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09. June 2004

*To the kind attention of Dott. Enrico Cantarelli*  
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*To the kind attention of Dott. Francesco Maria Frasca*  
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*(This letter is a translation from the original Italian version.)*

Dear Sirs:

### ***The Italian securitisation market***

The European Securitisation Forum ("ESF" or "Forum"), and in particular its Italian members would like to thank you for the opportunity to submit our thoughts concerning certain issues with the current Italian securitisation regulatory framework. We believe that addressing these various issues and problems in a timely fashion is vital to the continued growth and innovation which has become characteristic of the Italian securitisation market.

The ESF is an organisation which brings together securitisation market participants throughout Europe and which comprises over 115 firms from across Europe. The purpose of the European Securitisation Forum is to promote the efficient growth and continued development of securitisation throughout Europe, and to advocate the positions, represent the interests, and serve the needs of its members — European securitisation market participants. To achieve this goal, the ESF seeks to increase awareness, build consensus and pursue advocacy projects relating to a broad array of legal, regulatory, accounting, capital, tax and other issues that impact the European securitisation markets, working with relevant European regulators and standards-setters. The Forum also identifies, recommends and implements market standardisation policies, practices, guidelines and related documentation, to promote liquidity, transparency and efficiency in the primary and secondary European securitisation markets. The Forum also undertakes initiatives designed to educate and inform external constituencies, including legislative and regulatory officials, the financial media, industry participants and others concerning the operation, importance and policy benefits of the securitisation markets and related activities throughout Europe.<sup>1</sup>

Securitisations have gained growing significance in the Italian market. Since Law 130/99 came into force, the Italian securitisation market has become the second largest European market in relation to issuance volume. In order to ensure continued development and growth

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<sup>1</sup> For your information the ESF has already collaborated with those involved in the legislative processes, both on a national and a EU level with a view to improving, and where appropriate harmonising, European legislation. The ESF currently is working--or has worked in the past--on various regulatory projects with many European regulators, such as the *Bundesanstalt für Finanzdienstleistungsaufsicht*, the Financial Security Authority, the *Commission Bancaire*, *Banco de Espana*, the *CMNV*, the Basel Committee, the International Accounting Standards Board, the European Commission and the Norwegian Securities Authority.

in this market, the ESF members have made specific proposals regarding the key areas where important issues need to be resolved, to have a more flexible legal framework supporting the securitisation market in Italy.



In this respect, the ESF respectfully wishes to submit to your attention the following issues and looks forward to continuing our dialog with each of you and your respective colleagues from the Ministero dell'Economia e delle Finanze and the Banca d'Italia in order to explain why the addressed issues with regard to Law 130 should be considered. The ESF members have divided this letter into two principal sections:

- (i) Primary issues: problems that securitisation market participants active in the Italian market consider extremely important to enhance the international competitiveness and continued growth of the Italian securitisation market and which require prompt solutions; and
- (ii) Other issues: issues that securitisation market participants active in the Italian market believe could benefit from further legal clarification.

Even though the *Pfandbriefe* issue has not been kept on the list of “Primary issues” and “Other issues” of this letter, the ESF wishes to highlight the impact that *Pfandbriefe* are having in many other European countries. Having a regulatory framework which allows Italian market participants to structure such transactions would ensure that the Italian industry is not at a competitive disadvantage compared to other jurisdiction. The ESF is aware that there are already certain proposals regarding *Pfandbriefe* and wishes to confirm that the ESF and its members are quite interested in actively discussing the existing proposals.

## A. Primary issues

### 1. Asset Categories

One of the aspects that the ESF, as representative of Italian securitisation market participants, considers amongst the most critical for the development of securitisations in Italy, concerns the categories of assets that can be securitised. As a general matter, Law 130/99 does not allow the opening of the securitisation market to certain assets as, in particular, those assets indicated here below, therefore preventing Italian market participants from having a wider more flexible option in accessing capital markets in order to finance their activities with a probable reduction in the cost of funding.

#### 1.1 *Future receivables, proceed and “block”*

Law 130/99 applies to securitisation transactions concerning “*monetary claims, whether existing or future*”. Even though there are no general limitations in Italian legislation to the transfer of future receivables, the legislator wanted to expressly include the category of future receivables within the framework of special regulations.

