

PRESS RELEASE

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ECB announces publication of a new Guideline on the implementation of monetary policy

Today the European Central Bank (ECB) has published a new Guideline (ECB/2014/60) on the implementation of the Eurosystem monetary policy¹. This Guideline will replace Guideline ECB/2011/14², i.e. the current framework on Eurosystem monetary policy instruments and procedures, from 1 May 2015.³

The new Guideline consolidates, simplifies and improves the clarity of the Eurosystem's existing general framework for monetary policy implementation. For this purpose, it consolidates several amendments to the Eurosystem framework made since 2011 and updates cross-references to several Union legal acts, such as the CRR⁴, the CRDIV⁵ and the ESA 2010⁶.

Moreover, all provisions previously laid down in Annexes I and II to Guideline ECB/2011/14 (in particular Annex I, widely known as the "General Documentation") have now been incorporated into the enacting terms of the new Guideline.

The new Guideline introduces some changes to the framework, including:

First, the provisions on open market operations have been revised to better align them with recently adopted practices and the Eurosystem's flexibility in the conduct of open market

¹ Guideline ECB/2014/60 of the European Central Bank of 19 December 2014 (recast), not yet published in the Official Journal of the European Union.

² Guideline of the ECB of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2011/14), OJ L 331, 14.12.2011, p. 1.

³ The Correlation Table of Annex XIII of the new Guideline ECB/2014/60 provides a comparison of Guideline ECB/2014/60 and Guideline ECB/2011/14.

⁴ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.06.2013, p. 1).

⁵ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.06.2013, p. 338).

⁶ Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (ESA 2010) (OJ L 174, 26.6.2013, p. 1).

operations (Title I, Part Two). In addition, the timeframe for the execution of standard and quick tenders has been amended to allow for more time for the publication of tender announcement and allotment messages.

Second, the former classification of “international or supranational institutions” has been replaced with the concept of “multilateral development banks and international organizations” in order to align them with the definitions in other regulatory frameworks (Article 69);

Third, several changes have been made to the eligibility criteria of asset-backed securities (ABS) aimed at enhancing the security and transparency of the debt instruments accepted by the Eurosystem, which will also contribute to improving the functioning of the ABS market, namely:

- (i) exclusion of ABS comprising receivables with residual value – with a 4 month grandfathering period for those ABS that will be on the list of eligible assets on 1 May 2015 (Article 73.7);
- (ii) introduction of additional criteria for the place of incorporation of mortgage trustees or receivables trustees in ABS transactions – with a 1 year grandfathering period for those ABS that will be on the list of eligible assets on 1 May 2015 (Article 74.3);
- (iii) enhancement of the framework on ABS surveillance reports requirement (Article 88.2);
- (iv) further specification of the rules governing the provision of liquidity support in respect of ABS – these provisions shall apply as from 1 November 2015 (Article 142);
- (v) removal of the requirements for counterparties to inform the Eurosystem of modifications to the ABS that took place in the preceding six months and of any planned modification to the ABS.

Fourth, changes have been made to the rules governing the own-use of multi-cédulas issued after 1 May 2015 along with the clarification that the Eurosystem will consider the relation between each of the underlying cédulas issuers and respective counterparties for determining the existence of close links (Article 138).

Fifth, provisions restricting the own-use of government guaranteed unsecured debt instruments have been clarified (Article 139).

Guideline ECB/2014/60 is published on the ECB’s website for information purposes. The Guideline in 23 official EU languages is expected to be published in the course of April 2015 in the Official Journal of the European Union.

For media queries, please contact William Lelieveldt, tel.: +49 69 1344 7316.