

## Introductory note about the draft amendment of Law No. 33-06 on Securitization

The main proposed amendments expand the scope of securitization for other assets and other initiators.

1- The scope of assets acquired by the securitization body (OPCT) is extended to any tangible or intangible asset. It is achieved by replacing «receivables» with "eligible assets", in order to include intangible assets such as receivables and real estate assets.

Article 16 defines the eligible assets categories including receivables, debt securities, immovable and movable property as well as any other defined asset in the regulation.

2- The draft amendment expands the group of issuers to include the government and the sovereign sukuk issuance as well.

Rules of issuing Sukuk certificates (Section II-Chapter II) can be classified into two categories: Local or international Sukuk investors.

Otherwise, the amendment allows the securitization body (OPCT) to:

- acquire trade receivables;
- securitization of government agencies, state corporations and public subsidiaries receivables;
- directly fund acquisition of eligible assets by loan originators;
- Insurance and reinsurance risk securitization.

The legal form of OPCT, subject to revision, eases acquisition of tangible assets and gives the opportunity for OPCT to benefit the international tax agreements for only legal persons.

So OPCT may take one of the following forms (depending on their activities):

- FPCT with or without legal personality;
- Securitization company .

In addition to this, some changes will be made in taxation and rules investment in securitization vehicles legislation.