The willingness of the legislature was once again illustrated enacting Ministerial Decree of 13 May 1996 (*Registration criteria of the financial intermediaries in the special register set out in art. 107, paragraph 1, of Legislative Decree no. 385 of 1 September 1993*), which defined future receivables as “*receivables not yet existent, as they can be generated in the normal exercise of the business of the transferor*”.

Despite such clear legislative willingness, from the enactment of Law 130/99 up to today, only a limited number of securitisation transactions concerning future receivables have been structured in Italy. The obstacles which limit the development of securitisation transactions of such receivables are mainly legal issues and regard two strictly linked issues: (i) the identi-

fication of the necessary requirements to make those receivables not yet existing being transferred through a transfer agreement and (ii) the enforceability of such transfer against the bankruptcy of the transferor.



As regards the first issue, the ESF deems useful an intervention of the legislator defining how Law 130/99 shall apply to securitisations of future receivables and, in particular, the formalities in accordance with which such receivables are to be determined. In this context, it would be useful to evaluate if the “block” concept as defined in the Bank of Italy Instructions for Lending Institutions and in Ministerial Decree of 13. May 1996, constitutes the adequate instrument (taking also into account the certainty requirements that are inherent to an adequate development of the markets) to define the portfolio of receivables to be transferred. The ESF is of the opinion that Law 130/99 could recognise other general criteria on the basis of which the receivables would be identified, introducing, as an example, also the possibility to securitise income arising from certain activities and operating, if necessary, a diversification between effectiveness of the transfer in respect of the assigned borrowers and effectiveness in respect of third parties (including a receiver in case of bankruptcy of the transferor). Such criteria should be as extensive as possible in order to allow a certain degree of flexibility.

As regards the second issue, further to certain case law, the ESF deems that the transfer of future receivables is subject to the risk of the transferor *i.e.*, when the receivables come into existence after the transferor being declared bankrupt, the transfer of the relevant receivables is not enforceable against the bankruptcy of the transferor and the receivables fall into the assets of the bankruptcy and they do not benefit from the segregation in favour of the noteholders provided for by Law 130/99.

To overcome such interpretative obstacle so that it will not be an issue not to structure transactions which are already regulated by the legislator, the ESF is of the opinion that Law 130/99 should specify that any receivable, either an already existent or a future one, due and enforceable after the commencement of an insolvency proceeding against the transferor, does not fall into the assets of the bankruptcy so benefiting from the asset segregation provided for by Law 130/99.

Further to the above, the ESF would like to stress that provisions of law solving, in different areas, the same issues are already set in Law 52/91.

The ESF thinks that a clarifying legislative intervention which gives the possibility to omit the credit risk of the transferor in the evaluation of the notes to be issued, would give regulatory certainty necessary to make securitisation transactions involving the transfer of future receivables by Italian corporate attractive for asset backed securities market investors. As an example, such securitisation transactions could develop successfully within the context of public infrastructure projects to be carried out together with public and private entities; the possibility for private entities to re-finance themselves in the capital markets also through securitisation transactions of income arising from the same project would provide incentives for the participation of private entities into such public infrastructures.

## **1.2 Coordination between Article 7 of Law 130/99 and Articles 2447-bis et seq. of the Italian Civil Code**

Currently, Law 130/99 provides for the sole possibility of securitising monetary claims.

A growing sector that has been focused on by the legislator in the last few years has been that of infrastructure. The carrying out of both private and public infrastructure projects should take into consideration the existence of a suitable regulatory framework to allow access to the capital markets.

The ESF is of the opinion that although the peculiarity of the issues connected to financing infrastructure projects would probably require specific regulations, a legislative intervention



coordinating Article 7 of Law 130/99 and Articles 2447 *bis et seq.* of the Italian Civil Code which have been introduced by the recent corporate law reform, would certainly help this market to grow. To make such coordination effective, it would be necessary to evaluate if the segregation principles as set out in Law 130/99 and Articles 2447 *bis et seq.* of the Italian Civil Code are suitable and sufficient for the effective realisation of securitisations concerning infrastructures. In fact in such context the sole segregation of “revenue” flows would not be sufficient as it would require that all assets and agreements relating to the project constitute the collateral for the continuity of the flows irrespective of the events that may prejudice the successful execution of the project.

Such coordination between Article 7 of Law 130/99 and Articles 2447 *bis et seq.* of the Italian Civil Code might moreover benefit private companies with good potential income that may not or do not intend to securitise receivables and/or proceeds through the transfer of such receivables and/or proceeds to a third party.

