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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Draft Regulation of the European Parliament and of the Council laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (**first reading**)
- Adoption of the legislative act
= statements

Statement by the United Kingdom

The UK supports adoption of the European framework for simple, transparent and standardised securitisation. The United Kingdom considers that the Securitisation Regulation contains obligations within Article 34(2) relating to cooperation and data sharing between law enforcement agencies, which fall within the scope of Title V of Part III of the Treaty on the Functioning of the European Union. Therefore, in relation to these provisions, the United Kingdom considers that Protocol (No. 21) to the Treaties applies.

Statement by Latvia

The Republic of Latvia draws attention to the use of the legal term 'veic uzņēmējdarbību' used in the Latvian language version of the Regulation. The term is used to describe the place of establishment of the entity that carries out securitisations. At the same time the term 'veic uzņēmējdarbību' means 'carries out entrepreneurship/business activity'.

Consequently, such a translation of the term is substantially different from the legal meaning of the term 'to be established' used in the English and other language versions of the Regulation, and it is inaccurate in determination of the place of the registration for the entities within the scope of mentioned Regulation (in particular Recital 35, Article 4., Articles 5.1.a-d., Article 6.1., Article 6.4., Article 10.2., Articles 11.1. and 11.2., Article 18., Article 27.3, Article 29.4., Article 40.3.). It might seriously hamper correct application of the regulatory practises which are based on the assumption of the place of the establishment of particular entity.

The Republic of Latvia notes that the term 'to be established' in analogous context appears in Article 49 of the Treaty on the Functioning of the European Union, where it is being translated into Latvian as 'izveidot'. The respective term 'izveidot' or its closest synonym 'dibināt' also was used in the initial Latvian language version of the European Commission's proposal for the Regulation published on 1 October 2015 (12601/15). Inconsistent or incorrect use of the legal term of such substantive importance leads to legal ambiguity and inter alia creates the risk of disrupting legal parallelism amongst the language versions of the Regulation and the Directive 2009/65/EC.

The Republic of Latvia intends to initiate the corrigendum procedure regarding the Regulation in order to ensure consistent and correct use of terminology.
