

DECISION OF THE EUROPEAN CENTRAL BANK

of 3 July 2012

amending Decision ECB/2011/25 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral

(ECB/2012/12)

(2012/386/EU)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,
Having regard to the Treaty on the Functioning of the European Union, and in particular the first indent of Article 127(2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular the first indent of Article 3.1 and Article 18.2 thereof,

Whereas:

- (1) Pursuant to Article 18.1 of the Statute of the European System of Central Banks and of the European Central Bank, the European Central Bank (ECB) and the national central banks of Member States whose currency is the euro (hereinafter the 'NCBs') may conduct credit operations with credit institutions and other market participants, with lending being based on adequate collateral. The criteria determining the eligibility of collateral for the purposes of Eurosystem monetary policy operations are laid down in Annex I to Guideline ECB/2011/14 of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem ⁽¹⁾.
- (2) The Governing Council of the ECB considers it necessary to review the exception from the close links prohibition set out in Section 6.2.3.2 of Annex I to Guideline ECB/2011/14 with respect to government-guaranteed bank bonds issued and own used as collateral by counterparties.
- (3) Counterparties participating in Eurosystem credit operations should be allowed to increase current levels of own-use of government-guaranteed bank bonds subject to the *ex ante* approval of the Governing Council in exceptional circumstances.
- (4) The requests submitted to the Governing Council for the *ex ante* approval need to be accompanied by a funding plan.

- (5) Therefore, Decision ECB/2011/25 of 14 December 2011 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral ⁽²⁾ should be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Amendment

The following Article 4b is inserted in Decision ECB/2011/25:

'Article 4b

Acceptance of government-guaranteed bank bonds

1. Counterparties that issue eligible bank bonds guaranteed by an EEA public sector entity with the right to impose taxes may not submit such bonds or similar bonds issued by closely linked entities as collateral for Eurosystem credit operations in excess of the nominal value of these bonds already submitted as collateral on the day this Decision enters into force.
2. In exceptional cases, the Governing Council may decide on derogations from the requirement laid down in paragraph 1. A request for a derogation shall be accompanied by a funding plan.'

Article 2

Entry into force

This Decision shall enter into force on its date of adoption.

Done at Frankfurt am Main, 3 July 2012.

The President of the ECB
Mario DRAGHI

⁽¹⁾ OJ L 331, 14.12.2011, p. 1.

⁽²⁾ OJ L 341, 22.12.2011, p. 65.