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on amending the Covered Bonds and Mortgage Banks Act and other acts¹⁾

Article 1. The following amendments are introduced in the Covered Bonds and Mortgage Banks Act of 29 August 1997 (Journal of Acts of 2003 No 99, item 919, with further amendments²⁾):

- 1) Article 6 Item 6 shall be repealed;
- 2) Article 7 shall be repealed;
- 3) Article 7a is added after Article 7 in the following wording:

„Article 7a. Terms of issuance of the Covered Bonds include in particular information on the interest payment dates and covered bond purchase dates and terms and conditions applied in the case of announcing bankruptcy of a mortgage bank.”;
- 4) Article 8 Section 1 Item 3 shall have the following wording:

„3) the Bonds Act of 15 January 2015 (Journal of Acts item 238), excluding the provisions of Article 14, Article 31 Section 1–3 and 6, Article 32, Article 74 Section 2 and 3, Article 78–87 and Article 90.”;
- 5) Article 13 Section 2 shall have the following wording:

„2. Amount of individual loans secured with a mortgage:

 - 1) upon granting – in the case of granting loans secured with a mortgage,
 - 2) purchasing liabilities from claims of such a loan – in the case of purchasing claims of other banks due to the mortgage-secured loans granted – shall not exceed the mortgage lending value”;
 - 6) Article 14 shall have the following wording:

"Art. 14. From the funds raised through the issue of covered bonds the mortgage bank may refinance the loans secured by mortgages and other bank debts acquired from

¹⁾ The following Acts are amended by this Act: the Act on Personal Income Tax of 26 July 1991, Act on Corporate Income Tax of 15 February 1992, Act on Pension Funds Organization and Functioning of 28 August 1997, Bankruptcy and Recovery Act of 28 February 2003, and Savings and Credit Union Act of 5 November 2009.

²⁾ Amendments of a consolidated text of the cited Act have been announced in the Journal of Laws of 2005 No 184, Item 1539 and No 249, Item 2104, of 2006 No 157, Item 1119, of 2009 No 157, Item 1241 and of 2015 Item 238.



granted loans secured by a mortgage: refinancing with reference to individual loan or an individual claim cannot exceed the amount referring to 60% of the mortgage lending value, and in the case of residential property within the meaning of Article 4 Section 1 item 75 of the Ordinance of the European Parliament and the European Union Council no 575/2013 of 26 June 2013 on prudential requirements for loan institutions and investment companies, amending the ordinance (EU) no 648/2012 (Journal of Acts UE L 176 of 27.06.2013, page 1, with further amendments) – 80% of the mortgage lending value.”;

7) Article 18:

a) Section 1 shall have the following wording:

„1. The sum of nominal amounts of the mortgage bank claims secured with a mortgage, rights and funds mentioned in Section 3 and 4, entered into the covered bonds register, constituting a basis for the issue of mortgage covered bonds, may not be lower than 110% of the total amount of nominal value of mortgage covered bonds in trading, while the total nominal amounts of the mortgage bank's claims secured with a mortgage, constituting a basis for the issue of mortgage covered bonds, may not be less than 85% of the total amount of nominal value of covered bonds in trading.”,

b) Section 1a is added following Section 1 in the following wording:

„1a. Total nominal amounts of the mortgage bank's claims, mentioned in Article 3 Section 2, and the rights and funds mentioned in Section 3 and 4, entered into the covered bonds register, constituting a basis for the issue of public covered bonds, may not be less than 110% of the total amount of nominal values in trading , while the sum of nominal amounts of the mortgage bank's claims mentioned in Article 3 Section 2, constituting a basis for the issue of public covered bonds, may not be less than 85% of the total amount of nominal values in covered bonds public trading.”,

c) Section 2 shall have the following wording:

„2. Interest income of a mortgage bank set separately for mortgage covered bonds and public covered bonds from:

- 1) claims secured with a mortgage or the claims mentioned in Article 3 Section 2, and



