

no. 17/2022

14 January 2022

RULES

Amending the Rules on Central Bank Facilities for Financial Undertakings, no. 1200/2019

Article 1

The following amendments shall be made to Article 10 of the Rules:

- a. The first sentence of Article 10, Paragraph 1 shall read as follows: The Central Bank may accept the following as collateral for Central Bank facilities:
- b. Paragraph 1, Item 6 shall read as follows: Covered bonds pursuant to the Act on Covered Bonds, no. 11/2008. The collateral portfolio underlying the covered bonds must consist solely of bonds secured by residential property in Iceland.
- c. A new numbered item, Item 8, shall be added to Paragraph 1, and shall read as follows: Individual collateral instruments backed by commercial paper, provided that the collateral instrument is issued by a financial undertaking (credit undertaking), with hold-in-custody collateral in the form of debt instruments issued by individuals or legal entities and secured with real estate, in accordance with Article 43 of the Act on Contractual Mortgages, no. 75/1997. Collateral instruments backed by commercial paper shall be in a standard contract format approved by the Central Bank; they shall be secured with collateral deemed satisfactory by the Central Bank, shall provide satisfactory access to information on the status and valuation of the underlying collateral at any given time, shall provide satisfactory legal protection, and that in other respects be deemed by the Bank to provide sufficient security. The provisions of Article 11 and Article 12 apply to collateral instruments backed by commercial paper, as appropriate.
- d. A new paragraph, Paragraph 5, shall be added and shall read as follows: The Central Bank may reject collateral for Central Bank facilities at any time.

Article 2

Entry into effect, etc.

These Rules, which are set on the basis of Article 19, Paragraph 1 and Article 46, Paragraph 2 of the Act on the Central Bank of Iceland, no. 92/2019, shall take effect immediately. At that time, Rules no. 345/2020 amending the Rules on Central Bank of Iceland Facilities for Financial Undertakings, no. 1200/2019, shall expire. These Rules shall take effect immediately.

Reykjavík, 14 January 2022

Central Bank of Iceland

Ásgeir Jónsson
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