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December 2015, GlobalDenmark Translations

Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act[1]

Consolidating Act no. 959 of 21 December 2015

This is an Act to promulgate the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, cf. Consolidating Act no. 850 of 25 June 2014, as amended by section 1, no. 2 of Act no. 244 of 19 March 2014, section 11 of Act no. 1490 of 23 December 2014 and section 6 of Act no. 532 of 29 April 2015.

Part 1

Scope

1.-(1) This Act shall apply to mortgage-credit bonds, covered mortgage-credit bonds, covered bonds and other securities issued by mortgage-credit institutions, and to mortgage-credit loans provided on the basis thereof. Furthermore, this Act shall apply to the issue of mortgage-credit bonds in Denmark by foreign credit institutions and to mortgage-credit loans provided on the basis thereof.

(2) Only sections 2-19 and sections 34-43 below shall apply for the activities of foreign credit institutions, cf. subsection (1), 2nd clause hereof. For foreign credit institutions in a group with Danish mortgage-credit institutions, sections 20 and 21 below shall, however, also apply.

Part 2

Mortgage-credit loans

Collateral for mortgage-credit loans

2.-(1) Mortgage-credit loans shall be granted against registered mortgages in real property according to the rules in this part of this Act. Loans without a mortgage in real property may be granted to public authorities or with a primary guarantee from a public authority, as mentioned in Article 129(1), 1st point (a) and (b) of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms.

(2) Mortgage-credit loans may not be granted against collateral in the form of owner's mortgages and all-moneys mortgages. However, where chattels are also mortgaged as collateral for mortgage-credit loans, all-moneys mortgages may be used for the chattel mortgage.

(3) Mortgage-credit loans granted against registered mortgages on real property, cf. subsection (1), 1st clause, shall be treated equally with loans where the mortgage deed has been filed for registration, provided the necessary collateral has been provided for the final registration of the mortgage deed and the institution provides the final registered mortgage

[1] This Act contains provisions implementing parts of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast) (Official Journal 2006 no. L 177, p. 1).

deed without undue delay. This shall only apply for loans which have been granted on the basis of covered mortgage-credit bonds.

Terms and repayment profiles

3.-(1) The maximum term of the loan shall be 30 years, cf. however, subsection (2). When stipulating the term and repayment profile of the loan, the expected impairment in the value of the mortgage and the lending limits applying to the mortgage shall be taken into consideration, cf. section 5 below.

(2) The maximum term to maturity shall be 40 years for loans for non-profit rental housing, youth housing and private co-operative housing, provided the loans are granted on the basis of a pledge of support under the Non-Profit Rental Housing and Subsidised Private Cooperative Housing, etc. Act.

4.-(1) Notwithstanding the rank of the loan, loans may not be granted to year-round owner-occupied housing and recreational dwellings such that the loan is amortised slower than for a 30-year loan repaid in instalments of a fixed percentage share of the principal over the term of the loan (annuity loans), cf. however subsection (2) hereof.

(2) The requirement in subsection (1) hereof, may, within the term of the loan, be derogated from for a period of up to 10 years, observing section 3(1), 2nd clause above.

Lending limits etc.

5.-(1) Within a lending limit of 80% of the value of the property, loans may be granted for the following categories of property:

1) Owner-occupied all-year residences.
2) Private co-operative housing.
3) Private residential property for letting, including facilities for persons who require extra care.
4) Non-profit rental housing,
5) Youth housing.
6) Housing for the elderly etc.
7) Properties for social, cultural, and educational purposes.

(2) Within a lending limit of 70% of the value of the property, loans may be granted for agricultural holdings and forestry property, market gardens etc.

(3) Within a lending limit of 60% of the value of the property, loans may be granted for the following categories of property:

1) Recreational dwellings.
2) Office properties and retailing properties.
3) Industrial properties and craftsman's properties.
4) Collective energy-supply systems.

(4) Within a lending limit of 40% of the value of the property, loans may be granted for other properties, including unbuilt-on plots.

6.-(1) If the maturity on a mortgage-credit loan is longer than the maturity on the underlying mortgage-credit bonds, covered mortgage-credit bonds or covered bonds, and if the bonds

have a fixed interest rate and a maturity of up to and including 12 months on refinancing of the loan, the mortgage-credit institution may only initiate sale of bonds, which, on refinancing, are to replace expiring bonds, if the mortgage-credit institution has a justified expectation that the sale can be carried out without the effective interest rate becoming 5 percentage points higher than the effective interest rate determined in connection with the most recent refinancing. This shall not apply, however, if the mortgage-credit institution carries out a sale of a small volume of bonds for the purpose of clarifying whether the effective interest rate becomes 5 percentage points higher than the effective interest rate determined in connection with the most recent refinancing. If a sale cannot be initiated, cf. the 1st clause, and if the expiring bonds mature, the term to maturity on such bonds shall be prolonged by 12 months. On expiry of the bonds after the 12 months' prolongation, new bonds shall be issued to replace such bonds. On this issue, the 1st and 2nd clause shall not apply.

(2) If the term to maturity on a mortgage-credit loan is longer than the term to maturity on the underlying mortgage-credit bonds, covered mortgage-credit bonds or covered bonds, and if the bonds have a fixed interest rate and a term to maturity from 12 up to and including 24 months on refinancing of the loan, the mortgage-credit institution may only initiate sale of bonds, which, on refinancing, are to replace expiring bonds, if the mortgage-credit institution has a justified expectation that the sale can be carried out without the effective interest rate becoming 5 percentage points higher than the effective interest rate on a corresponding bond with the same remaining term from 11 up to and including 14 months earlier. This shall not apply, however, if the mortgage-credit institution carries out a sale of a small volume of bonds for the purpose of clarifying whether the effective interest rate becomes 5 percentage points higher than the effective interest rate on a corresponding bond with the same remaining term from 11 up to and including 14 months earlier. If a sale cannot be initiated, cf. the 1st clause, and if the expiring bonds mature, the term to maturity on such bonds shall be prolonged by 12 months. On expiry of the bonds after the 12 months' prolongation, new bonds shall be issued to replace such bonds. On this issue, the 1st and 2nd clauses shall not apply.

(3) If the term to maturity on a mortgage-credit loan is longer than the term to maturity on the underlying mortgage-credit bonds, covered mortgage-credit bonds or covered bonds, and if the underlying bonds are subject to a variable interest rate and have a remaining term of up to and including 24 months the first time that they are used to finance a mortgage-credit loan, the interest rate may not, on fixing interest, be more than 5 percentage points higher than the most recently fixed interest rate, and shall remain unchanged for 12 months or up until the next refinancing, if such is carried out within 12 months, unless a lower interest rate is fixed within the 12 months or before the next refinancing.

(4) For bonds covered by subsection (3), the mortgage-credit institution may only initiate sales of bonds, which, on refinancing, are to replace the expiring bonds, if the mortgage-credit institution has a legitimate expectation that the sale can be carried out without the interest rate becoming 5 percentage points higher than the most recently fixed interest rate. This shall not apply, however, if the mortgage-credit institution carries out a sale of a small volume of bonds for the purpose of clarifying whether the interest rate becomes 5 percentage points higher than the effective interest rate determined in connection with the most recently fixed interest rate. If a sale cannot be initiated, cf. 1st clause, and if the expiring bonds mature, the term to maturity on such bonds shall be prolonged by 12 months. On expiry of the bonds after the 12 months' prolongation, new bonds shall be issued to replace such bonds. On this issue, the 1st and 2nd clauses shall not apply.

(5) If the term to maturity on a mortgage-credit loan is longer than the term to maturity on the underlying mortgage-credit bonds, covered mortgage-credit bonds or covered bonds, bonds which, on expiry, are to be replaced by new bonds in order to refinance the loan shall have their term to maturity prolonged for the bonds concerned by 12 months at a time if there

are no buyers for all the required new bonds, until refinancing can be carried out where there are buyers for all the required new bonds. On expiry of the bonds concerned after the 12 months' prolongation, new bonds shall be issued to replace such bonds. On this issue, subsections (1), (2) and (4) shall not apply.

