurosystem's system of reserve requirements across the Member States.



in Target2. Reserves holdings that comply with the minimum reserve requirements under Regulation (EU) nr. 2531/98 and Regulation (EU) nr. 1745/2003 (ECB/2003/9) are remunerated in accordance with Regulation (EU) nr. 1745/2003 (ECB/2003/9). Reserves held in excess of the minimum reserves referred to in the previous sentence are remunerated in accordance with Decision (EU) 2019/1743 of the European Central Bank (ECB/2019/31)<sup>40</sup>.

3. Institutions belonging to the same Monetary Financial Institution ("**MFI**"<sup>41</sup>) may fulfil their reserve requirements by "pooling" the reserve amounts.<sup>42</sup> In that case, fulfilment is evaluated on the basis of the aggregate balances in the PM and/or HAM accounts of all participants belonging to the same MFI, even if the minimum reserve is associated with only one account. An institution that wishes to make use of the pooling facility or, conversely, no longer wishes to do so may indicate this by submitting a registration form<sup>43</sup>. Cross-border consolidation is not possible. At the end of a maintenance period, the accrued interest is credited to the account associated with the minimum reserve as indicated by the MFI. Pursuant to Article 54 of the Guideline, reserve holdings exceeding the required minimum reserves are remunerated at zero per cent or the Deposit Facility Rate, whichever is lower. DNB will debit the relevant account on the second business day of Target2-NL following the end of a maintenance period.

#### Article 34. Settlement of open market operations and transfer of underlying assets as collateral

1. In an emergency, the National Bank of Belgium ("**NBB**") may take over the settlement of open market operations. During the settlement process of an open market operation (including the transfer of underlying assets as collateral), an NBB officer may contact the Counterparty. If DNB cannot be reached on account of the said emergency, Counterparties may contact the NBB with any questions they may have on the settlement of an on-going operation. The Back Office of the NBB will act as the point of contact (telephone number: +32 (0)2 221 2504).

<sup>40</sup> Decision (EU) 2019/1743 of the European Central Bank of 15 October 2019 on remuneration of excess reserve holdings and certain deposits (ECB/2019/31) (PB L 267 of 21.10.2019, page 12).

<sup>41</sup> As defined in Article 1 of Regulation (EC) No 25/2009 of the European Central Bank (ECB/2008/32).

<sup>42</sup> In that case, institutions cannot also hold minimum reserves indirectly through an intermediary.

<sup>43</sup> The registration forms can be found on the DNB website ([www.dnb.nl](http://www.dnb.nl)) under 'Payments' and then 'Tasks DNB', then 'TARGET2 and T2S', then the download URL 'Registration'.



## Part 7. Annexes

## Annex I. DNB's Telephone and Fax Numbers, SWIFT and Internet Addresses

**Telephone and fax numbers****Day to Day operational contacts – Monetary Operations**

Questions on <b>eTender</b> and application for tokens and submission of bids when eTender is unavailable. (email: <a href="mailto:fm.dealingroom@dnb.nl">fm.dealingroom@dnb.nl</a> )	+31 20 520 5000
Confirmation of bids by fax message in case eTender is not available (or by secured email: <a href="mailto:fm.dealingroom@dnb.nl">fm.dealingroom@dnb.nl</a> )	+31 20 524 2538

**Day to Day operational contacts – Collateral Operations and ECAF**

Securities settlement and ABS assessment form (email: <a href="mailto:collateral_management@dnb.nl">collateral_management@dnb.nl</a> )	+31 20 524 3696
Credit claim processing (email: <a href="mailto:creditclaim@dnb.nl">creditclaim@dnb.nl</a> )	+31 20 524 3696
Questions on eligible assets (email: <a href="mailto:collateral_management@dnb.nl">collateral_management@dnb.nl</a> )	+31 20 524 2450
Substantial Interest Reporting Form (email: <a href="mailto:structuurinformatie@dnb.nl">structuurinformatie@dnb.nl</a> )	+31 20 524 3392
Securities instructions by fax message	+31 20 524 6186
Questions about the Eurosystem Credit Assessment Framework (ECAF)	+31 20 524 2010

**Day to Day operational contacts – Payment Operations**

TARGET2-NL transfer instructions by encrypted fax message	+32 20 524 3900
Supervisor TARGET2 (questions relating to transfers in TARGET2-NL)	+31 20 524 3564

**Policy matters**

Specific questions on the collateral framework	+31 20 524 3269
Specific questions on open market operations and standing facilities	+31 20 524 2824

**Escalation/Senior Contacts**

Collateral Services	+31 20 524 1957
Payment Services	+31 20 524 2945
Department Payments and Collateral Services	+31 20 524 5770

**SWIFT addresses**

ECMSNL2ACCB	Address for pledging collateral etc.
FLORNL2AXXX	Address for marginal lending upon request

**WWW addresses**

[www.dnb.nl](http://www.dnb.nl)

- General Terms and Conditions: under "About DNB" on the home page, click on "Organisation", then "Acts and Regulations".
- Monetary Policy Transactions Conditions: via the home page, click on "Monetary Policy", then choose "Operations, rates and collateral" and then "Information for counterparties".
- User conditions eTender, as above.
- Conditions for TARGET2-NL, under button "Payments" on the home page, then under "Tasks DNB" choose "TARGET2 and T2S", then the download URL "Registration".
- Tender calendar via the home page, click on "Monetary Policy", then choose "Operations, rates and collateral", then "Information for counterparties".
- Eligible Assets, under "Payments" on the home page, then under "Tasks DNB" click on "Collateral Management".
- SWIFT templates, link: <https://www.dnb.nl/en/payments/other-tasks/collateral-management/index.jsp>

[www.ecb.europa.eu](http://www.ecb.europa.eu)

- List of Eligible Assets available under Payments & Markets, Collateral, List of eligible marketable assets; <https://www.ecb.europa.eu/paym/html/midEA.en.html>
- Acceptable markets available under "Payments & Markets", "Collateral, Eligibility criteria and assessment", "Marketable assets": <https://www.ecb.europa.eu/paym/coll/standards/marketable/html/index.en.html>

## Annex II. SWIFT Messages<sup>44</sup>

DNB makes use of the following Swift messages for safekeeping purposes:

MT202	General Financial Institution Transfer – (General payment message)
MT204	Financial Markets Direct Debit Message
MT535	Statement of Holding
MT540	Receive Free – (to receive assets free of payment)
MT542	Deliver Free – (to deliver assets free of payment)
MT544	Receive Free Confirmation
MT546	Deliver Free Confirmation
MT548	Settlement Status and Processing Advice
MT564	Corporate Action Notification - (message referring to a coupon, redemption or modification in the terms of loan)
MT 565	Corporate Action Instruction –(instruction of corporate actions for bonds deposited at Euroclear Bank Brussels)
MT568 <sup>45</sup>	Corporate Action Narrative – (Additional data for a coupon, redemption or modification in the terms of the loan)
MT598	Proprietary Message – (message specified by DNB)
MT599	Free Format Message

For the accompanying templates see DNB’s website ([www.dnb.nl](http://www.dnb.nl), “Payments”, “Tasks DNB”, then “Collateral Management” for “ECMS SWIFT templates”, link: <https://www.dnb.nl/en/payments/other-tasks/collateral-management/index.jsp> ).

<sup>44</sup> Information on SWIFT messages can be found on [www.swift.com](http://www.swift.com).

<sup>45</sup> MT568 information is generally sent via email.

### Annex III. (Model) Statement In Respect Of "Close Links" In Case Of ABS

THE UNDERSIGNED:

Mr/Ms \_\_\_\_\_, CEO/CFO<sup>46</sup>

of \_\_\_\_\_, [name of the institution]

(having its registered office in \_\_\_\_\_ and hereinafter referred to as the "Counterparty"), duly representing this Counterparty,

DOES HEREBY DECLARE WITHOUT RESTRAINT AND WITHOUT RESERVATION:

- I. that the Counterparty has taken due note of the "Rules relating to "close links" as referred to in Article 138 of Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60);
- II. that in respect of the securitisation transaction referred to as \_\_\_\_\_ and bearing ISIN code \_\_\_\_\_, no "close links" (as defined in the above-mentioned Rules) exist;
- III. that the Counterparty shall notify DNB forthwith of all facts and circumstances that cause the statement given under II to be no longer correct;
- IV. that the Counterparty is aware that the present statement will be valid for a maximum duration of one year and has to be renewed, on the Counterparty's own initiative, before the expiry of this term.

DULY SIGNED<sup>47</sup> in \_\_\_\_\_ on \_\_\_\_\_.

Name: \_\_\_\_\_ Co-signatory's name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

<sup>46</sup> Please indicate which is applicable.

<sup>47</sup> To be duly signed by the chief executive officer (CEO), chief financial officer (CFO) or a manager of similar seniority in accordance with the list of authorized signatories of the credit institution as filed with the Trade Register of the Chamber of Commerce. If necessary a second authorized signatory shall co-sign the statement.

## Annex IV. Model Statement For Pledge Of Fixed-Term Deposits

### PLEDGE OF FIXED-TERM DEPOSITS

THE UNDERSIGNED:

Mr/Ms \_\_\_\_\_, legally representing in this matter  
\_\_\_\_\_, (having its registered office in  
\_\_\_\_\_, and its business address at \_\_\_\_\_, hereinafter  
referred to as "the Counterparty"),

- (1) Hereby declares – to the extent necessary – to pledge to De Nederlandsche Bank N.V. (hereinafter referred to as "DNB") the present and future claims of the Counterparty against DNB regarding fixed-term deposits, held with DNB and entered into in the framework of liquidity-absorbing Eurosystem monetary policy operations, in order to secure any amounts receivable from the Counterparty which DNB has or may have in any connection whatsoever, which pledge DNB – to the extent necessary – accepts;
- (2) Hereby declares that this statement is to be considered – to the extent necessary – as a deed of pledge, and also as a financial collateral arrangement ("financiële zekerheids overeenkomst") within the meaning of Article 7:51 under (c) of the Dutch Civil Code, and that through this statement the notification to DNB, required for pledging claims against DNB, is effected; and
- (3) Hereby declares – and to the extent necessary hereby declares in advance – that the Counterparty is entitled to pledge the above-mentioned fixed-term deposits and that these fixed-term deposits are not subject to (restricted) rights for the benefit of parties other than DNB.

SIGNED<sup>48</sup> on behalf of the Counterparty on \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

Place: \_\_\_\_\_

SIGNED on behalf of DNB for acceptance of the pledge by DNB on \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Place: Amsterdam

Place: Amsterdam

<sup>48</sup> To be duly signed in accordance with the rules on power of attorney applying at the institution and deposited at the Trade Register of the Chamber of Commerce. If necessary a second official must co-sign.

## Annex V. Additional Temporary Measures Relating To Eurosystem Refinancing Operations and Eligibility Of Collateral

Annexes V.1, V.2, V.4, V.5, V.6 and V.7 give an overview of additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral as adopted in Guideline ECB/2014/31, and as amended from time to time. National central banks (NCBs) are not obliged to accept all temporary measures taken.

DNB makes limited use of the possibilities given by Guideline ECB/2014/31 to temporarily accept certain assets, so DNB does not accept:

- additional credit claims (which do not meet the eligibility requirements of the Eurosystem) as mentioned in Annex V.2;
- certain short-term debt instruments as mentioned in Annex V.6.

The following table gives, per measure, an overview of which assets are or are not accepted by DNB. The numbers correspond with the numbers for each measure in the Annexes.

Eurosystem measure	DNB acceptance
V.1.1 to V.1.4	Yes
V.2.1 to V.2.5	No
V.4.1 to V.4.4	Yes
V.5.1 to V.5.2	Yes
V.6.1 to V.6.4	No
V.7.	Yes

## Annex V.1 Temporary Eurosystem admission of certain additional asset-backed securities (ABS)

*(Please refer to the table in the introduction to Annex 5 for acceptance by DNB)*

V.1.1. In addition to asset-backed securities (ABS) eligible under Part 4 of Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60)(recast), ABS which do not fulfil the credit assessment requirements under the Guideline but which otherwise comply with all eligibility criteria applicable to ABS pursuant to the Guideline, shall be eligible as collateral for Eurosystem monetary policy operations, provided that they have two ratings of at least triple B<sup>49</sup>. They shall also satisfy all the following requirements:

- (a) the cash-flow generating assets backing the ABS shall belong to one of the following asset classes: (i) residential mortgages; (ii) loans to small and medium-sized enterprises (SMEs); (iii); (iv) auto loans; (v) leasing; (vi) consumer finance and (vi) credit card receivables.
- (b) there shall be no mix of different asset classes in the cash-flow generating assets;
- (c) the cash-flow generating assets backing the ABS shall not contain loans which are any of the following:
  - (i) non-performing at the time of issuance of the ABS;
  - (ii) non-performing when incorporated in the ABS during the life of the ABS, for example by means of a substitution or replacement of the cash-flow generating assets;
  - (iii) at any time, structured, syndicated or leveraged;
- (d) the ABS transaction documents shall contain servicing continuity provisions.

