



EUROPEAN CENTRAL BANK
EUROSYSTEM

PRESS RELEASE

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Increase in PSPP issue share limit enlarges purchasable universe

- Eurosystem publishes amended legal act to reflect the decision of the Governing Council of 3 September 2015 to increase the PSPP issue share limit, making the higher issue limit effective
- Issue share limit set at 33% per bond except for some bonds containing a collective action clause (CAC) that differs from the euro area model CAC for which a case-by-case verification is envisaged
- The 33% issue share limit allows for a significant increase in the purchasable amount both for outstanding and for newly issued PSPP eligible securities
- The increase aims to facilitate the full and smooth implementation of the PSPP, while continuing to limit undue concentration that could undermine market liquidity and create a blocking minority in relation to collective action clauses

The ECB today publishes the amended legal act on a secondary markets public sector asset purchase programme (ECB/2015/10)¹. The amendment follows the Governing Council decision of 3 September 2015 to increase the PSPP issue share limit from 25% to 33% per international securities identification number (ISIN), subject to verification on a case-by-case basis that a holding of 33% per ISIN would not lead the Eurosystem central banks to reach blocking minority holdings in relation to collective action clauses.

As of 10 November 2015, the PSPP issue share limit will be set at 33% per ISIN. This higher issue limit allows for a significant increase in the purchasable amount both for outstanding and for newly issued PSPP eligible securities. It facilitates the full and smooth implementation of the PSPP, while at the same time allowing the smooth operation of markets in eligible marketable debt securities and avoiding that the Eurosystem owns effective blocking minority holdings in relation to collective action clauses.

The legal act can be found on the ECB website:

<http://www.ecb.europa.eu/ecb/legal/date/2015/html/index.en.html?skey=ECB/2015/10>

¹ Decision (EU) 2015/774 of the ECB of 4 March 2015 on a secondary markets public sector asset purchase programme (ECB/2015/10), OJ L 121, 14.5.2015, p. 20.

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