(6) Notwithstanding subsection (5), when there is inadequate refinancing of loans where the underlying bonds have a term to maturity of more than 12 months on refinancing of the loan, refinancing of the loan with bonds with a shorter term to maturity prior to prolongation pursuant to subsection (5) may be attempted.

(7) The interest rate on fixed-interest rate bonds with a term to maturity of up to and including 12 months on refinancing of the loan and which are prolonged pursuant to subsection (1) or (5) shall be fixed at the effective interest rate determined in connection with the most recent refinancing plus 5 percentage points. The interest rate shall be fixed the first time that the term to maturity on the bonds is prolonged. On further prolongations of the term to maturity pursuant to subsection (5), the interest rate fixed in the 1st clause shall continue to apply.

(8) The interest rate on fixed-interest rate bonds with a term to maturity in the interval from 12 up to and including 24 months on refinancing of the loan and which are prolonged pursuant to subsection (3) or (5) shall be fixed at the effective interest rate on a corresponding bond with the same remaining term 11-14 months earlier plus 5 percentage points. The interest rate on fixed-interest rate bonds with a term to maturity of more than 24 months on refinancing of the loan and which are prolonged pursuant to subsection (5) shall be fixed at the effective interest rate on a bond with 11-14 months' remaining term fixed 11-14 months earlier plus 5 percentage points. The interest rate shall be fixed the first time that the term to maturity on the bonds is prolonged. On further prolongations of the term to maturity pursuant to subsection (5), the interest rate fixed pursuant to the 1st or 2nd clauses shall continue to apply.

(9) The interest rate on bonds subject to floating interest rates and prolonged pursuant to subsection (4) or (5) shall be fixed at the most recently fixed interest rate plus 5 percentage points. The interest rate fixed pursuant to the 1st clause shall remain unchanged for the duration of the 12 months. The interest rate shall be fixed the first time that the term to maturity on the bonds is prolonged. On further prolongations of the term to maturity pursuant to subsection (5), the interest rate fixed in the 1st clause shall continue to apply.

(10) If the term to maturity on a mortgage-credit loan is longer than the term to maturity on the underlying mortgage-credit bonds, covered mortgage-credit bonds or covered bonds, and the underlying bonds are subject to variable or fixed interest rates, the interest rate payable by the borrower in situations where the term to maturity on bonds is prolonged pursuant to subsections (1), (2), (4) and (5) shall be based on the interest rate fixed pursuant to subsections (7)-(9).

(11) Prolongation pursuant to subsections (1), (2), (4) and (5) shall not exempt borrowers from the mortgage-credit institution from the right to repay a loan in full or in part on the basis of issues of mortgage-credit bonds, covered mortgage-credit bonds or covered bonds.

(12) Subsections (1)-(5) shall not extend to mortgage-credit loans granted against collateral in real property situated outside Denmark.

(13) The Minister for Business and Growth shall lay down more detailed regulations regarding bonds covered by subsections (1)-(4) and section 32 and regarding the organisation of bond sales and exemptions in connection with these.

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7.-(1) Notwithstanding section 5 above, loans exceeding the lending limit may be granted to repay mortgage-credit loans in own credit institutions as well as to repay prior debts. Loans pursuant to the 1st clause hereof shall be measured with cash proceeds corresponding to no more than the repayment amount plus costs in relation with the repayment and granting of the loans.

(2) Loans may only be granted in accordance with subsection (1) hereof, provided the mortgage collateral is not hereby substantially impaired.

(3) Subsection (1) shall apply correspondingly on repayment of mortgage-credit loans in another institution, provided valuation for use in measurement of the original loan is performed on the basis of approved acquisition sums pursuant to the Non-Profit Rental Housing and Subsidised Private Cooperative Housing, etc. Act, the Act on residential housing or the Act on dwellings for elderly people and disabled people.

(4) For loans granted to repay loans in certain social (non-profit) housing estates, cf. the Act on the refinancing etc. of certain social (non-profit) housing estates, outstanding payable instalments plus accumulated interest hereon may be included in the basis for measuring the loan.

Disbursement against guarantee etc.

8.-(1) If the requirements for disbursement of the loan have otherwise been met, loans may be granted, even though the mortgage deed is encumbered with endorsements barring registration, provided security is provided that these endorsements will be withdrawn.

(2) If the requirements for disbursement of the loan have otherwise been met, loans may be granted without a registered mortgage deed, provided security is provided that a registered mortgage deed will be provided.

(3) If the requirements for disbursement of the loan have otherwise been met, loans may be granted, even though the borrower does not have registered title to the property, provided security is provided that the borrower will receive final title to the property.

(4) If the requirements for disbursement of the loan have otherwise been met, loans may be granted without the document mentioned in section 11(3) below, provided security is provided that said document will be provided.

(5) Loans may be granted for home building and rebuilding and extension etc. on the basis of the expected value of the property (prefinancing loans), provided security is provided that the loan will be repaid in part or in full, if, at the end of the time frame for completion of the building, the loan could not have been granted at the amount agreed.

(6) To the extent that a loan is granted on the basis of covered mortgage-credit bonds and covered bonds, the loan may be disbursed before final registration, cf. subsections (1)-(5), if collateral is provided in accordance with section 129(1), 1st subparagraph (a)-(c), and 3rd subparagraph of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. If the collateral is provided in the form of a guarantee from a bank, the guarantee will be subject to the 15% limit or the 10% limit consequential upon Article 129(1), 1st subparagraph, (c), and 3rd subparagraph of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, unless the guarantee is provided in connection with loans where the mortgage deed is filed for registration and where the necessary guarantee has been provided for the final

registration of the mortgage deed and where the institution without undue delay procures the final registered mortgage deed. However, the guarantee shall be included in the 15% limit if it is provided pursuant to subsections (3), (4) or (5).

(7) The Danish FSA may lay down regulations regarding the granting of loans etc. in pursuance of subsections (1)-(6).

(8) The Danish FSA may grant exemption from the requirement in subsection (6), 3rd clause that guarantees provided pursuant to subsection (3) be included in the 15% limit.

9.-(1) With regard to the collateral basis for the liabilities of the mortgage-credit institution, the following mortgages may be replaced by corresponding claims on the Danish Treasury: mortgages for loans in non-profit rental housing and facilities for persons who require extra care financed by mortgage-credit loans with state grants which are refinanced pursuant to the Restructuring of Loans, etc. on Non-profit Rental Housing Act, as well as mortgages which are taken over by the Agency for Governmental Management pursuant to the Countering of Freezing of Unconvertible Mortgage-credit Loans, etc. Act. Such a claim on the Danish Treasury may be repaid early in total or in part by submission from the Danish Treasury to the mortgage-credit institution of mortgage-credit bonds corresponding to the relevant loan.

(2) Holders of rights to bonds where the collateral basis is subject to and changed by subsection (1) hereof may not submit claims for redemption of said bonds and may not submit any other claims against the mortgage-credit institution in this respect.

Valuation of properties and measurement of mortgage-credit loans

10.-(1) The mortgage-credit institution shall set an estimated cash value on the real property to be used to measure the loan.

(2) The value shall be within the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without being under compulsion (market value). Conditions which occasion a particularly high price shall not be taken into consideration during valuation.

(3) In its valuation, the mortgage-credit institution shall take into account any risk of changes in market conditions or structural conditions.

(4) Mortgage-credit institutions may derogate from subsections (2) and (3) above in the following circumstances:

1) The reacquisition price, net of the condition and nature of the property, may serve as the basis for a valuation of properties for social, cultural, and educational purposes, provided this is considered reasonable when taking into account the property's operating results, alternative uses, and market conditions in general. The reacquisition price shall not, however, serve as a basis for the valuation of properties that are operated according to commercial principles.
2) The reacquisition price, net of the condition and nature of the property, may serve as the basis for a valuation of industrial properties and craftsman's properties, and collective energy-supply systems, if this is considered reasonable after taking into account the borrower's creditworthiness and the revenue-generating ability of the activities operated from the property. This presupposes that the owner of the

property or a company connected with the owner is using more than half of the property.

11.-(1) Loans may be granted against real property owned by the borrower. All title holders shall be registered as mortgagors on the mortgage deed, cf., however, subsections (2) and (3) hereof.