In order to make securitisation transaction practicable pursuant to Article 7 of Law 130/99, it would, in the opinion of the ESF be then indispensable to define the fiscal regime applicable to loans granted pursuant to Article 7 of Law 130/99 (one possibility might be the application of favourable regulations similar to those referred to in Article 15 of Presidential Decree 601/73 (*substitute tax on medium/long term loans*)).

### 1.3 *Real estate securitisations*

In the last few years the Italian real estate market has seen significant expansion. Growth in the real estate market means an increase in the requests for source of funding and the necessity for diversification of the access methods to the markets. It is foreseeable that the real estate securitisations and the financial instrument issued within such context will soon become an appealing alternative form of investment thanks to their solid economic re-entry.

Law 410/2001 and Article 84 of the 2004 Budget Law have allowed certain public entities to carry out direct securitisation transactions to finance real estate assets through the transfer to a company whose corporate purpose is to carry out one or more securitisation transactions. Such regulations have allowed public administrations to sell real estate assets whose management costs are often difficult to sustain, creating, on the other hand, a situation of evident inequality *vis-à-vis* the private sector, to which such possibility was not given. In the opinion of the ESF members, an amendment to Law 130/99 directed at approving that guarantees for the notes issued by the vehicle company are represented by the proceeds arising from the sale of single real estate units or entire portfolios may be a guarantee for the reimbursement of the notes issued by the securitisation vehicle would be opportune.

As a general matter, private entities would have the possibility to finance in the capital markets in a less expensive way offering their real assets as collateral to the transaction. Obviously, any legislative intervention addressed to allow securitisation transactions to be structured by means of the transfer of real assets to companies incorporated pursuant to Law 130/99, should also take into account the relevant VAT issues, in order to avoid that such transactions are not economically efficient because of the tax implications.

In view of the opening of the capital markets to “real estate risk”, it could also be taken into account the possibility for the securitisation vehicles to carrying on repackaging of real estate fund units transactions.

### 1.4 *Commercial Mortgage Backed Securities (CMBS)*

In light of the actual market trend, the CMBS market should be the subject of immediate attention by the legislator. The CMBS market offers liquidity and diversification to the investors in the real estate sector and rapid access to capitals for the financiers; this clarifies the reason why CMBS structures are commonly used in several capital markets. The ESF is of the

opinion that it would be opportune to verify whether the current state of Italian legislation is suitable and sufficient for structured transactions of CMBS or if, on the contrary, it is better to have an integration that allows certain problems in connection with the structuring of such transactions in Italy to be overcome, avoiding that Italian market participants are seemingly more forced (as is already happening) to carry out such transactions by creating complex contractual structures.

An issue which seems to be an obstacle to spread such transactions in the Italian market is the fact that mortgage loans which collateralise CMBS transactions are not assets which are capable to repay the whole capital, *i.e.* if the payment of the interest is backed by the income arising from the rent of the assets, the relevant amount will fail to reimburse the entire capital. Hence, it could be deemed that the risk run by the investors is not only the risk of the assigned debtor, but also the capacity of third parties to arrange for the sale of the asset on the maturity of the loan, *i.e.*, more often, to have a refinancing.

Nevertheless, in view of the development of the CMBS market in other European countries, as the UK and Ireland and more recently France and Belgium, and being aware that a continuous lack of openness does not avoid the development of a secondary non-regulated market, the ESF thinks that such a problem is to be dealt with, on the one hand, in terms of disclosure of the offering documentation to investors, sharing the analysis and experience of the rating agencies on such type of transactions, and on the other hand, in terms of the possible monitoring of such transactions by entities subject to supervision. However, the issue that risks, other than the mere credit risk of the assigned debtor are a feature of securitisation transactions structured in accordance with Law 130/99 is not an innovation: as an example, in non-performing receivables securitisation transactions, the servicer, who is the entity dealing with the recovery of the receivables, is a key point in evaluating the risks involved in the transaction both by investors and rating agencies.

### 1.5 Segregation of assets

Five years after the issuance of Law 130/99 there are still debates concerning the scope of segregation set out in Article 3 of Law 130/99. It is asked if the segregation regards only the receivables or also other assets and/or rights available to the vehicle as, among others, collection arising from the receivables, contractual rights of the vehicle company *vis-à-vis* third parties involved in the transaction, the possible financial instruments, in which the vehicle invests while awaiting to repay the noteholders, *etc.* Because of this lack of clarity, standard practice looks to mechanisms of other legal guarantees which, as a matter of fact, are not the ones the legislator introduced with its concept of segregation by operation of (*ex lege*).

