



EUROPEAN CENTRAL BANK

EUROSYSTEM

22 February 2019

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

February 2019

Market operations

TLTRO-II reporting treatment of certain transactions involving debt-to-equity conversions

The Governing Council decided on the reporting treatment, which is relevant in the context of TLTRO-II interest rate calculations, of certain transactions conducted by a TLTRO-II participant in 2017. The transactions involved debt-to-equity conversions by which loans granted by the TLTRO-II participant to non-financial corporations (NFCs) were replaced by equity held by that TLTRO-II participant in these NFCs. The amount of funding provided by the TLTRO-II participant to the real economy was not reduced as a result of these transactions. The Governing Council decided that the transactions should be reported as a reclassification rather than a repayment of the loans to NFCs. Decision (EU) 2016/810 (ECB/2016/10) had not envisaged this kind of situation. The Governing Council furthermore decided that the same treatment can be applied to other TLTRO-II participants that conducted such transactions.

Market infrastructure and payments

Decision on the Market Infrastructure Board and repeal of the Decision on the establishment of the TARGET2-Securities Board

On 25 January 2019 the Governing Council adopted Decision ECB/2019/3 on the Market Infrastructure Board and repealing Decision ECB/2012/6 on the establishment of the TARGET2-Securities (T2S) Board. This legal act follows a review of the operation of the Market Infrastructure Board (MIB). The review concluded that no dedicated formats, such as the T2S Board, were necessary for the MIB's efficient functioning. The new Decision thus streamlines the MIB's functioning as Eurosystem governance body responsible for technical and operational management tasks in the field of market infrastructure and platforms. The Decision is available on the ECB's website.

Advice on legislation

ECB Opinion on remuneration for executives and senior management in Narodowy Bank Polski

On 30 January 2019 the Governing Council adopted Opinion CON/2019/3 at the request of the Polish *Sejm* (Parliament).

ECB Opinion on limitations to cash payments in Spain

On 1 February 2019 the Governing Council adopted Opinion CON/2019/4 at the request of the Banco de España, on behalf of the Spanish State Secretary for Finance.

ECB Opinion on banning the use of euro 500 denomination banknotes and on certain amendments to anti-money laundering legislation in Denmark

On 12 February 2019 the Governing Council adopted Opinion CON/2019/5 at the request of *Finanstilsynet* (the Danish Financial Supervisory Authority).

ECB Opinion on a proposal for a Council Decision on the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

On 13 February 2019 the Governing Council adopted Opinion CON/2019/6 at the request of the Council of the European Union.

ECB Opinion on the licensing and supervision of providers of microcredit in Greece

On 15 February 2019 the Governing Council adopted Opinion CON/2019/7 at the request of the Greek Ministry of Finance.

Corporate governance

ECB Recommendation to the Council of the European Union on the external auditors of the Banque centrale du Luxembourg

On 14 February 2019 the Governing Council adopted Recommendation ECB/2019/6 to the Council of the European Union on the external auditors of the Banque centrale du Luxembourg. The Recommendation will be published in the Official Journal of the European Union and on the ECB's website.

ECB's Annual Accounts 2018

On 20 February 2019 the Governing Council approved the audited financial statements of the ECB for the financial year 2018. The Annual Accounts, together with a related press release, were published on the ECB's website on 21 February 2019. The management report for the year 2018 was published as part of the ECB's Annual Accounts.

Membership of the ECB Ethics Committee and Audit Committee

On 20 February 2019 the Governing Council reappointed Mr Patrick Honohan for another three-year term as a member of the ECB Ethics Committee and of the ECB Audit Committee as of 1 April 2019.

Statistics

Industry feedback on the ESCB Integrated Reporting Framework (IReF) for the statistical reporting of banks

On 14 February 2019 the Governing Council approved the publication of a report presenting the results of a qualitative stock-taking questionnaire on the ESCB IReF and amendments accordingly made to related ECB webpages, in particular those for the Banks' Integrated Reporting Dictionary and the IReF. The report, prepared by the ESCB Statistics Committee, provides factual information on the feedback received from the banking industry on high-level considerations and high-priority technical questions asked in the questionnaire. The report is available on the ECB's website.

Chair of the Statistics Committee

On 20 February 2019 the Governing Council appointed Ms Silke Stapel-Weber, Director General Statistics, as the Chair of the Eurosystem/ESCB Statistics Committee. The appointment takes place with immediate effect until 31 December 2019, so as to coincide with the expiry of the terms of office of the other Eurosystem/ESCB committee chairpersons.

Banking supervision

Decision on delegation of the power to adopt decisions regarding supervisory powers granted under national law

On 31 January 2019 the Governing Council did not object to the proposal by the Supervisory Board to adopt Decision ECB/2019/4 on delegation of the power to adopt decisions regarding supervisory powers granted under national law. This Decision establishes the framework within which the ECB, as the competent authority, may delegate its authority to adopt a substantial number of decisions regarding supervisory powers granted under national law from the Governing Council to senior managers of the ECB with a view to facilitating the decision-making process. The Decision will be published in the Official Journal of the European Union and published on the ECB's banking supervision website in due course.

ECB decisions on the significance of supervised credit institutions

On 31 January and 19 February 2019 the Governing Council did not object to proposals by the Supervisory Board to change the significance status of certain supervised credit institutions. The list of supervised entities is updated regularly and is available on the ECB's banking supervision website. An annual review of the significance of credit institutions is also carried out and its outcome made public (see the related press release published on the ECB's banking supervision website on 14 December 2018).

Report on the aggregate results of the 2018 stress test

On 1 February 2019 the Governing Council did not object to the proposal by the Supervisory Board to publish a report on the aggregate results of the Single Supervisory Mechanism-wide stress test

conducted in 2018. The report, together with a related press release, is available on the ECB's banking supervision website.

Methodology and template for the 2019 liquidity stress test

On 5 February 2019 the Governing Council did not object to the proposal by the Supervisory Board to adopt the methodology and the template for the liquidity stress test to be conducted in 2019. Both documents, together with a related press release and a general presentation on the sensitivity analysis of liquidity risk envisaged as the supervisory stress test for 2019, are available on the ECB's banking supervision website.

Compliance with EBA Guidelines

On 15 February 2019 the Governing Council did not object to the proposal by the Supervisory Board to notify the European Banking Authority (EBA) of the ECB's intention to comply, in relation to the significant credit institutions under its direct supervision, with the EBA Guidelines on the management of interest rate risk arising from non-trading book activities (EBA/GL/2018/02), the EBA Guidelines on the revised common procedures and methodologies for the supervisory review and evaluation process and supervisory stress testing (EBA/GL/2018/03), and the EBA Guidelines on institutions' stress testing (EBA/GL/2018/04).