

25 June 2021

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

June 2021

Market operations

Operationalisation of the administration of the NextGenerationEU loans and grants

On 26 May 2021 the Governing Council adopted [Decision \(EU\) 2021/874 \(ECB/2021/25\)](#) amending Decision (EU) 2019/1743 on the remuneration of holdings of excess reserves and of certain deposits. The amendment includes operational aspects related to the administration of the loans and grants disbursed under the EU's [NextGenerationEU \(NGEU\)](#) emergency support package. Accordingly, the ECB will open two accounts for the European Commission: one to hold the prudential NGEU cash holdings needed to ensure the successful management of NGEU payments, and one to serve as a pass-through account through which to disburse grants to the Member States. The European Commission will reimburse the ECB headcount costs for this service. The Governing Council furthermore decided that funds held on the dedicated account for prudential NGEU cash holdings will be, up to a limit of €20 billion, remunerated at 0% or the deposit facility rate, whichever is higher, and thus up to this threshold exempted from the application of negative interest rates. Amounts exceeding the exempted threshold of €20 billion will be remunerated at the deposit facility rate. NGEU is expected to provide financial assistance of up to €750 billion in the form of loans and grants from the European Union to affected Member States.

Amendment to Guideline ECB/2014/31 on additional temporary measures relating to Eurosystem refinancing operations

On 2 June 2021 the Governing Council adopted [Guideline \(EU\) 2021/975 \(ECB/2021/26\)](#) amending Guideline ECB/2014/31 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral. The amendment implements the Governing Council decision of 10

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December 2020 regarding the duration of the collateral easing measures. It extends the explicit end date for provisions maintaining the eligibility of certain marketable assets and issuers eligible on 7 April 2020, from 29 September 2021 to 30 June 2022. Eurosystem central banks shall comply with the Guideline from 30 September 2021.

Changes to existing additional credit claim frameworks

On 10 June 2021 the Governing Council approved the possibility of a further six-month extension (from 30 June to 31 December 2021) of the period within which guarantees that are newly granted under extended coronavirus (COVID-19)-related government/public sector guarantee schemes can be accepted by national central banks for credit claims eligible under the temporary additional credit claim frameworks. This is consistent with the European Commission's decision to prolong the State Aid Temporary Framework for an additional period of six months, until 31 December 2021.

Macroprudential policy and financial stability

Eurosystem reply to the public consultation on the framework for EU money market funds by ESMA

On 23 June 2021 the Governing Council approved the Eurosystem's response to the [public consultation](#) by ESMA on the framework for EU money market funds. The document will soon be available on the ECB's website.

Market infrastructure and payments

TARGET Annual Report 2020

On 20 May 2021 the Governing Council took note of the [TARGET Annual Report 2020](#), which was subsequently published on the ECB's website. The report provides information on TARGET2 traffic and performance and the main developments that took place in 2020. It also includes seven boxes on topics of particular relevance in 2020, namely the evolution of TARGET2 traffic and the impact of the coronavirus (COVID-19), the introduction of TARGET Instant Payment Settlement (TIPS) pan-European reachability measures, the effects of Brexit on TARGET2 traffic, the strengths of liquidity-saving mechanisms in TARGET2, payment profiles of TARGET2 participants, major TARGET2 incidents in 2020, and the TARGET2/TARGET2-Securities (T2S) consolidation project and future real-time gross settlement (RTGS) services.

Developments in cross-currency settlement in TIPS

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On 11 June 2021 the Governing Council decided that a cross-currency settlement functionality in [TIPS](#) is in line with the strategic objectives of the Eurosystem. Work to explore a cross-currency capability in TIPS began in October 2020, when the ECB and Sveriges Riksbank [announced a collaborative investigation](#) into whether or not the platform could process transactions between the euro and the Swedish krona. The next step in the investigation is to define a possible operational model and legal set-up. TIPS is expected to offer instant payment settlement in Swedish krona as of May 2022, when [Sveriges Riksbank will join the platform](#). Instant payments in Danish krone could also be available by November 2025, when [Danmarks Nationalbank is scheduled to join](#). Further details are available on the ECB's website under the [payments and markets news](#) section.

