

16 September 2010

## **DECISIONS TAKEN BY THE GOVERNING COUNCIL OF THE ECB (*IN ADDITION TO DECISIONS SETTING INTEREST RATES*)**

September 2010

### **Operational issues**

*Refinancing operations of the Eurosystem with settlement from 17 October 2010 to 18 January 2011*

On 2 September 2010 the Governing Council took several decisions regarding the tender procedures and the rates to be applied to its main refinancing operations (MROs), 3-month longer-term refinancing operations (LTROs), and special-term refinancing operations with a maturity of one maintenance period. The Governing Council also decided to carry out three additional fine-tuning operations when the remaining 6-month and 12-month refinancing operations mature. Details were provided in a press release published on the same day together with an updated version of the consolidated calendar for the Eurosystem's tender operations.

*Review of the ECB's General Documentation*

On 16 September 2010 the Governing Council approved a revised version of "The implementation of monetary policy in the euro area: General documentation on Eurosystem monetary policy instruments and procedures" (hereinafter the "General Documentation") and adopted Guideline ECB/2010/13 amending Guideline ECB/2000/7 on monetary policy instruments and procedures of the Eurosystem. Guideline ECB/2010/13 will replace the current version of the General Documentation when it enters into force on 18 September 2010. It will be published later this year in the *Official Journal of the EU* and on the ECB's website.

### **Payment systems and market infrastructure**

*Business continuity oversight expectations for systemically important payment systems*

On 3 September 2010 the Governing Council authorised the publication of an assessment report on the implementation status of the Eurosystem's business continuity

oversight expectations for systemically important payment systems. The assessment was carried out as part of the Eurosystem's oversight task and confirmed that the business continuity and crisis communication arrangements of the assessed systems are maintained at high standards by the respective operators. The report, together with a related press release, is available on the ECB's website.

#### *TARGET2-Securities (T2S) - Appointment of the T2S Programme Board members*

On 16 September 2010 the Governing Council appointed the members of the T2S Programme Board for a term of office of 18 months starting on 1 November 2010. The T2S Programme Board was set up on 19 March 2009 to assist the ECB's decision-making bodies in ensuring the successful and timely completion of the T2S Programme. A related press release is available on the ECB's website.

#### *Amendments to the TARGET2 Guideline*

On 16 September 2010 the Governing Council adopted Guideline ECB/2010/12 amending Guideline ECB/2007/2 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2). The Guideline, which takes into account the updates needed by the TARGET2 release 4.0 as well as a number of technical changes following the entry into force of the Treaty on the Functioning of the European Union, will apply as of 22 November 2010.

## **Financial stability and supervision**

#### *EU banking structures report*

On 16 September 2010 the Governing Council authorised the publication of the annual report on EU banking structures prepared by the Banking Supervision Committee (BSC). It focuses on structural developments in 2008 and 2009 that are relevant from a banking stability viewpoint, and contains a special feature devoted to the future evolution of the EU banking sector. The report also contains an annex which analyses performance measures for banks and questions the relevance and efficiency of return on equity (RoE) measures as a means to provide managers, supervisors and financial stability authorities with an adequate picture of banks' performance. This annex illustrates, on the basis of empirical evidence, the limitations of RoE measures and misconceptions regarding them, and suggests refinements to both the scope and properties of performance measures. The report will be published on the ECB's website.

#### *EU banking sector stability report*

On 16 September 2010 the Governing Council authorised the publication of the report entitled "EU banking sector stability", prepared by the BSC. The report examines the

financial condition of the entire EU banking system in 2009 and of large EU banks in the first half of 2010. It also analyses the main risks surrounding the outlook for the EU banking sector, drawing on a wide range of macro-prudential and market indicators. The report will be published on the ECB's website.

## **Advice on legislation**

*ECB Opinion on amendments to the Polish legal framework for the deposit-guarantee scheme*

On 6 August 2010 the Governing Council adopted this opinion at the request of the Polish Ministry for Finance (CON/2010/64).

*ECB Opinion on a Proposal for a Directive of the European Parliament and of the Council amending Directives 2006/48/EC and 2006/49/EC as regards capital requirements for the trading book and for re-securitisations, and the supervisory review of remuneration policies*

On 6 August 2010 the Governing Council adopted this own-initiative opinion (CON/2010/65).

*ECB Opinion on amendments to the Romanian legislation on official statistics*

On 9 August 2010, the Governing Council adopted this opinion at the request of the National Institute of Statistics of Romania (CON/2010/66).

*ECB Opinion on a proposal for a Commission regulation laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the quality of HICP weightings and repealing Commission Regulation (EC) No 2454/97*

On 9 August 2010, the Governing Council adopted this opinion at the request of the European Commission (CON/2010/67).

*ECB Opinion on further measures for the restoration of budgetary balance in Romania*

On 26 August 2010 the Governing Council adopted this opinion at the request of the Romanian Ministry of Public Finance (CON/2010/69).

*ECB Opinion on amendments to the legal framework for the operation of Bank Gospodarstwa Krajowego*

On 9 September 2010 the Governing Council adopted this opinion at the request of the Marshall of the Polish Parliament's Sejm (CON/2010/70).

*ECB Opinion on the extension of the Irish State guarantee of certain liabilities of credit institutions*

On 16 September 2010 the Governing Council adopted this opinion at the request of the Irish Minister of Finance (CON/2010/71).

## **Statistics**

### *Legal framework for non-compliance with MIR statistics - ECB Decision*

On 19 August 2010 the Governing Council adopted Decision ECB/2010/10 on non-compliance with statistical reporting requirements which clarifies the infringement procedure, in place since 2004, for non-compliance with the reporting requirements linked to the Monetary Financial Institutions Balance Sheet Statistics (MFI BSI) and applies a similar regime to statistics on interest rates applied by MFIs to deposits and loans vis-à-vis households and non-financial corporations (MIR). The Decision was published in the *Official Journal of the EU* on 28 August 2010 and is available on the ECB's website.

## **Corporate governance**

### *ECB Recommendation on the external auditors of Banca d'Italia (ECB/2010/11)*

On 23 August 2010 the Governing Council adopted Recommendation ECB/2010/11 to the Council of the European Union on the external auditors of Banca d'Italia, for the financial years 2010-2015. The Recommendation was published in the *Official Journal of the EU* on 28 August 2010 and is available on the ECB's website.

### *Chair of the International Relations Committee (IRC)*

On 2 September 2010 the Governing Council appointed Mr Jean-Pierre Landau, currently Deputy Governor of the Banque de France, as Chairman of the IRC with immediate effect.

### *Establishment of a Risk Management Committee*

On 16 September 2010 the Governing Council approved the creation of a Eurosystem Risk Management Committee (RMC) under Article 9.1 of the Rules of Procedure of the ECB and approved its mandate for a term of three years, expiring at end-August 2013.

## **Issuance of banknotes and coins**

### *Legal framework for authenticity, fitness checking and recirculation of euro banknotes*

On 16 September 2010 the Governing Council adopted Decision ECB/2010/14 laying down common rules and procedures on the authenticity and fitness checking and recirculation of euro banknotes, which replaces the banknote recycling framework

published by the ECB in 2005. This Decision will enter into force on the day following its publication in the *Official Journal of the EU* and will apply from 1 January 2011 except in Member States that adopt the euro on or after 1 January 2011 for which a one-year transitional period is provided for. This Decision will be published shortly in the *Official Journal of the EU* and will be available on the ECB's website.