

20 November 2020

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

November 2020

Market operations

Changes to the publication of liquidity management data

On 5 November 2020 the Governing Council adopted several amendments related to the publication of liquidity management data, with the aim of streamlining processes and increasing efficiency. In particular, the Governing Council decided to suspend the publication of the benchmark allotment amount of main refinancing operations (MROs), since it is not needed for the successful implementation of Eurosystem monetary policy under the current operational framework and liquidity conditions. The Governing Council also decided to reduce the publishing frequency of the autonomous factor forecast from twice a week to once a week on MRO announcement days. Furthermore, the Governing Council decided to change the publication time of daily liquidity data from 09:10 CET to 11:30 CET. These changes will take effect on 14 December 2020, i.e. on the announcement day of the first MRO of the reserve maintenance period starting on 16 December 2020.

Regular review of the agreement on emergency liquidity assistance

On 9 November 2020 the Governing Council adopted a revised version of the agreement on emergency liquidity assistance (ELA). This updated version contains a technical amendment to Section 3.2(a)(i) to clarify that solvency assessments of financial institutions are carried out by the prudential supervisor in accordance with the solvency definition for ELA purposes as laid down in Section 4. It is also specified that the ELA agreement will be reviewed in the course of 2023 at the latest. The updated agreement will soon be available on the ECB's website.

Financial stability

Financial Stability Review – November 2020

On 18 November 2020 the Governing Council had an exchange of views on euro area financial stability issues on the basis of the November 2020 edition of the Financial Stability Review and authorised its publication on the ECB's website. The report assesses the implications of the ongoing pandemic, as well as the associated changes in the economic outlook for financial market functioning, debt sustainability,

bank profitability and the non-bank financial sector. It also sets out policy considerations for both the near term and the medium term. The report is scheduled to be published on the ECB's website on 25 November 2020.

Market infrastructure and payments

Eleventh survey on correspondent banking in euro

On 30 October 2020 the Governing Council authorised the publication of the eleventh survey on correspondent banking in euro. The findings of the 2019 survey show a 22% decrease in total correspondent banking turnover compared with the 2016 data, as well as a 21% reduction in the number of customer banks and a 43% decline in the average transaction size. Nevertheless, correspondent banking relationships continue to be an important link in the payment chain with a total daily turnover of €686 billion. Increasing regulatory requirements related to anti-money laundering and combating the financing of terrorism procedures as well as “know your customer” procedures in part explain the decreasing turnover and declining number of correspondent banking arrangements. Compared with previous surveys, it seems that the top players in the market remained the same and there is a tendency for the largest banks to specialise in cross-border activity, while smaller banks are reducing the size of their business. As a result, the correspondent banking market remains highly concentrated. Looking ahead, 60% of the banks surveyed expect an increase in correspondent banking activities over the medium term owing to an increase in efficiency and the introduction of new services in the cross-border environment. The survey is available on the ECB's website.

Advice on legislation

ECB Opinion on the New Arrangements to Borrow with the International Monetary Fund in Austria

On 30 October 2020 the Governing Council adopted Opinion CON/2020/27 at the request of the Austrian Ministry of Finance.

ECB Opinion on the abolition of the special levy on selected financial institutions in Slovakia

On 4 November 2020 the Governing Council adopted Opinion CON/2020/28 at the request of the Ministry of Finance of the Slovak Republic.

ECB Opinion on balance of payments reporting in Austria

On 17 November 2020 the Governing Council adopted Opinion CON/2020/29 at the request of the Oesterreichische Nationalbank.

Corporate governance

Amendments to legal instruments related to the Eurosystem accounting and financial reporting framework

On 12 November 2020 the Governing Council adopted amendments to legal instruments related to the Eurosystem accounting and financial reporting framework, namely Decision ECB/2020/55 amending Decision (EU) 2016/2248 on the allocation of monetary income of the national central banks of Member States whose currency is the euro and Decision ECB/2020/56 amending Decision (EU) 2015/298 on the interim distribution of the income of the European Central Bank. The changes introduced reflect the

pandemic emergency purchase programme (PEPP) and the euro liquidity-providing operations to the non-Eurosystem central banks. The legal acts will apply from 31 December and will soon be available on EUR-Lex.