V.1.2. ABS referred to in paragraph 1 that do not have two public credit ratings of at least credit quality step 2 in the Eurosystem harmonised rating scale in accordance with Article 82(1)(b) of Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60)<sup>50</sup> shall be subject to a valuation haircut that depends on their weighted average life<sup>51</sup> as detailed in Annex IIa of Guideline ECB/2014/31, as amended from time to time.

V.1.4. A Counterparty may not submit ABS, which are eligible pursuant to Section 1 as collateral, if the Counterparty, or any third party with which it has close links, acts as an interest rate hedge provider in relation to the ABS.

<sup>49</sup> A 'triple B' rating is a rating of at least 'Baa3' from Moody's, 'BBB-' from Fitch or Standard & Poor's, or a rating of 'BBB' from DBRS.

<sup>50</sup> Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (General Documentation Guideline) (ECB/2014/60) (OJ L 91, 2.4.2015, p. 3).

<sup>51</sup> The weighted average life of the senior tranche of an ABS shall be estimated as the weighted average time remaining until repayment of the cash flows expected from the tranche. For retained mobilised ABS, the calculation of the weighted average life shall assume that issuer call options will not be exercised.



Definitions:

- (a) **"residential mortgage"**, besides residential real estate mortgage-backed loans, shall include guaranteed residential real estate loans (without a real estate mortgage) if the guarantee is payable promptly on default. Such guarantee may be provided in different contractual formats, including contracts of insurance, provided they are granted by a public sector entity or a financial institution subject to public supervision. The credit assessment of the guarantor for the purposes of such guarantees must comply with credit quality step 3 in the Eurosystem's harmonized rating scale over the life of the transaction;
- (b) **"small enterprise" and "medium-sized enterprise"** shall mean an entity engaged in an economic activity, irrespective of its legal form, where the reported sales for the entity or if the entity is a part of a consolidated group, for the consolidated group is less than EUR 50 million;
- (c) **"non-performing loan"** shall include loans where payment of interest or principal is past due by 90 or more days and the obligor is in default, as defined in point 44 of Annex VII to Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions<sup>52</sup>, or when there are good reasons to doubt that payment will be made in full;
- (d) **"structured loan"** means a structure involving subordinated credit claims;
- (e) **"syndicated loan"** means a loan provided by a group of lenders in a lending syndicate;
- (f) **"leveraged loan"** means a loan provided to a company that already has a considerable degree of indebtedness, such as buy-out or take-over-financing, where the loan is used for the acquisition of the equity of a company which is also the obligor of the loan;
- (g) **"servicing continuity provisions"** means provisions in the legal documentation of an asset-backed security that consist of either back-up servicer provisions or back-up servicer facilitator provisions (if there are no back-up servicer provisions). In the case of back-up servicer facilitator provisions, a back-up servicer facilitator should be nominated and the facilitator should be mandated to find a suitable back-up servicer within 60 days of the occurrence of a trigger event in order to ensure timely payment and servicing of the asset-backed security. These provisions shall also include servicer replacement triggers for the appointment of a back-up servicer, which can be rating-based and/or non-rating-based, e.g. non-performance of obligations by the current servicer. In the case of back-up servicer provisions, the back-up servicer shall not have close links to the servicer. In the case of back-up servicer facilitator provisions, there shall not be close links between each of the servicer, the back-up servicer facilitator and the issuer account bank at the same time;
- (h) **"close links"** has the meaning given in Article 138(2) of Guideline (EU) 2015/510 (ECB/2014/60);
- (i) **"retained mobilised ABS"** means ABS used in a percentage greater than 75% of the outstanding nominal amount by a counterparty that originated the ABS or by entities with close links to the originator.

<sup>52</sup> OJ L 177, 30.6.2006, p.1.

## Annex V.2 Temporary Eurosystem admission of certain additional credit claims

*(Please refer to the table at the introduction of Annex 5 for acceptance by DNB)*

- V.2.1. NCBs may accept as collateral for Eurosystem monetary policy operations credit claims that do not satisfy the Eurosystem eligibility criteria.
- V.2.2. NCBs that decide to accept credit claims in accordance with paragraph 1 shall establish eligibility criteria and risk control measures for this purpose by specifying deviations from the requirements of Guideline (EU) 2015/510 (ECB/2014/60). Such eligibility criteria and risk control measures shall include the criterion that the credit claims are governed by the laws of the Member State of the NCB establishing the eligibility criteria and risk control measures. The eligibility criteria and risk control measures shall be subject to the ECB's Governing Council prior approval.
- V.2.3. In exceptional circumstances NCBs may, subject to the ECB's Governing Council prior approval, accept credit claims: (a) in application of the eligibility criteria and risk control measures established by another NCB pursuant to points 1 and 2; (b) governed by the law of any Member State other than the Member State in which the accepting NCB is established; (c) that are included in a pool of credit claims or consist of real estate assets, whereby the law governing the credit claim or the relevant debtor (or guarantor, where applicable) is that of any EU Member State other than the one in which the accepting NCB is established<sup>53</sup>.
- V.2.4. Another NCB shall only provide assistance to an NCB accepting credit claims pursuant to paragraph 1 if bilaterally agreed between both NCBs and subject to prior approval by the Governing Council.
- V.2.5. For failure to comply with an obligation referred to in Article 154(1)(c) of Guideline (EU) 2015/510 (ECB/2014/60), the sum of the values in breach of such obligation of all non-compliant credit claims included in a pool of credit claims shall be taken into account for the calculation of the financial penalty in accordance with Annex VII to that Guideline.

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<sup>53</sup> Part C applies as of 1 January 2014.

## Annex V.4: Additional Eurosystem temporary measures relating to the admission of assets denominated in British pound sterling, Japanese yen or U.S. dollar as eligible collateral

*(Please refer to the table at the introduction of Annex 5 for acceptance by DNB)*

- V.4.1. Subject to the admission criteria and limitations, as set out in the other sub-annexes of Annex V, marketable debt instruments as described in Article 25 of this Monetary Policy TC, if denominated in British pound sterling, Japanese yen or U.S. dollar, shall constitute eligible collateral for Eurosystem monetary policy operations, provided that
- (a) they are issued and held/settled in the euro area;
  - (b) the issuer is established in the European Economic Area; and
  - (c) they fulfil all other eligibility criteria included in Title II of Part 4 of Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework.
- V.4.2. The following valuation markdowns shall apply to such marketable debt instruments: (a) a markdown of 16% on assets denominated in British pound sterling or U.S. dollar; and (b) a markdown of 26% on assets denominated in Japanese yen.
- V.4.3. Marketable debt instruments described in point 1 above<sup>54</sup>, which have coupons linked to a single money market rate in their currency of denomination, or to an inflation index containing no discrete range, range accrual, ratchet or similar complex structures for the respective country, shall also constitute eligible collateral for the purposes of Eurosystem monetary policy operations.
- V.4.4. Supplementary condition: If such marketable debt instruments involve income payments (e.g. coupon payments), then such debt instruments shall not be eligible as collateral during the business day(s) on which the income payment occurs. This means that the relevant debt instrument must be removed from the collateral pool before the record date and, if necessary, must be substituted by other collateral.

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<sup>54</sup> DNB can, without providing a reason, instruct the Counterparty to remove certain marketable assets from the monetary collateral pool if DNB so desires with a view to corporate actions. This instruction does not discharge the Counterparty from its obligation to submit enough eligible collateral.

## Annex V.5 Eurosystem Suspension of the requirements for credit quality thresholds for certain marketable instruments

*(Please refer to the table at the introduction of Annex 5 for acceptance by DNB)*

- V.5.1. The Eurosystem's minimum requirements for credit quality thresholds, as specified in the Eurosystem credit assessment framework rules for marketable assets in Chapter 2, Title II of Part 4 of the Guideline shall be suspended in accordance with point 2 below.
- V.5.2. On the basis of a specific decision of the Governing Council to that effect, the Eurosystem's credit quality threshold shall not apply to marketable debt instruments issued or fully guaranteed by the central government of a euro area Member State under a European Union/International Monetary Fund programme, for as long as such Member State is considered by the Governing Council to comply with the conditionality of the financial support and/or the macroeconomic programme.

## Annex V.6 Acceptance of certain short-term debt instruments

*(Please refer to the table at the introduction of Annex 5 for acceptance by DNB)*

- V.6.1. NCBs may accept as collateral for Eurosystem monetary policy operations certain short-term debt instruments that do not satisfy the Eurosystem eligibility criteria for marketable assets laid down in Part 4 of the Guideline (EU) 2014/60 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework.
- V.6.2. NCBs that decide to accept short-term debt instruments in accordance with paragraph 1, shall establish the eligibility criteria and risk control measures for such purpose provided they meet the minimum standards specified by the Governing Council. Such eligibility criteria and risk control measures shall include the following criteria applicable to the short-term debt instruments.
- (a) They are issued by non-financial corporations<sup>55</sup> that are established in the euro area. The guarantor of the short-term debt instrument (if any) must also be a non-financial corporation established in the euro area unless a guarantee is not needed for the short-term debt instrument to comply with the provisions on establishing high credit standards as set out in subparagraph (d).
  - (b) They are not admitted to trading on a market regarded as acceptable by the Eurosystem as laid down in Article 68 of the Guideline.
  - (c) They are denominated in euro.
  - (d) They fulfil the requirements on high credit standards established by the relevant NCB which shall apply in place of the requirements of Article 71 and Article 92 of the Guideline.
  - (e) Other than as set out in subparagraphs (a) to (d), they are compliant with the Eurosystem eligibility criteria for marketable assets laid down in Part 4 of the Guideline.
- V.6.3. An NCB may not, unless it does so pursuant to a bilateral agreement with another NCB, accept short-term debt instruments pursuant to paragraphs 1 and 2 that are issued in the euro area:
- (a) with that other NCB; or
  - (b) with a central securities depository which (i) has been positively assessed by the Eurosystem pursuant to the standards and assessment procedures described in the "Framework for the assessment of securities settlement systems and links to determine their eligibility for use in Eurosystem credit operations"<sup>56</sup>; and (ii) is established in the euro area Member State in which the other NCB is established.
- V.6.4. For the purposes of this Article "short-term debt instruments" mean debt instruments with a maturity of no longer than 365 days at issuance and at any time subsequently.

<sup>55</sup> Non-financial corporations are defined as provided for in the European System of Accounts 2010 (ESA 2010).

<sup>56</sup> Available on the ECB's website at [www.ecb.europa.eu](http://www.ecb.europa.eu).

## Annex V.7. Mitigating the adverse impact on Eurosystem collateral availability of potential rating downgrades resulting from the economic fallout of the COVID-19 outbreak<sup>57</sup>

*(Please refer to the table at the introduction of Annex 5 for acceptance by DNB)*

**(Admission of certain marketable assets and issuers eligible on 7 April 2020 - this Annex shall apply until the first early repayment date under the third programme of targeted longer-term refinancing operations (TLTRO-III), i.e. this Annex shall remain in effect until 29 September 2021)**

1. Terms used in this Annex V.7 shall have the same meaning as in Guideline (EU) 2015/510 (ECB/2014/60).
2. Notwithstanding the provisions of Article 59(3), Article 71 and Article 82(1)(a) of Guideline (EU) 2015/510 (ECB/2014/60), marketable assets – other than asset-backed securities (ABSs) – issued on or before 7 April 2020 that on 7 April 2020 had a public credit rating, provided by at least one accepted ECAI system, that complied with the minimum credit quality requirements of the Eurosystem, shall constitute eligible collateral for Eurosystem credit operations provided that, at all times after 7 April 2020:
  - (a) they have a public credit rating provided by at least one accepted ECAI system that complies with, as a minimum, credit quality step 5 in the Eurosystem’s harmonised rating scale; and
  - (b) they continue to comply with all other eligibility criteria applicable to marketable assets as laid down in Guideline (EU) 2015/510 (ECB/2014/60).For the avoidance of doubt, the public credit rating on 7 April 2020, as referred to in this paragraph, shall be determined by the Eurosystem on the basis of the rules set out in Article 82(1)(a), Article 82(2), Article 83, Article 84(a) and (b), Article 85 and Article 86 of Guideline (EU) 2015/510 (ECB/2014/60).
3. Where compliance of a marketable asset with the minimum credit quality requirements of the Eurosystem on 7 April 2020 is determined on the basis of an ECAI issuer rating or an ECAI guarantor rating provided by an accepted ECAI system, that marketable asset shall constitute eligible collateral for Eurosystem credit operations provided that, at all times after 7 April 2020:
  - (a) the ECAI issuer rating or the ECAI guarantor rating, as applicable, for that marketable asset complies with, as a minimum, credit quality step 5 in the Eurosystem’s harmonised rating scale; and
  - (b) that marketable asset continues to comply with all other eligibility criteria applicable to it as laid down in Guideline (EU) 2015/510 (ECB/2014/60).
4. Marketable assets – other than ABSs – issued after 7 April 2020 whose issuer or guarantor, as applicable, had on 7 April 2020 a public credit rating, provided by at least one accepted ECAI system, that complied with the minimum credit quality requirements of the Eurosystem, shall constitute eligible collateral for Eurosystem credit operations provided that, at all times after 7 April 2020:
  - (a) those marketable assets have a public credit rating, provided by at least one accepted ECAI system, that complies with, as a minimum, credit quality step 5 in the Eurosystem’s harmonised rating scale; and
  - (b) those marketable assets comply with all other eligibility criteria applicable to marketable assets as laid down in Guideline (EU) 2015/510 (ECB/2014/60).For the avoidance of doubt, the public credit rating referred to in point (a) of this paragraph shall be determined by the Eurosystem on the basis of the rules set out in Article 82(1)(a), Article 82(2), Article 83, Article 84(a) and (b), Article 85 and Article 86 of Guideline (EU) 2015/510 (ECB/2014/60).