(2) The provision in subsection (1), 2nd clause hereof may be derogated from, provided the loan is granted in accordance with special legislation within agriculture.

(3) Loans may be granted on the basis of an undivided share in real property, provided registered documentation of a registered exclusive right of use pertaining to said undivided share exists. All title holders of the undivided share shall be registered as mortgagors on the mortgage deed.

(4) Fixtures and fittings, cf. section 38 of the Danish Land Registration Act, as well as fixtures and fittings as specified in section 37(1) of the Danish Land Registration Act, which fall within the scope of a registered mortgage deed on the property, may be included in the basis for valuation of the property in addition to the land and buildings.

(5) The basis for valuation of the property may, notwithstanding subsection (4) hereof, include fixtures and fittings which do not fall within the scope of a registered mortgage deed on the property, cf. sections 37 and 38 of the Danish Land Registration Act, provided this is solely due to the fact that said fixtures and fittings are owned by a person or persons other than the owner of the property and provided a mortgage is established against said fixtures and fittings as collateral for the loan against said property pursuant to section 47 or section 47b(2) of the Danish Land Registration Act.

(6) Index-linked loans for properties other than collective energy-supply systems may only be granted on the basis of the value of the land and buildings, and fixtures and fittings, cf. section 38 of the Danish Land Registration Act.

12.-(1) The Danish FSA shall lay down more detailed regulations on the valuation of properties.

(2) The Danish FSA may stipulate limitations on the right to include fixtures and fittings as mentioned in section 11(4) above.

(3) The Danish FSA may stipulate rules concerning the right to derogate from section 10(2) and (3) in cases where properties owned by a public authority are mortgaged and where loans are granted against full public guarantee.

13.-(1) Loans shall be measured in such a manner that the cash proceeds are within the lending limits specified for the relevant property category in sections 5-7 above.

(2) The Danish FSA shall lay down rules on loan measurement.

14.-(1) The Danish FSA shall lay down rules regarding which properties shall be classified within the individual property categories as well as rules regarding repayment of loans if a property is transferred to another property category.

(2) Where a property comprises more than one property category, valuation and loan measurement shall be carried out separately for each property category, cf. however, subsection (3) below.

(3) However, where a property category comprises at least 80% of the total gross floor area of the property, the entire property may be mortgaged in accordance with the rules pertaining to this property category.

Raising loan funds

15.-(1) Mortgage credit institutions may take up loans to meet their obligation to provide supplementary collateral, cf. section 33d(1) or increase the over-collateralisation in a series or groups of series with a serial reserve fund.

(2) The loan agreement shall state to which a series or group of series with a serial reserve fund the loan funds raised under subsection (1) are attributable.

(3) Loan funds taken up pursuant to subsection (1) shall be placed in the asset types mentioned in Article 129(1), 1st subparagraph, (a)-(f) and 3rd subparagraph of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. From the time the loan is raised, assets shall be placed in a separate account, in a separate custody account or be labelled in some other way to indicate that they stem from the relevant loan. If the assets are used as supplementary collateral or over-collateralisation, they shall be part of the relevant series or group of series with a serial reserve fund.

15a.-(1) If bonds are prolonged or changed when, in connection with refinancing, it is ascertained that there are not buyers for all the new bonds necessary, cf. section 6, the term to maturity for loans taken up as extra collateral pursuant to section 15 which mature ordinarily in the prolongation period, and which are linked to the bonds which are prolonged or changed, shall be prolonged or changed corresponding to the term to maturity on the relevant prolonged or changed bonds.

(2) If the institution takes up or has taken up new loans in full or in part to replace the loans mentioned in subsection (1), the loans mentioned in subsection (1) may, however, be repaid at ordinary maturity in full or in part.

Mortgage-credit loans outside Denmark

16. The Danish FSA may allow derogations in the operation of the provisions of this Act with regard to lending on the Faroe Islands and in Greenland to the extent that such derogations are necessitated by the specific conditions prevailing in the said parts of the Realm.

17.-(1) For loans provided outside Denmark, the Faroe Islands, and Greenland, section 4 shall not apply.

(2) The Danish FSA may allow exemptions from the provisions of section 2(2), 1st clause above in connection with loans provided outside Denmark, the Faroe Islands and Greenland. The Danish FSA may, in exceptional circumstances grant exemptions from the provisions on maximum terms to maturity of loans in section 3 above.

(3) The Danish FSA may stipulate lower lending limits than are mentioned in section 5 above in connection with a mortgage-credit institution’s lending activities outside Denmark, the Faroe Islands and Greenland.

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(4) Mortgage-credit institutions may provide loans outside Denmark, the Faroe Islands, and Greenland exceeding the lending limits in return for a primary guarantee from a public authority, a credit institution, or an insurance company. If the guarantee has been provided by a credit institution or an insurance company, the loan may, however, only be granted on the basis of the issue of securities other than mortgage-credit bonds.

Part 3

Issue of mortgage-credit bonds

Exclusive rights

18.-(1) Mortgage-credit institutions authorised to conduct mortgage-credit business in Denmark hold exclusive rights to issue mortgage-credit bonds in Denmark.

(2) Notwithstanding subsection (1) hereof, a foreign credit institution may issue mortgage-credit bonds in Denmark, if the institution is authorised under the Danish Financial Business Act to conduct credit-institution activities in Denmark and is in compliance with the following conditions:

1) The majority of the activities carried out by the institution shall be lending against mortgages against real property on the basis of the issue of bonds or other securities. If the mortgage-credit institution is in the same group as a Danish mortgage-credit institution, the institution's activities shall also comply with the rules in the Danish Financial Business Act applying to the activities of Danish mortgage-credit institutions.
2) Lending and bond issues carried out by the institution shall be regulated by a principle of balance. If the mortgage-credit institution is in the same group as a Danish mortgage-credit institution, the institution shall moreover comply with the provisions laid down in sections 20 and 21 below.
3) Mortgage-credit bonds issued by the institution in Denmark shall, under the legislation of the home country of said institution, confer upon the holder the same legal rights as those laid down for holders of mortgage-credit bonds under section 27 below.

Issue of bonds and the principle of balance

19. Mortgage-credit bonds issued before 1 July 2007 shall be negotiable mass debt instruments admitted to trading on regulated markets in countries within European Union or countries with which the Union has entered into an agreement for the financial area, or corresponding markets in other countries.

20.-(1) Funds raised by the issue of mortgage-credit bonds or covered mortgage-credit bonds or other securities may solely be used for lending against mortgages on real property or for lending to public authorities or against a primary guarantee from a public authority, cf. however, subsections (2) and (3). Supplementary collateral for covered mortgage-credit bonds may, however, be provided in accordance with section 33d(1).

(2) The Danish FSA may lay down rules that funds may, to a limited extent, be used for purposes other than lending against mortgages on real property.

(3) The Danish FSA may, in group circumstances, permit the issue of mortgage-credit bonds and other securities in a mortgage-credit institution for the purpose of financing mortgage loans in another mortgage-credit institution.

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21. The Danish FSA shall lay down more detailed regulations on limitation of risks in connection with issuing mortgage-credit bonds, covered mortgage-credit bonds, covered bonds and other securities, including interest-rate risks, currency risks and option risks.

Part 4

Liability, charges, etc.

22.-(1) Granting of mortgage-credit loans and the issue of mortgage-credit bonds and other securities for the purpose of financing hereof may be carried out in series. Mortgage-credit bonds and other securities may not be issued as part of the same series.

(2) The conditions for a series may stipulate that the holders of mortgage-credit bonds or other securities may only submit their claims against that/those series which is/are jointly and severally liable with said series, cf. section 24(4) below.

23.-(1) Borrowers shall be liable for the loan personally and with the mortgaged property towards the series or the mortgage-credit institution in general.

(2) Borrowers shall not be liable for any other liabilities which the mortgage-credit institution may have incurred.

24.-(1) The conditions for a series may stipulate that borrowers shall, in addition to the loan, be jointly and severally liable for an amount corresponding to a specific part of the principal of the mortgage deed less a proportionate share of the funds within the serial reserve fund. Borrowers shall not incur personal liability for said amount.

