

30 October 2020

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

October 2020

Market operations

Amendments to monetary policy implementation guidelines

On 25 September 2020 the Governing Council adopted amendments to the ECB legal framework for the implementation of monetary policy, applicable from 1 January 2021. Under the amended Guidelines, no secured marketable assets other than asset-backed securities and covered bonds would be accepted as Eurosystem collateral. The ECB will also phase out non-legislative covered bonds (i.e. contractual covered bonds) from the Eurosystem collateral framework. The amended Guidelines also clarify the application process and acceptance criteria for external credit assessment institutions in the Eurosystem credit assessment framework, and furthermore amend the Eurosystem monetary policy counterparty framework with respect to the treatment of confirmed breaches of minimum own funds requirements and breaches of the obligation to report information on capital ratios within the required deadlines. A related press release, the amended Guidelines (Guideline ECB/2020/45 amending Guideline (EU) 2015/510 on the implementation of the Eurosystem monetary policy framework, Guideline ECB/2020/46 amending Guideline (EU) 2016/65 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework, and Guideline ECB/2020/47 amending Guideline ECB/2014/31 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral) and the Decision those Guidelines implement (Decision ECB/2020/48 amending Decision (EU) 2020/187 on the implementation of the third covered bonds purchase programme) are available on the ECB's website.

Guideline amending Guideline ECB/2008/5 on the management of foreign reserve assets

On 8 October 2020 the Governing Council adopted Guideline (EU) 2020/1514 amending Guideline ECB/2008/5 on the management of the foreign reserve assets of the European Central Bank by the national central banks and the legal documentation for operations involving such assets (ECB/2020/49). The amending Guideline makes explicit that the updated and new versions or editions of standard agreements relevant for the ECB's foreign reserve management may be used, with the ECB's approval. It also makes English the default language of master netting agreements for all counterparties, in respect of

all new netting agreements entered into after 13 October 2020 which is the date from which the amended Guideline takes effect. The amending Guideline is available in EUR-Lex.

Market infrastructure and payments

Public consultation on the draft Eurosystem oversight framework for electronic payment instruments, schemes and arrangements

On 22 October 2020 the Governing Council approved the launch of a two-month public consultation on the draft Eurosystem oversight framework and assessment methodology for electronic payment instruments, schemes and arrangements (PISA) and the draft exemption policy for the related Eurosystem oversight framework (the three documents together comprise the so-called PISA Framework).

The PISA framework is intended to replace the current oversight standards for payment instruments and payment schemes and the related oversight frameworks and guidelines for cards, direct debits and credit transfers, as well as the security objectives for e-money. It aligns the Eurosystem oversight standards to the extent possible with international oversight standards (the CPMI-IOSCO Principles for financial market infrastructures), with the Eurosystem oversight standards for systemically important payment systems and with the revised oversight framework for retail payment systems. It also takes into consideration recent regulatory, technological and market developments and the experience gained with oversight assessments of card payment schemes and Single Euro Payments Area (SEPA) payment schemes. The public consultation is available on the ECB's website.

Rescheduling of the Eurosystem Collateral Management System

On 22 October 2020 the Governing Council decided to reschedule the launch date for the Eurosystem Collateral Management System (ECMS) from November 2022 to November 2023. This change, advised by the Market Infrastructure Board, follows the earlier decision of the Governing Council to postpone the launch date for the project to consolidate the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) and TARGET2-Securities (T2S) from November 2021 to November 2022 as a result of the concerns raised by market participants about their ability to be ready in time for the original launch date in November 2021, owing to the current adverse environment.

Advice on legislation

ECB Opinion on conferral of additional tasks related to the single euro payments area (SEPA) on the Bank of Greece as national competent authority

On 6 October 2020 the Governing Council adopted Opinion CON/2020/23 at the request of the Greek Ministry of Finance.

ECB Opinion on the provision of short-term liquidity from Banca Națională a României to the Bank Deposit Guarantee Fund

On 26 October 2020 the Governing Council adopted Opinion CON/2020/24 at the request of Banca Națională a României.

ECB Opinion on the deposit guarantee scheme and other amendments to the financial services legislation in Luxembourg

On 27 October 2020 the Governing Council adopted Opinion CON/2020/25 at the request of the Luxembourg Ministry of Finance.

Corporate governance

New member of the Market Infrastructure Board

On 25 September 2020 the Governing Council appointed Ms Inge van Dijk, Director of the Payments and Market Infrastructures Division at De Nederlandsche Bank, as a member of the Market Infrastructure Board, replacing Ms Petra Hielkema, with immediate effect for a term ending on 31 May 2022.

Interim Chair of the Information Technology Committee

On 30 September 2020 the Governing Council confirmed the extension of the appointment of Mr Magí Clavé, Deputy Director General of the Directorate General Information Systems (DG/IS), as interim Chair of the Information Technology Committee (ITC) until a new Director General of DG/IS is appointed.

