



**OPINION OF THE EUROPEAN CENTRAL BANK**  
**of 23 October 2012**  
**on open market operations and standing facilities**  
**(CON/2012/78)**

**Introduction and legal basis**

On 2 October 2012, the European Central Bank (ECB) received a request from Banca Națională a României (BNR) for an opinion on a draft regulation amending BNR Regulation No 1/2000 on open market operations performed by Banca Națională a României and standing facilities granted to eligible participants<sup>1</sup> (hereinafter the ‘draft regulation’).

The ECB’s competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union and Article 2(2) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions<sup>2</sup>, as the draft regulation relates to instruments of monetary policy. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

**1. Purpose of the draft regulation**

The draft regulation repeals the restriction on the number of options in the bids submitted by eligible participants for variable-rate tenders organised by BNR for the purposes of open market operations, as such restriction may have a negative impact on the interbank Romanian leu money market liquidity in certain difficult market situations. This is in line with the commitments under the precautionary financial assistance programme with the International Monetary Fund, the European Union and the World Bank.

The draft regulation also rearranges the wording of BNR Regulation No 1/2000 relating to the requirement that eligible participants in BNR’s open market operations must be subject to the minimum reserve regime, in accordance with BNR’s regulations, for greater clarity and terminological consistency.

**2. Specific observations**

2.1 The amended Article 34 of BNR Regulation No 1/2000 will no longer refer to ‘variable-rate tenders’ and, therefore, the concept of ‘bids’ under Article 34 will encompass bids for both fixed-rate and variable-rate tenders performed for the purposes of BNR’s open market operations. The

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<sup>1</sup> *Monitorul Oficial al României*, Part One, No 142, 5.4.2000.

<sup>2</sup> OJ L 189, 3.7.1998, p. 42.

## ECB-PUBLIC

ECB understands that, under the amended Article 34 of BNR Regulation No 1/2000, options for different amounts in the fixed-rate tenders refer to the amounts with collateral from different International Security Identification Numbers for operations requiring eligible assets as collateral. The ECB further understands that BNR will also modify the operating procedures pursuant to Article 43 of BNR Regulation No 1/2000.

- 2.2 The ECB welcomes the clarification of the requirement that eligible participants in BNR's open market operations must be subject to the minimum reserve regime.

This opinion will be published on the ECB's website three weeks after the date of its adoption.

Done at Frankfurt am Main, 23 October 2012.

[signed]

*The President of the ECB*

Mario DRAGHI