

19 July 2013

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

July 2013

### **Economic, monetary and financial situation**

*Agreement on the operating procedures for an exchange rate mechanism in Stage Three of Economic and Monetary Union*

On 21 June 2013 the European Central Bank and the national central banks of the Member States whose currency is not the euro signed an agreement amending the Agreement of 16 March 2006 between the European Central Bank and the national central banks of the Member States outside the euro area laying down the operating procedures for an exchange rate mechanism in Stage Three of Economic and Monetary Union. The agreement, which reflects the entry of the Croatian national central bank (Hrvatska narodna banka) into the ESCB, was published in the *Official Journal of the European Union* and on the ECB's website.

### **Market Operations**

*Changes in the eligibility of marketable debt instruments issued or guaranteed by the Republic of Cyprus*

On 28 June 2013 the Governing Council decided to temporarily suspend the eligibility of marketable debt instruments issued or fully guaranteed by the Cypriot government for use as collateral in Eurosystem monetary policy operations. This decision takes into account changes in the credit rating of the Republic of Cyprus as a result of the transactions announced by the Ministry of Finance of the Republic of Cyprus on 27 June 2013. The related Decision (ECB/2013/21), together with a press release, was published on the ECB's website on 28 June 2013.

On 5 July the Governing Council acknowledged the upgrades of credit ratings of the Republic of Cyprus following the successful completion on 1 July 2013 of the above-mentioned transactions and decided that marketable debt instruments issued or fully guaranteed by the Republic of Cyprus shall again constitute eligible collateral for the purpose of Eurosystem monetary policy operations as of 5 July 2013, subject to specific haircuts. The related Decision (ECB/2013/22), together with a press release, was published on the ECB's website on 5 July 2013.

### *Review of the risk control measures in Eurosystem credit operations*

On 17 July 2013 the Governing Council approved amendments to the risk control measures for assets eligible for use as collateral in Eurosystem credit operations. These amendments stem from the biennial review of the Eurosystem risk control framework. The changes will become effective once implemented with the relevant legal acts. A press release detailing the measures was published on the ECB's website on 18 July 2013.

## **Payment systems and market infrastructure**

### *Second report on card fraud*

On 11 July 2013 the Governing Council took note of the second report on card fraud, prepared by the Payment and Settlement Systems Committee, and authorised its publication on the ECB's website. The report, together with a press release, was published on the ECB's website on 16 July 2013.

## **Advice on legislation**

### *ECB Opinion on Lietuvos bankas' macro-prudential mandate*

On 26 June 2013 the Governing Council adopted CON/2013/45 at the request of the Lithuanian Ministry of Finance.

### *ECB Opinion on pay and pension reforms in Ireland*

On 28 June 2013 the Governing Council adopted CON/2013/46 at the request of the Irish Minister for Public Expenditure and Reform.

### *ECB Opinion on reserve requirements in connection with the introduction of the euro in Latvia*

On 2 July 2013 the Governing Council adopted CON/2013/47 at the request of Latvijas Banka.

*ECB Opinion on a proposal for a Council regulation amending Regulation (EC) No 974/98 as regards the introduction of the euro in Latvia and on a proposal for a Council regulation amending Regulation (EC) No 2866/98 as regards the conversion rate to the euro for Latvia*

On 5 July 2013 the Governing Council adopted CON/2013/48 at the request of the Council of the European Union.

### *ECB Opinion on branches of non-EEA credit institutions in Ireland*

On 9 July 2013 the Governing Council adopted CON/2013/49 at the request of the Irish Minister for Finance.

### *ECB Opinion on stabilisation measures in Romania*

On 12 July 2013 the Governing Council adopted CON/2013/50 at the request of Banca Națională a României.

## **Corporate governance**

### *Six ECB Decisions on issues relating to the national central banks' shares in the key for subscription to the ECB's capital*

On 21 June 2013 the Governing Council adopted: (i) Decision ECB/2013/15 laying down the measures necessary for the contribution to the European Central Bank's accumulated equity value and for adjusting the national central banks' claims equivalent to the transferred foreign reserve assets; (ii) Decision ECB/2013/16 amending Decision ECB/2010/29 on the issue of euro banknotes; (iii) Decision ECB/2013/17 on the national central banks' percentage shares in the key for subscription to the European Central Bank's capital; (iv) Decision ECB/2013/18 laying down the terms and conditions for transfers of the European Central Bank's capital shares between the national central banks and for the adjustment of the paid-up capital; and (v) Decision ECB/2013/19 on the paying-up of the European Central Bank's capital by the national central banks of Member States whose currency is the euro. On the same date, the General Council adopted Decision ECB/2013/20 on the paying-up of the European Central Bank's capital by the non-euro area national central banks. The Decisions, which reflect the entry of the Croatian national central bank (Hrvatska narodna banka) into the ESCB, were published in the *Official Journal of the European Union* and on the ECB's website.

### *Participation of Latvijas Banka in Governing Council meetings before 1 January 2014*

In line with past practice, on 3 July 2013, the Governing Council decided to invite the Governor of Latvijas Banka as an observer to its meetings and to grant observer status to experts from Latvijas Banka with respect to all Eurosystem/ESCB committees and their sub-structures whenever they convened in Eurosystem composition. This decision entered into immediate effect following the decision of the EU Council on the abrogation of the derogation status for Latvia, taken on 9 July 2013.

### *Appointment of external members to the ECB Audit Committee*

On 4 July 2013 the Governing Council appointed Messrs Tietmeyer and Trichet as external members to the ECB Audit Committee for a period of three years, starting on 1 August 2013. The Committee is chaired by Mr Liikanen and comprises as other members Messrs Constâncio and Noyer; its mandate is available on the ECB's website.