

26 January 2024

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

January 2024

## Monetary policy

### *Corrective measures for national central bank transactions breaching the monetary financing prohibition*

On 18 December 2023 the Governing Council decided that recovery interest would be an appropriate corrective measure to propose to a national central bank (NCB) in the event of an infringement of the prohibition of monetary financing laid down in Article 123(1) of the Treaty on the Functioning of the European Union (TFEU). Such infringements or breaches may occur when an NCB has financed transactions that should have been financed by other public authorities or bodies. Previously, corrective actions had only taken the form of government reimbursements of the funds in question to the NCB. As of 1 January 2024, they also include interest on the reimbursement amount. The relevant interest rate will be the ten-year sovereign yield of the Member State concerned or, if this is unavailable, the interest rate according to the methodology applied by the European Commission in cases of unlawful State aid, both subject to a zero floor.

## Market operations

### *Amendments to the Decision on the implementation of the corporate sector purchase programme*

On 15 December 2023 the Governing Council adopted Decision [ECB/2023/38](#) amending Decision (EU) 2016/948 on the implementation of the corporate sector purchase programme (ECB/2016/16).

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The amending legal act implements the Governing Council decision of 5 October 2023 to amend certain elements of the methodology for assessing the climate performance of issuers, within the framework of tilting the benchmark for corporate bond purchases towards issuers with a better climate performance.

#### *Publication of a sanction decision for non-compliance with minimum reserve requirements*

On 29 December 2023 the Governing Council, in line with the applicable legal framework, reviewed a sanction decision taken by the Executive Board in October 2023 and confirmed that no exception would apply with regard to the non-anonymised publication of the sanction in question, which relates to a breach by a euro area credit institution of its requirement to hold minimum reserves. Following its amendment by Regulation ECB/2023/13, Article 9(1) of Regulation ECB/1999/4 provides that the ECB must publish any decision imposing sanctions for breaches of its regulations or decisions. The publication is made on the ECB's website once the decision has become final.

## Market infrastructure and payments

#### *Outcome of the 2022 payment system classification exercise*

On 15 December 2023 the Governing Council approved the outcome of the annual exercise for the classification of payment systems, based on data for the reference year 2022. In line with the provisions of the ECB Regulation on oversight requirements for systemically important payment systems (SIPS Regulation) and of the Eurosystem's revised oversight framework for retail payment systems, this regular exercise allows the ECB to classify payment systems as systemically important payment systems (SIPS), non-systemically important large value payment systems (LVPS), prominently important retail payment systems (PIRPS), or other retail payment systems (ORPS). The outcome of the exercise is [available](#) on the ECB's website.

#### *Appointment of the TARGET2-Securities (T2S) external examiner*

On 21 December 2023 the Governing Council appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as the new T2S external examiner, following the expiry of the mandate of Deloitte GmbH Wirtschaftsprüfungsgesellschaft. The external examiner shall deliver, inter alia, an annual opinion on the effectiveness of the controls performed by the Eurosystem as part of the ongoing development and operation of T2S.

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## Advice on legislation

### *ECB Opinion on judicial relief granted to former holders of qualified bank credit*

On 15 December 2023 the Governing Council adopted Opinion [CON/2023/44](#) at the request of the Slovenian Ministry of Finance.

### *ECB Opinion on the imposition of a tax on credit institutions*

On 15 December 2023 the Governing Council adopted Opinion [CON/2023/45](#) at the request of the Dutch Ministry of Finance.

### *ECB Opinion on mortgage holidays*

On 19 December 2023 the Governing Council adopted Opinion [CON/2023/46](#) at the request of the Marshal of the Polish Parliament.

### *ECB Opinion on a legislative package on crisis management in the banking sector*

On 29 December 2023 the Governing Council adopted Opinion [CON/2023/47](#) at the request of the Ministry of Finance of the Republic of Cyprus.

### *ECB Opinion on a constitutional law on cash as legal tender and access to cash*

On 11 January 2024 the Governing Council adopted Opinion [CON/2024/1](#) prepared on the ECB's own initiative.

### *ECB Opinion on the phasing out of the 1 000 Danish kroner banknote and the lowering of the cash prohibition limit*

On 12 January 2024 the Governing Council adopted Opinion [CON/2024/2](#) at the request of the Danish Ministry of Business (*Erhvervsministeriet*).

## Corporate governance

### *Creation of a temporary directorate for the digital euro project*

On 15 December 2023 the Governing Council took note of a reorganisation of the ECB's Directorate General Market Infrastructure and Payments (DG/MIP), proposed by the Executive Board. This

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reorganisation establishes one dedicated business unit, the Directorate Digital Euro, from 1 February 2024 until 31 January 2026.

#### *Allocation of responsibilities of the ECB representatives on the Supervisory Board*

On 28 December 2023 the Governing Council took note of a re-allocation of the responsibilities of [Anneli Tuominen](#) and [Elizabeth McCaul](#), ECB representatives on the Supervisory Board, with regard to cyber risk and the digital agenda, as reflected in the “areas of interest” section of their respective CVs.

## Statistics

#### *Amended Guideline on the euro short-term rate (€STR)*

On 18 January 2024 the Governing Council adopted Guideline ECB/2024/1 amending Guideline (EU) No 2019/1265 on the euro short-term rate (€STR). This amending legal act implements the Governing Council decision of 5 April 2023 to extend the reporting population for Money Market Statistical Reporting (MMSR) by adding 24 new monetary financial institutions (MFIs), which are to start reporting on 1 July 2024. The amendments also relate to an internal Eurosystem work-sharing arrangement whereby the ECB may carry out the €STR quality assurance tasks and responsibilities on behalf of the NCBs that do not operate a local collection platform (LCP). The Guideline will be published on EUR-Lex in due course.

## ECB Banking Supervision

#### *Disclosure of business model assessment and internal governance and risk management methodologies*

On 18 December 2023 the Governing Council did not object to a proposal by the Supervisory Board to publish the [business model assessment](#) and [internal governance and risk management](#) methodologies used in the Supervisory Review and Evaluation Process (SREP). Both documents are available on the ECB's banking supervision website.

#### *Updated Supervisory Manual*

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On 28 December 2023 the Governing Council did not object to a proposal by the Supervisory Board to publish an update to the Supervisory Manual. The Supervisory Manual describes the organisational set-up of the Single Supervisory Mechanism (SSM), defines the methodologies, processes and procedures for banking supervision in the euro area, and explains how the SSM cooperates with other authorities in the wider institutional framework. The updated [manual](#) is available on the ECB's banking supervision website.

*Publication of the list of high-impact less significant institutions for 2024*

On 2 January 2024 the Governing Council did not object to a proposal by the Supervisory Board to publish the list of high-impact less significant institutions for 2024. The list will be made available in due course on the ECB's banking supervision website.

*Report on risks from misalignment of banks' financing with the EU's climate objectives*

On 10 January 2024 the Governing Council did not object to a proposal by the Supervisory Board to publish, on the ECB's banking supervision website, a report on risks from misalignment of banks' financing with the EU's climate objectives. The [report](#) concludes, based on data compiled using the open-source Paris Agreement Capital Transition Assessment (PACTA) methodology, that the euro area banking sector shows substantial misalignment in this regard and may therefore be subject to increased transition risks.

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