



EUROPEAN CENTRAL BANK

EUROSYSTEM

**24 November 2017**

## **Decisions taken by the Governing Council of the ECB (in addition to the decisions setting interest rates)**

November 2017

### **Market operations**

*Eligibility for purchase under the CBPP3 of conditional pass-through covered bonds*

On 20 November 2017 the Governing Council adopted Decision ECB/2017/37 amending Decision ECB/2014/40 on the implementation of the third covered bond purchase programme. The amendment reflects the decision adopted by the Governing Council on 4 October 2017 to exclude covered bonds commonly referred to as conditional pass-through covered bonds from purchases under the CBPP3 if they are issued by an entity with a first-best issuer rating below Credit Quality Step 3, as of 1 February 2018. The decision reflects the potentially higher risks associated with these instruments, which relate to their complex structure, whereby various pre-defined events may lead to a significant extension of a bond's maturity and to a switch in the payment structure. The Decision will be published in the *Official Journal of the European Union* and is available on the ECB's website.

### **Financial stability**

*November 2017 Financial Stability Review*

On 22 November 2017 the Governing Council authorised the publication of the November 2017 Financial Stability Review, which assesses the main sources of risks and vulnerabilities for the euro area financial system and provides a comprehensive analysis of its capacity to absorb shocks. It is due to be published on the ECB's website on 29 November 2017.

### **Market infrastructure and payments**

*Review of the Systemically Important Payment Systems Regulation and adoption of supporting legal documentation*

On 3 November 2017 the Governing Council adopted Regulation ECB/2017/32 amending Regulation (EU) No 795/2014 on oversight requirements for systemically important payment systems, and three supporting legal acts, namely Decision ECB/2017/33 on the procedural aspects for the imposition of

corrective measures for non-compliance with Regulation (EU) 795/2014, Regulation ECB/2017/34 amending Regulation (EC) No 2157/1999 on the powers of the European Central Bank to impose sanctions, and Decision ECB/2017/35 on the methodology for calculating sanctions for infringements of the oversight requirements for systemically important payment systems. The amending Regulation takes into account the comments received in the context of the related public consultation, some of which highlighted the need for clarifications. To that end, the Governing Council decided to publish an explanatory note prepared by the Eurosystem/ESCB Market Infrastructure and Payments Committee to foster a good understanding of the amendments and their underlying rationale. The legal acts and the explanatory note are available on the ECB's website.

#### *Change in the composition of the Market Infrastructure Board*

On 15 November 2017 the Governing Council appointed Ms Kirsi Ripatti, Senior Adviser at Suomen Pankki – Finlands Bank, in replacement of Mr Ron Berndsen, as a member of the Market Infrastructure Board (MIB), with immediate effect and until 31 January 2019. The composition of the MIB is available on the ECB's website.

#### *Eurosystem oversight report 2016*

On 20 November 2017 the Governing Council approved the Eurosystem oversight report 2016 and its publication on the ECB's website. The report describes the oversight activities that the Eurosystem performed in the period from mid-2014 until end-2016. It also covers oversight activities and developments in the first part of 2017 and, looking ahead, refers to the main activities foreseen in the area of oversight of financial market infrastructures and payment instruments in the near future. The report also includes a few articles on the topics of instant payments, cyber resilience and the requirements under the Payment Services Directive 2 Regulatory Technical Standards for strong customer authentication and common and secure communication. The report is available on the ECB's website.

## **Advice on legislation**

#### *ECB Opinion on the role of Národná banka Slovenska in supervising the education of financial intermediaries and financial agents*

On 27 October 2017 the Governing Council adopted Opinion CON/2017/43 at the request of the Ministry of Finance of the Slovak Republic.

#### *ECB Opinion on payment services in Cyprus*

On 27 October 2017 the Governing Council adopted Opinion CON/2017/44 at the request of the Cypriot Minister for Finance.

#### *ECB Opinion on amendments to the Union framework for capital requirements of credit institutions and investment firms*

On 8 November 2017 the Governing Council adopted Opinion CON/2017/46 at the request of the Council of the European Union and the European Parliament.

*ECB Opinion on revisions to the Union crisis management framework*

On 8 November 2017 the Governing Council adopted Opinion CON/2017/47 at the request of the Council of the European Union and the European Parliament.

*ECB Opinion on support to home loan borrowers in a difficult financial situation and support for the voluntary restructuring of home loans denominated or indexed in a foreign currency in Poland.*

On 9 November 2017 the Governing Council adopted Opinion CON/2017/48 at the request of the Polish Parliament.

## **Corporate governance**

*Review of the mandate of the Audit Committee*

On 2 November 2017 the Governing Council approved a revised mandate of the Audit Committee. This review led to a few minor amendments, mainly reflecting developments at the ECB and taking into account best practices identified in the Audit Committee mandates of relevant comparator organisations. The revised mandate is available on the ECB's website.

*Annual accounts of the ECB*

On 16 November 2017 the Governing Council adopted Decision ECB/2017/36 amending Decision (EU) 2016/2247 on the annual accounts of the European Central Bank. The financial reporting framework of the ECB is amended to take into account a change in the auditing standard ISA 700 "Forming an Opinion and Reporting on Financial Statements". The amending Decision will ensure that the ECB's reporting framework continues to allow the ECB to receive the "true and fair view" unmodified opinion in its auditor's report on its annual accounts. The Decision is available on the ECB's website.

## **Statistics**

*Publication of new statistics on the euro money market*

On 15 November 2017 the Governing Council took note of the regular publication of statistics on the euro money market based on the Money Market Statistical Reporting (MMSR) granular data, consistent with the ECB statistical quality framework and compliant with the public commitment on European statistics by the European System of Central Banks. These statistics encompass the total turnover amounts and weighted average rates over the ECB reserve maintenance period in the unsecured market segment and average daily volumes during the maintenance period for the tenors, for which sufficient data are available. The first such publication, the purpose of which is to enhance market transparency and improve money market functioning, took place on 21 November 2017. A related press release is available on the ECB's website.

## **Banking supervision**

### *ECB decision on the significance of a supervised credit institution*

On 9 November 2017 the Governing Council did not object to a proposal by the Supervisory Board regarding the significance of one supervised credit institution. The list of supervised entities is updated regularly and is available on the ECB's banking supervision website.