2020 T2S financial statements

On 17 June 2021 the Governing Council approved the publication of the T2S financial statements for the fiscal year 2020 and took note of the related external audit opinion. The publication of these statements fulfils an obligation under the T2S Framework Agreement and is intended to inform T2S customers and stakeholders, as well as the general public, about the financial situation of T2S. The [documents](#) are available on the ECB's website.

Advice on legislation

ECB Opinion on the obligation to accept cash payments in Poland

On 14 May 2021 the Governing Council adopted Opinion [CON/2021/18](#) at the request of the President of Narodowy Bank Polski (NBP), acting on behalf of the President of the Republic of Poland.

ECB Opinion on the establishment of a register for basic enterprise data in Germany

On 25 May 2021 the Governing Council adopted Opinion [CON/2021/19](#) at the request of the German Federal Ministry for Economic Affairs and Energy.

ECB Opinion on a proposal for a regulation of the European Parliament and of the Council on digital operational resilience for the financial sector

On 4 June 2021 the Governing Council adopted Opinion [CON/2021/20](#) at the request of the Council of the European Union and the European Parliament.

ECB Opinion on the role of the Central Bank of Cyprus as regards the issuance of government guarantees to credit institutions

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On 11 June 2021 the Governing Council adopted Opinion [CON/2021/21](#) at the request of the Ministry of Finance of the Republic of Cyprus.

ECB Opinion on the regulation of the forint maturity mismatch of credit institutions

On 11 June 2021 the Governing Council adopted Opinion [CON/2021/22](#) at the request of the Magyar Nemzeti Bank.

Corporate governance

New member of the Market Infrastructure Board

On 11 June 2021 the Governing Council appointed Mr Julian Reischle, Director General Payments and Settlement Systems at the Deutsche Bundesbank, as a member of the [Market Infrastructure Board](#) until 31 May 2022. Mr Reischle replaces Mr Jochen Metzger, who has taken up another position within the Deutsche Bundesbank, with immediate effect.

Statistics

Public consultation on the review of the statistical reporting non-compliance framework

On 17 June 2021 the Governing Council approved the launch of a public consultation on infringement procedures in cases of non-compliance with statistical reporting requirements. The aim of the review is to streamline the infringement procedures and clarify the roles of the relevant institutions in the process. The related documentation is [available](#) on the ECB's website. The formal adoption of the revised legal framework for non-compliance is expected to take place by the end of 2021.

ECB Banking supervision

Amendment of ECB regulation on reporting of supervisory financial information

On 14 May 2021 the Governing Council did not object to a proposal by the Supervisory Board to adopt [Regulation \(EU\) 2021/943 \(ECB/2021/24\)](#) amending Regulation (EU) 2015/534 on reporting of supervisory financial information (ECB/2015/13) (ECB FINREP Regulation). The amendment was necessary to update references to and remain consistent with changes related to EU legal acts cross-referenced in the ECB FINREP Regulation (e.g. the recently adopted [Commission Implementing Regulation \(EU\) 2021/451](#) on supervisory reporting of institutions and [Regulation \(EU\) 2019/876 amending Regulation \(EU\) No 575/2013](#)). The amended ECB legal act shall apply from 28 June 2021.

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Temporary non-compliance with the EBA Guidelines on the range of scenarios to be used in recovery plans

On 18 May 2021 the Governing Council did not object to a proposal by the Supervisory Board to notify the European Banking Authority (EBA) that, for the significant institutions under its direct supervision, the ECB will temporarily be in non-compliance with parts of the EBA Guidelines on the range of scenarios to be used in [recovery plans \(EBA/GL/2014/06\)](#) while it follows a targeted approach to recovery plan submissions. This means that, in 2021, the ECB will not request that significant institutions include a minimum of three scenarios in their recovery plans, as provided for in the Guidelines. Instead, in the light of the ongoing COVID-19 pandemic, the ECB will ask banks to focus on the elements of a recovery plan which are key for crisis preparedness and to submit two scenarios (one systemic and one idiosyncratic) which should take into account the economic fallout for banks from COVID-19.

