



EUROPEAN CENTRAL BANK
EUROSYSTEM

DG MARKET OPERATIONS

29 June 2015

Money Market Contact Group

Monday, 29 June 2015, 10:30 – 11:00 CET

Summary of the discussion

On 29 June, an ad-hoc teleconference was held with the members of the ECB Money Market Contact Group (MMCG) in order to discuss the impact of the developments in Greece on the euro area money market.

MMCG members noted that market reaction to recent developments in Greece on money market rates, trading volumes and risk premia had been relatively limited. Current developments in the money market rates and market activity were primarily attributed to the quarter-end balance sheet management considerations. Banks were however cautious about a possible market reaction going forward and would closely monitor developments in the market risk premia and conditions in the foreign currency funding markets.

Furthermore, MMCG emphasised the existing market uncertainty about the rules for payments to and from Greek banks during the declared bank holiday in Greece, which would warrant a clear and a broadly available communication on this issue.

In order to address market uncertainty with regard to payment and settlement systems, the ECB announced on 29 June 2015 that: *“Today 29/06/2015 the Bank of Greece has declared a bank holiday in Greece. TARGET2 and T2S remain open and the Single Shared Platform of TARGET2 as well as the T2S platform remain technically fully operational. All transactions from participants in Greece to participants in other Member States (including transactions of ancillary systems aiming at debiting a participant in Greece) that have been entered in the above systems from the previous days with value date 29/6/2015, are presented for settlement. However, from 29/06/2015 until further notice, new TARGET2 transactions from participants in Greece to participants in other Member States (including transactions of ancillary systems aiming at debiting a participant in Greece), with the exception of those that are subject to specific approval, are forbidden by regulatory measures imposed by the Bank of Greece. This applies to transactions from both Payment Module accounts (PM accounts) or dedicated cash accounts (DCAs). All other TARGET2 transactions, including payments from participants in other Member States to participants in Greece, are not impacted. For further questions, please contact the TARGET2 National Service Desk of your Central Bank.”*

Finally, the ECB encouraged market participants to closely monitor the website of the Bank of Greece for any further announcements on the rules governing transactions with Greek banks.