

**25 October 2019**

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

October 2019

### **Market operations**

#### *Extension of the bilateral currency swap arrangement between the ECB and the People's Bank of China*

On 18 September 2019 the Governing Council approved a further extension of the bilateral currency swap arrangement between the ECB and the People's Bank of China for three years, until 8 October 2022. This swap arrangement has a maximum size of 350 billion Chinese renminbi and €45 billion. A related press release was issued on the ECB's website following completion of the signature process.

#### *Remapping of Fitch's short-term ratings to the Eurosystem's harmonised rating scale*

On 4 October 2019 the Governing Council approved the remapping of Fitch's short-term ratings "F1" and "F3" to Credit Quality Step 3 on the Eurosystem's harmonised rating scale. This remapping results from the outcome of the regular review of the mapping of external credit assessment institutions' ratings to the Eurosystem's harmonised rating scale, which aims at ensuring that only assets of high credit quality are accepted as collateral. The remapping will enter into force on 1 November 2019.

#### *ECB Decision on the remuneration of holdings of excess reserves and of certain deposits*

On 15 October 2019 the Governing Council adopted Decision ECB/2019/31 on the remuneration of holdings of excess reserves and of certain deposits (recast). The Decision legally implements the two-tier system for excess reserve remuneration approved by the Governing Council as part of the comprehensive package of non-standard monetary policy measures announced on 12 September 2019. The Decision, which will apply from the seventh reserve maintenance period of 2019 starting on 30 October 2019, is available on the ECB's website.

#### *Technical parameters for the resumption of net asset purchases under the APP*

On 23 October 2019 the Governing Council confirmed that the main features of the asset purchase programme (APP) will remain mostly unchanged when net purchases are restarted.

In particular, the allocation across eligible jurisdictions of purchases under the public sector purchase programme (PSPP) will continue to be guided, on a stock basis, by the respective national central banks'

subscription to the ECB's capital key, as amended over time. In addition, PSPP principal redemptions will normally be reinvested in the jurisdiction in which the repayments are made. As was done previously, PSPP reinvestments will be distributed over the year to allow for a regular and balanced market presence. The Governing Council also decided that purchases of marketable debt securities issued by international organisations and multilateral development banks will be conducted by fewer national central banks to simplify implementation and protect market functioning.

For the private sector purchase programmes, market capitalisation will continue to be the guiding principle for purchases and there are no changes to eligibility criteria.

## **Market infrastructure and payments**

### *Amending TARGET2 Guideline*

On 4 October 2019 the Governing Council adopted Guideline ECB/2019/30 amending Guideline ECB/2012/27 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2). The amending Guideline covers requirements linked to the 2019 technical release which will be introduced in November 2019, in particular the enhancement of the contingency solution, as well as the introduction of a requirement for participants to provide proof of adherence to the TARGET2 endpoint security principles. The amending Guideline, which will apply from 17 November 2019, is available on the ECB's website.

## **Advice on legislation**

### *ECB Opinion on additional macroprudential tools for residential mortgages in Luxembourg*

On 27 September 2019 the Governing Council adopted Opinion CON/2019/34 at the request of the Luxembourg Ministry of Finance.

## **Corporate governance**

### *Interim Chair of the Information Technology Committee*

On 7 October 2019 the Governing Council appointed Mr Magi Clavé, Deputy Director General of the ECB's Directorate General Information Systems, as Interim Chair of the Information Technology Committee, with effect from 1 October 2019 until the end of March 2020.

### *Amendments to the Conditions of Employment for Staff of the European Central Bank*

On 9 October 2019 the Governing Council adopted Decision ECB/2019/NP30 amending the Conditions of Employment for Staff of the European Central Bank as regards sub-divisions of salary bands and additional selection criteria and Decision ECB/2019/NP31 amending Annex IIa of the Conditions of Employment for Staff of the European Central Bank. The amending Decisions enhance the ECB's talent management framework and introduce, in particular, mobility as an additional selection criterion for

promotion, sub-divisions within salary bands to allow for promotions within salary bands, and incentives to enhance the retention of Graduate Programme participants. The amending Decisions entered into force on 10 October 2019 and the Conditions of Employment are available on the ECB's website.

*Opinion of the Governing Council of the European Central Bank on a Council recommendation on the appointment of a member of the Executive Board of the European Central Bank*

On 23 October 2019 the Governing Council adopted Opinion CON/2019/35 at the request of the President of the European Council. A related press release is available on the ECB's website.

## **Statistics**

*Amending ECB Regulation concerning statistics on the money markets*

On 27 September 2019 the Governing Council adopted Regulation ECB/2019/29 amending Regulation (EU) No 1333/2014 concerning statistics on the money markets. The amending Regulation, which enhances Annex IV on the minimum standards to be applied by the actual reporting population, is available on the ECB's website.

## **Banking supervision**

*SSM supervisory priorities and SSM risk assessment for 2020*

On 30 September 2019 the Governing Council did not object to a proposal by the Supervisory Board to publish a summary of the SSM supervisory priorities and a summary of the SSM risk assessment for 2020. The summaries are available on the ECB's banking supervision website.

*Results of the 2019 supervisory stress test*

On 2 October 2019 the Governing Council did not object to the report prepared by the Supervisory Board on the aggregate results of the 2019 liquidity stress test. The report concludes that the vast majority of banks directly supervised by the ECB have overall comfortable liquidity positions despite some vulnerabilities that require further attention. A related press release, together with the results, was subsequently published on the ECB's banking supervision website.

*New process for the recognition of contractual netting agreements under Articles 295 to 298 of the CRR*

On 2 October 2019 the Governing Council did not object to a proposal by the Supervisory Board establishing a new process to be applied by the ECB for the recognition of contractual netting agreements under Articles 295 to 298 of the Capital Requirements Regulation (CRR). The new process, which was communicated to all significant institutions and is explained in a letter published in the "letters to banks" section of the ECB's banking supervision website, will apply from 10 November 2019.

*ECB decisions on the significance of supervised credit institutions*

On 7, 10 and 24 October 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 published on the ECB's banking supervision website.