

Press release

17 November 2025

ECB reviews risk control framework for monetary policy credit operations

- Haircut schedule for assets used as collateral to be updated
- Update aims to maintain adequate level of risk protection, improve consistency and enhance risk equivalence of assets, while ensuring collateral availability
- New haircut schedule to enter into force November 2026 at earliest to allow for technical implementation

The European Central Bank (ECB) has just completed a review of its risk control framework for collateralised credit operations to ensure the framework remains protective, consistent and risk-equivalent across asset classes. The previous review took place in [2022](#), with implementation in June 2023.

The current review introduces targeted improvements to the haircut methodology for marketable and non-marketable assets, with a particular focus on own-used covered bonds, retained asset-backed securities (ABS) and individual credit claims.

As part of the review, the Governing Council has decided on several measures, including the following:

- Updating the haircuts for non-own-used marketable assets in haircut categories I to V, aligning haircuts more closely with updated risk estimates across maturities and credit quality steps (CQS).
- Applying dedicated haircuts to retained ABS (Category V), under an improved definition of “retained ABS”. An ABS will be classified as retained if the mobilising counterparty and the originator are the same or closely linked.

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- Refining the haircuts for own-used covered bonds, replacing the current add-on approach with a separate haircut schedule.
- Updating the haircuts applied to individual credit claims and increasing their granularity by taking into account the type of amortisation, residual maturity, CQS and interest-rate type. Counterparties will need to specify the type of amortisation for each credit claim mobilised, in addition to the information currently provided.

The ECB's legal framework will be amended accordingly ahead of the entry into force of the above changes, which is planned for November 2026 at the earliest, allowing for technical implementation by the Eurosystem and the necessary preparations by counterparties. These amendments will be made available on the ECB's website and will be published in all official EU languages in the Official Journal of the European Union.

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Notes

- Information on haircut categories can be found on [the ECB's website](#).
- For more information about valuation haircuts for marketable assets in Eurosystem credit operations, see the relevant [Explainer](#) and a dedicated Occasional Paper entitled "[The valuation haircuts applied to eligible marketable assets for ECB credit operations](#)".

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