<sup>57</sup> Guideline ECB/2020/29 OF THE EUROPEAN CENTRAL BANK of 7 May 2020 amending Guideline ECB/2014/31 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (OJ L 148, 11.5.2020, p.10).

5. Covered bonds issued after 7 April 2020 under a covered bond programme that on 7 April 2020 itself had a credit assessment, provided by at least one accepted ECAI system, that complied with the minimum credit quality requirements of the Eurosystem, shall constitute eligible collateral for Eurosystem credit operations provided that:
  - (a) at all times after 7 April 2020 the covered bond programme has a public credit rating, provided by at least one accepted ECAI system, that complies with, as a minimum, credit quality step 5 in the Eurosystem's harmonised rating scale, and
  - (b) these covered bonds comply with all other eligibility criteria applicable to them as laid down in Guideline (EU) 2015/510 (ECB/2014/60).
  
6. The marketable assets referred to in Article 87(2) of Guideline (EU) 2015/510 (ECB/2014/60) that on 7 April 2020 did not have a public credit rating provided by an accepted ECAI system, but that on 7 April 2020 had an implicit credit assessment derived by the Eurosystem in accordance with the rules laid down in Article 87(1) and (2) of Guideline (EU) 2015/510 (ECB/2014/60) that complied with the credit quality requirements of the Eurosystem, shall constitute eligible collateral for Eurosystem credit operations irrespective of the date of their issuance provided that, at all times after 7 April 2020:
  - (a) the issuer or guarantor, as applicable, of these marketable assets complies, as a minimum, with a credit quality requirement corresponding to credit quality step 5 in the Eurosystem's harmonised rating scale; and
  - (b) these marketable assets comply with all other eligibility criteria applicable to them as laid down in Guideline (EU) 2015/510 (ECB/2014/60).
  
7. Notwithstanding the provisions of Article 59(3), Article 71 and Article 82(1)(b) of Guideline (EU) 2015/510 (ECB/2014/60), ABS issued on or before 7 April 2020 that on 7 April 2020 had at least two public credit ratings, each provided by a different accepted ECAI system, that complied with the minimum credit quality requirements of the Eurosystem under Guideline (EU) 2015/510 (ECB/2014/60), shall constitute eligible collateral for Eurosystem credit operations provided that, at all times after 7 April 2020:
  - (a) they have at least two public credit ratings, each provided by a different accepted ECAI system, that comply with, as a minimum, credit quality step 4 in the Eurosystem's harmonised rating scale; and
  - (b) they continue to comply with all other eligibility criteria applicable to ABSs as laid down in Guideline (EU) 2015/510 (ECB/2014/60).

For the avoidance of doubt, the requirements laid down in Article 3(1)(a) to (d) and Article 3(4) of Guideline ECB/2014/31, as amended from time to time (hereafter for this Annex V.7: the Guideline), shall not apply to the ABS referred to in this paragraph.
  
8. ABS that on 7 April 2020 were admitted by the Eurosystem as eligible collateral under Article 3(1) of the Guideline shall remain eligible provided that, at all times after 7 April 2020:
  - (a) they have two public credit ratings of at least credit quality step 4 in the Eurosystem's harmonised rating scale provided by two accepted ECAI systems; and
  - (b) they continue to comply with all other requirements applicable to them under Article 3(1) (except the rating level), Article 3(2a) and Article 3(4) of the Guideline.

For the avoidance of doubt, Article 3(2) and Article 3(5) of the Guideline shall not apply to the ABS referred to in this paragraph.
  
9. For as long as they continue to be admitted as eligible collateral by the Eurosystem according to this Annex, the marketable assets, including covered bonds, referred to in paragraphs 2 to 6 shall be subject to the valuation haircuts laid down in Table V.7.IIb hereafter. The ABS referred to in paragraphs 7 and 8 shall be subject to the valuation haircuts laid down in Table V.7.IIa hereafter. The valuation haircuts shall be calculated on the basis of the current rating applicable on any given day after 7 April 2020 in accordance with the rules relating to priority of ECAI credit assessments as set out in Articles 83 to 88 of Guideline (EU) 2015/510 (ECB/2014/60).
  
10. In addition to the valuation haircuts provided for in paragraph 9, the following additional valuation haircuts shall apply:
  - (a) ABS, covered bonds and unsecured debt instruments issued by credit institutions that are theoretically valued in accordance with the rules contained in Article 134 of Guideline (EU) 2015/510

(ECB/2014/60) shall be subject to an additional valuation haircut in the form of a valuation markdown of 4%;

- (b) own-use covered bonds shall be subject to an additional valuation haircut of (i) 6,4% applied to the value of the debt instruments allocated to credit quality steps 1 and 2, and (ii) 9,6% applied to the value of the debt instruments allocated to credit quality steps 3, 4 and 5;
- (c) for the purposes of paragraph (b), 'own-use' shall mean the submission or use by a counterparty of covered bonds that are issued or guaranteed by the counterparty itself or by any other entity with which that counterparty has close links as determined in accordance with Article 138 of Guideline (EU) 2015/510 (ECB/2014/60);
- (d) if the additional valuation haircut referred to in paragraph (b) cannot be applied with respect to a collateral management system of an NCB, triparty agent, or TARGET2-Securities for auto-collateralisation, the additional valuation haircut shall be applied in such systems or platform to the entire issuance value of the covered bonds that can be own used.

11. For the avoidance of doubt, the provisions of this Annex V.7 are independent from and shall not be taken into account for the purposes of assessing eligibility for outright purchases under the secondary markets public sector asset programme (PSPP)<sup>58</sup>; the third covered bond purchase programme (CBPP3)<sup>59</sup>; the asset-backed securities purchase programme (ABSPP)<sup>60</sup>; the corporate sector purchase programme (CSPP)<sup>61</sup>; and the pandemic emergency purchase programme (PEPP)<sup>62</sup>.

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<sup>58</sup> Decision (EU) 2020/188 of the European Central Bank of 3 February 2020 on a secondary markets public sector asset purchase programme (recast) (ECB/2020/9) (OJ L 39, 12.2.2020, p. 12).

<sup>59</sup> Decision (EU) 2020/187 of the European Central Bank of 3 February 2020 on the implementation of the third covered bond purchase programme (ECB/2020/8) (OJ L 39, 12.2.2020, p. 6).

<sup>60</sup> Decision (EU) 2015/5 of the European Central Bank of 19 November 2014 on the implementation of the asset-backed securities purchase programme (ECB/2014/45) (OJ L 001 6.1.2015, p. 4).

<sup>61</sup> Decision (EU) 2016/948 of the European Central Bank of 1 June 2016 on the implementation of the corporate sector purchase programme (ECB/2016/16) (OJ L 157 15.6.2016, p. 28).

<sup>62</sup> Decision (EU) 2020/440 of the European Central Bank of 24 March 2020 on a temporary pandemic emergency purchase programme (ECB/2020/17) (OJ L 91, 25.3.2020, p. 1).



**Table V.7.IIa**  
**Valuation haircut levels (in %) applied to asset-backed securities (ABS)**  
**eligible under Article 3(2) and Article 8b of the Guideline**

Credit quality	<i>Weighted Average Life</i> (*)	<i>Valuation haircut</i>
Step 3	[0,1)	4.8
	[1,3)	7.2
	[3,5)	10.4
	[5,7)	12.0
	[7,10)	14.4
	[10, ∞)	24.0
Step 4	[0,1)	11.2
	[1,3)	15.2
	[3,5)	18
	[5,7)	24.8
	[7,10)	30.4
	[10, ∞)	43.2

\* i.e. [0,1) weighted average life (WAL) less than one year, [1,3) WAL equal to or greater than one year and less than three years, etc.’.

**Table V.7 IIb****Valuation haircut levels (in %) applied to marketable assets, other than ABS**

		Category I		Category II		Category III		Category IV	
Credit quality	Residual maturity (years) (*)	Fixed and floating coupon	zero coupon	Fixed and floating coupon	zero coupon	Fixed and floating coupon	zero coupon	Fixed and floating coupon	zero coupon
Step 4	[0-1)	6.4	6.4	8	8	12.8	12.8	20	20
	[1-3)	9.6	10.4	12	15.2	16	18.4	28	30
	[3-5)	11.2	12	16	20	19.2	23.6	33.6	37.2
	[5-7)	12.4	13.6	20	24.8	22.4	28.4	36.8	40.4
	[7-10)	13.2	14.4	21.6	28.4	24.8	32	40	44.8
	[10,∞)	14.4	16.8	23.2	31.6	26.4	34.8	41.6	46.8
Step 5	[0-1)	8	8	12	12	22.4	22.4	24	24
	[1-3)	11.2	12	16	19.2	25.6	28	32	34
	[3-5)	13.2	14	22.4	26.4	28.8	33.2	38.4	42
	[5-7)	14.4	15.6	27.2	32	31.6	37.6	43.2	46.8
	[7-10)	15.2	16.4	28.8	35.6	33.2	40.4	46.4	51.2
	[10,∞)	16.4	18.8	30.4	38.8	33.6	42	48	53.2

\* i.e. [0-1) residual maturity less than one year, [1-3) residual maturity equal to or greater than one year and less than three years, etc.'.

## Annex VI. ABS Assessment Form

To start the process of the eligibility assessment of an asset-backed security (ABS), a completed application form and all related documents must be submitted to De Nederlandsche Bank (DNB). The ABS Assessment Application Form consists of two parts: (i) General information, and (ii) Eligibility criteria.

ABS must satisfy certain eligibility criteria and comply with certain loan-level data reporting requirements before they may be used as collateral in Eurosystem credit operations. These criteria and requirements can be found in Guideline EU 2015/510 of the ECB of December 19, 2014 on the implementation of the Eurosystem monetary policy framework (General Documentation) and the Guideline ECB/2014/31 (recast) of the ECB of July 9, 2014 on the additional temporary measures relating to Eurosystem refinancing operations and eligibility (Additional Temporary Measures).

In line with Article 79 of the ECB General Documentation Guideline 'The Eurosystem shall reserve the right to request from any third party it considers relevant, including but not restricted to, the issuer, the originator and/or the arranger, any clarification and/or legal confirmation that it considers necessary to assess the eligibility of ABSs and with regard to the provision of loan-level data. If a third party fails to comply with a particular request, the Eurosystem may decide not to accept the ABS as collateral or may decide to suspend the eligibility of such collateral.'

Please note that when answering a question by referencing to the prospectus, a legal opinion or other transaction documents, exact paragraphs and page numbering must be included. It is insufficient to simply state 'please see prospectus'. All documentation submitted must also be final, no draft documentations are accepted.

The initial application form and queries relating to this form can be directed to: [collateral\\_management@DNB.nl](mailto:collateral_management@DNB.nl)

After DNB has confirmed the content of the application form, please provide a signed version of the application form and a cover letter confirming that the information provided in the application form is complete and correct to DNB, via post, addressed to:

De Nederlandsche Bank,  
Payments and Market Infrastructures Department,  
Collateral Services,  
P.O. Box 98,  
1000 AB Amsterdam

FOR A FULL OVERVIEW OF THE ABS ELIGIBILITY ASSESSMENT FORM, PLEASE REFER TO THE DNB WEBSITE VIA THIS LINK: <https://www.dnb.nl/en/interest-rates-and-inflation/monetary-policy/nederlandse-kredietinstellingen/index.jsp>



## Annex VII. Model Master Deed of Assignment

### **MASTER DEED OF TRANSFER OF CREDIT CLAIMS (CREDIT CLAIMS TITLE TRANSFER FINANCIAL COLLATERAL ARRANGEMENT AND, AT THE SAME TIME, DEED OF UNDISCLOSED ASSIGNMENT OF CREDIT CLAIMS)**

To be submitted in duplicate to:

De Nederlandsche Bank N.V.,

Payment and Collateral Services Department

On this, the [day of month] day of [month] [year], the following persons appeared before me, [name of notary], civil law notary in Amsterdam:

1. [name of person appearing],  
acting for the purposes of this deed as the holder of a written power of attorney from [name of Borrower], a [legal form of Borrower] having its corporate seat at [place of corporate seat] (address: [full address, including post code]; trade register number: [trade register number]) (the "**Borrower**"); and
2. [name of person appearing],  
acting for the purposes of this deed as the holder of a written power of attorney from **De Nederlandsche Bank N.V.**, a public limited liability company (*naamloze vennootschap*) having its corporate seat at Amsterdam (address: Spaklerweg 4, 1096 BA Amsterdam ; trade register number 33003396) ("**DNB**").