- 2) rights and funds mentioned in Section 3 and 4
– constituting a basis for the issue of mortgage covered bonds or public covered bonds respectively may not be less than the costs of interests of mortgage covered bonds or public covered bonds in trading.”,
- d) in section 3 introduction to calculation shall have the following wording:
„the basis for covered bonds issue may also be funds of the mortgage bank:”,
- e) Section 3a and 3b is added after Section 3 in the following wording:
„3a. Mortgage Bank is obliged to keep, separate for mortgage covered bonds and public covered bonds, a surplus created from the funds mentioned in Section 3, in the amount not less than the total amount of nominal value of interest from the mortgage or public covered bonds in trading, payable within the subsequent 6 months.
3b. the funds allotted for the surplus mentioned in Section 3a may not constitute a basis for the issue of covered bonds.”,
- f) Section 4 shall have the following wording:
„4. Upon specifying the amount mentioned in Sections 1–3a, the value of the purchased securing financial instruments fulfilling the terms and conditions mentioned in Article 35a Section 3 of the Accounting Act of 29 September 1994 (Journal of Act of 2013 item 330, with further amendments³⁾), and amendments of the value.”;
- 8) Section 6 is added to Article 20 in the following wording:
„6. The application to enter a claim mentioned in Section 5 may be filed by the owner of the property on which the construction is realized, the mortgage bank or purchaser of the premises mentioned in Section 5. Entry of the claim into the Land and Mortgage Register does not require the consent of the owner of the property the construction is realized upon.”;
- 9) Article 21 Section 1 shall have the following wording:
"1. When covered bond maturity is longer than five years from the date of issue, the mortgage bank to ensure compliance of the provisions of Art. 18 may make the

³⁾ Amendments to a consolidated text of the cited Act have been announced in Journal of Laws of 2013 Item 613, of 2014 Item 768 and 1100 and of 2015 Item 4.



redemption of bonds before maturity date, but not earlier than after 5 years from the date of issue, provided that the terms of the issue expressly provided that opportunity. "

10) in Article 24:

a) the first sentence in Section 1 shall have the following wording:

„Mortgage Bank keeps and stores a register of covered bonds collaterals, to which the mortgage bank's claims, rights and funds are entered as separate items, mentioned in Article 18 Section 3 and 4, constituting a basis for covered bonds issue, as well as the funds constituting a surplus mentioned in Article 18 Section 3a.”,

b) after Section 2, Section 2a is added in the following wording:

„2a. Action consisting in establishing collateral of mortgage bank obligation the object of which are mortgage bank's receivables, rights or funds, mentioned in Article 18 Section 3, 3a and 4, entered into the Covered Bonds Register, is invalid unless it is done for securing obligations for the following purposes:

- 1) covering financial instruments, mentioned in Article 18 Section 4, entered into the Covered Bonds Register;
- 2) securities payment and settlement system, the participant of which is a mortgage bank, and settlement of financial covers established in accordance with the provisions of the Act of 2 April 2004 on certain financial collaterals (Journal of Acts of 2012 item 942 and 855 and of 2013 item 1036).”;

11) Article 25 shall have the following wording:

„Article 25. 1. Mortgage Bank keeps covered bonds account for the purpose of monitoring long-term fulfillment of the requirements mentioned in Article 18 Section 1, 1a and 2. The account is performed on each working day.

2. Mortgage Bank finds whether, on the day of the finding, the mortgage bank's receivables, rights and funds mentioned in Article 18 Section 3, 3a and 4, entered into the covered bonds register, are sufficient for:

- 1) full satisfaction of the covered bonds holders [coverage balance test] and
- 2) full satisfaction of covered bonds owners in prolonged maturity dates, mentioned in Article 446 Section 1 of the Act of 28 February 2003 – Bankruptcy Law (Journal of Acts of 2015 item 233 and ...) [liquidity test].



3. Upon performing the coverage balance and liquidity tests, the mortgage bank considers liquidation costs of a separate bankruptcy estate and foreign currency and interest rate variances, if such variance between the items of a separate bankruptcy estate and covered bonds obligations are not covered by appropriate transactions securing against interest rate or foreign currency change risk.

4. Coverage balance test is performed not less often than every 6 months, and liquidity test – not less often than every 3 months.

5. Coverage balance and liquidity test results are found positive if the following findings indicate that – as at the date of making the findings – the mortgage bank's receivables, rights and funds mentioned in Article 18 Section 3, 3a and 4, entered into the covered bonds register, are sufficient for full satisfaction of the covered bonds holders.