(2) A series or group of series with a serial reserve fund may obtain Additional Tier 1 capital and subordinate loan capital. The joint and several liability pursuant to subsection (1) hereof shall not be applied against borrowers to cover claims from contributors of Additional Tier 1 capital and subordinate loan capital. The 1st clause hereof shall not apply to series with repayment obligations opened before 1 January 1973.

(3) A series or group of series with a serial reserve fund shall not be liable for any liabilities which the mortgage-credit institution in general have incurred.

(4) The conditions of a series may stipulate that said series shall be liable for the liabilities of other series. Such conditions shall only be stipulated if said other series include corresponding provisions. Series which are mutually liable under the first clause hereof may only consist of mortgage-credit bonds, cf. the section 22(1), 2nd clause above.

25.-(1) For series where borrowers incur joint and several liability, or where a stipulation has been made pursuant to section 22(2) above, the mortgage-credit institution shall establish a serial reserve fund. For other series or groups of series, the mortgage-credit institution may decide to establish a serial reserve fund.

(2) The articles of association or the conditions for lending may stipulate that borrowers shall, upon full repayment of the loan, be entitled to receive disbursement of a share in the serial reserve fund.

(3) The sources of income of the series shall consist of interest, etc., on mortgage deeds, deposits, capital contributions, administrative charges, and similar sources of income as well as returns on the assets and off-balance-sheet items of the series. The costs of the series shall be interest, etc., on bonds and other securities, disbursements of serial-reserve fund shares, administration costs and similar, costs in relation to raising and paying interest on Additional

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Tier 1 capital and subordinate loan capital, losses and provisions for likely losses on the assets and off-balance-sheet items of the series, as well as the series' share of the taxes of the mortgage-credit institution.

26.-(1) The funds of the serial reserve fund shall remain separate from the other funds of the mortgage-credit institution.

(2) Funds shall be transferred to a series or a group of series with a serial reserve fund from the mortgage-credit institution in general, if this is necessary in order to meet the solvency requirement for the series or group of series, unless such a transfer means that the mortgage-credit institution in general will no longer be able to meet its own solvency requirement.

(3) The mortgage-credit institution may stipulate provisions in the articles of association or the terms of the loan that funds shall be transferred from a series or group of series with a serial reserve fund to the mortgage-credit institution in general, if the serial reserve fund is or becomes larger than required.

(4) Financial instruments may only be included as assets or liabilities in a series or group of series with a serial reserve fund, if they are used to hedge risks between assets regarding the series on the one hand and regarding the issued mortgage-credit bonds, covered mortgage-credit bonds and covered bonds on the other hand, if the agreement on the financial instrument stipulates that financial reconstruction, bankruptcy or non-compliance with the obligation to provide supplementary collateral pursuant to section 33d(1) by the mortgage-credit institution does not constitute grounds for breach.

(5) The Danish FSA shall lay down more detailed rules regarding series.

27.-(1) If a mortgage-credit institution is declared bankrupt, the funds of the series, less costs for the processing of the insolvent estate and similar costs including costs for the liquidator, staff, etc., shall be used to satisfy claims from holders of mortgage-credit bonds, covered mortgage-credit bonds, covered bonds and other securities of the relevant series or group of series with serial reserve funds, as well as claims for interest accrued on said claims from the time of the pronouncement of bankruptcy. The claims specified in section 25(2) above shall be satisfied subsequently. After this, debt raised by the mortgage-credit institution pursuant to section 15, shall be covered. Any remaining funds shall be included in the assets available for distribution, cf. section 32 of the Danish Bankruptcy Act.

(2) If a mortgage-credit institution is declared bankrupt, the funds of the institution in general, less costs for the processing of the insolvent estate and similar costs including costs for liquidator, staff, etc., shall be used to satisfy claims from holders of mortgage-credit bonds and other securities, which are not issued in series with serial reserve funds as well as claims for interest accrued from the time of the pronouncement of bankruptcy. However, funds which are disbursed pursuant to the first clause of this subsection may constitute no more than mortgages corresponding to the mortgage-credit bonds and other securities, plus an amount corresponding to 8% of the risk-weighted value of said mortgages. Any remaining funds shall be included in the assets available for distribution, cf. section 32 of the Danish Bankruptcy Act.

(3) If a mortgage-credit institution is declared bankrupt, counterparties to the financial instruments entered into to hedge risks in a series or group of series of mortgage-credit bonds, covered mortgage-credit bonds or covered bonds, cf. section 26(4), shall be equated, in terms of bankruptcy, with holders of mortgage-credit bonds, covered mortgage-credit bonds or covered bonds in the relevant series or group of series, cf. subsection (1), 1st clause, and sections 31 and 32.

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27a.-(1) Holders of bonds which have lost the designation covered mortgage-credit bonds or covered bonds, cf. section 33d(2), and counterparties to the financial instruments shall retain the bankruptcy law ranking afforded holders of covered mortgage-credit bonds, covered bonds and financial counterparties. Debt raised by the mortgage-credit institution pursuant to section 15(1), shall be covered correspondingly.

(2) The regulations in sections 27b and 28-33 shall apply correspondingly to bonds which have lost the designation covered mortgage-credit bonds or covered bonds as well as financial instruments linked hereto.

27b. Proceeds from loans taken out by mortgage-credit institutions pursuant to section 15(1) and which are not included in a series or group of series, shall, in the event of bankruptcy of the mortgage-credit institution, serve to cover the holders of the mortgage-credit bond, the covered bonds or covered mortgage-credit bonds and counterparties to the financial instruments in the series or group of series for which the loan was taken. Any surplus funds shall be paid to the lender.

28.-(1) The issue of a bankruptcy order against a mortgage-credit institution may not be submitted as cause for premature repayment of financial liabilities by holders of mortgage-credit bonds, covered mortgage-credit bonds, covered bonds and other securities pursuant to section 15(1), and it shall not deprive the mortgage-credit institution's borrowers of the right to repay mortgage-credit loans or loans granted on the basis of issuing covered mortgage-credit bonds or covered bonds in part or in full in accordance with the terms of repayment pertaining to the relevant loans.

(2) If a mortgage-credit institution does not fulfil the obligation to provide supplementary collateral pursuant to section 33d(1), this may not be used by the holders of covered mortgage-credit bonds or covered bonds or by the lenders as a reason for premature payment of payment obligations pursuant to section 15(1).

29.-(1) The insolvent estate may not disburse payments to satisfy claims submitted by holders of mortgage-credit bonds, covered mortgage-credit bonds, covered bonds and other securities at an earlier time than the time when the mortgage-credit institution was entitled to make payment.

(2) The insolvent estate may not terminate loan agreements which are secured by means of registration of mortgage deeds in real property to a greater extent than the mortgage-credit institution was entitled to terminate such agreements.

(3) The insolvent estate may only change contribution fees and similar, if the change is based on market terms and a need for further funds for management of the estate has also been ascertained. Changes shall be notified in writing no later than three months before they are to take effect.

30. Set-off from a claimant as specified in section 42 of the Danish Bankruptcy Act may not be carried out to satisfy a claim payable to the mortgage-credit institution.

31. The assets available for distribution shall be used to satisfy claims pursuant to the rules in Part 10 of the Danish Bankruptcy Act. However, claims submitted by holders of mortgage-credit bonds, covered mortgage-credit bonds, covered bonds, refinancing bonds and other securities, as well as claims submitted for interest accrued on said claims from the time of the pronouncement of bankruptcy, shall be satisfied pari passu after fulfilling the requirements specified in section 96 of the Bankruptcy Act, but before the claims specified in section 97 of the Bankruptcy Act.

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32.-(1) In cases of financial reconstruction, the mortgage-credit institution shall, as far as possible, continue to fulfil its payment obligations in accordance with claims from holders of mortgage-credit bonds, covered mortgage-credit bonds, covered bonds and other securities on the due date for payment, unless the reconstructor decides otherwise. With the consent of the reconstructor, mortgage-credit institutions may enter into agreements on financial instruments, raise loans to finance the payments mentioned in the 1st clause and provide collateral for such loans in assets, except for mortgages secured on bonds belonging to the series or group of series with a serial reserve fund for which the payment takes place. To cover redemption of bonds which mature, the reconstructor may also issue refinancing bonds in the series concerned.

