



EUROPEAN CENTRAL BANK  
EUROSYSTEM

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ECB-PUBLIC

**DECISION (EU) [2018/XX] OF THE EUROPEAN CENTRAL BANK**  
**of 10 August 2018**  
**on the eligibility of marketable debt instruments issued or fully guaranteed**  
**by the Hellenic Republic and repealing Decision (EU) 2016/1041**  
**(ECB/2018/21)**

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, Article 12.1, Article 18 and the second indent of Article 34.1 thereof,

Having regard to Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (General Documentation Guideline) (ECB/2014/60)<sup>1</sup>, and in particular Article 1(4), Titles I, II, IV, V, VI and VIII of Part Four, and Part Six thereof,

Having regard to Guideline ECB/2014/31 of the European Central Bank of 9 July 2014 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9<sup>2</sup>, and in particular Articles 1(3) and 6(1) and Article 8 thereof,

Whereas:

- (1) Pursuant to Article 18.1 of the Statute of the European System of Central Banks and of the European Central Bank, the European Central Bank (ECB) and the national central banks of Member States whose currency is the euro may conduct credit operations with credit institutions and other market participants, with lending being based on adequate collateral.
- (2) The standard criteria and minimum requirements for credit quality thresholds determining the eligibility of marketable assets as collateral for the purposes of Eurosystem monetary policy operations are laid down in Guideline (EU) 2015/510 (ECB/2014/60) and in particular in Article 59 and in Part Four, Title II thereof.

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<sup>1</sup> OJ L 91, 2.4.2015, p. 3.

<sup>2</sup> OJ L 240, 13.8.2014, p. 28.

- (3) Pursuant to Article 1(4) of Guideline (EU) 2015/510 (ECB/2014/60), the Governing Council may, at any time, change the tools, instruments, requirements, criteria and procedures for the implementation of Eurosystem monetary policy operations. Pursuant to Article 59(6) of Guideline (EU) 2015/510 (ECB/2014/60), the Eurosystem reserves the right to determine whether an issue, issuer, debtor or guarantor fulfils the Eurosystem's credit quality requirements on the basis of any information that the Eurosystem may consider relevant for ensuring adequate risk protection of the Eurosystem.
- (4) By way of derogation from the Eurosystem's credit quality requirements for marketable assets, Article 8(2) of Guideline ECB/2014/31 provides that the Eurosystem's credit quality thresholds do not apply to marketable debt instruments issued or fully guaranteed by the central governments of euro area Member States under a European Union/International Monetary Fund programme, unless the Governing Council decides that the respective Member State does not comply with the conditionality of the financial support and/or the macroeconomic programme.
- (5) On 19 August 2015, following the expiry of the preceding European Financial Stability Facility (EFSF) programme of financial support for Greece, the Board of Governors of the European Stability Mechanism (ESM) approved the current three-year financial assistance programme for Greece.
- (6) The Governing Council assessed the effects of the abovementioned ESM programme for Greece, the continued implementation thereof and the commitment demonstrated by the Greek authorities to fully implement the programme. On the basis of that assessment, the Governing Council considered the Hellenic Republic to be in compliance with the conditionality of the programme. Consequently, on 22 June 2016, the Governing Council adopted Decision (EU) 2016/1041 of the European Central Bank (ECB/2016/18)<sup>3</sup> which restored the eligibility of marketable debt instruments issued or fully guaranteed by the Hellenic Republic for Eurosystem monetary policy operations, subject to applying specific haircuts to such instruments, and provided that the Hellenic Republic should be considered a euro area Member State compliant with a European Union/International Monetary Fund programme.
- (7) Currently, Article 1(3) of Guideline ECB/2014/31 provides that, for the purposes of Article 6(1) and Article 8 of that Guideline, the Hellenic Republic should be considered a euro area Member State compliant with a European Union/International Monetary Fund programme. Moreover, Article 8(3) of that Guideline provides that marketable debt instruments issued or fully guaranteed by the Hellenic Republic are subject to the specific haircuts set out in Annex I to that Guideline.
- (8) Pursuant to Article 1 of the Financial Assistance Facility Agreement between the European Stability Mechanism, the Hellenic Republic, the Bank of Greece and the Hellenic Financial Stability Fund dated 19 August 2015<sup>4</sup>, the termination date of the current ESM programme is 20 August 2018. Consequently, from 21 August 2018 the Hellenic Republic can no longer be considered a euro

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<sup>3</sup> Decision (EU) 2016/1041 of the European Central Bank of 22 June 2016 on the eligibility of marketable debt instruments issued or fully guaranteed by the Hellenic Republic and repealing Decision (EU) 2015/300 (ECB/2016/18) (OJ L169, 28.6.2016, p. 14).

<sup>4</sup> Available on the ESM's website at [www.esm.europa.eu](http://www.esm.europa.eu).

area Member State under a European Union/International Monetary Fund programme. As a result, from that date, the conditions for the temporary suspension of the Eurosystem's credit quality thresholds in respect of marketable debt instruments issued or fully guaranteed by the Hellenic Republic, as set out in Article 8(2) of Guideline ECB/2014/31, will no longer be fulfilled.

- (9) Therefore, the Governing Council has decided that from 21 August 2018 the Eurosystem's standard criteria and credit quality thresholds should apply in respect of marketable debt instruments issued or fully guaranteed by the Hellenic Republic and that such debt instruments will be subject to the standard haircuts set out in Guideline (EU) 2016/65 of the European Central Bank (ECB/2015/35)<sup>5</sup>,

HAS ADOPTED THIS DECISION:

*Article 1*

**Eligibility of marketable debt instruments issued or fully guaranteed by the Hellenic Republic**

1. For the purposes of Articles 1(3) and 6(1) and Article 8 of Guideline ECB/2014/31, the Hellenic Republic shall no longer be considered a euro area Member State under a European Union/International Monetary Fund programme.
2. The Eurosystem's minimum requirements for credit quality thresholds, as laid down in Guideline (EU) 2015/510 (ECB/2014/60) and in particular in Article 59 and in Part Four, Title II thereof, shall apply to marketable debt instruments issued or fully guaranteed by the Hellenic Republic.
3. Marketable debt instruments issued or fully guaranteed by the Hellenic Republic shall no longer be subject to the specific haircuts set out in Annex I to Guideline ECB/2014/31.

*Article 2*

**Repeal**

Decision (EU) 2016/1041 (ECB/2016/18) is hereby repealed.

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<sup>5</sup> 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).

*Article 3*

**Final provisions**

1. This Decision shall enter into force on 21 August 2018.
2. In the event of any discrepancy between this Decision and any of Guideline (EU) 2015/510 (ECB/2014/60) and Guideline ECB/2014/31, as implemented at national level by the national central banks of Member States whose currency is the euro, this Decision shall prevail.

Done at Frankfurt am Main, 10 August 2018.

[signed]

*The President of the ECB*

Mario DRAGHI