

Press release

13 March 2024

ECB announces changes to the operational framework for implementing monetary policy

- ECB concludes review that started in December 2022
- Framework sets out how Governing Council will steer short-term money market rates in line with its monetary policy decisions as Eurosystem balance sheet normalises

The Governing Council of the European Central Bank (ECB) today decided on changes to the operational framework for implementing monetary policy to ensure that the framework remains appropriate as the Eurosystem balance sheet normalises.

In December 2022, the Governing Council announced a review of the operational framework for steering short-term interest rates in the euro area. Today's decisions establish key principles and parameters for implementing monetary policy and providing central bank liquidity as excess liquidity in the banking system, while remaining significant over the coming years, gradually declines.

"I am pleased to announce that the Governing Council has approved these changes to its operational framework, which acknowledge the significant changes in the financial system and monetary policy in recent years," said President Christine Lagarde. "The framework will ensure that our policy implementation remains effective, robust, flexible and efficient in the future as our balance sheet normalises."

For further information, see the [statement by the Governing Council](#).

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