In order to soothe doctrinal debates and provide a conceptual uniformity to the segregation, the ESF is of the opinion that Law 130/99 should clarify (equal to what was already provided for by Law 410/2001 and Article 84 of the Italian Budget Law 2004) that the segregation of assets by operation of law applies not only to transferred receivables, but also to other types of assets and rights acquired in the context of a securitisation transaction to the benefit of all the parties involved in the transaction (including the noteholders and the other parties whose involvement was included for the successful conclusion of the transaction).

Furthermore, in the opinion of ESF members the question of how the segregation of assets is applied also in the case of securitisation transactions structured according to the scheme set out in Article 7 of Law 130/99 should be clarified, *i.e.* in the case of loans to the transferor (in this case, the financed party) by the securitisation company (in this case, the financing party).





## 1.6 Synthetic securitisations

Keeping in mind the recent trends of the markets where the so-called “synthetic” securitisations are usually structured and used as a proper instrument to allow the banks, financial institutions and other entities, public and private, to reduce or eliminate the credit risk of the reference portfolio without incurring in the relevant responsibility and judicial and administrative obligations, other than in the costs related to traditional securitisation transactions, the ESF thinks that it would be opportune to allow also the securitisation companies, incorporated pursuant to Law 130/99, to carry out these synthetic securitisations. It is no news that market participants structure similar securitisations related to assets and relationships concerning Italian entities through off-shore vehicles. In the opinion of the ESF members, the possibility to use a securitisation company established pursuant to Law 130/99 also for such type of securitisations would guarantee, at the same time, a more standard product and a stronger and more attractive Italian securitisation market.

To promote such securitisation transactions, Law 130/99 could envisage the possibility for securitisation companies to enter into agreements, also not ancillary to a securitisation involving the transfer of receivables, and issuing notes on the market, thereby guaranteeing, on the one hand, with the flows arising from the notes issued their payment obligations to the counterparties in the agreements and, on the other hand, guaranteeing the noteholders with what is due to the issuer in virtue of the same agreements.

Market participants are highly interested in such transactions. A legislative intervention addressed to make their structuring easier would not only be in favour of the market, but would also give the supervisory authorities a more incisive monitoring on this market area.

## 2. Tax issues

### 2.1 Short term notes

Fully aware of the reasons for the limitation imposed by Italian regulations on the issue of “short term paper” by Italian entities, it is not possible to forget that such limitations ultimately constitute a serious obstacle to the access to the market of securitisations by non-financial operators. Furthermore, also with reference to transactions involving financial receivables, the restriction to the possibility to reimburse the principal in the first 18 months from the issuance obligates an artificial immobilisation of financial liquidity which is not easily compatible with the fundamental criteria of Italian legislation. This financial immobilisation obligation seems, *inter alia*, to conflict with the concept of notes issued pursuant to Law 130/99 as a “*pass through*” as stated by the law itself when it provides that “*amounts paid by the borrower or assigned borrowers are exclusively designated, by the transferee company, upon satisfying the rights incorporated in the notes issued, by the same or another company, to finance the purchase of such receivables, as well as payment for the costs of the transactions*”.

The experience over the past 10 years has shown how such restriction has led non-banking operators that intend to refinance themselves in the capital markets to use different structures to collect the relevant funds on the foreign markets that do not envisage a worse treatment for “short term paper”.

The ESF thinks that the goal for the securitisation companies incorporated pursuant to Law 130/99 to issue short term notes, could be pursued by applying the provisions of Law 239/96 to any type of note issued by securitisation companies, *i.e.* irrespectively that such notes have an expiry longer than 18 months.



## 2.2 *Fiscal regime applicable to Law 130/99 companies*

Furthermore, in the opinion of the ESF, a legislative clarification on the tax treatment of segregated assets of securitisation companies incorporated pursuant to Law 130/99 would be opportune. Although the Income Revenue Authority (*Agenzia dell'Entrate*) was already clear on this point, establishing that the economic results arising from the management of the securitised assets do not enter – until the conclusion of the securitisation transaction – in the liquidity of the vehicle company and therefore do not form the income of the latter, the ESF maintains that legislative confirmation of what stated by the *Agenzia delle Entrate* would eliminate any doubts on the issue and would give greater certainty to investors. It is not clear, for example, what the possible tax loss of a securitisation vehicle amounts to when the transaction terminates, since the ministerial practice on the issue only states that: “*the possible operating results of the portfolio of receivables residual after all the creditors of the segregated assets have been satisfied and which are addressed to the securitisation vehicle, are subject to taxation as they come into possession of the receiver, therefore, upon termination of each securitisation transaction*”.