The persons appearing, acting in the above capacities, declared the following:

#### **BACKGROUND**

- A.** The Borrower has or will have obligations towards DNB by virtue of, among other things, one or more loans received or to be received from DNB in connection with monetary policy transactions and intraday-credit.
- B.** The Borrower is the creditor of one or more claims which constitute "credit claims" (*kredietvorderingen*) within the meaning of section 7:51(f) NCC.
- C.** DNB and the Borrower wish the Borrower to transfer to DNB the full entitlement to certain of the claims referred to in B. as collateral for the Borrower's obligations towards DNB on any ground whatsoever, including the obligations referred to in A.

#### **1. DEFINITIONS AND INTERPRETATION**

##### **1.1. Definitions**

In this deed the following capitalised terms and expressions have the meanings assigned to them below:

" <b>Business Day</b> "	a day other than Saturday, Sunday or a public holiday.
" <b>Clause</b> "	a clause in this deed.
" <b>Conditions for Target2-NL</b> "	the Conditions for Target2-NL, November two thousand seventeen version, as amended, supplemented or replaced from time to time.

<b>"Credit Claims"</b>	all Current Credit Claims and Supplementary Credit Claims.
<b>"Current Credit Claims"</b>	all pecuniary claims of the Borrower that arise out of an agreement whereby the Borrower grants credit in the form of a loan and that are listed in annex 1 to this deed.
<b>"Debtor"</b>	a debtor in respect of a Credit Claim.
<b>"Deed of Reassignment"</b>	a deed in the form of the model attached as an annex to the Monetary Policy Transactions Conditions and entitled "Deed of Reassignment" or in such other form as DNB deems appropriate.
<b>"Directive"</b>	Directive 2002/47/EC of the European Parliament and of the Council of the sixth day of June two thousand two, as amended by Directive 2009/44/EC of the European Parliament and of the Council of the sixth day of May two thousand nine and as otherwise amended, supplemented or replaced from time to time.
<b>"Enforcement Event"</b>	each circumstance or event set out in the General Terms and Conditions of DNB, the Monetary Policy Transactions Conditions or the Conditions for TARGET2-NL that entitles DNB to demand immediate performance of the Secured Obligations.
<b>"General Terms and Conditions of DNB"</b>	the General Terms and Conditions of DNB, May two thousand fifteen version, as amended, supplemented or replaced from time to time.
<b>"Guarantor"</b>	a party that has committed itself towards the Borrower to satisfy one or more Credit Claims, other than as the Debtor in respect thereof and including but not limited to a guarantor and joint and several debtor.
<b>"Monetary Policy Transactions Conditions "</b>	the DNB Monetary Policy Transactions Conditions, April two thousand eighteen version, as amended, supplemented or replaced from time to time.
<b>"NCC"</b>	the Netherlands Civil Code ( <i>Burgerlijk Wetboek</i> ).
<b>"Party"</b>	a party to this deed.
<b>"Secured Obligations"</b>	all existing and future obligations of the Borrower towards DNB on any ground whatsoever.
<b>"Supplementary Credit Claims"</b>	all pecuniary claims of the Borrower that arise out of an agreement whereby the Borrower grants credit in

the form of a loan and that are designated or recognised as such by DNB at its sole discretion.

**"Supplementary Deed of Assignment"**

a deed in the form set out in the model attached as an annex to the Monetary Policy Transactions Conditions and entitled "Model Supplementary Deed of Assignment" or in such other form as DNB deems appropriate.

**1.2. Interpretation**

- (a) A reference to "**Credit Claims**" is a reference to all or any part of the Credit Claims and includes all rights attached thereto, such as dependent rights (*afhankelijke rechten*) and accessory rights (*nevenrechten*).
- (b) A reference to the "**Borrower**" includes its legal successors, whether by universal or singular succession (*onder algemene of bijzondere titel*).
- (c) A reference to a "**transfer**" (*overdracht*) or "**assignment**" (*levering*) is, unless the context indicates otherwise, a reference to a transfer or assignment of each individual Credit Claim effected by means of this deed.
- (d) An Enforcement Event is "**continuing**" if it has not been remedied or waived by DNB.
- (e) The words used in this deed to describe legal concepts, although in English, refer to Netherlands legal concepts. These words shall, in respect of any jurisdiction other than the Netherlands, be deemed to refer to such concepts as in that jurisdiction most closely approximate the Netherlands legal concepts.

**2. TRANSFER OF CREDIT CLAIMS**

**2.1. Undertaking to transfer Credit Claims**

The Borrower undertakes to transfer the Credit Claims to DNB and shall do so by assignment in accordance with section 3:94(3) NCC.

**2.2. Undisclosed assignment of Current Credit Claims**

In fulfilment of its obligation under Clause 2.1 ("Undertaking to transfer Credit Claims"), the Borrower hereby assigns to DNB, where applicable in advance, the Current Credit Claims in accordance with section 3:94(3) NCC. Neither the Borrower nor DNB shall notify the Debtors in respect of those Current Credit Claims of such assignment except as provided in this deed. DNB hereby accepts this assignment, where applicable in advance.

**2.3. Undisclosed assignment of Supplementary Credit Claims**

The Borrower shall assign the Supplementary Credit Claims by listing them in and signing a Supplementary Deed of Assignment, to be registered by DNB with the tax authorities (*Belastingdienst*) at any such time as DNB, at its sole discretion, sees fit. The Borrower shall send DNB each Supplementary Deed of Assignment immediately after signing it and authorises DNB to cause the deed to be registered. DNB shall be deemed to have accepted in advance all assignments effected by means of a Supplementary Deed of Assignment unless it objects to such an assignment after receiving the relevant Supplementary Deed of Assignment.

### 3. FINANCIAL COLLATERAL ARRANGEMENT

The provisions of this deed, including Clause 2.1 ("Undertaking to transfer Credit Claims"):

- (a) constitute and have the legal effect of a title transfer financial collateral arrangement as referred to in section 7:51(b) NCC;
- (b) are intended to transfer full entitlement to the Credit Claims, as referred to in recital 13 and article 2(b) of the Directive and providing as security for the Credit Claims as referred to in Article 1 paragraph 5 and Article 2 paragraph 2 of the Directive;
- (c) are not intended to create a pledge or other limited right (*beperkt recht*) over the Credit Claims or to grant security or effect a transfer whose purpose is other than to cause the Credit Claims to become part of DNB's assets within the meaning of section 3:84(3) NCC;
- (d) are, to the extent they relate to obligations of DNB towards the Borrower with respect to the Credit Claims - such as the obligations of DNB under Clause 7.1 ("Realisation"), Clause 7.3 ("Application of proceeds") and Clause 8 ("Retransfer of Credit Claims") - solely contractual in nature and do not purport to limit DNB's right of disposal (*beschikkingsbevoegdheid*) over the Credit Claims in a proprietary sense.
- (e) to the extent that the relevant rights relating to the Credit Claims of the Borrower, including the rights of the Borrower arising from Article 6 ("Administration and Collection of Credit Claims by the Borrower"), solely stems from contract law and are not limited to the restriction of possession or the control of DNB in respect of the Credit Claims within the meaning of the Directive.

### 4. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to DNB that:

- (a) in the case of Credit Claims acquired prior to the time of this representation, the Borrower has the full entitlement to, and the right of disposal over, those Credit Claims;
- (b) the Credit Claims are not subject to a limited right or any other right, encumbrance or obligation and no offer has been made or agreement entered into to, whether or not in advance, transfer the Credit Claims or subject them to a limited right or any other right, encumbrance or obligation, and no attachment (*beslag*) has been levied on the Credit Claims;
- (c) the Credit Claims are governed by Netherlands law, are freely transferable and meet the eligibility criteria for use as collateral in Eurosystem credit operations;
- (d) the Borrower has an unconditional right to provide DNB and/or the Eurosystem with all information they require about (i) the Credit Claims and the agreement(s) giving rise thereto and about (ii) the Debtors. The Borrower is not required to obtain the Debtors' specific consent to provide this information to DNB and/or the Eurosystem;
- (e) neither this deed nor the performance of the obligations arising from it violates any contractual or other legal relationship to which the Borrower is a party;
- (f) no litigation, administrative proceeding or arbitration is pending or, to the best of the Borrower's knowledge, threatened against it which could reasonably be expected to have a material adverse effect on its ability to perform the obligations under this deed or on the value, size or enforceability of the Credit Claims.



Each representation and warranty that is given under a Supplementary Deed of Assignment by reference to the above representations and warranties, shall be deemed to be given with reference to the facts and circumstances then subsisting.

**5. OTHER OBLIGATIONS**

**5.1. Provision of documents**

To the extent that the Borrower has not already done so at the time of the execution of this deed, the Borrower shall, with respect to the Current Credit Claims listed immediately following the execution of this deed and with respect to all Supplementary Credit Claims together with the Supplementary Deed(s) of Assignment under which they are transferred, provide copies of the agreement(s) giving rise to the relevant Credit Claims, copies of documents relating to any dependent rights or accessory rights and copies of any other documents which may be of relevance in connection with the transfer effected or to be effected by means of this deed or the Supplementary Deed of Assignment in question.

**5.2. Inspection of books and records**

In the event that it has reasonable cause to suspect the occurrence of an Enforcement Event, DNB shall be given unrestricted access to the Borrower's business premises during regular business hours for the purpose of inspecting the Borrower's books and records regarding the Credit Claims.

**5.3. Checks**

The Borrower undertakes to perform self-certification as described in the Monetary Policy Transactions Conditions and to provide DNB with a Quarterly Self-Certification Statement as referred to in the Monetary Policy Transactions Conditions, drawn up in accordance with the model set out in the said Conditions, on the last Business Day of each calendar quarter. The Borrower consents to the performance by DNB of ad hoc checks on, on the one hand, the quality and accuracy of the self-certification and, on the other hand, the procedures followed by the Borrower with respect to the transfer of Credit Claims. For all of these checks, the Borrower shall make available to DNB all necessary information and shall grant the persons designated by DNB to perform such checks, including the Borrower's external auditor in the event that the auditor performs the checks, access to the relevant information and the locations at which the information is to be found.

**5.4. Duty to inform**

The Borrower shall immediately inform DNB of:

- (a) a total or partial repayment of one or more Credit Claims;
- (b) the levy against the Borrower of an attachment on one or more Credit Claims;
- (c) any claim by or notice from a third party with respect to one or more Credit Claims;
- (d) the termination by the Debtor or a Guarantor of its business activities;
- (e) an application by any party for a bankruptcy order (*faillissement*), a suspension of payments (*surseance van betaling*) or a similar procedure in respect of a Debtor or a Guarantor;
- (f) an event analogous to any of those listed under (a) through (e) above and occurring under the laws of a jurisdiction other than the Netherlands; and
- (g) any other fact or circumstance of which the Borrower becomes aware and which is of relevance to DNB's interests in connection with this deed.

## **5.5. Further acts**

- (a) At DNB's first request, the Borrower shall perform such acts (juristic or otherwise) as may reasonably be deemed necessary by DNB for the perfection of the transfer to DNB of the Credit Claims and/or the full and unfettered exercise by DNB of the rights accruing to it in connection with this deed and the Credit Claims, including all acts aimed at the fulfilment of any obligation of the Borrower pursuant to this deed or the exercise of any right of the Borrower in respect of or in connection with the Credit Claims (such acts hereinafter to be referred to as "**Further Acts**").
- (b) The Borrower hereby grants DNB an irrevocable power of attorney (*volmacht*), with the right of substitution, to perform on behalf of the Borrower all Further Acts as may reasonably be deemed necessary by DNB at its sole discretion. DNB may act as a counterparty of the Borrower, even in the event of a conflict of interest. The Borrower hereby waives its rights under section 3:68 NCC, which waiver is hereby accepted by DNB.

## **6. ADMINISTRATION AND COLLECTION OF CREDIT CLAIMS BY THE BORROWER**

### **6.1. Instruction to the Borrower**

DNB hereby instructs the Borrower to administer and collect the Credit Claims in the same manner as prior to their transfer by means of this deed or a Supplementary Deed of Assignment, except that the Borrower:

- (a) may sell or transfer the Credit Claims or encumber them with a limited right only with the prior written permission of DNB;
- (b) may amend the terms of the Credit Claims and/or the agreement(s) giving rise to the Credit Claims only to the extent usual in the ordinary course of business and on commercially reasonable terms. However, the Borrower must obtain the prior written permission of DNB for any amendment to the terms of the Credit Claims and/or the agreement(s) giving rise thereto where such an amendment could be detrimental to the value, size or enforceability of the Credit Claims, which shall in any event include extension of the repayment period or relinquishment (*het doen van afstand*) of the Credit Claims or the rights attaching thereto, including dependent rights and accessory rights.

The Borrower hereby accepts this instruction. No fee, reimbursement or other type of remuneration shall be payable by DNB to the Borrower in this regard. The instruction from DNB to the Borrower set out in this Clause 6.1 ("Instruction to the Borrower") shall automatically lapse for as long as there is a continuing Enforcement Event and can at any time be revoked by DNB as it sees fit.