(2) In cases of bankruptcy, the liquidator shall continue or resume as far as possible the fulfilment of the mortgage-credit institution's liabilities in the form of payments of interest and instalments to holders of mortgage-credit bonds, covered mortgage-credit bonds, covered bonds and other securities. If funds are inadequate, interest shall be paid before drawings are carried out. The liquidator may enter into agreements on financial instruments, raise loans to finance the payments mentioned in the 1st clause and provide collateral for such loans in assets, except for mortgages secured for bonds belonging to the series or group of series with a serial reserve fund for which the payment takes place. To cover redemption of bonds which mature, the liquidator may also issue refinancing bonds to replace relevant bonds in the series which mature.

(3) Refinancing bonds shall have equivalent collateral to the mortgage-credit bonds, covered bonds, covered mortgage-credit bonds or any refinancing bonds which the refinancing bonds replace, cf. sections 27, 27a and 27b.

(4) The reconstructor or the liquidator may not issue refinancing bonds if, after the issue, it is unlikely that there will be sufficient funds in the series or the groups with the serial reserve fund to pay claims from creditors mentioned in section 27(1), 1st clause, as well as claims from counterparties to financial instruments, cf. section 27(3).

(5) If the reconstructor or liquidator raises loans, except for refinancing bonds to meet payment obligations with regard to claims from holders of mortgage-credit bonds, covered mortgage-credit bonds and covered bonds or refinancing bonds issued in series or groups of series with a serial reserve fund, the reconstructor or liquidator may, as basis for raising the loans, notwithstanding subsections (1) and (2), provide collateral in the first-coming mortgage-payment from the borrowers on the mortgages.

(6) If the reconstructor or liquidator is not permitted to issue refinancing bonds, cf. subsection (4), or if there are not sufficient buyers for all the necessary new bonds, the term to maturity on the bonds concerned shall be prolonged by one year at a time. The reconstructor or liquidator shall set the interest rate on the prolonged bonds at a variable referenced interest rate plus up to 5 percentage points.

(7) If bonds are prolonged, when, in connection with refinancing, it is ascertained that there are not sufficient buyers for all the necessary new bonds, cf. subsection (6), the term to maturity for loans taken up as extra collateral pursuant to section 15 which mature ordinarily in the prolongation period, and which are linked to the bonds which are prolonged, shall be prolonged corresponding to the term to maturity on the relevant prolonged bonds.

32a. Funds shall not be transferred between series with a serial reserve fund and the mortgage-credit institution otherwise, after commencement of financial reconstruction proceedings or pronouncement of bankruptcy order.

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33.-(1) The liquidator or the mortgage-credit institution may, with the consent of the reconstructor, enter into an agreement on total transfer of a series or groups of series with a serial reserve fund to another mortgage-credit institution which has been granted a license in a Member State of the European Union or a country with which the Union has entered into an agreement for the financial area and which is licensed to issue mortgage-credit bonds, covered bonds or covered mortgage-credit bonds.

(2) Transfer of a series or groups of series with a serial reserve fund shall be authorised by the Minister for Business and Growth. An application for transfer shall be accompanied by the basis for agreement between the mortgage-credit institution which is under financial reconstruction or bankruptcy proceedings and the company wishing to acquire a series or the series with a serial reserve fund. In addition to the basis for agreement itself, the Minister for Business and Growth shall make an assessment of the company which is to take over the series or groups of series with a serial reserve fund, including particularly, whether the company complies with the financial regulations.

(3) Unless the Minister for Business and Growth, on the existing basis, finds that a transfer should not be authorised, the Danish FSA shall make public in the Danish Official Gazette and in national daily newspapers a report regarding the planned transfer. The report shall include an appeal to the affected holders of bonds to notify the Danish FSA in writing if they have any objections to the transfer within a time frame stipulated by the Danish FSA which is no shorter than one month.

(4) After expiry of the time frame mentioned in subsection (3), the Minister for Business and Growth shall, under consideration of the objections made, decide whether the series or groups of series with a serial reserve fund may be transferred in accordance with the proposal.

(5) The transfer may not be invoked by holders of bonds which have been issued by the ceding mortgage-credit institution, as a reason for premature redemption of payment liabilities. The transfer shall not deprive the borrowers transferred of the right to full or partial repayment of mortgage-credit loans in accordance with the special repayment terms applicable for the loan.

Part 4a

Covered mortgage-credit bonds and covered bonds

33a.-(1) Mortgage-credit institutions may finance loans, cf. section 2(1) and (3) by issuing covered mortgage-credit bonds, if the institution is authorised under section 16a(1) of the Financial Business Act.

(2) Granting loans financed by covered mortgage-credit bonds shall take place in separate series with a serial reserve fund.

(3) The value of assets covering the covered mortgage-credit bonds issued shall, at all times, correspond to the value of the covered mortgage-credit bonds issued, and the mortgage collateral for the individual loan shall comply with the lending limit for this.

33b.-(1) Mortgage credit institutions may finance loans against collateral in the asset types listed in Article 129(1), 1st subparagraph, (a)-(f), and 3rd subparagraph of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential

requirements for credit institutions and investment firms, on issuance of covered bonds if the institution is licensed pursuant to section 16a(1) of the Financial Business Act.

(2) Granting loans financed by covered bonds shall take place in separate series with a serial reserve fund.

(3) The value of assets covering covered bonds issued shall, at all times, correspond to the value of the covered mortgage-credit bonds issued, and the mortgage collateral for the individual loan shall comply with the lending limit for this.

33c.-(1) For loans financed by covered mortgage-credit bonds or covered bonds, the maturities, repayment profiles and lending limits stipulated in sections 3 and 4, cf. however, subsection (2) shall apply.

(2) Sections 3 and 4 shall not apply to loans financed by covered mortgage-credit bonds or covered bonds against collateral in properties covered by section 5(1), if the lending limit does not exceed 75%.

(3) Fixture and fittings covered by section 38 of the Land Registration Act may be included in the valuation of the real property.

(4) Devices and fittings installed in a commercial property for use in the operation of the property may be included in the valuation. For agricultural properties, the livestock belonging to the property may also be included in the valuation to the extent that the livestock are part of the continuous production. For loans in agricultural properties, the value of the livestock which is part of the continuous production may be included at no more than 30% of the value of the land and buildings.

(5) Loans with mortgages in real property granted on the basis of issuance of covered mortgage-credit bonds or covered bonds shall be secured on separate mortgage deeds and may not be granted with collateralisation in the form of owner's mortgages and letters of indemnity, cf. however, subsections (6) and (8). The mortgage deed shall state that it may be used as collateral for a loan financed by the issuance of covered mortgage-credit bonds or covered bonds.

(6) Mortgages in real property, which were registered in the Land Register before 1 July 2007 may be used as collateral for loans financed by the issuance of covered mortgage-credit bonds or covered bonds. Notwithstanding the 1st clause, owner's mortgages and letters of indemnity may, however, not be used as collateral for loans financed by issuance of covered mortgage-credit bonds.

(7) For loans financed by issuance of covered bonds, the requirement in section 11(1), 1st clause, that the borrower shall own the real property, and the requirement in section 23(1), that the borrower shall be personally liable for the loan, may be derogated from.

(8) The Danish FSA may grant exemptions from subsection (5) for loans which are granted for real property located outside Denmark, the Faroe Islands and Greenland.

33d.-(1) If the value of the assets mentioned in section 33a(3) and section 33b(3) no longer corresponds to no less than the value of the covered mortgage-credit bonds or covered bonds issued, or does not comply with the lending limits applicable on the date on which the loan was granted, the mortgage-credit institution shall immediately provide supplementary collateral to fulfil the requirement and notify the Danish FSA of this. Supplementary collateral shall be provided in the form of the asset types listed in Article 129(1), 1st subparagraph, (a)-(f) and

3rd subparagraph of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. For loans issued in Denmark, the obligation to provide supplementary collateral, as well as the costs of this, may not be imposed on borrowers whose falling property prices have prompted the requirement for supplementary collateralisation.

