



**EUROPEAN CENTRAL BANK**  
EUROSYSTEM

**ECB-PUBLIC**

*COURTESY TRANSLATION*

Mario DRAGHI  
President

Mr Dimitrios Papadimoulis  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
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Frankfurt, 29 August 2016

L/MD/16/394

**Re: Your letter (QZ-077)**

Honourable Member of the European Parliament, dear Mr Papadimoulis,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 27 July 2016.

On 22 June 2016 the Governing Council of the European Central Bank (ECB) decided to reinstate the waiver of the minimum credit rating requirements for marketable instruments issued or guaranteed by the Hellenic Republic, subject to special haircuts. As a result, counterparties were again able to submit marketable instruments issued or guaranteed by the Hellenic Republic as collateral in the ECB's credit operations. This decision took into account the successful completion of the first review of the current European Stability Mechanism (ESM) programme for Greece. Furthermore, the Governing Council acknowledged the commitment demonstrated by the Greek authorities to implement the ESM macroeconomic adjustment programme, while expecting continued compliance with the programme's conditionality.

On the same occasion, the Governing Council indicated that possible purchases of marketable instruments issued or guaranteed by the Hellenic Republic under the public sector purchase programme (PSPP) would be examined at a later stage, taking into account the progress made in the analysis and reinforcement of Greece's debt sustainability, including the Governing Council's own assessment, as well as other risk

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management considerations.<sup>1</sup> As regards the sustainability of debt, the Eurogroup noted in its statement of 25 May 2016 that it was considering a series of measures to be implemented in the short, medium and long term, with the aim of bringing debt on a declining path and gross financing needs to sustainable levels.<sup>2</sup> In the light of the above, a precise timeline for the possible purchase of marketable instruments issued or guaranteed by the Hellenic Republic under the PSPP cannot be specified at the current juncture.

Yours sincerely,

[signed]

Mario Draghi

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<sup>1</sup> See the ECB's press release of 22 June 2016, available on the ECB's website at [https://www.ecb.europa.eu/press/pr/date/2016/html/pr160622\\_1.en.html](https://www.ecb.europa.eu/press/pr/date/2016/html/pr160622_1.en.html)

<sup>2</sup> See the documentation on the Eurogroup's dedicated webpage, available at <http://www.consilium.europa.eu/en/meetings/eurogroup/2016/05/24/>

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