### **6.2. Power of attorney in respect of instruction to the Borrower**

DNB hereby grants the Borrower a power of attorney to perform all acts (juristic or otherwise) necessary for the performance of the instruction given under Clause 6.1 ("Instruction to the Borrower"). This power of attorney shall automatically lapse for as long as there is a continuing Enforcement Event and can at any time be revoked by DNB as it sees fit.

## **7. REALISATION**

### **7.1. Notification to Debtors**

In the event of a continuing Enforcement Event, DNB shall have the right to:

- (a) notify one or more Debtors of the assignment of the Credit Claims relating to those Debtors; or
- (b) request the Borrower to perform the notification referred to under (a) above, in which case the Borrower shall comply with that request with all due speed but in any event within five (5) Business Days following receipt of the request.

**7.2. Collection and sale**

Following a notification to Debtors in accordance with Clause 7.1 ("Notification to Debtors") and notwithstanding Clause 8 ("Retransfer of Credit Claims"), DNB shall have the right, as the party with full entitlement to the Credit Claims, to collect the Credit Claims or to transfer them to a third party.

**7.3. Application of proceeds**

DNB will apply the proceeds from the collection or sale of a Credit Claim in accordance with Clause 7.2 ("Collection and sale") towards the satisfaction of the Secured Obligations and may do so in any order it sees fit.

Notwithstanding Article 8 ("Retro-transfer of Credit Claims"), DNB will primarily realize the Credit Claims in accordance with Article 7.2 ("Collection and sale") and procure the proceeds from this to meet the Guaranteed Obligations, before DNB will recover from the Guaranteed Obligations other assets.

**8. RETRANSFER OF CREDIT CLAIMS**

**8.1. Undertaking to retransfer Credit Claims**

DNB undertakes to retransfer the Credit Claims to the Borrower (i) at the Borrower's request after the Secured Obligations have been satisfied in accordance with the relevant provisions in the Monetary Policy Transactions Conditions and the General Terms and Conditions of DNB or (ii) at any such time as DNB at its sole discretion sees fit. The retransfer obligation in the preceding sentence does not apply to Credit Claims that have been collected by the Borrower or DNB or transferred by DNB in accordance with Clause 6 ("Administration and Collection of Credit Claims by the Borrower") or Clause 7 ("Realisation"). To the extent that DNB, as a result of having collected or transferred Credit Claims other than in accordance with Clause 6 ("Administration and Collection of Credit Claims by the Borrower") or Clause 7 ("Realisation"), cannot satisfy its obligation under the first full sentence of this Clause 8.1 ("Undertaking to retransfer Credit Claims"), DNB is obliged to compensate the Borrower.

**8.2. Undisclosed reassignment of Credit Claims**

DNB shall assign to the Borrower any Credit Claims it wishes or is obliged to transfer pursuant to Clause 8.1 ("Undertaking to retransfer Credit Claims") by signing and registering with the tax authorities a Deed of Reassignment. The Borrower hereby accepts, where applicable in advance, and irrevocably consents to and undertakes to co-operate in all assignments to be effected by means of any Deed of Reassignment. The Borrower consents to DNB causing the relevant Deed of Reassignment to be registered.

**9. LIABILITY**

DNB shall not be liable to the Borrower for any loss or damage arising from any exercise, or failure to exercise, its rights under this deed, except loss or damage arising from gross negligence (*grove schuld*)

or wilful misconduct (*opzet*) on the part of DNB.

## **10. OTHER PROVISIONS**

### **10.1. No rescission, nullification or suspension**

To the extent permitted by law, the Borrower hereby waives any right it may have at any time:

- (a) under section 6:228 or 6:265 NCC or on any other ground (under any applicable law) to nullify or rescind, or demand in legal proceedings the nullification or rescission of, this deed; and
- (b) under section 6:52, 6:262 or 6:263 NCC or on any other ground (under any applicable law) to suspend any obligation under or in connection with this deed.

### **10.2. Transfer of rights and obligations**

- (a) Without the prior written consent of DNB, the Borrower may not transfer any of its rights or obligations under or in connection with this deed, or its contractual relationship under this deed. This provision
- (b) has effect under property law as referred to in section 3:83 (2) NCC.
- (c) DNB may transfer any of its rights or obligations under or in connection with this deed, and/or its contractual relationship under this deed, by an assignment, an assumption of debt or a transfer of its contractual relationship. The Borrower hereby, in advance, irrevocably consents to and undertakes to co-operate in any such assumption of debt and/or transfer of contractual relationship, as the case may be.

### **10.3. Notice**

Any notice or other communication under or in connection with this deed must be made in accordance with the Monetary Policy Transactions Conditions or, if that is not possible, in accordance with the following:

To DNB:

[DNB's contact information]

To the Borrower:

[Borrower's contact information]

### **10.4. Records and calculations of DNB**

The books and records maintained by DNB and any determination or calculation by DNB of the existence and amounts of the Secured Obligations are *prima facie* evidence (*dwingend bewijs*) of the existence and amounts of the Secured Obligations and of other matters to which they relate.

### **10.5. Partial invalidity**

If, at any time, any provision of this deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of the relevant provision under the laws of any other jurisdiction will in any way be affected or impaired.

### **10.6. Amendments**

This deed may only be amended by a written agreement, to the extent required by Netherlands law in the form of a notarial deed executed before a civil law notary in the Netherlands.

### **10.7. No implied waiver and no forfeiture**

- (a) Any waiver under this deed must be given by written notice to that effect.

- (b) Where DNB does not exercise any right under or in connection with this deed (which includes the granting by DNB to the Borrower of an extension of time in which to perform its obligations under any of these provisions), this will not be deemed to constitute a waiver of that right and will not lead to a forfeiture of that right under this deed.
- (c) The rights of DNB under this deed will not be deemed to constitute a waiver of any other right DNB may have under Netherlands law or any other applicable law. In the event of a conflict between the rights of DNB under this deed and its rights under Netherlands law or any other applicable law, the provisions of this deed will apply.

**11. APPLICABLE TERMS AND CONDITIONS**

Except to the extent expressly provided otherwise in this deed, the legal relationship between the Parties arising out of this deed shall be subject to the General Terms and Conditions of DNB, the Monetary Policy Transactions Conditions and the Conditions for Target2-NL.

**12. CHOICE OF LAW AND JURISDICTION**

- (a) This deed - including, for the avoidance of doubt, the obligation of the Borrower to transfer the Credit Claims as set out in Clause 2.1 ("Undertaking to transfer Credit Claims") - is governed by Netherlands law, notwithstanding the existence of any provision stating that this obligation is to be governed by the laws of another jurisdiction.
- (b) The courts of Amsterdam, the Netherlands, have exclusive jurisdiction to settle any dispute arising from or in connection with this deed, including any dispute regarding the existence, validity or termination of this deed (a "**Dispute**"). This paragraph (b) is solely for the benefit of DNB. As a result, DNB shall not be prevented from initiating proceedings relating to a Dispute in any other courts that have jurisdiction. To the extent permitted by law, DNB may initiate concurrent proceedings in any number of jurisdictions.

**13. POWER OF ATTORNEY**

The persons appearing have been authorised to act under three (3) powers of attorney in the form of private instruments, copies of which will be attached to this deed immediately after its execution.

**14. CIVIL LAW NOTARY**

The Parties are aware that the undersigned civil law notary works with NautaDutilh N.V., the firm that has drawn up this Deed. With reference to the Code of Conduct (*Verordening beroeps- en gedragsregels*) established by the Royal Notarial Professional Organisation (*Koninklijke Notariële Beroepsorganisatie*), the Parties hereby explicitly consent to the undersigned civil law notary executing this notarial deed and DNB being represented by NautaDutilh N.V. in relation to this deed and any agreements that may be concluded, in connection with this deed.

**CONCLUSION**

The persons appearing are known to me, civil law notary.

This deed was executed in Amsterdam on the date mentioned in its heading.

After I, civil law notary, had conveyed and explained the contents of the deed in substance to the persons appearing, they declared that they had taken note of the contents of the deed, were in agreement with the contents and did not wish them to be read out in full. Following a partial reading, the deed was signed by the persons appearing and by me, civil law notary.

**ANNEX TO MASTER DEED OF ASSIGNMENT  
LIST OF CREDIT CLAIMS**

Name of Debtor: [name of Debtor]			
Date	Outstanding amount (EUR)	ID / Guarantee number	Original principal (EUR)
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

Name of Debtor: [name of Debtor]			
Date	Outstanding amount (EUR)	ID / Guarantee number	Original principal (EUR)
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

The total amount is therefore EUR [total amount of Credit Claims in figures] (in words [total amount of Credit Claims in words] euro), which amount is currently outstanding under and pursuant to the relevant loan agreement(s).

**De Nederlandsche Bank N.V. (DNB)**

\_\_\_\_\_  
 By : [name of signatory]  
 Title : [title/position]  
 Date : [date of signing]

\_\_\_\_\_  
 By : [name of signatory]  
 Title : [title/position]  
 Date : [date of signing]

[name of Borrower] (**Borrower**)

\_\_\_\_\_  
 By : [name of signatory]  
 Title : [title/position]  
 Date : [date of signing]

\_\_\_\_\_  
 By : [name of signatory]  
 Title : [title/position]  
 Date : [date of signing]

## Annex VIII. Model Supplementary Deed Of Assignment

To be submitted in duplicate to:

De Nederlandsche Bank N.V.,

Payment and Collateral Services Department

[letterhead of Borrower]

De Nederlandsche Bank N.V.

Attn: [contact person or department at DNB]

PO Box 98, 1000 AB AMSTERDAM

Dear Sir/Madam,

### 1. Supplementary Deed of Assignment

We refer to the master deed of transfer of credit claims (credit claims title transfer financial collateral arrangement and, at the same time, deed of undisclosed assignment of credit claims) entered into between you (De Nederlandsche Bank N.V., "DNB") and us ([name of Borrower], the "**Borrower**") on [date of execution of Master Deed] (the "**Master Deed**"). The present document constitutes a Supplementary Deed of Assignment as defined in the Master Deed. The provisions of the Master Deed apply *mutatis mutandis* to this Supplementary Deed of Assignment and are incorporated by reference herein. Capitalised terms in this Supplementary Deed of Assignment have the meanings assigned to them in the Master Deed.

### 2. Undisclosed assignment of Supplementary Credit Claims

In fulfilment of its obligation under Clause 2.1 ("Undertaking to transfer Credit Claims"), the Borrower hereby assigns to DNB, where applicable in advance, the following Supplementary Credit Claims in accordance with section 3:94(3) NCC. Neither the Borrower nor DNB shall notify the Debtors in respect of these Supplementary Credit Claims of such assignment, except as provided in the Master Deed.

Name of Debtor: [name of Debtor]			
Date	Outstanding amount (EUR)	ID / Guarantee number	Original principal (EUR)
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

### 3. Registration

The assignment of the Supplementary Credit Claims to be effected by means of this Supplementary Deed of Assignment shall be perfected by DNB by registration of this Supplementary Deed of Assignment with the tax authorities.

### 4. Representations and warranties

The Borrower hereby repeats the representations and warranties in Clause 4 ("Representations and Warranties") of the Master Deed.

Yours faithfully,

[name of Borrower] (**Borrower**)

---

By : [name of signatory]  
Title : [title/position]  
Date : [date of signing]

---

By : [name of signatory]  
Title : [title/position]  
Date : [date of signing]

Acknowledged and agreed:

#### **De Nederlandsche Bank N.V. (DNB)**

---

By : [name of signatory]  
Title : [title/position]  
Date : [date of signing]

---

By : [name of signatory]  
Title : [title/position]  
Date : [date of signing]



## Annex IX. Model Deed of Reassignment

[letterhead of DNB]

[name and address of Borrower]

Dear Sir/Madam,

### 1. Deed of Reassignment

We refer to the master deed of transfer of credit claims (credit claims title transfer financial collateral arrangement and, at the same time, deed of undisclosed assignment of credit claims) entered into between you ([name of Borrower], the "**Borrower**") and us (De Nederlandsche Bank N.V., "**DNB**") on [date of execution of Master Deed] (the "**Master Deed**"). The present document constitutes a Deed of Reassignment as defined in the Master Deed. Clauses 1 ("Definitions and interpretation"), 8 ("Retransfer of Credit Claims"), 9 ("Liability"), 10 ("Other provisions"), 11 ("Applicable Terms and Conditions") and 12 ("Choice of law and jurisdiction") of the Master Deed apply *mutatis mutandis* to this Deed of Reassignment and are incorporated by reference herein. Capitalised terms in this Deed of Reassignment have the meanings assigned to them in the Master Deed.

### 2. Undisclosed reassignment of Credit Claims

In fulfilment of its obligation under Clause 8 ("Retransfer of Credit Claims") of the Master Deed, DNB hereby assigns to the Borrower, where applicable in advance, the following Credit Claims in accordance with section 3:94(3) NCC.

