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## PRESS RELEASE

### ECB ANNOUNCES CHANGE IN ELIGIBILITY OF MARKETABLE DEBT INSTRUMENTS ISSUED OR GUARANTEED BY THE CYPRIOT GOVERNMENT

Marketable debt instruments issued or fully guaranteed by the Republic of Cyprus and fulfilling all other eligibility criteria shall again constitute eligible collateral for the purposes of Eurosystem credit operations, subject to special haircuts. This is the consequence of the decision of the Governing Council of the European Central Bank (ECB) to suspend the application of the minimum credit rating threshold in the collateral eligibility requirements for the purposes of the Eurosystem's credit operations in the case of marketable debt instruments issued or guaranteed by the Cypriot government. This suspension will be maintained until further notice.

In this decision the Governing Council has taken into consideration the Memorandum of Understanding concluded between the Republic of Cyprus and the European Commission and endorsed by the Member States, reflecting the economic and financial adjustment programme for Cyprus. The Governing Council considers this programme to be appropriate.

The suspension applies to all outstanding and new marketable debt instruments issued or guaranteed by the Cypriot government and will come into force with the relevant legal act on 9 May 2013. The haircuts applied to these assets are specified in the legal act.

#### European Central Bank

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