



EUROPEAN CENTRAL BANK

EUROSYSTEM

23 March 2018

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

March 2018

Monetary policy

Central bank compliance with prohibitions on monetary financing and privileged access

On 21 March 2018, in accordance with the Treaty on the Functioning of the European Union (TFEU), which assigns the ECB the task of monitoring the compliance of EU central banks with the prohibitions referred to in Articles 123 and 124 of the TFEU and the related Regulations, the Governing Council approved the compliance report covering the year 2017. Further information on this matter can be found in a dedicated section of the ECB's Annual Report 2017, which will be published on the ECB's website on 9 April 2018.

External communication

2019 meeting schedules of the Governing Council and the General Council of the ECB

On 2 March 2018 the Governing Council approved the schedule of its meetings to be held in 2019. Following approval by the General Council of its own meeting schedule on 16 March 2018, both calendars were published on the ECB's website.

ECB's Annual Report 2017

On 19 March 2018 the Governing Council adopted the ECB's Annual Report 2017, which will be presented to the Committee on Economic and Monetary Affairs of the European Parliament and made available on the ECB's website in 23 official languages of the European Union on 9 April 2018.

Market operations

Eurosystem response to ESMA's public consultation on disclosure requirements for securitisations

On 9 March 2018 the Governing Council approved the Eurosystem response to the European Securities and Markets Authority (ESMA) public consultation on disclosure requirements for securitisations. This public consultation follows up on the mandate given to ESMA by Regulation (EU) 2017/2402, which lays down a general framework for securitisation and creates a specific framework for simple, transparent and standardised securitisation, to prepare several regulatory technical standards in order to fully implement

the framework. This framework will apply as of 1 January 2019. The Eurosystem response is available on ESMA's website.

Technical implementation aspects of the asset purchase programme

On 15 March 2018 the Governing Council approved two technical implementation aspects in relation to the asset purchase programme (APP). First, the Governing Council approved the purchases of bonds from seven entities under the public sector purchase programme (PSPP), as proposed by the Deutsche Bundesbank and following an eligibility assessment conducted by the Eurosystem Market Operations Committee and the Risk Management Committee. These seven entities are Investitionsbank Berlin, Investitionsbank Schleswig-Holstein, Sächsische Aufbaubank-Förderbank, LfA Förderbank Bayern, Bayerische Landesbodenkreditanstalt, Wirtschafts- und Infrastrukturbank and Hamburgische Investitions- und Förderbank. Second, the Governing Council decided to increase the upper limit of cash as collateral for the Eurosystem's securities lending programme from €50 billion to €75 billion. This €25 billion increase is proportional to the increase in PSPP holdings since the introduction of cash as collateral for securities lending in December 2016. More detailed information on the operational parameters of the APP and its execution is available on the ECB's website.

TLTRO-II reporting treatment of corporate reorganisation involving former bridge institutions

On 15 March 2018 the Governing Council approved a change in the reporting treatment under the second series of the Targeted Longer-Term Refinancing Operations (TLTRO-II) to cater for specific situations unforeseen at the time of adoption of Decision (EU) 2016/810 (ECB/2016/10), which sets out the legal framework for these operations. Specifically, the Governing Council decided that for corporate reorganisations involving institutions which during the second reference period (as defined under Article 1(14) of Decision (EU) 2016/810) had the status of a bridge institution (as defined in Article 2(59) of Directive 2014/59/EU) for more than 12 months, the provisions of Article 7(6) of Decision (EU) 2016/810 should not apply. Instead, the TLTRO-II lead institution should record the relevant lending figures of the acquired bridge institution in the credit institution second reporting template as an adjustment to the outstanding amount of eligible loans.

Market infrastructure and payments

2017 update of the correspondent central banking model documentation

On 22 February 2018 the Governing Council approved an update of the correspondent central banking model (CCBM) procedures for Eurosystem counterparties ("CCBM brochure") and its publication on the ECB's website, together with a technical annex entitled "CCBM information for counterparties - summary of legal instruments used in the euro area", which was also updated accordingly. This annual update included only minor factual amendments. Both updated documents are available on the ECB's website.

Revised mandate of the European Forum on the Security of Retail Payments

On 2 March 2018 the Governing Council approved a revised mandate of the European Forum on the Security of Retail Payments (SecuRe Pay), which was established in 2011 as a voluntary cooperative forum between supervisors of payment service providers and overseers of payment systems and payment instruments within the European Union and the European Economic Area. The mandate is

periodically reviewed. The recent revisions reflect the current organisational structure of the ECB and the EBA at the committee level, clarify some procedural aspects of the forum's work, and include two additional observers in the forum, namely ECB Banking Supervision and the European Union Agency for Network and Information Security. The updated mandate of SecuRe Pay is available on the ECB's website.

Advice on legislation

ECB Opinion on a proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1092/2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board

On 2 March 2018 the Governing Council adopted Opinion CON/2018/12 at the request of the Council of the European Union.

ECB Opinion on mortgage arrears resolution in Ireland

On 5 March 2018 the Governing Council adopted Opinion CON/2018/13 at the request of the Chairman of the Oireachtas (Irish National Parliament) Joint Committee on Justice and Equality.

