

Driver Japan thirteen

Related Report

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The representations, warranties, and enforcement mechanisms (RW&Es) contained in the information memorandum that is available to investors for Driver Japan thirteen are substantially comparable to those typically contained in Japanese ABS transactions as described in Fitch's report on "Representations and Warranties and Enforcement Mechanisms in Global Structured Finance Transactions," dated 31 May 2016. Fitch focuses on the RW&Es relating to the underlying asset pool; for this transaction these RW&Es are made by the originator/trustor, Volkswagen Financial Services Japan Ltd. (VWFSJ).

The RW&Es that are available to investors which were disclosed in the offering documents for Driver Japan thirteen and that relate to the underlying asset pool are included below.

The First Trust Agreement includes certain representations and warranties by VWFSJ in favour of the Trustee of the First Trust and the Trustee of the Second Trust. These representations and warranties include, among others, that the Auto Loan Receivables and/or Auto Loan Agreement satisfy the Eligibility Criteria on the relevant Cut-off Date.

If such representations and warranties were false or incorrect in any material respect as of the time when such representations and warranties were made, VWFSJ is obliged under the First Trust Agreement to repurchase all or any affected Auto Loan Receivables. Such a repurchase is made on the date on which notice to the Trustee of the First Trust is made or on the Remittance Date in the following month in which the Trustee of the First Trust receives such notice from the Trustor of the First Trust. If such mistake or false representations and warranties are considered by the Trustor of the First Trust not to be material as of the time when such representations and warranties were made, such Auto Loan Receivables will not be subject to the repurchase.

VWFSJ, as the Trustor of the First Trust represents and warrants that with respect to the Auto Loan Receivables to be entrusted,

- i. no fraud or misrepresentation was made by the relevant Dealer or any of its employees to the Obligor upon or prior to the execution of the relevant Auto Loan Agreement and to the extent that the relevant Obligor is a consumer pursuant to Japanese law, the Dealer has fully complied with all applicable consumer legislation,
- ii. the Auto Loan Agreement complies with all Japanese legal requirements and is not subject to any adverse claim, litigation, dispute, set off, counterclaim or any other defence whatsoever, and all payments of the Auto Loan Receivables are payable free of set-off or any deduction; no right of defence under the Auto Loan Agreement, including without limitation, those under the mandatory rules, has been asserted by the Obligor as of the relevant Cut-off Date and the Trust Commencement Date or the Additional Entrustment Date, as the case may be, and
- iii. any Auto Loan Agreement with respect to an Auto Loan Receivable does not fall under the agreements promulgated in the items of Paragraph 1, Article 9 of the Specified Commercial Transaction Act (Law No. 57 of 1976, as amended), Rensa Hambai Kojin Keiyaku or Gyomu Teikyou Yuuin Hambai Kojin Keiyaku provided in item 1(i) or (ii) of Article 8 of the Installment Sales Act. In addition, notwithstanding the representations and warranties by VWFSJ as the Trustor of the First Trust mentioned above, if such suspension of payment occurs based on the Installment Sales Act, VWFSJ is obliged to repurchase the Auto Loan Receivables with respect to such Obligor under the First Trust Agreement as described in item (I) (Risk associated with defense (including defense under the Installment Sales Act) and other assertions from the Obligor) of the information memorandum.

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