6. Covered bonds account and coverage balance test and liquidity test are performed separately for mortgage covered bonds and public covered bonds.

7. The Minister competent for the issues related to financial institutions, following obtaining an opinion of the Financial Supervision Authority, specifies, in the course of an ordinances, detailed terms and conditions and performance manner of:

- 1) covered bonds account mentioned in Section 1, including the dates for which it is performed,
 - 2) coverage balance and liquidity tests
– considering the necessity to ensure security of the issued covered bonds.”;
- 12) in Article 27 Section 1, the first sentence shall have the following wording:
„a cover pool monitor is appointed at each mortgage bank and at least one deputy, while the number of deputies shall be adapted to the scale of the mortgage bank's activity.”;
- 13) in Article 30:
- a) item 3 shall have the following wording:
„3) mortgage bank shall adhere to the requirements mentioned in Article 18; if the requirements are not adhered to by the bank, the cover pool monitor shall immediately inform the Financial Supervision Authority.”;
 - b) item 3a shall follow item 3, in the following wording:
„3a) coverage balance test and liquidity test results confirm that the mortgage bank's receivables, rights and funds mentioned in Article 18 Section 3, 3a and



4, entered into the covered bonds register, are sufficient for full satisfaction of the covered bonds holders; should the coverage balance or liquidity test result not be positive, the cover pool monitor shall immediately inform the Financial Supervision Authority;”;

14) Chapter V shall be deleted.

Article 2. Item 130a is added in the Act on Personal Income Tax of 26 July 1991 (Journal of Acts of 2012 item 361 with further amendments⁵⁾) in Article 21 Section 1, in the following wording:

„130a) covered bonds interest or discount obtained by the natural persons mentioned in Article 3 Section 2a;”.

Article 3. The following amendments are made in the Act on Corporate Income Tax of 15 February 1992 (Journal of Acts of 2014 item 851, with further amendments⁴⁾):

1) in Article 16:

a) in Section 1:

– in item 25 letter ba is added after letter b in the following wording:

„ba) loan receivables purchased by the mortgage bank for the purpose of issue of covered bonds from other banks, herein after referred to as „purchased mortgage bank's receivables” – due but not recoverable, reduced by the amount of unpaid interest and equivalent of reserves for the loans, previously included in costs of revenue,”,

– in item 26:

– letter aa is added after letter a in the following wording:

„aa) in mortgage banks – the receivables mentioned in item 25 letter ba,”,

– letter da is added after letter d in the following wording:

„da) 25% of the amount of the purchased doubtful receivables of the mortgage bank,”,

⁴⁾ Amendments to the consolidated text of the cited Act have been announced in the Journal of Acts of 2014 item 851, 915, 1138, 1146, 1215, 1328, 1457, 1478, 1563 and 1662 and of 2015 item 73 and 211.



- in item 43 entry for calculation shall have the following wording:
„redeemed bank credits (loans), including the purchased receivables of the mortgage bank, if the redemption is related to:”;
 - b) item 2 in section 2a entry for calculation shall have the following wording:
„in the event specified in Section 1 item 26 letter a tiret one, letter aa or letter b, if:”;
 - c) section 3f shall have the following wording:
„3f. If loans (borrowings) are qualified, including purchasing the mortgage bank's receivables, and guarantees (sureties) of repayment of loans and credits granted by the bank, subject to Section 1 item 26 letter a tiret two and letter c, to the lost category, the unrecoverability of which has not been justified, costs of revenue are deemed as the amount of reserve set adequately in accordance with section 1 item 26 letter d or letter da.”;
- 2) in Article 17 Section 1 item 50a is added after item 50 in the following wording:
„50a) interest or discount of covered bonds obtained by taxpayers, mentioned in Article 3 Section 2;”;
- 3) in Article 38b, sections 2 and 3 shall have the following wording:
„2. The provisions of Article 12 Section 1 item 4 and item 6 letter b, Section 1a and Section 4 item 15 letter a–c, Article 15 Section 1h item 2, Article 16 Section 1 item 25 letter b–c and Section 2 and Article 38a Section 2 shall be applied accordingly to the write-offs mentioned in Section 1.
3. The Banks mentioned in Section 1, may apply the provisions of Article 16 Section 1 item 25 letter b–c and item 26, section 2, section 2a item 2, section 2b–2d, section 3, 3c, 3e and 3f to credits (loans) impairment write-offs and loan repayment guarantees (sureties) referring to reserves for the risk related to the activity of banks, established in accordance with the accounting regulations in the wording operating from 31 December 2004, not included in the costs of revenue.”.



