

DECISION (EU) 2017/1360 OF THE EUROPEAN CENTRAL BANK**of 18 May 2017****amending Decision ECB/2014/40 on the implementation of the third covered bond purchase programme (ECB/2017/14)**

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 second subparagraph of Article 12.1 in conjunction with the first indent of Article 3.1, and Article 18.1 thereof,

Whereas:

- (1) Decision ECB/2014/40 ⁽¹⁾ established the third covered bond purchase programme (hereinafter the 'CBPP3'). Alongside the asset-backed securities purchase programme, the secondary markets public sector asset purchase programme and the corporate sector purchase programme, the CBPP3 is part of the expanded asset purchase programme (APP). The APP aims to further enhance the transmission of monetary policy, facilitate the provision of credit to the euro area economy, ease borrowing conditions for households and firms and contribute to returning inflation rates to levels below but close to 2 % over the medium term, consistent with the primary objective of the European Central Bank (ECB) of maintaining price stability.
- (2) Achieving a single monetary policy, including through the APP, entails defining the tools, instruments and procedures to be used by the Eurosystem, in order to implement such a policy in a uniform manner throughout the Member States whose currency is the euro.
- (3) The Governing Council decided on 22 March 2017 to further refine the rules applicable to covered bond issuers which are wind-down entities to ensure their consistent treatment in the Eurosystem's monetary policy through the APP.
- (4) Therefore, Decision ECB/2014/40 should be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Amendment

In Article 2 of Decision ECB/2014/40, the following point 8 is added:

- '8. The issuer of the covered bonds is not an entity, whether publicly or privately owned, that: (a) has as its main purpose the gradual divestment of its assets and the cessation of its business; or (b) is an asset management or divestment entity established to support financial sector restructuring and/or resolution, including asset management vehicles resulting from a resolution action in the form of the application of an asset separation tool pursuant to Article 26 of Regulation (EU) No 806/2014 of the European Parliament and of the Council (*) or national legislation implementing Article 42 of Directive 2014/59/EU of the European Parliament and of the Council (**).

(*) Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1).

(**) Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190).'

⁽¹⁾ Decision ECB/2014/40 of 15 October 2014 on the implementation of the third covered bond purchase programme (OJ L 335, 22.11.2014, p. 22).

*Article 2***Entry into force**

This Decision shall enter into force on 21 July 2017.

Done at Frankfurt am Main, 18 May 2017.

For the Governing Council of the ECB

The President of the ECB

Mario DRAGHI