Name of Debtor: [name of Debtor]			
Date	Outstanding amount (EUR)	ID / Guarantee number	Original principal (EUR)
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

### 3. Signing, return and registration

DNB requests the Borrower to sign this Deed of Reassignment and send it by return of post to DNB. With reference to Clause 8.2 ("Undisclosed reassignment of Credit Claims") of the Master Deed, DNB points out to the Borrower that after this Deed of Assignment is returned, DNB will cause it to be registered with the tax authorities and that assignments to be effected by means of this Deed of Reassignment will, under section 3:94(3) NCC, only be perfected and have legal effect after such registration.

Yours faithfully,

**De Nederlandsche Bank N.V. (DNB)**

---

By : [name of signatory]

Title : [title/position]

Date : [date of signing]

---

By : [name of signatory]

Title : [title/position]

Date : [date of signing]

Acknowledged and agreed:

[name of Borrower] (**Borrower**)

---

By : [name of signatory]

Title : [title/position]

Date : [date of signing]

---

By : [name of signatory]

Title : [title/position]

Date : [date of signing]

## Annex X. Legal confirmation guarantee

### Submission of a legal confirmation

In accordance with Articles 82 - 84 of the Guideline certain assets may be eligible as collateral for monetary policy operations only if supported by a guarantee issued by a financially sound guarantor. A legal confirmation must address the nature of the guarantee as legally valid, binding and enforceable.

Such a legal confirmation may be part of the issuance process, and may be initiated by the lead manager of a newly issued asset whose eligibility is dependent on the guarantee. The legal confirmation has to be prepared by persons who are independent from the issuer/debtor and the guarantor, and legally qualified with regard to the applicable law (such as lawyers active in a law firm, a recognised academic institute or a public body). It must be in a format acceptable to the Eurosystem based on the template set out below. The legal confirmation should be submitted for review to the Eurosystem (i.e. in the case of marketable assets, to the NCB that is reporting a certain asset supported by a guarantee to the ECB for inclusion in the list of eligible assets and, in case of credit claims, to the NCB mobilising the credit claim).

### Template text which may be used as such or as a basis for the preparation of a template in obtaining legal confirmation

*[Issuer of the legal confirmation]*

*[Addressee of the legal confirmation]*

Re a guarantee (**the Guarantee**) dated [ ] issued or executed by [details of the guarantor] (**the Guarantor**), in respect of [details of the debt instruments/debt obligations] (**the Assets**) issued by/against [details of the issuer/debtor] (**the Debtor**).

As the legal adviser(s) to [the Guarantor/relevant third party], we hereby confirm that the Guarantee meets the requirements for eligible guarantees set out in Title 4 of Part 4 In addition to asset-backed securities (ABS) eligible under Part 4 of Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60)(recast) (the **Guideline**).

In particular, we confirm that, subject to any insolvency or bankruptcy laws, general principles of equity and other similar laws and principles applicable to the Guarantor and generally affecting creditors' rights against the Guarantor:

- 1 The Guarantor has unconditionally and irrevocably guaranteed the obligations of the Debtor in relation to the payment of all amounts of principal and interest and any other amounts due under the Assets to the holders thereof.
- 2 If the Debtor does not make payment, the obligations of the Guarantor under the Guarantee are to make due and punctual payment following such default (whether on the normal date due, on acceleration or otherwise) of all such amounts referred to in Section 1 above in accordance with the terms of the Assets. The Guarantee is payable upon first demand.
- 3 The obligations of the Guarantor under the Guarantee constitute legal, valid and binding obligations of the Guarantor, enforceable in accordance with their terms.
- 4 The obligations of the Guarantor under the Guarantee rank at least equally and rateably (*pari passu*) with all other unsecured obligations of the Guarantor.
- 5 The obligations of the Guarantor under the Guarantee (including the ability to make one or more demands against it thereunder) must continue to remain in full force and effect until all obligations and liabilities of the Debtor in respect of amounts due under the Assets have been discharged in full.
- 6 *[If the Guarantee is provided by more than one entity]* The liability of Guarantors under the Guarantee is joint and several, such that any one of the Guarantors is liable for the full amount due under the Guarantee without any requirement to claim first or also against any other Guarantor.

The foregoing confirmation is limited to the law of [*jurisdiction*] [by which law the Guarantee is governed] [and under which law the Guarantor is established].

[*Signature*]

[*Date*]

Annex XI. ECAF Application forms

**Annex XI.1 GENERAL APPLICATION FORM**

Credit assessment source/system selection	
From	<i>Counterparty</i>
To	<i>DNB</i>
Frequency	<i>First selection, yearly change or ad hoc</i>
<b>Information</b>	
Name of Counterparty	
MFI ID	See PDF-file at the ECB website: <a href="https://mfi-assets.ecb.int/query_MFID.htm">https://mfi-assets.ecb.int/query_MFID.htm</a>
Date of the request	<i>DD-MM-YY</i>
Kind of CA selection/modification related to the main CA system or source	<i>Choose: First selection, Yearly change, ad-hoc change, no change</i>
Reference of the main CA  Source  System reference	<i>e.g. ECAIs</i>
Kind of CA selection/modification related to the additional CA systems or sources	<i>First selection, Yearly change, ad-hoc change, no change</i>
Reference of the additional CA  Source  System reference	<i>e.g. IRB</i> <i>e.g. Moody's RiskCalc 3.1</i>
(mandatory if additional CA chosen or ad-hoc change)	<i>e.g. Lack of sufficient coverage</i>

## Annex XI.2 MODEL ECAF APPLICATIONS

### Model XI.2.1 Application for permission to use external credit assessment institutions (ECAI) ECAI APPLICATION

THE UNDERSIGNED

Mr/Ms \_\_\_\_\_,

duly representing \_\_\_\_\_ [institution's name],

(having its registered office in \_\_\_\_\_ and hereinafter to be referred to as the "Counterparty"),

Hereby

- I declares that the Counterparty has taken due note of the Eurosystem Credit Assessment Framework<sup>63</sup> and of the procedures, rules and techniques established in respect of this Credit Assessment Framework;
- II declares that the Counterparty as regards the system or, respectively, the source, to be used for credit assessment, intends to use external credit assessment institutions (ECAIs);
- III requests De Nederlandsche Bank N.V. (hereinafter: "DNB") for permission to use ECAIs;
- IV declares that the Counterparty acts and has acted in compliance with any and all procedures, rules and techniques as meant under I above and applying to the credit assessment system of choice or, respectively, the credit assessment source of choice;
- V declares that all documents<sup>64</sup> required for the present purpose have been, or will shortly be, submitted to DNB;
- VI declares that the Counterparty will notify DNB immediately of any facts and/or circumstances which might affect the truth of the declaration made under IV above.

Done and duly signed<sup>65</sup> at

, on [date]

Name:

Co-signatory's name:

Position:

Position:

Signature:

Signature:

<sup>63</sup> As stated in Article 24 of the Monetary Policy TC.

<sup>64</sup> As stated in Article 24 of the Monetary Policy TC.

<sup>65</sup> To be duly signed in accordance with the powers of attorney currently in effect at the institution and registered in the Trade Register of the Chamber of Commerce and Industry (Handelsregister van de Kamer van Koophandel en Fabrieken). As the case requires, a second official may have to co-sign.

**Model XI.2.2 Application for permission to use an Internal Ratings Based system (IRB)**

**IRB APPLICATION**

THE UNDERSIGNED

Mr/Ms \_\_\_\_\_,  
duly representing \_\_\_\_\_ [institution's name],  
(having its registered office in \_\_\_\_\_ and hereinafter to be referred  
to as the "Counterparty"),

Hereby

- I declares that the Counterparty has taken due note of the Eurosystem Credit Assessment Framework<sup>66</sup> and of the procedures, rules and techniques established in respect of this Credit Assessment Framework;
- II declares that the Counterparty as regards the system or, respectively, the source, to be used for credit assessment, intends to use Internal Ratings Based (IRB) system(s), being the [... model(s)];
- III requests De Nederlandsche Bank N.V. (hereinafter: "DNB") for permission to use this IRB;
- IV declares that the Counterparty acts and has acted in compliance with any and all procedures, rules and techniques as meant under I above and applying to the credit assessment system of choice or, respectively, the credit assessment source of choice;
- V declares that all documents<sup>67</sup> required for the present purpose have been, or will shortly be, submitted to DNB;
- VI confirms that the Counterparty is able and willing to comply with the monitoring and reporting requirements<sup>68</sup> imposed in view of performance monitoring by DNB;
- VII consents to the performance of random checks by DNB with respect to the procedures applied by the Counterparty in order to communicate credit claim data to DNB and declares that the Counterparty will make the data required to perform such random checks available to DNB and will allow the DNB officers appointed or, respectively, the third parties instructed by DNB, or the Counterparty's external auditor if that party performs the checks, to perform such random checks, to access the data concerned;
- VIII declares that the Counterparty will immediately notify DNB of all facts and circumstances that materially affect the contractual relationship between the Counterparty and DNB, in particular early, total or partial repayment of credit claims pledged and/or assigned under a financial collateral arrangement to DNB, downgrades of the credit status of the debtor on whom credit is claimed, an attachment against the Counterparty upon one or more credit claims pledged and/or assigned under a financial collateral arrangement to DNB, a claim or notification by a third party regarding one or more credit claims pledged and/or assigned under a financial collateral arrangement to DNB, a winding-up application, an application for a suspension of payments or similar procedure by whichever party regarding the debtor of credit claims pledged and/or assigned under a financial collateral arrangement to DNB or a surety and material changes in the conditions of one or more credit claims pledged and/or assigned under a financial collateral arrangement to DNB and/or agreements from which such conditions arise and material changes in the conditions of credit claims pledged and/or assigned under a financial collateral arrangement to DNB, and that the Counterparty will, if necessary, withdraw the affected credit claim(s) from the collateral pool.
- IX declares that the Counterparty will notify DNB immediately of any facts and/or circumstances which (1) might affect the truth of the declaration made under IV above or (2) which might affect either the continued use of the

<sup>66</sup> As stated in Article 119 of Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast) and Article 24 of the Monetary Policy TC.

<sup>67</sup> As stated in Article 24 of the Monetary Policy TC.

<sup>68</sup> As stated in Article 123 of Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast).

IRB system under the Eurosystem Credit Assessment Framework (ECAAF) or the manner in which the IRB arrives at the valuation of collateral.

Done and duly signed<sup>69</sup> at \_\_\_\_\_, on \_\_\_\_\_ [date]

Name: \_\_\_\_\_ Co-signatory's name: \_\_\_\_\_

Position: \_\_\_\_\_ Position: \_\_\_\_\_

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

---

<sup>69</sup>To be signed by the Counterparty's CEO, CFO or manager of similar seniority, or by an authorized signatory on behalf of one of them and in accordance with the powers of attorney currently in effect at the institution and registered in the Trade Register of the Chamber of Commerce and Industry (Handelsregister van de Kamer van Koophandel en Fabrieken). As the case requires, a second official may have to co-sign.



Annex XI.3 Application for approval and selection of the IRB credit assessment source/system

CA source:	IRB
From	Counterparty
To	NCB
Timing	First application for IRB system and whenever relevant changes occur
Format	Spread sheet, text template
<b>Information</b>	
Name of Counterparty	
MFI ID	
Supervisor's approval	
Type of IRB	
Risk model description	
Classification of RBs	
Brief description of the risk associated to each RB	
One-year average estimated PDs associated with each RB	

## Annex XII. Templates transfer procedures, initial, quarterly and annual checks on credit claims

### Annex XII.1 Initial verification of Counterparty's delivery procedures in the transfer of credit claims

In accordance with the provisions of Article 20 of the Monetary Policy Transactions Conditions (hereafter the "Monetary Policy TC")<sup>70</sup> on the "Creation of valid security over credit claims", DNB verifies, on the strength of the Statement included below, whether the Counterparty's procedures in providing information on the existence of loans warrant the completeness and correctness of the data regarding the existence of credit claims.

Failure to inform DNB in time, completely and correctly is subject to the sanctions policy laid down in the Monetary Policy TC.

#### STATEMENT ON THE CREDIT CLAIM DELIVERY PROCESS

THE UNDERSIGNED,

Of \_\_\_\_\_ (institution's name)

(having its registered office in \_\_\_\_\_ and hereafter referred to as the

"Counterparty"), duly representing the Counterparty for present purposes,

Hereby declares as follows.

No.	Procedures relating to eligibility requirements
I	The procedures are designed to ensure that every credit claim delivered meets <b>eligibility criteria</b> as referred to in Part Four, Title II of the ECB Guideline on the implementation of the Eurosystem monetary policy framework (ECB/2014/60)(recast). More specifically the following applies:
I.1	The procedure applied in delivering a credit claim provides assurance that <b>no "close links"</b> <sup>71</sup> exist between the Counterparty and the issuer/guarantor.
I.2	The procedure applied in delivering a credit claim provides assurance that <b>no loan can be pledged as collateral twice.</b>
I.3	The procedure applied in delivering a credit claim provides assurance that the credit claim meets the <b>minimum credit quality requirements</b> set by the Eurosystem.
I.4	The procedure observed in delivering a credit claim provides assurance that the type of issuer/guarantor includes only issuers or guarantors that are non-financial corporations <sup>72</sup> , public sector entities or international or supranational institutions.
I.5	The counterparty shall submit in relation to credit claims mobilised as collateral from May 2021, where applicable, the relevant analytical credit database (AnaCredit) identifiers. I.e. the "Observed Agent" identifier, the "Contract" identifier and the "Instrument" identifier), as submitted under the statistical reporting requirements in accordance with Regulation (EU) 2016/867 of the European Central Bank (ECB/2016/13).

