

[REDACTED]
[REDACTED]
[REDACTED] The Executive Board favours a repo facility [REDACTED]
[REDACTED]

The following remarks may be made as regards the possible follow up:

- a maximum amount of up to EUR 5 billion could be drawn by the MNB.
- the MNB has indicated that it would use the facility as a “first recourse” facility: the MNB would draw on the repo facility before using its reserves.
- if a decision was made to sign the agreement facility, it would be advisable, similar to what was decided for other swap agreements/repo facilities, to also decide to delegate responsibility for implementation decisions to the Executive Board member to whom the ECB’s Directorate General – Market Operations reports. This would include decisions to draw downs under the repo facility.
- the MNB has indicated that it would like to make public the existence of the agreement/ facility: it expects the positive signalling effect of this announcement to contribute to the credibility of the newly created MNB’s foreign exchange swap facility.
- in the case the agreement facility was activated and some euro amounts were drawn by the MNB, such amounts would be taken into account in the ECB’s liquidity management.
- in the case of the conclusion of an EMA repo agreement between the ECB and MNB, the ECB would outsource the settlement of the euro-denominated collateral delivered by MNB to [REDACTED]. [REDACTED]. The collateral to be delivered by MNB would take the form of German, French and Italian government securities.

The Governing Council is invited to:

- (a) decide whether the ECB will agree to establish a repo agreement aiming at providing the Magyar Nemzeti Bank (MNB) with a facility to borrow euro in order to support a foreign exchange swap facility;
- (b) delegate to the Executive Board the responsibility for the finalisation, signature and implementation of a corresponding repo agreement, as well as [REDACTED], with the possibility that the Executive Board may further delegate this competence among its members;
- (c) approve that the MNB makes public the existence of an agreement with the ECB.