(2) If the mortgage-credit institution does not provide supplementary collateral pursuant to subsection (1), 1st clause, all bonds issued in the relevant series with the serial reserve fund shall lose the designation covered mortgage-credit bonds or covered bonds. Bonds with the designation covered mortgage-credit bonds or covered bonds may be considered mortgage-credit bonds if, at the time of the loan offer, they meet the statutory requirements for mortgage-credit bonds.

(3) The Danish FSA may grant exemption from subsection (2), 2nd clause, notwithstanding that the bonds do not comply with the statutory requirements for mortgage-credit bonds. Series with serial reserve funds which are transferred to the designation mortgage-credit bonds pursuant to the 1st clause shall be kept separately from other funds in the mortgage-credit institution. Supplementary collateral already provided, cf. subsection (1), 1st clause shall belong to the series with the serial reserve fund which has been reclassified under subsection (2).

(4) If the bonds subsequently again fulfil the requirements for covered mortgage-credit bonds or covered bonds, the Danish FSA may allow the bonds to again be designated covered mortgage-credit bonds or covered bonds.

(5) Collateral provided pursuant to subsection (1) may not be invalidated pursuant to sections 70 or 72 of the Bankruptcy Act. Invalidation may, however, take place if the collateralisation did not specifically appear as ordinary.

33e. (Repealed)

33f. The Danish FSA shall lay down more detailed regulations on

1) measurement of the covered mortgage-credit bonds or covered bonds and the regular calculation of the value of the assets in relation to the covered mortgage-credit bonds or covered bonds,
2) measurement of the assets used as collateral for issuing covered mortgage-credit bonds or covered bonds, and
3) notification of supplementary collateral for covered mortgage-credit bonds or covered bonds.

Part 5

Supervision

34.-(1) The Danish FSA shall supervise compliance with the provisions of this Act and with rules laid down pursuant to this Act.

(2) The Danish FSAs Governing Board shall be involved in supervision of credit institutions within the competence area of board of directors as stipulated in the Danish Financial Business Act.

(3) The Danish FSA may order that matters which are contrary to the provisions laid down in this Act and rules issued pursuant to this Act shall be rectified. If a mortgage-credit loan is provided contrary to the provisions of this Act or rules issued pursuant to this Act, the Danish

FSA may make requirements on the mortgage-credit institution as well as the borrower to reduce the mortgage-credit loan, so that the provisions mentioned above are complied with.

(4) The Danish FSA may, in exceptional cases, utilise external assistance.

35. The Danish FSA may obtain information on real property from other public authorities for supervision of compliance with this Act.

36. The Danish FSA may lay down rules regarding reporting by mortgage-credit institutions of:
1) outstanding amounts, losses and impairment charges on lending and properties taken over,
2) large exposures measured against the institution's balance sheet and large impairment charges measured against the sum of the institution's capital base (reporting to 0.1 percent), and
3) mortgage loan offers.

36a.-(1) The Minister for Business and Growth may lay down regulations stipulating that communication to and from the Danish FSA and to and from the Minister for Business and Growth about circumstances covered by this Act or regulations issued in pursuance of this Act, shall be digital.

(2) The Minister for Business and Growth may lay down detailed rules on electronic communication, including the use of specific IT systems, special electronic formats and electronic signatures or the like.

(3) A digital notification shall be considered to have arrived when it is available to the addressee.

36b.-(1) The Minister for Business and Growth may lay down regulations stipulating that the Danish FSA and the Minister for Business and Growth may issue decisions and other documents according to this Act or regulations issued in pursuance of this Act without a signature, with a digital or similarly provided signature or by means of a technique that clearly identifies the person who has issued the decision or document. Such decisions and documents shall be treated as decisions and documents provided with a personal signature.

(2) The Minister for Business and Growth may lay down regulations to the effect that decisions and other documents which are exclusively made or issued on the basis of electronic data processing be issued solely with specification of the Danish FSA or the Minister for Business and Growth as the sender.

36c.-(1) Where this Act or regulations issued in pursuance of this Act require a document issued by other parties than the Danish FSA or the Minister for Business and Growth to be signed, such requirement may be satisfied by use of a technique which clearly identifies the person who has issued the document, cf. however, subsection (2). Such documents shall be equivalent to documents with a personal signature.

(2) The Minister for Business and Growth may lay down detailed rules for derogation from the signature requirement. In this connection, it may be decided that the personal signature requirement cannot be derogated from for specific types of documents.

37.-(1) Only mortgage-credit institutions against which a decision has been made by the Danish FSA shall be considered a party in relation to the Danish FSA, cf. however subsection (2) hereof.

(2) A member of the board of directors, an auditor, a managing director or other senior employees of a mortgage-credit institution shall be considered as parties if a decision by the Danish FSA pursuant to this Act and its rules is directed against the relevant party.

Part 6

Appeals

38.-(1) Decisions made by the Danish FSA under this Act or rules issued pursuant to this Act may be brought before the Danish Company Appeals Board by the person or legal person against whom said decision is directed no later than four weeks after the person concerned has been notified about the decision.

(2) Orders issued by the Danish FSA on settlement of loans granted contrary to the provisions of this Act or rules issued pursuant to this Act may be brought before the courts no later than four weeks after the person concerned has been notified about the decision. Decisions which have been brought before the Danish Company Appeals Board may be brought before the courts no later than four weeks after the Danish Company Appeals Board has notified the person concerned of the decision made by the Appeals Board.

Part 7

Penalties

39.-(1) Unless a more severe penalty is due under other legislation, non-compliance with the provisions of the following sections shall be subject to a fine or imprisonment of up to four months: section 2(1), sections 3-8, sections 10 and 11, section 13(1), section 14(2) and (3), section 17(3) and (4), sections 18-20, section 22(1), 2nd clause, section 25(1), 1st clause, and section 26(1) and (2).

(2) Any person violating section 2(2), 1st clause, section 26(4), section 33a(2), section 33b(2) and section 33c(1) and (5) shall be liable to a fine. Violation of the duty to notify in section 33d(1), 1st clause shall be subject to the same penalty.

(3) In regulations issued pursuant to this Act, fines may be stipulated for any violation of the provisions of said regulations.

(4) Companies, etc. (legal persons) may incur criminal liability under the rules of Part 5 of the Criminal Code.

(5) The period of limitation for non-compliance with the provisions in this Act or regulations issued pursuant to this Act shall be five years.

40.-(1) If the board of directors or the board of management of a mortgage-credit institution fail to comply within the proper time with the duties and obligations towards the Danish FSA imposed on them under this Act or under rules issued pursuant to this Act, the Danish FSA may, as a coercive measure, impose daily or weekly fines on the persons concerned.
(2) The Danish FSA may, as a coercive measure, impose daily or weekly fines on the board of management or board of directors of a mortgage-credit institution, if said boards fail to comply with orders issued by the Danish FSA on settlement of loans granted contrary to the provisions of this Act or rules laid down pursuant to this Act.

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Part 8

Entry into force and transitional provisions

41.-(1) This Act shall enter into force on 1 January 2004. Section 4, however, shall enter into force on 1 October 2003.

(2) Section 25 of the Danish Mortgage Credit Act shall be repealed on 1 October 2003, cf. Consolidating Act no. 57 of 20 January 2003. On 1 January 2004 the following sections or subsections of the Danish Mortgage Credit Act shall be repealed: section 1(4) and (5), section 3, section 24, sections 26-28, 40-45, 47-49, 52, 54-59, and 97, section 100(4), section 102(2), section 103, section 103a, and section 105.

(3) The provisions of the Danish Mortgage-Credit Institutions Act, cf. Consolidating Act no. 571 of 15 August 1989, and the Danish Index-linked Mortgage-Credit Loans Act, cf. Consolidating Act no. 572 of 15 August 1989, shall continue to apply to loans granted pursuant to these Acts. Section 1(5), and section 4(10), 2nd clause, and (12), 2nd clause above, shall continue to apply to the preferential position for loans granted pursuant to the provisions of the Danish Index-linked Mortgage-Credit Loans Act.

