



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

APPLICATION OF MINIMUM RESERVE REQUIREMENTS IN LATVIA

On 22 October 2013 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 Latvia on 1 January 2014 (ECB/2013/41).

As of that date, credit institutions and branches of credit institutions (hereafter referred to as “institutions”) located in Latvia will be subject to the Eurosystem’s minimum reserve requirements. Given that the regular reserve maintenance period runs from 11 December 2013 to 14 January 2014, 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, in line with decisions taken for previous enlargements, provides for a transitional maintenance period from 1 to 14 January 2014 for the imposition of minimum reserve requirements on institutions located in Latvia. 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 Latvia. 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 Latvia from their reserve base for the maintenance periods from 11 December 2013 to 14 January 2014 and from 15 January to 11 February 2014.

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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