In the opinion of the ESF it would also be opportune to have a clarifying intervention in relation to the tax treatment of the interest accrued on the amounts deposited in the accounts held by the companies incorporated under Law 130/99. In particular, the *Agenzia delle Entrate* with a Resolution of December 2003 confirmed that interest and other revenue on current accounts and deposits held by securitisation companies incorporated pursuant to Law 130/99, do not enter into their liquidity because they are exclusively designated to repay the notes issued and do not form income of the latter. The same resolution has also clarified that withholdings at the source applied on interest and other revenues paid on such deposits and bank accounts are applied as advance withholding tax (*a titolo di acconto*) and can be deducted from the tax income of the company at the end of the securitisation transaction.

Notwithstanding that such a provision has contributed in clarifying the application of the tax regulations on this point, an efficient financial and tax management of the liquidity of the vehicle incorporated pursuant to Law 130/99 currently imposes that the collections are deposited in Italian current accounts only in very limited circumstances.

In relation to this issue, the ESF is of the opinion that a legislative intervention would seem to be appropriate stating, for the avoidance of any doubt, that such withholding is not applicable with reference to interest and the other revenue on current accounts and deposits held by the securitisation company insofar they refer to the amount relative to the securitised portfolio.

## 2.3 *VAT regime applicable to the transfer of the receivable and commission due to the servicer*

In the light of a recent European Justice Court judgement (Case C-305/01, of June 26, 2003) some interpretive doubts have arisen relating to the VAT regime applicable to the transfer of receivables carried out pursuant to Law 130/99 as well as to the payment of commissions due to the servicer for collection activities in relation to the receivables. The mentioned judgement, in particular, even though it relates to a specific hypothesis, has placed doubts on the interpretation commonly adopted in relation to the principles established by the Sixth Directive on VAT as implemented by applicable Italian tax provisions.

Hence, in the opinion of the ESF, it would be opportune to have an integration of the regulation in force which would guarantee that the transfer of receivables carried out pursuant to Law 130/99 falls into the VAT exemption regime based on Article 10, paragraph 1, of Presidential Decree of the Republic 633/72 and that, to this effect, the commission due to the servicer for the management by it (whatever kind of entity it is) and the collection of receivables is to fall into the VAT exemption regime in accordance with Article 10, paragraph 1, of Presidential Decree of the Republic 633/72.



### **3. Proceeds of the notes**

In order to have more flexible securitisation structures concerning the issuances of more series of notes, the ESF is of the opinion that it would be opportune to specify that the proceeds of each issue may also be used to re-finance outstanding notes (in addition to the possibility for securitisation companies to buy receivables).

### **4. Servicer**

#### **4.1 Sole servicer**

The protection of the interest of investors requires a clear definition of the tasks and liabilities undertaken in respect of the noteholders under Law 130/99 by those entities involved in the collection services and cash and payment services. The supervising bodies have in the past specified some applicative aspects of Law 130/99 including, in particular, those aspects relating to the role of the servicer. However it has not yet been made clear if the obligation to check the compliance with the law and the offering circular relates to all entities involved in the management of the transaction irrespective of the role actually played by such entities (as an example, banks at which the accounts of the vehicle company are maintained and the various agents appointed by the vehicle company to carry out payments and the management of the treasury of the transaction) or only some of them.

In the opinion of ESF members a greater certainty on this point would contribute to strengthening the market.

### **B. Other issues**

As already anticipated in the introduction to this letter, hereafter the ESF has listed some other issues whose solution would however bring a higher clearness in the legal framework concerning securitisation transactions structured in accordance with Italian law and would mitigate the risks for investors.

#### **1. Receivables owed by public entity**

The current legislation is not clear as to the applicability of Law 130/99 provisions concerning the transfer of receivables to the transfer of receivables owed by public entities.

