

Luxembourg Parliament Adopts the Bill to Amend Luxembourg Securitisation Law

On 9 February 2022, the Luxembourg Parliament voted and adopted the bill amending the law of 22 March 2004 on securitisation (the "Law"). The amended Law brings increased flexibility to Luxembourg securitisation vehicles by introducing a series of major changes and was adopted much earlier than originally anticipated. It appears, given the accelerated process, that the legislator was keen to see the amendments to the Law entering into force early this year.

While the Luxembourg securitisation regime is an internally proven and recognised framework for structured finance transactions, the new amendments will, as detailed in our previous [update](#), implement further improvements and clarifications to market participants.

In brief, by reducing the limits surrounding third-party financing options and granting of security interests over securitised assets in favour of third parties, the new Law will broaden the sources of funding for securitisation structures by enabling financing by means of loans and by opening the door to categories of investors that may not subscribe to securities. Furthermore, by expressly allowing the active management of portfolios made of debt instruments or receivables in the context of a private placement, the new regime, which relies on a bulletproof creditor friendly framework with legally enshrined limited recourse, non-petition and

compartment segregation mechanisms, should satisfy CLO managers' expectations and open a new market for Luxembourg.

For further information, please reach out to your usual Maples Group contact or any of the persons listed below.

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