

GUIDELINE (EU) 2020/1692 OF THE EUROPEAN CENTRAL BANK

of 25 September 2020

amending Guideline (EU) 2016/65 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework

(ECB/2020/46)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union and in particular the first indent of Article 127(2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular the first indent of Article 3.1, Articles 9.2, 12.1, 14.3, 18.2 and the first paragraph of Article 20 thereof,

Whereas:

- (1) Adjustments need to be made to the Eurosystem risk control and valuation framework to reflect the fact that non-legislative covered bonds (i.e. contractual covered bonds) should no longer be accepted as Eurosystem collateral.
- (2) Therefore, Guideline (EU) 2016/65 of the European Central Bank (ECB/2015/35) ⁽¹⁾ should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

Article 1

Amendments

Guideline (EU) 2016/65 (ECB/2015/35) is amended as follows:

(1) Article 2 is amended as follows:

- (a) in point (b), the wording ‘as well as UCITS compliant jumbo covered bonds’ is replaced by the wording ‘as well as jumbo covered bonds’;
- (b) point (c) is replaced by the following:
 - (c) legislative covered bonds other than jumbo covered bonds; *multi cédulas*; and debt instruments issued by (i) non-financial corporations, (ii) corporations in the government sector, and (iii) agencies which are non-credit institutions that do not meet the quantitative criteria set out in Annex XIIa to Guideline (EU) 2015/510 (ECB/2014/60), are included in haircut category III;’

(2) in the Annex, Table 1 is replaced by the following:

Table 1

Haircut categories for eligible marketable assets based on the type of issuer and/or type of asset

| Category I | Category II | Category III | Category IV | Category V |
|---|---|--|---|--------------------------|
| debt instruments issued by central governments ECB debt certificates | debt instruments issued by local and regional governments | Legislative covered bonds other than jumbo covered bonds <i>multi cédulas</i> | unsecured debt instruments issued by credit institutions and agencies which are credit institutions that do not meet the quantitative criteria set out in Annex XIIa to Guideline (EU) 2015/510 (ECB/2014/60) | asset-backed securities’ |

⁽¹⁾ Guideline (EU) 2016/65 of the European Central Bank of 18 November 2015 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework (ECB/2015/35) (OJ L 14, 21.1.2016, p. 30).

| Category I | Category II | Category III | Category IV | Category V |
|--|--|--|--|------------|
| debt certificates issued by national central banks (NCBs) prior to the date of adoption of the euro in their respective Member State | debt instruments issued by entities (credit institutions or non-credit institutions) classified by the Eurosystem as agencies and which meet the quantitative criteria set out in Annex XIIIa to Guideline (EU) 2015/510 (ECB/2014/60) debt instruments issued by multilateral development banks and international organisations jumbo covered bonds | debt instruments issued by non-financial corporations, corporations in the government sector and agencies which are non-credit institutions that do not meet the quantitative criteria set out in Annex XIIIa to Guideline (EU) 2015/510 (ECB/2014/60) | unsecured debt instruments issued by financial corporations other than credit institutions | |

Article 2

Taking effect and implementation

1. This Guideline shall take effect on the day of its notification to the national central banks of the Member States whose currency is the euro.
2. The national central banks of the Member States whose currency is the euro shall take the necessary measures to comply with this Guideline and apply them from 1 January 2021. They shall notify the European Central Bank of the texts and means relating to those measures by 6 November 2020 at the latest.

Article 3

Addressees

This Guideline is addressed to the national central banks of the Member States whose currency is the euro.

Done at Frankfurt am Main, 25 September 2020.

For the Governing Council of the ECB
The President of the ECB
 Christine LAGARDE