Enhanced ECB whistleblowing framework

On 27 October 2020 the Governing Council adopted Decision (EU) 2020/1575 as regards the assessment of and follow-up on information on breaches reported through the whistleblowing tool where a person concerned is a high-level ECB official. The ECB's internal reporting platform has recently been set up so that information on breaches reported using the platform may include reports referring to a high-level ECB official as a person to whom a breach is attributed, or with whom that person is associated. This Decision forms part of a newly enhanced ECB whistleblowing framework that, in addition to introducing a secure reporting tool also delivers a strengthened policy for protection against retaliation. The Decision aims at ensuring a smooth implementation of the enhanced framework by providing for a thorough assessment and follow-up on all reports submitted through the new reporting tool in accordance with a harmonised procedure. The Decision is available in EUR-Lex.

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 28 October 2020 the Governing Council adopted Opinion CON/2020/26 at the request of the President of the European Council. A related press release is available on the ECB's website.

Statistics

Amendment to Guidelines regarding the frequency of quality reporting

On 14 October 2020 the Governing Council adopted amendments to ECB Guidelines ECB/2013/23 on government finance statistics, ECB/2013/24 on the statistical reporting requirements of the ECB in the field of quarterly financial accounts and ECB/2011/23 on the statistical reporting requirements of the ECB in the field of external statistics. The main purpose of the amendments is to change the frequency of reporting on the quality of the data collected from annual to biennial, in order to achieve a better balance between the need for monitoring and reporting this information to the Governing Council and the burden on euro area NCBs and the ECB in the preparation of reports on data quality. To allow for flexibility and

adequate reaction to data quality issues in the interim, each Guideline gives the discretion to submit ad hoc reports to the Governing Council when deemed necessary. The three amending Guidelines (Guideline ECB/2020/50 amending Guideline ECB/2013/23 on government finance statistics, Guideline ECB/2020/51 amending Guideline ECB/2013/24 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts, and Guideline ECB/2020/52 amending Guideline ECB/2011/23 with regard to the frequency of reporting to the European Central Bank on the quality of external statistics) also introduced minor technical amendments. The three amending Guidelines are available in EUR-Lex.

Transmission of confidential statistical information on economic and financial statistics to Eurostat

On 22 October 2020 the Governing Council approved the quarterly transmission to the Statistical Office of the European Union (Eurostat) of confidential statistical information concerning the ECB, the European Stability Mechanism and the European Financial Stability Facility for the purpose of compiling EU balance of payments statistics. The Governing Council also adopted an ECB Decision delegating to the ECB Executive Board such future decisions on the transmission of confidential statistical information on economic and financial statistics to Eurostat. The Decision will be published in EUR-Lex.

Banknotes

Revised common policy on the publication of Currency Information System and banknote production data

On 30 September 2020 the Governing Council approved the revised common policy on the publication of Currency Information System (CIS2) and banknote production data. As a result of the amendments, the monthly national net issuance data on banknotes, broken down by denomination and national central bank, will be published via the Statistical Data Warehouse (SDW) and on the ECB's website with a delay of nine months after the year-end. The data will be published for the first time in autumn 2020 and will cover the period from 2002 to the end of 2019. The common policy was established in 2002 and since then the Eurosystem has published via the SDW and on the ECB's website only aggregated euro area figures broken down by denomination.

Banking supervision

Compliance with EBA Guidelines on credit risk mitigation

On 6 October 2020 the Governing Council did not object to a proposal by the Supervisory Board to notify the European Banking Authority (EBA) that, for the significant institutions under its direct supervision, the ECB intends to comply with the Guidelines on credit risk mitigation (CRM) for institutions applying the internal ratings-based (IRB) approach with own estimates of loss given default (LGD) (EBA/GL/2020/05) by the date of application of the Guidelines – i.e. from 1 January 2022. The Guidelines clarify the application of the CRM provisions and provide additional detailed guidance on the methods for recognising different CRM techniques.

Compliance with the EBA Guidelines on the equivalence of confidentiality regimes

On 16 October 2020 the Governing Council did not object to a proposal by the Supervisory Board to notify the EBA that, for the significant institutions under its direct supervision, the ECB intends to comply

with the Guidelines on the equivalence of confidentiality regimes (EBA/GL/2020/03) from the date of notification. The EBA assesses whether the confidentiality regimes of third country authorities are equivalent to those applicable under EU law in order to facilitate the participation of these authorities in supervisory colleges overseeing international credit institutions. The issuance of the Guidelines by the EBA was necessary because the legal instrument used for the procedure on equivalence assessment of third country authorities was changed from Recommendations to Guidelines and the list of third country supervisory authorities whose confidentiality regime is deemed equivalent by the EBA was amended to include the New York State Department of Financial Services (NY DFS).