

18 November 2016

TRANSMISSION EMBARGO
until 3:00 CET on 18 November 2016

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

Market operations

Amendment to Decision on the TLTRO-II

On 31 October 2016 the Governing Council adopted Decision ECB/2016/30 amending Decision (EU) 2016/810 on a second series of targeted longer-term refinancing operations (TLTRO-II). The amending Decision, which addresses an inconsistency in the deadline for lead institutions to apply for changes to TLTRO-II group composition, is available on the ECB's website.

Update of the General Documentation

On 2 November 2016 the Governing Council adopted Guideline ECB/2016/31 amending Guideline (EU) 2015/510 on the implementation of the Eurosystem monetary policy framework (the "General Documentation"), Guideline ECB/2016/32 amending Guideline (EU) 2016/65 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework, and Guideline ECB/2016/33 amending Guideline ECB/2014/31 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral. The new Guidelines introduce certain changes to the monetary policy implementation framework. These changes relate, inter alia, to the collateral eligibility criteria and risk control measures with respect to senior unsecured debt instruments issued by credit institutions or investment firms and to the rules on acceptable coupon structures to allow the eligibility of certain assets with negative cash flows. Furthermore, minimum disclosure requirements will be introduced for covered bond ratings issued by credit rating agencies accepted in the Eurosystem credit assessment framework. The haircut schedules for assets used as collateral in monetary policy operations have also been updated. The Guidelines together with a related press release are available on the ECB's website. A second press release detailing decisions taken by the Governing Council in the context of its regular review of the Eurosystem risk control framework for collateral assets was also issued in parallel.

Financial stability

Financial Stability Review November 2016

On 16 November 2016 the Governing Council authorised the publication of the “Financial Stability Review – November 2016”, which reviews the main sources of risk and vulnerabilities for the stability of the euro area financial system and provides a comprehensive analysis of the capacity of the euro area financial system to absorb shocks. It is due to be published on the ECB’s website on 24 November 2016.

Advice on legislation

ECB Opinion on a modification of the remuneration formula in respect of the French livret A

On 21 October 2016 the Governing Council adopted Opinion CON/2016/51 at the request of the French Ministry of Economy and Finance.

ECB Opinion on amendments to the Law on Hrvatska Narodna Banka

On 28 October 2016 the Governing Council adopted Opinion CON/2016/52 at the request of the Ministry of Finance of the Republic of Croatia.

ECB Opinion on the reorganisation of the duties of the Federal Agency for Financial Market Stabilisation and the implementation of the EBA guidelines on sound remuneration policies in Germany

On 31 October 2016 the Governing Council adopted Opinion CON/2016/53 at the request of the German Federal Ministry of Finance.

Statistics

Memorandum of Understanding between Eurostat and the European Central Bank/Directorate General Statistics on the quality assurance of statistics underlying the Macroeconomic Imbalances Procedure

On 2 November 2016 the Governing Council approved a Memorandum of Understanding between Eurostat and the European Central Bank/Directorate General Statistics on the quality assurance of statistics underlying the Macroeconomic Imbalances Procedure. The Memorandum of Understanding is available on the ECB’s website, together with the relevant letter from the Vice-President of the European Commission Mr Valdis Dombrovskis and the reply letter from Ms Sabine Lautenschläger.

Corporate governance

ECB Recommendation to the Council of the European Union on the external auditors of the Central Bank of Ireland

On 28 October 2016 the Governing Council adopted Recommendation ECB/2016/29 to the Council of the European Union on the external auditors of the Central Bank of Ireland. The Recommendation was published in the *Official Journal of the European Union* and is available on the ECB's website.

Recast of legal instruments related to the Eurosystem accounting framework

On 3 November 2016 the Governing Council adopted Guideline ECB/2016/34 on the legal framework for accounting and financial reporting in the ESCB and Decision ECB/2016/35 on the annual accounts of the ECB. Both legal instruments have been recast to streamline them with a view to improving the overall quality and incorporate several past amendments made to them while leaving the Eurosystem's accounting policies largely unchanged. Both legal instruments will be published in the course of December 2016 on the ECB's website and in the *Official Journal of the European Union*.

Recast of ECB Decision on the allocation of monetary income

On 3 November 2016 the Governing Council adopted Decision ECB/2016/36 on the allocation of monetary income of the national central banks of Member States whose currency is the euro (recast). The Decision, which needed to be recast in the interest of clarity following several past amendments, is available on the ECB's website.

Banking supervision

Public consultation on the exercise of options and discretions by national competent authorities in relation to less significant institutions

On 24 October 2016 the Governing Council did not object to a proposal by the Supervisory Board to launch a public consultation on a draft guideline and a draft recommendation concerning the exercise of options and discretions (O&Ds) available in Union law for banks that the ECB does not directly supervise (less significant institutions or LSIs). The public consultation started on 3 November 2016 and the deadline for submitting comments falls on 5 January 2017. A related press release together with the draft Guideline on the exercise of options and discretions available in Union law by NCAs in relation to less significant institutions and the draft Recommendation on common specifications for the exercise of some options and discretions available in Union law by NCAs in relation to less significant institutions are available on the ECB's website.

Public consultation on a Guide on materiality assessment

On 2 November 2016 the Governing Council did not object to a proposal by the Supervisory Board to launch a public consultation on a draft ECB Guide on materiality assessment (EGMA). This document will serve as basis for the materiality assessment of extensions and changes to the internal model method (IMM) and the advanced method for calculating credit valuation adjustment risk (A-CVA). The public consultation, which is expected to be launched in the course of December, will be announced by means of a press release.

Final results of the 2016 comprehensive assessment

On 2 November 2016 the Governing Council did not object to the results of the 2016 comprehensive assessment as proposed by the Supervisory Board. This assessment was conducted from March to November 2016 on four banks, Abanka d.d. (Slovenia), Akciju sabiedrība "Rietumu Banka" (Latvia), Banca Mediolanum S.p.A. (Italy) and Citibank Holdings Ireland Limited (Ireland), three of which consented to the disclosure of the results. A related press release together with the results is available on the ECB's website.

Legal framework implementing the ECB's approach for the recognition of institutional protection schemes for prudential purposes

On 4 November 2016 the Governing Council adopted Guideline ECB/2016/37 laying down the principles for the coordination of the assessment pursuant to Regulation (EU) No 575/2013, and the monitoring of institutional protection schemes including significant and less significant institutions and Guideline ECB/2016/38 on the approach for the recognition of institutional protection schemes for prudential purposes by national competent authorities pursuant to Regulation (EU) No 575/2013 of the European Parliament and of the Council. Both Guidelines, which set out the framework for the ECB's approach regarding the recognition of institutional protection schemes for prudential purposes, are available on the ECB's website.