<sup>70</sup> The Monetary Policy Transactions Conditions are published on the website of DNB (www.dnb.nl) under 'Interest and inflation', 'Monetary Policy', 'Information for counterparties'.

<sup>71</sup> As defined in Article 27 of the Monetary Policy TC.

<sup>72</sup> As defined in ESA2010.

	<b>Procedures relating to DNB requirements</b>
II	The procedures have been designed to ensure that every credit claim delivered meets the criteria set out in the Monetary Policy TC. More specifically the following applies:
II.1	The procedure observed in delivering a credit claim provides assurance that the current value outstanding exceeds the <b>minimum size threshold</b> set down in Article 21 of the Monetary Policy TC.
II.2	The procedure observed in delivering a credit claim provides assurance that the Counterparty explicitly notifies DNB in writing, referring to the exact source in the loan documentation, that <b>set off rights are contractually excluded in accordance with Article 20(2) of these Monetary Policy TC or that set-off rights are not contractually excluded, requiring DNB to apply an additional haircut.</b>
II.3	The procedure observed in delivering a credit claim provides assurance that the <b>maturity date</b> of the credit claim is at least two weeks later than the delivery date.
II.4	The internal procedure provides assurance that DNB is informed <b>at least one business day in advance of a redemption</b> by means of an "outstanding amount" update message (SWIFT MT 598).
II.5	The internal procedure provides assurance that DNB is, with respect to a credit claim informed <b>at least one business day in advance of a restructuring</b> of that credit claim.
II.6	The internal procedure provides assurance that DNB is informed within one business day after the Counterparty and the Issuer have agreed on an interest rate review. <sup>73</sup>
II.7	The internal procedure provides assurance that DNB is informed no later than 10 business days if the issuer of a credit claim undergoes a <b>merger and/or change of name.</b>
	<b>Procedures relating to internal control programmes</b>
III	The abovementioned procedures are subject to a regular internal control programme examining whether the procedures are still <b>adequate</b> and also that DNB is informed of all relevant changes in the particulars of the credit claims.

DONE AND DULY SIGNED<sup>74</sup> in \_\_\_\_\_ on \_\_\_\_\_ (date: dd-mm-yyyy)

Name: \_\_\_\_\_

Capacity: \_\_\_\_\_ CEO/CFO

Signature: \_\_\_\_\_

<sup>73</sup> For present purposes, this means a change from a fixed to a variable rate or vice versa.

<sup>74</sup> To be duly signed in accordance with the powers of attorney currently in effect at the institution and registered in the Trade Register of the Chamber of Commerce and Industry (Handelsregister van de Kamer van Koophandel en Fabrieken). As the case requires, a second official may have to co-sign.

## Annex XII.2. Template Assurance Report - regarding the delivery of credit claims as collateral to De Nederlandsche Bank N.V.

### Introduction to the template assurance report

The design, existence and operation of the administrative organisation and the control measures contained therein related to the delivery of credit claims by a Counterparty to DNB, are to be examined by the Counterparty's external auditor. The examination must establish (i) whether the administrative organisation and the control measures contained therein comply with the requirements as laid down in Part 4, Title III of the Monetary Policy Transactions Conditions ("Monetary Policy TC") and (ii) whether they are designed so as to effectively ensure that the credit claims delivered by the Counterparty to DNB comply with the requirements for credit claims as laid down in the Monetary Policy TC. Also, the external auditor of the Counterparty must establish, on the basis of the abovementioned requirements, whether the characteristics of the credit claims included in the sample as at end December [YYYY] match the loan administration of the Counterparty on that date and if these credit claims indeed exist.

If the information that DNB receives is late, incomplete or incorrect, sanctions as described in Part 5 and Part 6 of Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast).

TEMPLATE ASSURANCE REPORT ON CREDIT CLAIMS
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### Assurance report on the delivery of credit claims as collateral to De Nederlandsche Bank N.V.

To: ... [name Bank] and De Nederlandsche Bank N.V.

#### Assignment

We have examined whether the administrative organisation and the internal control measures contained therein on the delivery of credit claims as collateral to De Nederlandsche Bank N.V. ("DNB") during [YYYY] by [bank's name, location of registered office] comply with the requirements as laid down in the Monetary Policy Transactions Conditions (Monetary Policy TC) and are effective in all respects of material interest. We also examined whether the characteristics of the credit claims selected by DNB from among credit claims deposited by the Bank as collateral at DNB per 31 December [YYYY] (as listed in the appendix to this report) match the loan administration of the Bank and that these credit claims exist.

#### Responsibilities of the Board

The Board of the Bank is responsible for the administrative organisation and the internal control measures contained therein concerning the delivery of credit claims as collateral to DNB and for compliance with the provisions in the Monetary Policy TC concerning the delivery of credit claims as collateral.

#### Responsibilities of the external auditor

It is our responsibility, based on our activities, to provide an opinion on the administrative organisation and the internal control measures contained therein on the delivery of credit claims as collateral to DNB and to provide an opinion on the characteristics listed in the appendix to this report of credit claims selected by DNB from among credit claims deposited by the Bank as collateral at DNB per 31 December [YYYY] and that these credit claims exist<sup>75</sup>.

We have performed our assignment pursuant to Dutch law, including Dutch Standard 3000 "Assurance assignments other than assignments to audit or assess historical financial information", which require us to comply with the ethical rules applicable to us and to plan and perform our activities so as to ensure that a reasonable degree of assurance is obtained regarding the Bank's administrative organisation and the internal control measures contained therein during [YYYY] regarding the delivery of credit claims as collateral to DNB and regarding the credit claims selected by DNB from

<sup>75</sup> The external auditor checks the design, existence and operation of the administrative organization and the internal control measures contained therein during the year, amongst others by means of a self-selected sample of credit claims. In addition the external auditor will check a sample of credit claims selected by DNB of the credit claims deposited at DNB on 31 December of the book year.

among credit claims deposited by the Bank as collateral at DNB per 31 December [YYYY]. An assurance report includes amongst others an examination by means of part observations of the relevant data.

We are of the opinion that the assurance information obtained by us is sufficient and suitable to substantiate our judgment.

**Opinion**

1. We are of the opinion that the administrative organisation and the internal control measures contained therein during [YYYY] regarding the delivery by [bank's name] of credit claims as collateral to DNB comply with the requirements laid down in the Monetary Policy TC and are effective in all respects of material interest.
2. We are of the opinion that the characteristics of the credit claims selected by DNB from among credit claims deposited by the Bank as collateral at DNB per 31 December [YYYY] (as listed in the appendix to this report) match the loan administration of the Bank and that these credit claims exist.

**Inherent limitations in internal control**

In view of the inherent limitations in internal control, errors may occur due to mistakes or fraud without being detected. Similarly, projections of an evaluation from internal control to future periods could be subject to the risk that internal control may no longer be effective as a result of changed circumstances or that the extent of compliance with policies or procedures may have deteriorated.

**Other aspects – limitation in distribution circle and application**

This assurance report is drawn up for the benefit of DNB with the goal to comply with the provisions as laid down in the Monetary Policy TC and therefore cannot be used for other purposes. Our assurance report is therefore solely intended for DNB and must not be provided to or used by others.

Place and date

[.....]

(name of accountancy firm)

[.....]

(name of auditor)

[.....]

(signature)

**Annex:**

Credit Claim Number	Credit Claim Name	Date Issuance	Date maturity	Debtor ID	Denomination	Issued amount	Outstanding value at 31-12-2xxx	Actual debt at 1-x-2xxx	Credit Quality <sup>76</sup>	Interest Payment	Set-off risk exist <sup>77</sup>	Audit Opinion
	Name debtor	dd-mm-yyyy	dd-mm-yyyy		EUR							

Example format credit claim data details to be checked

Credit Claim Number	Credit Claim Name	Date Issuance	Date Maturity	Debtor ID	Denomination	Issued amount	Outstanding value at 31-12-2010	Actual debt at 1-8-2011	Credit Quality	Interest Payment	Set-off risk exist
NL1234123456789	Name debtor	dd-mm-yyyy	dd-mm-yyyy	NL123456789B012	EUR	5.000.000	4.000.000	3.000.000	AAA	Fixed	Y

<sup>76</sup> Reporting possible in the form of an ECAI assessment or, in case of an IRB source, in the form of PD value and rating model.

<sup>77</sup> If the risk of set-off exist for the credit claim, because set-off rights were not contractually excluded, an additional haircut is applied to the credit claim. Therefore this column should be filled with 'Y' if set-off risk exist (meaning that set-off is not contractually excluded) or with 'N' if there is no risk (meaning set-off is contractually excluded).

## Annex XII.3 Template Quarterly Self-Certification Statement

THE UNDERSIGNED

Mr/Ms \_\_\_\_\_,

duly representing \_\_\_\_\_ [institution's name],

(having its registered office in \_\_\_\_\_ and hereinafter to be referred to as the "Counterparty"),

hereby confirms and warrants unto De Nederlandsche Bank N.V. ("DNB")<sup>78</sup>:

- I that the credit claims pledged to DNB and/or assigned to DNB within the scope of the financial collateral agreement as set out in the Annex satisfy the eligibility criteria of the Eurosystem;
- II that no credit claim pledged to DNB and/or assigned to DNB within the scope of the financial collateral agreement is or will be used as surety to the benefit of a third party;
- III that all features of the credit claims as set out in the Annex to this quarterly self-certification are displayed correctly, and
- IV that the Counterparty will immediately notify DNB of any event that materially affects the contractual relationship between the Counterparty and DNB, in particular early, total or partial repayment of credit claims pledged and/or assigned under a financial collateral arrangement to DNB, a change in the creditworthiness of the debtor of a credit claim, an attachment against the Counterparty upon one or more credit claims pledged and/or assigned under a financial collateral arrangement to DNB, a claim or notification by a third party regarding one or more credit claims pledged and/or assigned under a financial collateral arrangement to DNB, a winding-up application, an application for a suspension of payments or similar procedure by whichever party regarding the debtor of credit claims pledged and/or assigned under a financial collateral arrangement to DNB or a surety and material changes in the conditions of one or more credit claims pledged and/or assigned under a financial collateral arrangement to DNB and/or agreements from which such conditions arise and that the Counterparty will, if necessary, withdraw the affected credit claim(s) from the collateral pool.

Done and duly signed<sup>79</sup> at

, on [date]

Name:

Co-signatory's name:

Position:

Position:

Signature:

Signature:

*Annex: overview of credit claims included in the DNB collateral pool, pledged and/or assigned to DNB within the scope of a financial collateral agreement.*

<sup>78</sup> If the information that DNB receives is late, incomplete or incorrect, sanctions as described in Part 5 and Part 6 of Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast) will apply.

<sup>79</sup> To be duly signed in accordance with the powers of attorney currently in effect at the institution and filed with the Trade Register of the Chamber of Commerce and Industry (Handelsregister van de Kamer van Koophandel en Fabrieken). As the case requires, a second official may have to co-sign.

## Annex XIII. eTender Terms of Use

### **eTender Terms of Use**

1. The software used for bidding in monetary policy operations as referred to in the Monetary Policy TC (hereafter: "eTender") is operated across a secure (encrypted) connection.
2. DNB will supply to the Counterparty no fewer than two and no more than five tokens for accessing eTender. The Counterparty must exercise due care with respect to the use of these tokens. The Counterparty will take due care to ensure that bidding in Tender Procedures through the use of eTender and of the said tokens will be restricted to authorised personnel of the Counterparty. The use of eTender and the tokens will be entirely for the account and risk of the Counterparty.
3. DNB will charge the Counterparty for the cost of the supplied tokens. The Counterparty authorises DNB to debit the Counterparty's Target2-NL account for the said costs, which authorisation DNB accepts, insofar as required.
4. Intellectual property rights of the Austrian National Bank (OeNB) to eTender will continue to rest with OeNB.
5. DNB will terminate the Counterparty's access to eTender if and when the Counterparty should cease to be an eligible Counterparty in respect of monetary policy instruments as referred to in the General Terms and Conditions of DNB and in the Monetary Policy TC.



## Annex XIV. Templates for initial, quarterly and annual checks of Underlying Credit Claims DECCs and procedures

### Annex XIV.1 INITIAL VERIFICATION OF THE ORIGINATOR'S DATA SUBMISSION PROCEDURES FOR DECC ELIGIBILITY CHECKS

In accordance with the provisions of Article 22 of the Monetary Policy TC<sup>80</sup>, DNB uses this statement to verify whether the procedures as meant in Article 22(1) that the Originator applies when submitting information on the existence of loans, guarantee that the data on the existence of the credit claims ("**Underlying Credit Claims**") serving as cover for the assets ("**DECCs**") as meant in Article 2(70a) of the Guideline, are complete and accurate.

Counterparties failing to inform DNB in good time, completely or accurately may face sanctions on the strength of the Monetary Policy TC.

