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PRESS RELEASE

TRANSITIONAL PROVISIONS FOR THE APPLICATION OF MINIMUM RESERVE REQUIREMENTS IN ESTONIA

On 26 October 2010 the Executive Board of the European Central Bank (ECB) adopted a Decision on the application of minimum reserves by the ECB following the introduction of the euro in Estonia (ECB/2010/18). That introduction will take place on 1 January 2011.

As of that date, credit institutions and branches of credit institutions (hereafter referred to as "institutions") located in Estonia will be subject to the Eurosystem's minimum reserve requirements. Given that the regular reserve maintenance period runs from 8 December 2010 to 18 January 2011, transitional provisions will be necessary to ensure that the relevant institutions are integrated smoothly into the Eurosystem's minimum reserve system without placing a disproportionate burden on them.

The Decision therefore provides for a transitional maintenance period from 1 to 18 January 2011 for the imposition of minimum reserve requirements on institutions located in Estonia. Furthermore, the Decision sets out specific rules governing the application of minimum reserve requirements during the transitional period and, in particular, describes the method of calculating the reserve base in relation to the transitional period for liabilities owed to institutions located in Estonia. In this respect, institutions located in other Member States whose currency is the euro may decide to deduct any liabilities owed to institutions located in Estonia from their reserve base for the maintenance periods from 8 December 2010 to 18 January 2011 and from 19 January to 8 February 2011.

The Decision will be published in the *Official Journal of the European Union* and will also be available on the ECB's website (www.ecb.europa.eu).

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