

21 October 2016

DECISIONS TAKEN BY THE GOVERNING COUNCIL OF THE ECB (IN ADDITION TO DECISIONS SETTING INTEREST RATES) October 2016

Market operations

Collateral eligibility criteria and risk control measures for unsecured bank bonds

On 4 October 2016 the Governing Council decided on changes to the collateral eligibility criteria and risk control measures applicable to senior unsecured debt instruments issued by credit institutions or investment firms or their closely linked entities. These instruments, also known as unsecured bank bonds (UBBs), will remain eligible for use as collateral for the time being, subject to additional risk control measures. In particular, the usage limit for UBBs will be reduced from 5% to 2.5% with effect from 1 January 2017. The Governing Council will review its decision in the course of 2017 to take account of the progress made within that period towards a common EU approach to the creditor hierarchy in cases of bank insolvency and resolution. A detailed press release explaining these changes is available on the ECB's website.

Financial stability

Report on financial structures

On 14 October 2016 the Governing Council approved the publication of the ECB Report on financial structures 2016. The report reviews the main structural features and developments in the broad euro area financial sector over the period from 2008 to 2015. It covers not only the banking sector, but also other financial intermediaries, in particular insurance corporations and pension funds as well as non-bank and non-insurance financial intermediaries, often labelled the "shadow banking" sector. The report will be available shortly on the ECB's website.

Market infrastructure and payments

Changes in the billing of T2S services

On 23 September 2016 the Governing Council approved the introduction of a billing threshold and a minimum billing amount, both set at €150, for TARGET2-Securities (T2S) services. These changes, which fully comply with the pricing policy for T2S as defined in Guideline ECB/2012/13, will apply to the monthly billing of central banks and central securities depositories for their usage of T2S services. The production and delivery of monthly automatic

invoices, which are generated by T2S and based on billing data that reflect the actual consumption of T2S services, will not be affected by the introduction of the threshold.

Advice on legislation

ECB Opinion on amendments to the Book Entry Securities Act in Slovenia

On 26 September 2016 the Governing Council adopted Opinion CON/2016/46 at the request of the Slovenian Ministry of Finance.

ECB Opinion on amendments to the Law on Latvijas Banka reducing the number of members of the Council of Latvijas Banka

On 28 September 2016 the Governing Council adopted Opinion CON/2016/47 at the request of Latvijas Banka.

ECB Opinion on the handling of real property or share capital acquired by a credit institution after a debt settlement process in Cyprus

On 11 October 2016 the Governing Council adopted Opinion CON/2016/48 at the request of the Ministry of Finance of Cyprus.

ECB Opinion on a proposal for a directive of the European Parliament and of the Council amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amending Directive 2009/101/EC

On 12 October 2016 the Governing Council adopted Opinion CON/2016/49 at the request of the Council and the European Parliament.

ECB Opinion on a draft law to facilitate the reimbursement of certain spreads charged on foreign exchange-linked loans in Poland

On 13 October 2016 the Governing Council adopted Opinion CON/2016/50 at the request of the Polish Parliament.

Statistics

Increased transparency in ECB regulations on European Statistics

On 4 October 2016 the Governing Council approved principles increasing transparency in developing ECB regulations on European statistics and taking into account the transparency practices of the European Parliament, the Council of the European Union and the European Commission. The ECB impact assessment, which already includes a merits and costs procedure (MCP), will be complemented by public consultations on future draft ECB regulations on European statistics. Information on the MCP and the results for the euro area of each future MCP will also be published.

Corporate governance

ECB Recommendation to the Council of the European Union on the external auditors of the Banca d'Italia

On 23 September 2016 the Governing Council adopted Recommendation ECB/2016/28 to the Council of the European Union on the external auditors of the Banca d'Italia. The Recommendation will be published in the *Official Journal of the European Union* and is available on the ECB's website.