(4) Provisions in the Danish Mortgage Credit Act concerning loan terms and preferential positions which have now been repealed shall continue to apply to loans granted pursuant to these provisions. The regulation of loans in section 23(3) of the Danish Mortgage Credit Act, as drafted in section 6, no. 1 of Act no. 414 of 26 June 1998 amending the Danish Securities Trading etc. Act, and certain other Acts (the distribution of tasks/competencies between the Danish Securities Council and the Danish FSA, netting, currency spot transactions for investment purposes, amended investment regulation for children's savings accounts, and home savings accounts, bankruptcy proceedings etc.) shall, however, also apply to loans granted before the entry into force of said Act.

(5) The rules previously applying in section 21, sections 23-24, section 28, and sections 30-32 of the Danish Mortgage Credit Act, cf. Consolidating Act no. 708 of 8 September 1997, as amended by section 6 of Act no. 414 of 26 June 1998 and by section 2 of Act no. 491 of 1 July 1998, shall continue to apply to buildings, to which a pledge of public subsidies or support have been notified before 1 January 1999 under the Danish Non-Profit Rental Housing and Subsidised Private Cooperative Housing, etc., Act, previous housing Acts, or the previous Danish Act on dwellings for elderly people and disabled people, provided the loans are granted on the basis of the notified pledge of subsidies.

(6) The rules previously applying in section 39(1)-(6) of the Danish Mortgage Credit Act, cf. Consolidating Act no. 708 of 8 September 1997, as amended by section 6 of Act no. 414 of 26 June 1998 and by section 2 of Act no. 491 of 1 July 1998, shall continue to apply, and the previously applying rules in section 21, sections 23 and 24, cf. Consolidating Act no. 708 of 8 September 1997, as amended by section 6 of Act no. 414 of 26 June 1998 and by section 2 of Act no. 491 of 1 July 1998, shall continue to apply as regards to the loan purposes dealt with in section 39(1)-(6) of this Act to which a pledge of subsidies or support was notified by the local council before 1 January 2002.

(7) Section 4a of the Danish Financial Institute for Agriculture etc. Act, cf. Consolidating Act no. 699 of 5 November 1987, as amended by Act no. 373 of 6 July 1988 and by Act no. 850 of 20 December 1989, shall continue to apply to loans granted by the Danish Agricultural Mortgage Bank in connection with refinancing of mortgage-credit loans etc. in agricultural properties.

(8) Sections 20a-20d of the Danish Mortgage-Credit Institutions Act, cf. Consolidating Act no. 571 of 15 August 1989, shall continue to apply.

(9) Executive Orders issued in pursuance of the provisions mentioned in subsection (2) hereof shall remain in force. However, Executive Order no. 646 of 27 August 1998 on bankruptcy proceedings etc. for mortgage-credit institutions shall be repealed.

42.-(1) The outstanding amount due to the Danish Treasury after redemption of a state guarantee granted under section 28c of the Danish Mortgage-Credit Institution Act, cf. Consolidating Act no. 571 of 15 August 1989, may be collected, with added interest and costs, by means of statutory debt collection.

(2) The Agency for Governmental Management may collect the amounts specified in subsection (1) hereof by withholding wages, etc., from the person concerned in accordance with the rules stipulated for the collection of personal taxes in the Danish Taxation at Source Act.

(3) The Minister for Food, Agriculture and Fisheries may stipulate more detailed rules on procedures regarding withholding of wages.

(4) The Agency for Governmental Management may procure from taxation authorities and other public authorities such information on the person concerned as is necessary to carry out withholding of the amounts specified in subsection (1) hereof, including information on income and assets.

(5) Appeals against decisions made by the Agency for Governmental Management under subsections (1)-(4) hereof may be submitted to the Minister for Finance.

43. This Act shall not apply to the Faroe Islands.

Act no. 90 of 31 January 2007 *(friboligplejeloven)* contains the following entry into force provisions:

100.

This Act shall enter into force on 1 February 2007.

110.

This Act shall not extend to the Faroe Islands and Greenland.

Act no. 577 of 6 June 2007 (covered bonds) contains the following entry into force provisions:

12.

This Act shall enter into force on 1 July 2007, cf. however subsections (2)–(4).

14.

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(1) Notwithstanding section 19 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act as worded in section 2, no. 7 of this Act, mortgage-credit bonds issued before 1 July 2007 shall be admitted for public listing on a stock exchange until 1 November 2007.

(2) Section 20(1), and section 26(4) of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act as worded in section 2, nos. 8 and 10 of this Act shall apply to mortgage-credit bonds issued in series or groups of series with a serial reserve fund which opened on 1 July 2007 and thereafter.

(3) For loans subject to section 33c(2) of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, as worded in section 2, no. 18 of this Act, the lending limit shall be 70%, if the loan was offered before 1 July 2009.

18.

(1) Sections 1 and 3–11 of this Act shall not apply to the Faroe Islands and Greenland, cf. however subsections (3) and (4).

(2) Section 2 of this Act shall not extend to the Faroe Islands.

Act no. 219 of 5 April 2008 (Financing of housing with covered bonds) contains the following entry into force provisions:

5.

This Act shall enter into force on 7 April 2008.

6.

(1) (Omitted)

(2) Section 3 of this Act shall not extend to the Faroe Islands.

Act no. 515 of 17 June 2008 (recognition that certain mortgage deeds sent for registration may be considered security in real property) contains the following entry into force provisions:

10.

(1) (Omitted)

(2) Section 2, nos. 3 and 4 and section 6 shall enter into force on the day following notification in the Danish Law Gazette.

11.

(1) (Omitted)

(2) Section 6 of this Act shall not extend to the Faroe Islands.

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Act no. 517 of 17 June 2008 (the fitness and propriety of members of the board of management and board of directors, implementation of directive on equal treatment, etc.) contains the following entry into force provisions:

13.

This Act shall enter into force on 1 July 2008, cf. however subsections (2)-(5).

14.

(1) This Act shall not apply to the Faroe Islands and Greenland, cf. however subsections (2) and (3).

(2) (Omitted)

(3) Sections 3-5 and 9 may, by Royal Decree, be extended fully or partially to Greenland with any variations by circumstances peculiar to Greenland.

Act no. 392 of 25 May 2009 (Disclosure of customer information, outsourcing, establishment of unit classes and amendments to the Money Laundering Act, etc.) contains the following entry into force provisions:

15.

This Act shall enter into force on 1 July 2009, cf. however, subsections (2)-(7).

16.

(1) Sections 1-7 and 9-13 of this Act shall not extend to the Faroe Islands and Greenland, cf. however subsections (3) and (4).

(2) Section 8 shall not extend to the Faroe Islands

Act no. 579 of 1 June 2010 (Strengthening of the supervisory activity of the Danish FSA, clarification of requirements for management and organisation of financial undertakings, etc. and changing the regulations on fitness and propriety, etc.) contains the following entry into force provisions:

21.

This Act shall enter into force on 1 July 2010, cf. however, subsections (2)-(6).

22.

(1) Sections 1-12 and 14-20 of this Act shall not extend to the Faroe Islands and Greenland, cf. however subsections (2) and

(2) Sections 1-9, 12 and 14-20 may, by Royal Decree, be brought fully or partially into force for Greenland with any variations necessitated by the specific conditions prevailing in Greenland.

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Act no. 718 of 25 June 2010 (Reconstruction, etc.) contains the following entry into force provisions:

55.

(1) The Minister for Justice shall set the date of commencement of this Act.[2]

(2) A notification for financial reconstruction or postponement of the decision on bankruptcy pursuant to section 24 of the Bankruptcy Act before entry into force of this Act shall continue in force after the entry into force of this Act. Notwithstanding the 1st clause, a financial reconstruction or postponement of the decision on bankruptcy may not be extended after the entry into force of this Act.

(3) Applications for commencement of negotiations for a compulsory composition which have been filed with the bankruptcy court before the entry into force of this Act shall be processed pursuant to the regulations hitherto in force.

(4) An application for financial reconstruction may not be filed by a creditor if the debtor has filed for financial reconstruction, the decision on bankruptcy has been postponed pursuant to section 24 of the Bankruptcy Act in the wording hitherto in force, or if the debtor has filed for compulsory composition.