Governing Council Opinion on a Council recommendation on the appointment of the Vice-President of the European Central Bank

On 7 March 2018 the Governing Council adopted Opinion CON/2018/14 at the request of the President of the European Council.

ECB Opinion on security and protection of critical infrastructures

On 21 March 2018 the Governing Council adopted Opinion CON/2018/15 at the request of the Governor of the Nationale Bank van België/Banque Nationale de Belgique, acting on behalf of the Belgian Ministry of Finance.

Corporate governance

Compatibility of the measures imposed on the Governor of Latvijas Banka with the Statute of the European System of Central Banks and of the European Central Bank

On 7 March 2018 the Governing Council decided to refer the above matter to the Court of Justice of the European Union under Article 14.2 of the Statute of the European System of Central Banks and of the European Central Bank.

ECB Recommendation to the Council of the European Union on the external auditors of the Banque de France

On 9 March 2018 the Governing Council adopted Recommendation ECB/2018/9 to the Council of the European Union on the external auditors of the Banque de France. The Recommendation has been published in the Official Journal of the European Union and on the ECB's website.

Statistics

Second public consultation on a new euro unsecured overnight interest rate

On 15 March 2018 the Governing Council approved the launch of a second public consultation on the detailed features of the new euro unsecured overnight interest rate. Through the consultation, which runs until 20 April 2018, the ECB aims to collect the views of stakeholders on the methodology of the new rate as well as the key operational and technical parameters. The public consultation documentation, together with a related press release, is available on the ECB's website.

ECB Regulation and ECB Guideline concerning statistics on holdings of securities

On 22 February 2018 the Governing Council adopted Regulation ECB/2018/7 amending Regulation (EU) No 1011/2012 and Guideline ECB/2018/8 amending Guideline ECB/2013/7, which both concern statistics on holdings of securities. These legal acts introduce two main changes. First, banking groups may from now on report their securities holding statistics (SHS) data directly to the ECB, instead of via their respective national central bank (NCB), provided the respective NCB decides for that option and informs the ECB and the reporting agent concerned. Second, it was clarified that all significant supervised entities and supervised groups directly supervised by the ECB shall qualify as SHS reporting banking groups within the scope of Regulation ECB/2018/7. Both legal acts have been published in the Official Journal of the European Union and on the ECB's website.

Banking supervision

Declaration of an institution "failing or likely to fail"

On 23 February 2018 the Governing Council did not object to an assessment prepared by the Supervisory Board and the subsequent notification to the Single Resolution Board that would determine that ABLV Bank AS, and its subsidiary in Luxembourg, ABLV Bank Luxembourg SA, were failing or likely to fail as a result of the significant deterioration of the banks' liquidity situation. The Single Resolution Board was consulted on the assessment prepared in accordance with Article 18(1) of Regulation (EU) No 806/2014, and agreed with the assessment. A related press release is available on the ECB's banking supervision website.

Final addendum to the ECB Guidance to banks on non-performing loans

On 2 March 2018 the Governing Council did not object to a proposal by the Supervisory Board to publish the final addendum to the ECB Guidance to banks on non-performing loans, following the related public consultation launched on 4 October 2017 and closed on 8 December 2017, for which more than 450 individual comments were received. The most material and significant comments are summarised in a consultation feedback statement, which was published on 15 March 2018 alongside the final addendum and together with a related press release, all of which are available on the ECB's banking supervision website.

Frequently asked questions on the Brexit strategy for the transition period

On 5 March 2018 the Governing Council did not object to a proposal by the Supervisory Board to publish the frequently asked questions (FAQs) on the Brexit strategy for the transition period. These FAQs, which take into consideration the agreement between the 27 Member States that will remain in the European

Union and the United Kingdom to negotiate a possible transitional period within the second phase of the withdrawal negotiations and the implications of this development for the ECB's supervisory expectations, are available on the ECB's banking supervision website.

Annual Report 2017 on supervisory activities

On 12 March 2018 the Governing Council adopted the 2017 ECB Annual Report on supervisory activities, prepared in accordance with Article 20 of Regulation (EU) No 1024/2013 ("SSM Regulation"), and authorised its publication and transmission to the European Parliament, the Council, the European Commission, the Eurogroup, and the national parliaments of the participating Member States. The report will be published on the ECB's banking supervision website on Monday, 26 March 2018, following its presentation by the Chair of the Supervisory Board to the European Parliament on that day.

Public consultation on the general topics chapter of the ECB Guide on internal models

On 19 March 2018 the Governing Council did not object to a proposal by the Supervisory Board to launch a public consultation on the draft general topics chapter of the ECB Guide on internal models. This chapter provides transparency on how the ECB aims to ensure a uniform understanding of the general (i.e. non-model-specific) topics, in particular for the internal ratings-based approach, namely the overarching principles for internal models, including the implementation of the internal ratings-based approach, internal model governance, internal validation, internal audit, model use, model change management and third party involvement. The public consultation is expected to be launched shortly on the ECB's banking supervision website.