

Summary of feedback received

December 2012

Consultation title	<p>Thematic overview: Regulated Covered Bond Regime</p> <p>Proposed Guidance on Regulation 17A(3) of the Regulated Covered Bond regime, which refers to the responsibilities of the Asset Pool Monitor</p>
Date of consultation	<p>26 July 2012 – 14 September 2012 (seven-week consultation)</p>
Summary of feedback received	<p>We received a number of written responses to the consultation from Asset Pool Monitors (APMs) and issuers. Although respondents were globally supportive of our initiative in bringing more consistency to audit procedures and APM reports, the feedback received highlighted differences in issuers' underwriting policies and procedures, and suggested these be taken into account in designing the tests to avoid a high number of meaningless exemptions being reported. The comments related to the definition of the tests, as well as the tolerance levels.</p> <p>Some respondents also requested further clarity on paragraphs 1.13(b), 1.17(f) and 1.17(g) of the consultation guidance.</p> <p>One APM asked for further guidance on the level of expected error rate and maximum error rate they were expected to use as part of their sampling methodology.</p>
Response to feedback received	<p>We are grateful to the respondents for their time and effort in providing comments. We have endeavoured to take the feedback into consideration and have made changes to the final Guidance as a result.</p>
Changes made to the guidance as a result of feedback received	<p>Regarding the request for flexibility in the tests, we have made a number of changes to appendix 1 of the guidance to make the tests more compatible with issuers' underwriting policies and practices. In making these changes, we have been in consistent dialogue with issuers and APMs to ensure these would address the concerns raised while not altering the policy intention.</p> <p>We have also provided clarity on specific paragraphs as requested in the consultation feedback, including on the level of expected and maximum error rates.</p>

[You can access the full text of the guidance consulted on here](#)