Article 4. In the Act on organization and functioning of pension funds of 28 August 1997 (Journal of Acts of 2013 item 989, with further amendments⁵⁾) in Article 142:

1) section 1:

a) item 4 shall have the following wording:

„4) in the case of the deposits mentioned in Article 141 Section 1 item 5–28, 31 and 32, the total value of the pension fund's assets deposited in all securities of one issuer or two or more issuers which are affiliated entities, may not exceed 10% of the value of those assets;”

b) item 5 is added in the following wording:

„5) in the case of the deposits mentioned in Article 141 Section 1 item 29 and 30, the total value of the pension fund's assets deposited in all securities of one issuer or two or more issuers which are affiliated entities, may not exceed 5% of the value of those assets.”;

2) section 4 shall have the following wording:

„4. The limitations mentioned in Section 1 item 4 and 5 shall not be applied if the pension fund was obliged to accept payments in the form specified in Article 97 Section 1. The provisions of Article 149 Section 2 and 3 shall be applied accordingly.”.

Art. 5. The following amendments shall be introduced in the Bankruptcy Law Act of 28 February 2003 (Journal of Acts of 2015 item 233):

1) Article 442 shall have the following wording:

„Article 442. 1. In the event of a mortgage bank's bankruptcy announcement, a separate bankruptcy estate, that is used for satisfying the claims of covered bonds holders, shall be consisted of:

1) the mortgage bank's receivables, rights and funds mentioned in Article 18 Section 3, 3a and 4 of the Covered Bonds and Mortgage Banks Act of 29 August 1997 (Journal of Acts of 2003 No 99, item 919, with further amendments⁶⁾), hereinafter referred to as the „Covered Bonds Act”, entered into the Mortgage Bonds Register;

⁵⁾ Amendments to consolidated text of the cited Act have been announced in the Journal of Acts of 2013 item 1289 and 1717 and of 2015 item 238.

⁶⁾ Amendments to the consolidated text of the mentioned Act have been announced in the Journal of Acts of 2005 No 184, item 1539 and No 249, item 2104, of 2006 No 157, item 1119, of 2009 No 157, item 1241 and of 2015 item 238 and ...



- 2) the funds obtained as a result of repayment of claims entered into the covered bonds register;
- 3) assets items obtained in exchange for the assets entered into the covered bonds register.

2. In case of any doubts whether the items mentioned in Section 1 are part of a separate bankruptcy estate, it is deemed they are part of the same bankruptcy estate up to the amount disclosed in the Covered Bonds Register in the value of:

- 1) the mortgage bank's receivables, rights and funds mentioned in Article 18 Section 3, 3a and 4 of the Mortgage Bonds Act;
- 2) receivables and assets, respectively - in the case of items mentioned in Section 1 item 2 and 3.

3. Following satisfaction of the claims of covered bonds holders, the surplus of funds from the separate bankruptcy estate shall be included into the bankruptcy estate.”;

- 2) Article 442a shall be added after Article 442 in the following wording:

„Article 442a. 1. It is not permitted to deduct claims of the bankrupt mortgage bank's obligee from the claims of a bankrupt mortgage bank part of a separate bankruptcy estate.

2. The provision of Section 1 shall not be applied to deducting claims from the securing financial instruments mentioned in Article 18 Section 4 of the Covered Bonds Act, entered into the Covered Bonds Register. The provisions of this chapter concerning satisfaction of claims of covered bonds holders shall be applied accordingly for satisfying the claims of the holders of the instruments.

