

26 June 2020

Decisions taken by the Governing Council of the ECB (in addition to decisions setting interest rates)

June 2020

Market operations

Precautionary repo line arrangement with Banca Națională a României

On 5 June 2020 the ECB announced that the Governing Council had approved the setting-up of a repo line arrangement to provide euro liquidity to Banca Națională a României in order to address possible euro liquidity needs in the presence of market dysfunctions owing to the coronavirus (COVID-19) shock. A related press release is available on the ECB's website.

Indicative calendars for the Eurosystem's regular tender operations, reserve requirements and reserve maintenance periods

On 5 June 2020 the Governing Council approved the indicative calendars for the Eurosystem's regular tender operations, reserve requirements and reserve maintenance periods for 2021, as well as an amendment whereby the end of the eighth reserve maintenance period in 2020 has been brought forward by one week to match the schedule for Governing Council meetings in 2021 which was recently approved and published. The calendars are available on the ECB's website together with two related press releases.

Further expansion of additional credit claim frameworks in response to the COVID-19 pandemic

On 8 June 2020 the Governing Council approved requests from two national central banks (NCBs) to create new temporary additional credit claim (ACC) frameworks and also approved changes to the existing ACC frameworks of two other NCBs. The ACC frameworks were introduced in 2011 to allow Eurosystem NCBs to temporarily accept as collateral certain credit claims that are not compliant with the eligibility rules and/or credit quality standards established in the General Documentation. The collateral easing package adopted by the Governing Council on 7 April 2020 introduced the possibility of expanding these frameworks further. The acceptance of these ACC frameworks is subject to prior approval by the Governing Council. More detailed information on the ACC frameworks is available on the ECB's website.

Changes in the composition of TLTRO III groups

On 9 June 2020 the Governing Council decided that the changes to the parameters of the targeted longer-term refinancing operations (TLTRO III), introduced via amending Decisions ECB/2020/13 and ECB/2020/25, and the exceptional circumstances that gave rise to these amendments, constitute objective reasons on the basis of which a deviation from the conditions set out in Article 3(2) and (3) of Decision ECB/2019/21 is justified. Accordingly, the Governing Council decided to allow changes to be made to the composition of TLTRO III groups, enabling new members to be included in TLTRO III groups. Only institutions that have not yet participated on an individual basis in any TLTRO III operation or that are not part of another recognised TLTRO III group can be included. A grace period for the inclusion of new members in a TLTRO III group will be granted until 17 August 2020, implying that any changes to a group's composition would only apply with effect from the fifth TLTRO III operation. More detailed information is available on the ECB's website.

Reduced frequency of seven-day US dollar operations

On 17 June 2020 the Governing Council decided to change the frequency of seven-day US dollar liquidity-providing operations from daily to three times per week, with effect from 1 July 2020. In view of a notable drop in demand for these operations, the swap network central banks (comprising the Federal Reserve System, ECB, Swiss National Bank, Bank of Canada, Bank of Japan and Bank of England) all agreed that reducing their frequency would not jeopardise their effectiveness as a liquidity backstop. This coordinated action was announced by means of a joint press release issued simultaneously on the websites of all the swap network central banks.

Establishment of a framework for euro liquidity provision to non-euro area central banks

On 24 June 2020 the Governing Council decided to establish a Eurosystem Repo Facility for Central Banks (EUREP), designed to provide euro liquidity to a broad set of non-euro area central banks against a predefined set of guarantees and conditions in order to mitigate balance sheet risks while ensuring a level playing field among central banks requesting liquidity. More detailed information can be found in a related press release available on the ECB's website.

Market infrastructure and payments

Updated rules of procedure for the TARGET2-Securities Central Securities Depositories Steering Group

On 29 May 2020 the Governing Council endorsed updated rules of procedure for the TARGET2-Securities Central Securities Depositories Steering Group (T2S CSG). The update implements a recommendation from the T2S External Examiner to formally document a number of fixed agenda items on T2S CSG meetings. The updated rules of procedure are available on the ECB's website.

