



MONETARY POLICY COUNTERPARTY AGREEMENT – (concerning only overnight deposits)

1 Parties to the Agreement

Bank of Finland, contact information: Bank of Finland, P.O. Box 160, FI-00101 Helsinki, registry(at)bof.fi

and

XX Bank Ltd (business ID), contact information:

2 Purpose and scope of the Agreement

Pursuant to Article 127(2) of the Treaty on the Functioning of the European Union, one of the basic tasks of the European System of Central Banks (ESCB) is to define and implement the monetary policy of the Union. According to Article 12 of the Statute of the European System of Central Banks and of the European Central Bank, the Governing Council of the European Central Bank (ECB) adopts guidelines (hereinafter “ECB Guidelines”) that are binding on the national central banks (NCBs) and takes such decisions as are necessary to ensure the performance of the tasks entrusted to the ESCB. According to Article 14.3 of the Statute, the NCBs are an integral part of the ESCB and act in accordance with the guidelines and instructions of the ECB. The Eurosystem’s¹ monetary policy operations are executed under uniform terms and conditions in all Member States. The legal relationship between the Eurosystem and its counterparties shall be established in appropriate contractual or regulatory arrangements applied by the Bank of Finland as the relevant national central bank, in which the provisions of the ECB Guidelines are implemented accordingly.

¹ The expression ‘Eurosystem’ is used of the composition in which the ESCB carries out its basic tasks. The Eurosystem comprises the ECB and the NCBs of those Member States that have adopted the euro as their single currency in accordance with the Treaty on the Functioning of the European Union.

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Under this Agreement, the Counterparty has the right to access the Eurosystem's overnight deposit facility, which is one of the standing facilities offered by the Eurosystem (ECB Guideline (ECB/2014/60), Title II, Chapter 2).

Under this Agreement, the Counterparty agrees to observe, in all monetary policy operations with the Bank of Finland, this Agreement and the valid Bank of Finland Rules on monetary policy operations and collateral and any separate agreements concluded between the parties on monetary policy operations. The Bank of Finland Rules on monetary policy operations and collateral include the ECB Guidelines and a document entitled 'Implementation of monetary policy operations and collateral management at the Bank of Finland'. If any of the ECB Guidelines included in the Bank of Finland Rules on monetary policy operations and collateral call for the inclusion by NCBs of certain requirements in their contractual and regulatory arrangements, such requirements shall apply to this contractual relationship. The Bank of Finland Rules on monetary policy operations and collateral are available on the Bank of Finland's website.² In case of any conflict of interpretation between the abovementioned documentation, the ECB Guidelines shall always take precedence.

The Counterparty is required to know and comply with all relevant decisions and regulations issued by the ECB that constitute directly applicable law.

This Agreement shall be in force until further notice. Any notices pertaining to this Agreement shall be considered to have been served validly to the other party when given to the party specified in section 1 of this Agreement.

3 Right to amend the Agreement and the Rules

The ECB may decide to unilaterally amend guidelines included in the Bank of Finland Rules on monetary policy operations and collateral. The ECB Guidelines and amendments thereto shall apply as from the date specified in the relevant legal document.

The Bank of Finland is entitled to unilaterally amend its guidance, which constitutes a part of the Bank of Finland Rules on monetary policy operations and collateral.

The Counterparty shall be notified electronically of any amendments of the Rules. Such amendments shall take effect on the date specified in the notification.

² <https://www.suomenpankki.fi/en/media-and-publications/publications/instructions-and-rules/bank-of-finland-rules-for-counterparties-and-customers/>



4 Events of default and grounds of prudence

The Bank of Finland Rules on monetary policy operations and collateral include the events of default defined in the ECB Guidelines and the remedies that may be exercised by the Bank of Finland in the event of default and on the grounds of prudence. The Counterparty undertakes to abide by the financial sanctions set out in ECB Guidelines and included in the Bank of Finland Rules on monetary policy operations and collateral.

Following an event of default, the Bank of Finland may claim default interest and an indemnity for any losses sustained as a consequence of such default by the Counterparty.

5 The relation of this Agreement to other agreements

The Counterparty shall not be entitled to assign this Agreement to a third party.

6 Disclosure of information

Secrecy provisions notwithstanding, the Bank of Finland shall have the right to disclose to the ECB and all national central banks participating in the ESCB any information concerning the Counterparty with relevance to the Eurosystem's monetary policy operations and the Eurosystem's related obligations.

7 Termination

This Agreement may be terminated subject to one (1) month's notice. The notice of termination of this Agreement shall be made in writing and it shall be considered to have been served to the other party at the latest on the following TARGET day. During the month following the termination, the Bank of Finland shall instruct the other party, with a view to the ECB Guidelines, the Bank of Finland's statutory duties as a national central bank and the individual terms of any outstanding monetary policy operations, to detach from the counterparty status, including the netting of any obligations between the parties.

Notwithstanding the above-mentioned periods of notice, the Bank of Finland shall be entitled to exclude the Counterparty from access to monetary policy operations on the grounds of prudence or Counterparty has been placed under resolution or in the event of severe or persistent default on the part of the Counterparty in performing its



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obligations under the contractual or regulatory arrangement applied by the ESCB vis-à-vis the Bank of Finland.

The Bank of Finland shall not be held liable for indemnity in respect of any possible damage to the Counterparty on the basis of the abovementioned exclusion from monetary policy operations or termination of this Agreement.

8 Governing law and jurisdiction

This Counterparty Agreement shall be governed by the law of Finland.

Any disputes concerning this Agreement shall be adjudicated in the first instance by the Helsinki district court.

This Agreement shall enter into force on.....

This Agreement has been drawn up in two identical copies, one for each party.

Helsinki, _____

SUOMEN PANKKI – FINLANDS BANK

XXXX BANK