As known, in order to make the transfer of receivables owed by a public entity enforceable against the same public entity, it is necessary to comply with a series of strict formalities, such as (i) the notification of the transfer to the public entity as debtor, (ii) the receivables transfer agreement in the form of notarial deed (*atto pubblico*) or private deed certified by a notary public (*scrittura privata autenticata*), (iii) the assent of the public entity as debtor to the transfer agreement if the agreement from which the receivables arise out can be defined as an “ongoing agreement” (e.g. building contracts).

It is still unclear, upon the provisions of Law 130/99, whether the formalities set therein are to be considered as special provisions and so derogating to the provisions generally applicable to the transfer of receivables owed by public entities. Since the securitisation market cannot be subject to any misinterpretation in this respect, all transactions carried out up to now concerning “public assets” have envisaged a duplication of the transfer formalities with a consequent rise in costs which, in some cases, has undermined the economical efficiency of the transaction and preventing from its structuring.



Consequently, according to the ESF, it should be highlighted that Law 130/99 represents a special provision in comparison to the general regulation provided for the transfer of receivables owed by public entities and that therefore the former prevail over the latter. If it is not possible to include a specific provision concerning Law 130/99, due to, for example, public treasury reasons, it would be opportune at least to specify that a notification to the transferred public entity (*rectius*, to the public entity whose receivables have been transferred) is sufficient to its purpose (so avoiding any doubt in relation to the necessity of further assets from the public entity and this irrespective of the type of asset or receivable or legal relationship transferred).

If necessary, the ESF would take the liberty to highlight that specific exceptions to the specific rules are provided for by the framework law of 1994 relating to public works and the relevant implementing regulations.

## **2. Claw-back**

In respect of this issue, the ESF would like to suggest a specific mentioning within Law 130/99 to the non-applicability of Article 65 of the Royal Decree No. 267/42 (Bankruptcy Law) (*i.e.* ineffectiveness of payments made in respect of claims maturing on the date of bankruptcy declaration or thereafter, if such payments are made by the relevant debtor during the two years preceding the bankruptcy declaration), to any payments made by the assigned debtors, and/or the relative guarantors as well as to the early payment of the notes and other payments made by the securitisation vehicle. It appears that the reason for the non-applicability of Article 67 of Bankruptcy Law (*i.e.* the purpose of guaranteeing to the note-holders that payments by the assigned debtors will be definitively made) also applies to the payments theoretically non-enforceable according to Article 65.

Furthermore, in order to avoid any misinterpretation of the claw-back provisions applicable in case the securitisation company incorporated pursuant to Law 130/99 belongs to the same banking group of the transferor, the term of 3 to 6 months provided for by Law 130/99 should prevail over Article 99, paragraph 5, of the Consolidated Banking Act (Legislative Decree No. 385/1993), concerning the extension of the claw-back to transactions carried out within the same banking group.

## **3. Privacy Law**

In consideration of the relevant penalties which may be imposed on those who do not comply with the provisions on the protection and treatment of personal data, the ESF would like to have a clarification on the obligations that securitisation vehicles are subject to. This is even more important since a new law on the matter has recently been enacted and the decree by the Authority for the Protection of Personal Data of April 2001 has been enforced with reference to a quite limited typology of securitisation transactions and does not provide for any general guidance which can in general apply to any kind of securitisation transaction.

## **4. Usury law**

In this respect, the ESF deems opportune to clarify that usury law provisions do not apply to the interest accrued and payable on notes issued by the securitisation companies. As a matter of fact, the applicability of such regulation seems to conflict with one of the main principles that rule this type of transaction according to which the vehicle company must transfer any revenue deriving from the segregated assets to the noteholders.

**5. Compound interest (*anatocismo*)**

Article 1283 of the Italian Civil Code on compound of interest should not be applied in relation to notes issued by securitisation companies also considering the fact that standard asset backed securities provisions relating to notes issued in the European market provide for compound of interest clauses.



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The ESF sincerely appreciates the opportunity to present these proposals on behalf of the Italian and pan-European securitisation industry. We are keen to continue the fruitful dialog we have opened with both the Ministero dell'Economia e delle Finanze and the Banca d'Italia on these matters. Therefore, we would be pleased to discuss our proposals in greater details with each of you respectively, and will reach out to you in the coming days in this regard. Please do not hesitate to contact Dr. Scott-Christopher Rankin (at +44.20.77 43 93 33) should you have any questions in the meantime.

Yours sincerely,

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