

28 November 2012

## PRESS RELEASE

### ECB PUBLISHES AMENDMENTS OF THE GENERAL DOCUMENTATION

The European Central Bank (ECB) has today published an amendment to “The implementation of monetary policy in the euro area: General documentation on Eurosystem monetary policy instruments and procedures” (recast) (ECB/2011/14), often referred to as the “General Documentation” (GD). In addition to a number of technical adjustments, with the aim of streamlining and strengthening the collateral and risk control framework in place for Eurosystem operations, the Guideline published today includes the following changes:

**First**, as announced on 6 July 2012, the reporting requirements related to the loan-level data for asset-backed securities have been laid down in Section 6.2.1.1 and in the new Appendix 8.

**Second**, the Eurosystem has streamlined the coupon types of eligible marketable instruments (Section 6.2.1.1). Specifically, floating-rate coupons must be linked to a single standard euro interest rate reference or to a euro area inflation index. Complex coupon structures and inverse floaters are excluded.

**Third**, the Eurosystem has established (Section 6.2.1.1) that the cover pools of eligible covered bonds may only contain asset-backed securities to the extent that these comply with Directives 2006/48/EC and 2006/49/EC, were originated within the same consolidated group and are used for transferring mortgages to the covered bond issuing entity. A grandfathering period of two years (starting as of 3 Jan 2013) for already issued covered bonds has been put in place.

**Fourth**, the acceptance of unrated UCITS-compliant covered bonds issued prior to 1 January 2008 has been phased out (Section 6.3.2).

**Fifth**, the Governing Council has decided to amend the close-link provisions in place for the own-use of covered bonds as collateral (Section 6.2.3.2). Henceforth, only the following covered bonds will be eligible for own-use:

- (i) covered bank bonds issued in accordance with the criteria set out in Annex VI, Part 1, points 68 to 70 of Directive 2006/48/EC, or
- (ii) covered bank bonds issued in accordance with the criteria set out in Article 52(4) of the UCITS Directive (Directive 2009/65/EC) and offering comparable protection to the criteria set out in Annex VI, Part 1, point 68 to 70 of Directive 2006/48/EC.

**Sixth,** the Governing Council has decided (Section 6.3.4.4) that the providers of credit assessment systems accepted within the Eurosystem Credit Assessment Framework (ECAf) will be required to submit performance monitoring data on a disaggregated basis. Also, credit assessment systems will be required to provide a signed certificate confirming the accuracy and validity of the performance monitoring information provided.

**Seventh,** a new information requirement for counterparties has been established (Section 6.2.3) which places the onus on the counterparty to inform the Eurosystem (i) one month in advance of any planned modification to an asset-backed security which it has submitted as collateral and (ii) upon submission of an asset-backed security, of any modification made to that asset in the six months prior to its submission, if the asset-backed security is own-used.

The Guideline amending Guideline ECB/2011/14 will apply from 3 January 2013 and can be found on the ECB's website.

**European Central Bank:**

Directorate Communications/Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: 0049 69 1344 7455, Fax: 0049 69 1344 7404

Internet: <http://www.ecb.int>

**Reproduction is permitted provided that the source is acknowledged**