



EUROPEAN CENTRAL BANK

EUROSYSTEM

20 July 2012

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

JULY 2012

Market operations

Temporary measures relating to the eligibility of certain additional asset-backed securities as Eurosystem collateral

On 28 June 2012 the Governing Council adopted Decision ECB/2012/11 amending Decision ECB/2011/25 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral. The amendment extends the eligibility criteria for asset-backed securities to be accepted as eligible collateral in Eurosystem monetary policy operations. The Decision was published on the same day on the ECB's website.

Measures relating to the eligibility of government guaranteed bank bonds as Eurosystem collateral

On 3 July 2012 the Governing Council adopted Decision ECB/2012/12 amending Decision ECB/2011/25 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral. The amendment freezes the prevailing levels of own-used government guaranteed bank bonds and requires *ex ante* approval by the Governing Council of a request accompanied by a funding plan for any subsequent request to increase such levels. The Decision was published on the same day on the ECB's website.

Compliance with the Basel II definition of default

On 4 April 2012 the Governing Council decided that rating tools not compliant with the Basel II definition of default by 31 May 2012 would be excluded from use as Eurosystem credit assessment framework (ECAAF) sources until compliance is achieved. Further to this decision, on 5 July 2012 the Governing Council decided to exclude the following rating tools from use as ECAAF sources for the time being: ICAP, Coface Serviços Portugal and Cerved.

Acceptance of the third wave of national frameworks for additional credit claims

Further to its decision of 8 December 2011 to allow the Eurosystem national central banks (NCBs), as a temporary solution, to accept as collateral additional performing credit claims that satisfy specific eligibility criteria, on 5 July 2012 the Governing Council approved the framework for additional credit claims (ACC) proposed by the Bank of Greece, as well as the extensions of the

ACC frameworks proposed by the Central Bank of Cyprus, the Banco de Portugal and the Banca d'Italia. More detailed information on these frameworks will be made available on the websites of the ECB and the respective NCBs.

Implementation of the loan-level data reporting requirements for asset-backed securities

On 5 July 2012 the Governing Council decided to implement loan-level data reporting as a collateral eligibility requirement for asset-backed securities (ABSs) in the Eurosystem collateral framework. There will be a transition period of nine months, in total, before full compliance with the reporting standards applicable to the loan-level reporting templates needs to be achieved. The transition period will apply from the dates on which reporting becomes mandatory for each ABS asset class. The Governing Council also decided on effective starting dates for reporting loan-level data for residential mortgage-backed securities, for securitisations of loans to small and medium-sized enterprises and for commercial mortgage-backed securities, as well as for auto loan ABSs, consumer finance ABSs and leasing ABSs. More detailed information is provided in a press release published on the ECB's website on 6 July 2012.

Enhanced transparency for data on operations

On 6 July 2012 the Governing Council decided that the ECB will publish information on collateral on a quarterly basis and in the form of data tables and charts. This information is currently provided in the ECB's Annual Report and comprises the collateral eligible for use in Eurosystem operations broken down by asset group; over-collateralisation levels; and posted collateral broken down by asset group. The first release of these data is intended to take place in September 2012.

Collateral eligibility of bonds issued or guaranteed by the Greek government

Due to the expiration on 25 July 2012 of the buy-back scheme for marketable debt instruments issued or fully guaranteed by the Hellenic Republic, these instruments will become for the time being ineligible for use as collateral in Eurosystem monetary policy operations. In line with established procedures, the Governing Council will assess their potential eligibility following the conclusion of the currently on-going review, by the European Commission in liaison with the ECB and the IMF, of the progress made by Greece under the second adjustment programme. The related press release and legal act (Decision ECB/2012/14) were published on the ECB's website on 20 July 2012.

Payment and settlement systems

TARGET2-Securities Guideline

On 19 July 2012 the Governing Council adopted Guideline ECB/2012/13 on TARGET2-Securities (recast). The Guideline will be published shortly in the *Official Journal of the European Union* and on the ECB's website.

Appointment of members of the T2S Board

On 19 July 2012, in accordance with Decision ECB/2012/6 on the establishment of the TARGET2-Securities Board, the Governing Council appointed the members of the T2S Board, which is due to start operating immediately under the chairmanship of Mr Jean-Michel Godeffroy. The composition of the T2S Board was announced in a related press release published on 19 July 2012 on the ECB's website.

Financial stability and supervision

Eurosystem reply to the Commission's Green Paper on shadow banking

On 5 July 2012 the Governing Council approved the Eurosystem reply to the Commission's public consultation on the Green Paper on shadow banking. The Eurosystem reply, which was immediately transmitted to the European Commission, was published the next day on the ECB's website.

Advice on legislation

ECB Opinion on bank recapitalisation in Slovenia

On 21 June 2012 the Governing Council adopted Opinion CON/2012/48 at the request of the Slovenian Ministry of Finance.

ECB Opinion on the Magyar Nemzeti Bank

On 28 June 2012 the Governing Council adopted Opinion CON/2012/49 at the request of the Hungarian Ministry for the National Economy.

ECB Opinion on the Central Bank of Cyprus Laws of 2002 to 2007

On 11 July 2012 the Governing Council adopted Opinion CON/2012/51 at the request of President of the Cypriot House of Representatives.

ECB Opinion on new measures strengthening supervision and enforcement in financial regulation in Ireland

On 16 July 2012 the Governing Council adopted Opinion CON/2012/52 at the request of the Irish Department of Finance.

ECB Opinion on the bank levy and contributions to the deposit guarantee scheme in Slovakia

On 16 July 2012 the Governing Council adopted Opinion CON/2012/53 at the request of the Slovak Ministry of Finance.

ECB Opinion on certain old banknotes ceasing to be legal tender in Sweden

On 17 July 2012 the Governing Council adopted Opinion CON/2012/54 at the request of Sveriges Riksbank.

ECB Opinion on the strengthening of financial supervision and establishment of a financial stability committee in Germany

On 17 July 2012 the Governing Council adopted Opinion CON/2012/55 at the request of the German Federal Ministry of Finance.

Statistics

Adjustment of the monetary aggregates

On 5 July 2012 the Governing Council approved the adjustment of (i) the monetary aggregates, by excluding repo operations conducted via central counterparties (CCPs) from the M3 component position “repurchase agreements placed by OFIs”; and (ii) of the credit aggregates, by excluding reverse repo operations conducted via CCPs from the M3 counterpart position “loans to OFIs”. The first release of the adjusted statistics will take place at the end of September 2012 with the release of the monetary data for August 2012.

Corporate governance

Opinion of the ECB Governing Council on a Council recommendation on the appointment of a member of the Executive Board of the ECB

On 18 July 2012 the Governing Council adopted Opinion CON/2012/56 at the request of the President of the European Council. The opinion was published on 19 July 2012 on the ECB’s website.