

PRESS RELEASE

10 March 2016

ECB adds corporate sector purchase programme (CSPP) to the asset purchase programme (APP) and announces changes to APP

- Combined monthly purchases under the APP are to increase as of 1 April 2016 to €80 billion from €60 billion.
- Investment-grade euro-denominated bonds issued by non-bank corporations established in the euro area will be included in the list of assets eligible for regular purchases under a new corporate sector purchase programme (CSPP).
- The CSPP will be added to the APP and will be included in the combined monthly purchases.
- The CSPP will further strengthen the pass-through of the Eurosystem's asset purchases to the financing conditions of the real economy.
- Purchases are to start towards the end of the second quarter of 2016.

The Governing Council of the European Central Bank (ECB) today decided to establish a new programme to purchase investment-grade euro-denominated bonds issued by non-bank corporations established in the euro area with the aim of further strengthening the pass-through of the Eurosystem's asset purchases to the financing conditions of the real economy. As a result, and in conjunction with the other non-standard measures in place, the CSPP will provide further monetary policy accommodation and contribute to a return of inflation rates to levels below, but close to, 2% in the medium term.

Eligibility under the Eurosystem's collateral framework – the rules that lay out which assets are acceptable as collateral for monetary policy credit operations – will be a necessary condition for determining the eligibility of assets to be purchased under the CSPP, subject to further criteria. Securities issued by credit institutions and by entities with a parent company which belongs to a banking group will not be eligible.

CSPP purchases will begin towards the end of the second quarter of 2016.

Further technical details on the CSPP will be announced in due course.

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The Governing Council also decided to adjust the parameters of the public sector purchase programme (PSPP). The issuer and issue share limits for securities issued by eligible international organisations and multilateral development banks will be increased to 50%. In addition, as of April 2016 the share of such securities purchased under the PSPP will be reduced from 12% to 10% on a monthly basis. To maintain the 20% risk-sharing regime, the ECB's share of monthly PSPP purchases will be increased from 8% to 10%.

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