3. The provision of Section 1 shall not be applied also for settling as part of securities payment system and securities settlement system, the participant of which is a bankrupt mortgage bank, and settlements of financial collaterals established in accordance with the provisions of the Act of 2 April 2004 on some financial collaterals.”;

- 3) Introduction to calculation shall have the following wording in Article 444:

„Curator shall file into bankruptcy estate within 21 days from the date of the bankruptcy announcement.”;

- 4) The first sentence in Article 445 Section 1 shall have the following wording:

„Insolvency administrator shall provide the curator with all the necessary information.”;



5) Article 445a and Article 445b is added after Article 445 in the following wording:

„Art. 445a. 1. Judge-commissioner convenes a meeting of covered bonds holders upon the request of the covered bonds holders representing at least 10% of the claims from the nominal value of covered bonds remaining in trading. Provisions of the covered bonds holders' meeting shall apply accordingly.

2. Should the provisions of this chapter provide for otherwise, the resolutions of the meeting of covered bonds holders shall be made irrespective of the number of participants, with majority of votes of the obligees representing over 50% of the claims due to the nominal value of covered bonds remaining in trading.

3. The sale of assets items entered into the collateral register requires a consent of the covered bonds holders' assembly:

- 1) in full, if the funds obtained from the sale are not sufficient for full satisfaction of the costs of liquidation of a separate bankruptcy estate and the claims of covered bonds holders,
- 2) in part, if the sale below fair value is planned.

Article 445b. 1. Liquidation of a separate bankruptcy estate is performed by the insolvency administrator with participation of the curator.

2. If the council of covered bond holders or the judge-commissioner consent to free sale of the assets part of a separate bankruptcy estate, the sale requires the consent of the curator.

3. Should the provisions of this chapter provide for otherwise, the assets items entered into the covered bond register shall be sold to a different mortgage bank, and the sale of those items causes transfer onto the purchaser of the obligations of the bankrupt bank towards the covered bonds holders. Consent of the covered bonds holders for transfer of obligations is not required. **The sale shall be announced.**

4. Sale agreement of a mortgage-secured claim constitutes a basis for entry into the land and mortgage register.

5. Resolution of the assembly of covered bonds holders is required for sale of a part of the bank enterprise of the bankrupt mortgage bank, including in particular the items of a separate bankruptcy estate, adopted by majority of two-thirds of votes of obligees due to the nominal value of covered bonds remaining in trading; in such case, covered bonds shall not be included in the sale, while the insolvency administrator



specifies the share in the sale price of the part of bank enterprise of the bankrupt mortgage bank that shall be allotted for satisfying the claims of the covered bonds holders.”;

6) Article 446 shall have the following wording:

„Article 446. 1. Upon announcement of the mortgage bank bankruptcy, the due dates of its obligations towards covered bonds holders shall be prolonged by 12 months.

2. Obligations towards covered bonds holders due and unpaid before the date of mortgage bank's bankruptcy announcement shall be satisfied within 12 months from the date of announcing the bankruptcy, however not earlier than after the first announcement on the tests' results mentioned in Article 446a Section 8 item 1, subject to Article 446c Section 1 item 1.

3. Covered bonds interest due from the bankrupt bank shall be paid in a manner and dates specified in the terms and conditions of issue.”;

7) Articles 446a–446d are added after Article 446 in the following wording:

„Article 446a. 1. Insolvency administrator shall immediately, not later than within 3 months from the date of the announcement of bankruptcy of the mortgage bank, perform a coverage balance test with reference to a separate bankruptcy estate, mentioned in Article 25 Section 2 item 1 of the Mortgage Bonds Act, and if the coverage balance test result is positive – the liquidity test mentioned in Article 25 Section 2 item 2 of the Act.

2. Subsequent liquidity tests shall be performed not less often than every 3 months and subsequent coverage balance tests – not less often than every 6 months. Should the coverage balance test result not be positive, further tests are not performed.

3. When performing coverage balance and liquidity tests, the insolvency administrator considers additionally the obligations mentioned in Article 446 Section. 2.

4. Coverage balance test and liquidity test are performed subject to the curator's supervision, separate for mortgage covered bonds and the public covered bonds.

5. Coverage balance and liquidity test results shall be deemed positive, if following the changes introduced, it has been found that the separate bankruptcy estate is sufficient for full satisfaction of the covered bonds holders.

