New legal regulation of covered bonds: Have we reached the European standard?

Abstract

The subject matter of this thesis is regulation of covered bonds, as a newly introduced category of debt securities in Czech law. The thesis aims to analyse selected aspects of the new regulatory regime through its fundamentals, as well as shortcomings and imperfections of the previous regulatory regime. In order to answer the question of what the *European standard* is and whether it can be unequivocally determined on the basis of analysis of the relevant European legislation, it also describes basic features of the European regulation. Besides the European Union's point of view, the thesis also reflects the way in which is the issue of proper regulation dealt with at the national level.

The thesis is divided into four main parts. The first part defines the term *covered bond* and provides with a broader context of securities law, including the history of covered bonds. The thesis further identifies the main differences between covered bonds and other debt securities that are closely similar to covered bonds (i.e. secured notes, asset-backed securities and unsecured senior notes). The second part focuses on the European approach towards regulation and further determines four main features of the regulation of covered bonds. This part also discusses the issue of so-called regulated and unregulated (structured) covered bonds, including the integrated and segregated covered bond issue model. The content of the third part of this thesis is an analysis of the selected aspects of the new regulatory regime, especially in the context of the shortcomings and imperfections of the previous regulatory regime. The fourth, final, part seeks to find the *European standard* of covered bond regulation in the terms of *market practice* within the regulation of the selected Member States. Thus, the fourth part reflects also German, Belgian and Dutch regulation of covered bonds.

Keywords: covered bonds, mortgage covered bonds, regulation of covered bonds