(5) If a financial reconstruction ceases, the day of the notification shall, however, be considered the reference date if, within three weeks after cessation, the bankruptcy court receives an application for financial reconstruction, bankruptcy or debt restructuring. If an application for composition negotiations fails to result in confirmation of a compulsory composition, the day of receipt of the application shall, however, be considered the reference date if the bankruptcy court, within three weeks after the application for composition negotiations has been revoked or rejected or composition negotiations have ceased, receives an application for financial reconstruction, bankruptcy or debt restructuring.

(6) Section 10a(3), no. 3, section 98, no. 1, and section 200(1), no. 3 of the Bankruptcy Act, as stated in section 1, nos. 11, 25 and 32 of this Act, shall apply when the reference date is after the entry into force of this Act.

(7) Section 10a(3), no. 5 of the Bankruptcy Act, as stated in section 1, no. 11 of this Act, shall only apply to agreements entered into after the entry into force of this Act.

(8) Discontinuation of the period of limitation may take place according to provisions hitherto in force in sections 17 and 20 of the Statute of Limitations *(forældelsesloven)*, if the request for commencement of negotiations for a compulsory composition was submitted before the entry into force of this Act.

(9) Section 47f(4) of the Land Registration Act *(tinglysningsloven)* in the wording hitherto in force, shall also apply after the entry into force of this Act. Section 47f(2), 1st clause of the Land Registration Act, as stated in section 5, no. of this Act, shall not apply if the mortgagor, on the commencement of financial reconstruction, is subject to the regulations of Part 2 of the Bankruptcy Act in the wording hitherto in force, or if negotiations for a compulsory composition have been initiated. Section 47f(3), 1st clause of the Land Registration Act shall not apply if

[2] This Act entered into force on 1 April 2011, cf. Executive Order no. 208 of 15 March 2011.

the mortgagor, on introduction of debt restructuring, is subject to the regulations of Part 2 of the Bankruptcy Act in the wording hitherto in force, or if negotiations for a compulsory composition have been initiated.

(10) Section 283(1), no. 2, section 300, no. 3 and section 304(2) of the Criminal Code, as stated in section 11, nos. 1, 3 and 4 of this Act, shall apply correspondingly to negotiations on compulsory composition.

56.

(1) This Act shall not extend to the Faroe Islands and Greenland.

(2) Sections 1, 4, 22, 23, 26, 29, 30 and 32 of this Act may, by Royal Decree, be brought into force, in full or in part, for the Faroe Islands and Greenland, subject to any variations necessitated by the conditions prevailing on the Faroe Islands and in Greenland.

(3) Sections 6-10, 14, 15, 18, 20, 21, 24, 25, 27, 28, 31, 33 and 54 may, by Royal Decree, be brought fully or partially into force for Greenland with any variations necessitated by the specific conditions prevailing in Greenland.

Act no. 1556 of 21 December 2010 (Standards of competence for financial agents, risk-labelling of loan, remuneration policy, disclosure obligations for issuers of securities, publication, administrative fine notices, clearing and settlement of payments, encashment of coins, etc.) contains the following entry into force provisions:

28.

(1) This Act shall enter into force on 1 January 2011, cf. however subsections (2)-(4).

(2)-(9) (Omitted)

29.

(1) Sections 1-11, 13, 15, 16, 18, section 19, no. 1 and sections 20-27 of this Act shall not extend to the Faroe Islands and Greenland, cf. however subsections (3) and (4).

(2) Section 17 shall not apply to the Faroe Islands.

(3)–(4) (Omitted)

11.

(1) This Act shall enter into force on 1 March 2012, but cf. subsections (2)-(5).

(2)-(5) (Omitted)

12.

(1) Sections 1-4, 6, 9 and 10 shall not apply to the Faroe Islands and Greenland, cf., however subsections (2)-(5).

(2) Section 5 shall not extend to the Faroe Islands.

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(3)-(5) (Omitted)

Act no. 155 of 28 February 2012 ((Approval of exposures, mandatory use of Danish accounting regulations, licences for and supervision of an auction platform for trade in CO2 allowances and shared data centres, etc.) contains the following entry into force provisions:

Act no. 1231 of 18 December 2012 (Compulsory digital communication and adaptations as a consequence of transfer of responsibilities, etc.) contains the following entry into force provisions:

69.

(1) This Act shall enter into force on 1 January 2013.

(2) Administrative regulations issued pursuant to the existing provisions shall remain effective until they are amended or repealed.

70.

(1) Sections 1-39, 41-50 and 53-68 shall not apply to the Faroe Islands and Greenland, cf. however, subsections (3) and (4).

(2) Section 40 shall not apply to the Faroe Islands.

(3)-(5) (Omitted)

Act no. 1287 of 19 December 2012 (Disclosure of information to the prosecution and police, establishment of the Systemic Risk Council, amalgamation of the Financial Business Council and the Danish Securities Council, shortselling, new approach to enforcement of solvency requirements and establishment of supervision of reference centres, etc.) contains the following entry into force provisions:

17.

(1) This Act shall enter into force on 1 January 2013, cf. however, subsections (2)-(5).

(2)-(6) (Omitted)

18.

(Omitted)

19.

(1) Sections 1-5, 10-13 and 15 of this Act shall not apply to the Faroe Islands and Greenland, cf. however, subsections (2) and (3).

(2) Sections 1-5, 10 and 13 may, by Royal Decree, be brought fully or partially into force for the Faroe Islands and Greenland subject to any variations necessitated by the conditions prevailing in the Faroe Islands and Greenland. The provision may take effect at different dates.

(3)–(4) (Omitted)

Act no. 244 of 19 March 2014 (Regulation of refinancing risk for mortgage-credit bonds, covered mortgage-credit bonds and covered bonds, etc.) contains the following entry into force provisions:

3.

(1) This Act shall enter into force on 1 April 2014, cf. however, subsections (2) and (3).

(2) Section 1, no. 2 and section 2 shall enter into force on 1 January 2015.

(3) (Omitted)

(4) Section 1, no. 3, and section 2, no. 1 shall apply to loans taken up after entry into force of this Act.

(5) For existing loans, this Act shall not apply until the first coming refinancing after the entry into force of this Act.

(6) For bonds issued for financing of real property located outside Denmark, this Act shall apply only for bonds for financing of loans taken up after the entry into force of this Act.

4.

(1) This Act shall not apply to the Faroe Islands and Greenland, cf. however, subsections (2) and (3).

(2) This Act may, by Royal Decree, be brought fully or partially into force for Greenland with any variations necessitated by the specific conditions prevailing in Greenland.

(3) (Omitted)

Act no. 268 of 25 March 2014 (Implementation of the Credit Institutions and Capital Requirements Directive (CRD IV) and amendments as a consequence of the accompanying Regulation (CRR) as well as legislation concerning SIFIs, etc.) contains the following entry into force provisions:

22.

(1) This Act shall enter into force on 31 March 2014, cf. however, subsections (2)-(6).

(2)-(11) (Omitted)

23.

(Omitted)

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24.

(1) Sections 1-17 and 19-21 shall not apply to the Faroe Islands, however, sections 1, 2, 4, 6-9, 11-13 and 21 may, by Royal Decree, be brought fully or partially into force for the Faroe Islands with any variations necessitated by the specific conditions prevailing in the Faroe Islands.

(2) (Omitted)

Act no. 1490 of 23 December 2014 contains the following entry into force provisions:

14.

(1) This Act shall enter into force on 1 January 2015, cf. however subsections (2) and (3).

(2)-(10) (Omitted)

(11) For bonds issued for financing of real property located outside Denmark, section 11 of this Act shall apply only for bonds for financing of loans taken up after the entry into force of this Act.

Act no. 532 of 29 April 2015 (Identification of regulation of refinancing risk for mortgage-credit bonds, etc.) contains the following entry into force provisions:

17.

(1) This Act shall not apply to the Faroe Islands and Greenland, cf. however, subsections (2) and (3).

(2) (Omitted)

(3) Sections 3, 6, 9, 10 and 13 may, by Royal Decree, be brought fully or partially into force for Greenland subject to any variations necessitated by the conditions prevailing in Greenland.

Ministry of Business and Growth, on 21 August 2015

Troels Lund Poulsen

/ Kristian Vie Madsen