6. The results of the first coverage balance test or coverage balance and liquidity test following announcement of bankruptcy, including the documents on the basis of



which the tests have been performed, shall be immediately announced by the insolvency administrator to the Financial Supervision Authority. Results of the subsequent tests shall be provided by the insolvency administrator immediately to the Authority, including documents, on the basis of which the tests were performed, if they had been performed in a different manner than the tests mentioned in the first sentence. The Authority may present comments, in particular to the manner of performing the tests, within 2 weeks from the date of obtaining the results.

7. The insolvency administrator, following consideration of the comments of the Financial Supervision Authority, shall immediately provide the coverage balance and liquidity tests results to the judge-commissioner. Results of the first coverage balance or liquidity tests following announcement of bankruptcy shall be provided to the court-commissioner not later than within 4 months from the date of announcing bankruptcy of the mortgage bank.

8. Judge-commissioner:

- 1) announces the coverage balance or liquidity test results in the Court and Commercial Monitor;
- 2) issues a decision on the manner of conducting bankruptcy proceedings towards a mortgage bank mentioned in Article 446b Section 1 or Article 446c Section 1, and on the manner of conducting proceedings, should the assembly of the covered bonds holders adopt the resolution mentioned in Article 446b Section 2, Article 446c Section 3 or Article 446d Section 1; The decision is announced..

Article 446b. 1. In the case of a positive coverage and liquidity balance test results:

- 1) the covered bonds holders' claims are satisfied in accordance with the terms and conditions of issue, considering Article 446 Section 1;
- 2) insolvency administrator may suspend agreements concerning the financial instruments mentioned in Article 18 Section 4 of the Covered Bonds Act.



2. Covered bonds holders' assembly, not later than within 2 months from the date of announcing the tests results, may adopt a resolution by majority of two-thirds of votes of the obligees under the nominal value of covered bonds remaining in trading on obligating the insolvency administrator to take actions aimed at selling all the claims and rights of the bankrupt mortgage bank belonging to a separate bankruptcy estate:

- 1) for the benefit of a mortgage bank, including the takeover of the whole obligation of the bankrupt bank towards the covered bonds holders, or
- 2) for the benefit of the mortgage bank or a different bank without transfer of obligations of the bankrupt bank onto the covered bonds holders.

3. The covered bonds holders' assembly mentioned in Section 2 shall be convened upon the request filed not later than within a month from the date of announcing the tests results.

4. In the event of adopting the resolution mentioned in Section 2 item 2, interest claims are satisfied from a separate bankruptcy estate for the period until the sale of claims and rights of the mortgage bank.

5. If the receipts from the sale of items of a separate bankruptcy estate reduced by the total amount of nominal value of interest from the covered bonds in trading, to be paid in the period of the subsequent 6 months, and the amounts mentioned in Article 446 Section 2, amount to at least 5% of the total amount of nominal values of covered bonds in trading, claims of covered bonds holders may be satisfied proportionally to the amount of the claims, within the dates earlier than the prolonged due dates mentioned in Article 446 Section 1. The provision of Article 356 Section 3 shall not be applied.

6. The covered bonds shall be redeemed in the satisfied part, in accordance with Section 5.

7. The funds mentioned in Section 5 are provided to covered bonds holders within the closest payment date of interest payment specified in the terms and conditions of issue, however not earlier than after 14 days from the date the judge-commissioner's decision, mentioned in Article 168 Section 5, becomes final.

Article 446c. 1. In the event of a positive coverage balance test result and lack of a positive liquidity test result:

- 1) the mortgage bank's obligations due dates towards covered bonds holders due to the nominal value of the bonds, including the due obligations, not paid before the



- date of announcing the mortgage bank's bankruptcy, shall be prolonged by 3 years from the latest due date of the claim entered into the covered bonds register;
- 2) the claims of covered bonds holders due to the nominal value of covered bonds are satisfied proportionally to the amount of the claims, within the date earlier than the prolonged due dates mentioned in item 1, from the funds forming the separate bankruptcy estate – should the funds, after decrease by the amount of:
 - a) the total amount of nominal values of interest from the covered bonds in trading, payable within the following 6 months,
 - b) costs of bankruptcy proceedings in the scope of a separate bankruptcy estate due to the report of the trustee in bankruptcy– will be at least 5% of the total nominal value of covered bonds in trading; while the covered bonds are redeemed in the satisfied part.