Compliance with the EBA Guidelines on the alternative treatment of exposures related to tri-party repurchase agreements

On 21 May 2021 the Governing Council did not object to a proposal by the Supervisory Board to notify the EBA that by 28 June 2021, for the significant institutions under its direct supervision, the ECB will comply with the EBA Guidelines specifying the conditions for the application of the alternative treatment of institutions' exposures related to 'tri-party repurchase agreements' set out in Article 403(3) of [Regulation \(EU\) 575/2013](#) for large exposures purposes ([EBA/GL/2021/01](#)).

Compliance with the EBA Guidelines on appropriate subsets of sectoral exposures in the application of a systemic risk buffer

On 28 May 2021 the Governing Council did not object to a proposal by the Supervisory Board to notify the EBA that the ECB will comply with the EBA Guidelines on the appropriate subsets of sectoral exposures to which competent or designated authorities may apply a systemic risk buffer in accordance with Article 133(5)(f) of [Directive 2013/36/EU \(EBA/GL/2020/13\)](#). In practice the ECB will be able to apply a sectoral systemic risk buffer vis-à-vis Member States participating in the single supervisory mechanism (SSM) – exercising its powers under Article 5(2) of the SSM Regulation (Council Regulation (EU) No 1024/2013) – only after the latter have transposed the Capital Requirements Directive (CRD V) into their national frameworks.

Public consultation on the fit and proper enhancement package

On 1 June 2021 the Governing Council did not object to a proposal by the Supervisory Board to launch a public consultation on the updated templates for the ECB's Fit and Proper Questionnaire and Guide to fit and proper assessments. The objective of the revised Guide, last updated in May 2018, is to explain in greater detail the policy stances, supervisory practices and processes applied by the ECB when

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assessing the suitability of appointments to the management bodies of significant credit institutions and to specify the ECB's main expectations in this regard. More information is available on the ECB's banking supervision website under the section on [public consultations](#).

Public consultation on options and discretions in Union law

On 7 June 2021 the Governing Council did not object to a proposal by the Supervisory Board to launch a public consultation on draft revisions to the ECB Guide on options and discretions available in Union law and to related ECB legal acts. More information will soon be available on the ECB's banking supervision website under the section on [public consultations](#).

Decision on extending the temporary exclusion of certain exposures to central banks from the total exposure measure in view of the COVID-19 pandemic

On 9 June 2021 the Governing Council decided that it agrees with the Supervisory Board that there continue to be "exceptional circumstances" allowing for the extension of the temporary exclusion of certain central bank exposures from the leverage ratio in order to support the transmission of the ECB's monetary policy. The Governing Council is of the view that the condition of exceptional circumstances warranting this temporary exclusion continues to be met for the euro area as a whole. This monetary policy opinion of the Governing Council was followed by a Decision of the ECB in its supervisory competence – [Decision ECB/2021/27](#) on the temporary exclusion of certain exposures to central banks from the total exposure measure in view of the COVID-19 pandemic and repealing Decision (EU) 2020/1306 – to allow significant banks under its direct supervision to exclude certain central bank exposures from the leverage ratio until 31 March 2022. The related [press release](#) is available on the ECB's banking supervision website.

Joint public statement on cessation of LIBOR settings

On 18 June 2021 the Governing Council did not object to a proposal by the Supervisory Board to issue a joint public statement with the European Commission, the EBA and ESMA with a view to ensuring a smooth transition away from the London interbank offered rate (LIBOR). The four institutions strongly encourage market participants to use the time remaining until the cessation or loss of representativeness of USD LIBOR, GBP LIBOR, JPY LIBOR, CHF LIBOR and EUR LIBOR to substantially reduce their exposure to these interest rates. The [statement](#) is available on the ECB's banking supervision website.

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