



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

13 December 2018

ECB decides on technical parameters for the reinvestment of its asset purchase programme

- ECB details technical parameters for APP reinvestments
- ECB capital key, as amended over time, to continue guiding public sector purchase programme during reinvestment

The Governing Council of the European Central Bank (ECB) today decided on the technical parameters for the reinvestment of the principal payments from maturing securities purchased under its asset purchase programme (APP) after net asset purchases cease at the end of December 2018.

The Governing Council will aim to maintain the size of its cumulative net purchases under each constituent programme of the APP, i.e. the public sector purchase programme (PSPP), the asset-backed securities purchase programme (ABSPP), the third covered bond purchase programme (CBPP3) and the corporate sector purchase programme (CSPP), at their respective levels as at the end of December 2018. Limited temporary deviations in the overall size and composition of the APP may occur during the reinvestment for operational reasons.

For the PSPP, the allocation across eligible jurisdictions will continue to be guided, on a stock basis, by the respective national central banks' subscription to the ECB capital key, as amended over time. As a rule, therefore, redemptions will be reinvested in the jurisdiction in which principal repayments are made, but the portfolio allocation across jurisdictions will continue to be adjusted with a view to bringing the share of the PSPP portfolio into closer alignment with the respective national central banks' subscription to the ECB capital key. Any adjustment to the portfolio allocation across jurisdictions will be gradual and will be calibrated as appropriate to safeguard orderly market conditions.

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During the reinvestment phase the Eurosystem will continue to adhere to the principle of market neutrality via smooth and flexible implementation. To this end, the reinvestment of principal redemptions will be distributed over the year to allow for a regular and balanced market presence. Within the PSPP, purchases of securities with a yield to maturity below the interest rate on the ECB's deposit facility will continue to be undertaken to the extent necessary.

For the private sector programmes, market capitalisation will continue to be the guiding principle for reinvestment purchases. Purchases of securities in primary markets will continue to be permitted as necessary. With regard to the CBPP3, the Governing Council also clarified that all CBPP3-eligible covered bonds with a conditional pass-through structure will be excluded from purchase as of 1 January 2019.

For media queries, please contact [Eva Taylor](#), tel.: +49 69 1344 7162.

Notes:

- This press release should be read in conjunction with the monetary policy [press release](#) published on 13 December 2018 and the [Introductory Statement](#) to the press conference.
- More information about the ECB's APP, including monthly redemption amounts, can be found on the [ECB's website](#).