2019 T2S financial statements

On 29 May 2020 the Governing Council approved the publication of the 2019 T2S annual financial statements which were subject to a full, independent, external audit. The publication of these statements fulfils an obligation under the T2S Framework Agreement and is intended to inform T2S customers and stakeholders, as well as the general public, about the financial situation of T2S.

T2 pricing policy

On 18 June 2020 the Governing Council approved the pricing policy for a forthcoming T2 service, based on the current TARGET2 pricing, and its publication on the ECB's website at a later stage. T2 is a new service that will be introduced upon delivery of the T2-T2S consolidation project. As a result, the current TARGET2 service will have two distinct components: Central Liquidity Management (CLM) and Real-Time Gross Settlement (RTGS). The T2 pricing policy may be reviewed after two years, subject to the evolution of RTGS volume growth. More detailed information will be published in due course on the ECB's website.

Advice on legislation

ECB Opinion on cash limitations concerning postal payments and anti-money laundering measures in Belgium

On 25 May 2020 the Governing Council adopted Opinion CON/2020/17 at the request of the Nationale Bank van België/Banque Nationale de Belgique.

ECB Opinion on the appointment of the Central Bank of Ireland as registrar for registers of beneficial ownership for certain financial entities

On 18 June 2020 the Governing Council adopted Opinion CON/2020/18 at the request of the Irish Minister for Finance.

Statistics

Extension of the panel for statistics on individual balance sheet items

On 5 June 2020 the Governing Council approved an extension of the panel of euro area credit institutions for the transmission to the ECB of individual balance sheet items, in order to include less significant institutions in the panel. Accordingly, the panel will increase from 300 credit institutions to about 3,000. However, the reporting burden on the credit institutions concerned will remain unchanged since their data are already reported to national central banks on the basis of Regulation ECB/2013/33. A related notice informing the reporting agents is available on the ECB's website.

Banking supervision

Publication policy for supervisory memoranda of understanding

On 26 May 2020 the Governing Council did not object to a proposal by the Supervisory Board to approve a publication policy for supervisory memoranda of understanding (MoUs) that the ECB enters into with non-Single Supervisory Mechanism (SSM) EU national competent authorities, other national or EU authorities, and third-country authorities. Guided by the principle of transparency, the policy foresees in principle the publication of all supervisory MoUs that the ECB has negotiated and signed in its own right, unless a reason for not publishing a supervisory MoU, or parts of it, is identified pursuant to one of the criteria defined in Article 4 of Decision ECB/2004/3.

ECB report on credit underwriting

On 2 June 2020 the Governing Council did not object to a proposal by the Supervisory Board to approve the publication of a report presenting the main findings from the 2019 credit underwriting data collection

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exercise. This report provides a unique view of lending standards and practices across the euro area which are key to the stability of the region's significant institutions. It is available on the ECB's banking supervision website.

Results of comprehensive assessments on five Croatian banks and UBS and Bank of America

On 4 June 2020 the Governing Council did not object to a proposal by the Supervisory Board to approve the final results of the comprehensive assessments of five Croatian banks (Zagrebačka banka, Privredna banka Zagreb, Erste & Steiermärkische Bank, OTP banka Hrvatska and Hrvatska poštanska banka) and of UBS Europe SE and Bank of America Merrill Lynch International Designated Activity Company. The first comprehensive assessment was carried out following Croatia's request for close cooperation with the ECB and the second one was required after the banks relocated their business activity to the euro area from the United Kingdom following the withdrawal of the United Kingdom from the European Union, since the size of these banks would imply their direct supervision by the ECB. Two related press releases, together with the full results of the assessments, which the banks involved consented to disclose, are available on the ECB's banking supervision website.

Compliance with EBA Guidelines on the weighted average maturity calculation for securitisation tranches

On 9 June 2020 the Governing Council did not object to a proposal by the Supervisory Board to notify the European Banking Authority (EBA), for significant institutions under the ECB's direct supervision, of the ECB's intention to comply with the EBA Guidelines of 4 May 2020 on the determination of the weighted average maturity (WAM) of the contractual payments due under the tranche in accordance with point (a) of Article 257(1) of Regulation (EU) No 575/2013 (EBA/GL/2020/04).