2. The provisions of Article 446b Section 7 shall be applied to providing the funds mentioned in Section 1 item 2.

3. Covered bonds holders' assembly may adopt a resolution on non-application of the proceedings mentioned in Section 1, or on applying the procedure mentioned in Article 446d, not later than within 3 months from the date of announcing the tests results, by majority of two-thirds of votes of the obligees due to the nominal value of covered bonds in trading.

Article 446d. 1. Should the coverage balance test result not be positive, the provisions of Article 446c Section 1 and Article 446b Section 7 shall be applied accordingly, unless the assembly of covered bonds holders adopts a resolution by majority of two-thirds of the obligees due to the nominal value of covered bonds in trading, on consenting to liquidate the separate bankruptcy estate and sale of the property items entered into the covered bonds register.

2. The obligations of the mortgage bank towards covered bonds holders become due and payable upon adopting the resolution mentioned in Section 1.

3. In the event of adopting the resolution mentioned in Section 1, it is possible to sell the property items entered into the covered bonds register:

- 1) to a different bank than the mortgage bank, without transferring the obligations of the bankrupt bank upon the purchaser towards the covered bonds holders;



2) to an entity other than the bank – in the case of items the ownership of which is not reserved to banks.

4. In the case of sale of an estate entered into the covered bonds register without transferring upon the purchaser of the obligations of the bankrupt bank towards the covered bonds holders from the funds obtained from sale, the claims from covered bonds secured with the item are satisfied for the period until the date of sale.”;

8) Article 447 is deleted;

9) Article 448 and Article 449 shall have the following wording:

„Article 448. The following are satisfied subsequently from the separate bankruptcy estate:

1) liquidation costs of the separate bankruptcy estate which also include the remuneration of the curator, as well as interest and other covered bonds receivables;

2) covered bonds as per their nominal value.

Article 449. Should a separate bankruptcy estate be insufficient for full satisfaction of covered bonds holders, the remaining sum is subject to satisfaction in division of bankruptcy estate funds. The sum for satisfying the covered bonds holders from the bankruptcy fund shall be provided to the fund of the separate bankruptcy estate.”.

10) Article 450a is added after Article 450 in the following wording:

"Art. 450a. To insolvency proceedings against mortgage banks the provisions of Title Va Part I does not apply. "

Art. 6. In the Savings and Credit Union Act of 5 November 2009 (Journal of Acts of 2013 item 1450) in Article 37 Section 1, item 1a and 1b is added after item 1 in the following wording:

„1a) in bonds mentioned in Article 129 of the Ordinance of the European Parliament and the European Union Council no 575/2013 dated 26 June 2013 on the prudential requirements for credit institutions and investment companies, amending the resolution (UE) no 648/2012 (Journal of Acts UE L 176 of 27.06.2013, page 1, with further amendments);

1b) in covered bonds;”.

Art. 7. The Act of 15 May 2015. - Restructuring Law is amended as follows:



- 1) Article 4 Section 2 Item 2 shall have the following wording :
„2) The state-owned banks and mortgage banks”;
- 2) in Title IV, Section III, Chapter 2 is repealed.

Art. 8. Within 6 months from the date this Act comes into force, the mortgage bank announces in the Court and Commercial Monitor, with reference to the covered bonds issued before the entry into force, supplementary information to the covered bonds issue prospectus including information on the interest payment dates and the dates and terms and conditions of covered bonds buy-out applied in the case of announcing bankruptcy of the mortgage bank.

Art. 9. The provisions of Article 16 Section 1 item 25 letter ba, item 26 letter aa and da and item 43, section 2a item 2 and section 3f and Article 38b Section 2 and 3 of the Act amended in Article 3, in the wording of this Act, shall also be applied to the claims that, before entry into force of this Act, have been purchased by the mortgage bank for the purpose of issue of covered bonds.

Art. 10. The currently operating provisions of law shall be applied to the bankruptcy proceedings towards mortgage banks initiated and not completed before the date of entering into force of this Act.

Art. 11. The Act comes into force from the 1st of January 2016.