STATEMENT REGARDING THE UNDISCLOSED ASSIGNMENT OF UNDERLYING CREDIT CLAIMS PROCEDURE  
THE UNDERSIGNED,

Of \_\_\_\_\_ (institution),

(having its registered office in \_\_\_\_\_ and hereinafter referred to as the "Counterparty"), duly representing the Counterparty for present purposes, DECLARES that:

No.	Procedures relating to eligibility requirements
I	the procedures are designed in such a way that all Underlying Credit Claims as meant in Article 21(1) of the Monetary Policy TC satisfy all eligibility criteria as referred to in Part Four, Title II of the ECB Guideline on the implementation of the Eurosystem monetary policy framework (ECB/2014/60)(recast). More specifically,
I.1	the procedure applied in delivering a DECC provides assurance that <b>no "close links"</b> <sup>81</sup> exist between the Counterparty and the special purpose entity (SPV) as meant in Article 107a(4) of the Guideline.
I.2	the procedure applied in delivering Underlying Credit Claims ensures that a loan <b>cannot serve more than once</b> as cover for DECCs or as collateral.
I.3	the procedure applied in declaring a DECC to be eligible as collateral ensures that the Underlying Credit Claims meet the <b>minimum credit quality requirements</b> set by the Eurosystem.
I.4	the procedure applied in declaring a DECC to be eligible as collateral ensures that only issuers or guarantors of non-financial corporations <sup>82</sup> , public sector entities and international or supranational institutions qualify as eligible issuers of Underlying Credit Claims.
I.5	the value of outstanding Underlying Credit Claims exceeds the <b>minimum value</b> as set out in Article 22 (4) of the Monetary Policy TC at the time the DECC is subjected to an eligibility assessment.
I.6	the procedure observed in delivering a DECC provides assurance that the Counterparty explicitly notifies DNB in writing, referring to the exact source <b>in the loan documentation of the Underlying Credit Claim, that set-off rights are contractually excluded in accordance with Article 104(3)(a) of the Guideline or that set-off rights are not contractually excluded, requiring DNB to apply an additional haircut.</b>
I.7	the procedure applied in delivering an Underlying Credit Claim ensures that the <b>maturity date</b> of the credit claim is at least two weeks later than the delivery date.

<sup>80</sup> The Monetary Policy TC are published on DNB's website (www.dnb.nl) under Interest and inflation / Monetary policy / Information for counterparties. The Monetary Policy TC are among the list of download items at the bottom of the page on 'Information for counterparties'.

<sup>81</sup> See Article 27 of the Monetary Policy TC.

<sup>82</sup> As defined in ESA 2010.

I.8	the internal procedure ensures that DNB is informed <b>at least one business day in advance of a redemption</b> of an Underlying Credit Claim by means of an "outstanding amount" update message (SWIFT MT 598).
I.9	the internal procedure ensures that DNB is informed <b>at least one business day in advance of a restructuring</b> of an Underlying Credit Claim.
I.10	the internal procedure ensures that DNB is informed within <b>one business day</b> after the Counterparty and the issuer have agreed on an <b>interest rate review</b> . <sup>83</sup>
I.11	the internal procedure ensures that DNB is informed no later than 10 business days if the issuer of an Underlying Credit Claim undergoes a <b>merger and/or change of name</b> .
<b>Procedures relating to internal control programmes</b>	
II.1	the abovementioned procedures are subject to a regular internal control programme verifying whether the procedures are still <b>adequate</b> and also that DNB is informed of all relevant changes in the particulars of the Underlying Credit Claims.

SIGNED<sup>84</sup> in \_\_\_\_\_ on (date: dd-mm-yyyy) \_\_\_\_\_ ,

Name: \_\_\_\_\_

Position: \_\_\_\_\_ CEO/CFO

Signature: \_\_\_\_\_

<sup>83</sup> This means an interest rate change from fixed to variable or vice versa.

<sup>84</sup> To be duly signed in accordance with the powers of attorney currently in effect at the institution and filed with the Trade Register of the Chamber of Commerce and Industry (Handelsregister van de Kamer van Koophandel en Fabrieken). As the case requires, a second official may have to co-sign.

## ANNEX XIV.2 TEMPLATE ASSURANCE REPORT FOR ASSIGNING DECCs AS COLLATERAL TO DE NEDERLANDSCHE BANK N.V.

Explanatory notes to the assurance report template

The examination into the design, existence and effective operation of the internal control structures regarding the Underlying Credit Claims<sup>85</sup> transferred through undisclosed assignment from the Originator<sup>86</sup> to the issuer of the DECC with ISIN [XYZ] is carried out by the Originator's external auditor. The aim of the examination is to investigate (i) whether the internal control structure satisfy the provisions of Part Four, Title III of the Monetary Policy TC and (ii) whether the design of these procedures effectively ensure that the Underlying Credit Claims transferred through undisclosed assignment from the Originator to the issuer of the DECC with ISIN [XYZ] satisfy the provisions of Part Four, Title III of the Monetary Policy TC. In addition, the Originator's external auditor examines on the basis of the above requirements whether the characteristics of the Underlying Credit Claims transferred through undisclosed assignment from the Originator to the issuer of the DECC with ISIN [XYZ] match the Originator's accounting records and whether these Underlying Credit Claims exist.

### TEMPLATE ASSURANCE REPORT FOR UNDERLYING CREDIT CLAIMS

#### Assurance report on the Underlying Credit Claims transferred through undisclosed assignment to the issuer of the DECC with ISIN [XYZ]

To: ... [bank] and De Nederlandsche Bank N.V.

#### Assignment

We have examined for the [year] financial year whether the internal control structure satisfies the provisions of the Monetary Policy TC with respect to the Underlying Credit Claims<sup>87</sup> transferred through undisclosed assignment from [bank, registered office] to the issuer of the DECC with ISIN [XYZ] and whether they are effective in all material respects. We have also examined whether the characteristics of the Underlying Credit Claims transferred through undisclosed assignment to the issuer of the DECC with ISIN [XYZ] match the bank's accounting records and if they exist.

#### Management board's responsibility

The bank's management board is responsible for its internal control structure with respect to the Underlying Credit Claims transferred through undisclosed assignment to the issuer of the DECC with ISIN [XYZ], and for compliance with the provisions of the Monetary Policy TC relating to the transfer.

#### Auditor's responsibility

Based on the results of our examination, it is our responsibility to issue an opinion on the internal control structure, at 31 December [year], with respect to the Underlying Credit Claims transferred through undisclosed assignment to the issuer of the DECC with ISIN [XYZ], and an opinion on the characteristics of all Underlying Credit Claims transferred through undisclosed assignment to the issuer of the DECC with ISIN [XYZ], as well as the question of whether these Underlying Credit Claims exist.

<sup>85</sup> As defined in Article 22(1) of the Monetary Policy TC.

<sup>86</sup> As defined in Article 22(1) of the Monetary Policy TC.

<sup>87</sup> As defined in Article 22(1) of the Monetary Policy TC.

We conducted our engagement in accordance with Dutch law, including the Dutch Auditing Standard 3000, "Assurance engagements other than audits or reviews of historical financial information". This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about the internal controls in the [year] financial year relating to the Underlying Credit Claims transferred through undisclosed assignment to the issuer of the DECC with ISIN [XYZ]. An assurance assignment includes an examination based on sample testing of relevant data.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion,

1. the internal control structure for the [year] financial year satisfies the provisions of the Monetary Policy TC with respect to the Underlying Credit Claims transferred through undisclosed assignment by [bank] to the issuer of the DECC with ISIN [XYZ], and they are effective in all material respects.
2. the characteristics of the Underlying Credit Claims transferred through undisclosed assignment by [bank] to the issuer of the DECC with ISIN [XYZ] match the bank's accounting records as at 31 December [year], and we have established that these Underlying Credit Claims exist.

### **Inherent limitations related to internal control**

Due to inherent limitations related to internal control, it is not possible to prevent or detect misstatements caused by errors or fraud. Future projections of internal control evaluations are also subject to the risk of internal control procedures no longer being effective as a result of a change in circumstances, and the risk of declining compliance with policy or procedures.

### **Limited use and disclosure**

This assurance report was drawn up for DNB's benefit with the aim of complying with the provisions of the Monetary Policy TC and cannot therefore be used for other purposes. Accordingly, our assurance report is exclusively intended for DNB and must not be disclosed to or used by third parties.

Place and date

[.....]

(name of audit firm)

[.....]

(name of auditor)

[.....]

(signature)

**Annex: the Underlying Credit Claims transferred through undisclosed assignment from [bank] to the issuer of the DECC with ISIN [XYZ]**

Credit Claim Number	Credit Claim Name	Date Issuance	Date maturity	Debtor ID	Denomination	Issued amount	Outstanding value at 31-12-2xxx	Actual debt at 1-x-2xxx	Credit Quality <sup>88</sup>	Interest Payment	Set-off risk exist <sup>89</sup>	Audit Opinion
	Name debtor	dd-mm-yyyy	dd-mm-yyyy		EUR							

Example format credit claim data details to be checked

Credit Claim Number	Credit Claim Name	Date Issuance	Date Maturity	Debtor ID	Denomination	Issued amount	Outstanding value at 31-12-2010	Actual debt at 1-8-2011	Credit Quality	Interest Payment	Set-off risk exist
NL1234123456789	Name debtor	dd-mm-yyyy	dd-mm-yyyy	NL123456789B012	EUR	5.000.000	4.000.000	3.000.000	AAA	Fixed	Y

<sup>88</sup> Reporting possible in the form of an ECAI assessment or, in case of an IRB source, in the form of PD value and rating model.

<sup>89</sup> If the risk of set-off exist for the credit claim, because set-off rights were not contractually excluded, an additional haircut is applied to the credit claim. Therefore this column should be filled with 'Y' if set-off risk exist (meaning that set-off is not contractually excluded) or with 'N' if there is no risk (meaning set-off is contractually excluded).

## Annex XIV.3 Template Quarterly self-certification statement for DECCs

THE UNDERSIGNED,  
Mr/Ms

of \_\_\_\_\_ [name of institution],

(having its registered office in \_\_\_\_\_ and hereafter referred to as the "Originator"),  
duly representing the Originator for present purposes,

guarantees the following towards De Nederlandsche Bank N.V. (DNB):

- I The Underlying Credit Claims<sup>90</sup> transferred through undisclosed assignment from the Originator to the issuer of the DECC with ISIN [XYZ] as listed in the Annex satisfy the Eurosystem's eligibility criteria;
- II The Underlying Credit Claims transferred through undisclosed assignment from the Originator to the issuer of the DECC with ISIN [XYZ] do exist;
- III None of the Underlying Credit Claims transferred through undisclosed assignment to the issuer is or will be used as security for the benefit of a third party;
- IV All characteristics of the Underlying Credit Claims as listed in the Annex to this quarterly self-certification are correctly represented and
- V The Originator will notify DNB immediately of any event that materially affects the creditworthiness of the DECC with ISIN [XYZ], in particular partial or full early repayments, downgrading of credit ratings, an attachment against the Originator upon one or more Underlying Credit Claims transferred to the issuer of a DECC through undisclosed assignment, a claim or notification thereof by a third party regarding one or more Underlying Credit Claims transferred to the issuer of a DECC, a petition for bankruptcy or suspension of payments or a similar procedure by whatever party against the debtor of an Underlying Credit Claim transferred to the issuer of a DECC through undisclosed assignment or a guarantee and substantial amendments to the conditions of one or more Underlying Credit Claims transferred to the issuer of a DECC through undisclosed assignment and/or the agreements establishing the credit claims.

SIGNED<sup>91</sup> in \_\_\_\_\_ on \_\_\_\_\_ date: dd-mm-yyyy)

Name: \_\_\_\_\_ Name of co-signatory \_\_\_\_\_

Position: \_\_\_\_\_ Position: \_\_\_\_\_

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

### Annex: the Underlying Credit Claims transferred through undisclosed assignment from [bank] to the issuer of the DECC with ISINs [XYZ]

Credit Claim Number	Credit Claim Name	Date Issuance	Date maturity	Debtor ID	Denomination	Issued amount	Outstanding value at 31-12-2xxx	Actual debt at 1-x-2xxx	Credit Quality <sup>92</sup>	Interest Payment	Set-off risk exist <sup>93</sup>
	Name debtor	dd-mm-yyyy	dd-mm-yyyy		EUR						

<sup>90</sup> As defined in Article 22 of the Monetary Policy TC.

<sup>91</sup> To be duly signed in accordance with the powers of attorney currently in effect at the institution and filed with the Trade Register of the Chamber of Commerce and Industry (Handelsregister van de Kamer van Koophandel en Fabrieken). As the case requires, a second official may have to co-sign.

<sup>92</sup> Reporting possible in the form of an ECAI assessment or, in case of an IRB source, in the form of PD value and rating model.

<sup>93</sup> If the risk of set-off exist for the credit claim, because set-off rights were not contractually excluded, an additional haircut is applied to the credit claim. Therefore this column should be filled with 'Y' if set-off risk exist (meaning that set-off is not contractually excluded) or with 'N' if there is no risk (meaning set-off is contractually excluded).