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PRESS RELEASE

ECB ANNOUNCES CHANGES TO THE USE AS COLLATERAL OF CERTAIN UNCOVERED GOVERNMENT-GUARANTEED BANK BONDS

The Governing Council of the European Central Bank (ECB) has adopted Decision ECB/2013/6, which prevents, as of 1 March 2015, the use as collateral in Eurosystem monetary policy operations of uncovered government-guaranteed bank bonds that have been issued by the counterparty itself or an entity closely linked to that counterparty. As of that date, the Eurosystem will also no longer accept covered bonds issued by the counterparty where the asset pool contains uncovered government-guaranteed bank bonds also issued by that counterparty or an entity closely linked to that counterparty.

This Decision, which aims to ensure the equal treatment of counterparties in Eurosystem monetary policy operations and simplify the relevant legal provisions, follows the measures implemented on 3 July 2012, which limited counterparties' use of uncovered government-guaranteed bank bonds that they themselves have issued.

Until 28 February 2015, counterparties may submit as collateral uncovered government-guaranteed bank bonds that they themselves have issued, up to the nominal value of these bonds, as approved by the Governing Council on 3 July 2012.

The Governing Council has also decided to amend the rules on the use of uncovered government-guaranteed bank bonds for the period until 28 February 2015. As a result, the national central banks of the Eurosystem will now only be allowed to reject eligible uncovered government-guaranteed bank bonds as collateral if they have been issued by the counterparty itself and do not comply with the Eurosystem's minimum credit rating threshold. This decision has been implemented by means of the recasting of Guideline ECB/2012/18. In the interests of clarity and simplicity, the recast Guideline ECB/2013/4 now also includes the provisions of other existing legal acts on temporary measures (namely Decisions ECB/2011/4, ECB/2011/10, ECB/2012/32 and ECB/2012/34). All of the relevant legal acts are available on the ECB's website.

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