



EUROPEAN CENTRAL BANK
EUROSYSTEM

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ECB-PUBLIC

DECISION (EU) [2015/XX] OF THE EUROPEAN CENTRAL BANK

of 10 February 2015

on the eligibility of marketable debt instruments issued or fully guaranteed

by the Hellenic Republic

(ECB/2015/6)

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 ECB/2011/14 of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem¹, and in particular Section 1.6 and Sections 6.3.1, 6.3.2 and 6.4.2 of Annex I thereto,

Having regard to Guideline ECB/2014/31 of 9 July 2014 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9², and in particular Article 1(3) and Articles 6 and 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 (hereinafter the 'NCBs') may conduct credit operations with credit institutions and other market participants, with lending being based on adequate collateral. The standard criteria determining the eligibility of collateral for the purposes of Eurosystem monetary policy operations are laid down in Annex I to Guideline ECB/2011/14.
- (2) Pursuant to Section 1.6 of Annex I to Guideline ECB/2011/14, the Governing Council may, at any time, change the instruments, conditions, criteria and procedures for the execution of Eurosystem monetary policy operations. Pursuant to Section 6.3.1 of Annex I to Guideline ECB/2011/14, the Eurosystem reserves the right to determine whether an issue, issuer, debtor or guarantor fulfils its

¹ OJ L 331, 14.12.2011, p. 1.

² OJ L 240, 13.8.2014, p. 28.

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requirements for high credit standards on the basis of any information it may consider relevant. Further, the Eurosystem's minimum requirements for credit quality thresholds are specified in the Eurosystem credit assessment framework rules for marketable assets, as laid down in Section 6.3.2 of Annex I to Guideline ECB/2011/14.

- (3) The suspension of the Eurosystem's minimum requirements for credit quality thresholds applicable to marketable debt instruments issued or fully guaranteed by the Hellenic Republic, initially decided by the Governing Council on 6 May 2010, was an exceptional and temporary measure which was based on the positive assessment by the Governing Council of compliance with a European Union/International Monetary Fund programme. At the time, the Governing Council took into consideration the fact that the Hellenic Republic had approved a programme which the Governing Council considered to be appropriate so that, from a credit risk management perspective, the marketable debt instruments issued or guaranteed by the Hellenic Republic retained a quality standard sufficient for their continued eligibility as collateral for Eurosystem monetary policy operations, irrespective of any external credit assessment. Moreover, the Governing Council took into consideration the strong commitment of the Greek Government to fully implement that programme³.
- (4) Under Article 8 of Guideline ECB/2014/31, 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 no longer complies with the conditionality of its financial support and/or macroeconomic programme. Under Article 1(3) of the same Guideline, the Hellenic Republic is, for the purposes of Article 6(1) and Article 8 of that Guideline, considered a euro area Member State compliant with a European Union/International Monetary Fund programme.
- (5) On the basis of the information available, the Governing Council has made an assessment, according to which it is not currently possible to assume a successful conclusion of the review of the European Union/International Monetary Fund programme for the Hellenic Republic. Consequently, the Hellenic Republic is no longer deemed to be in compliance with the conditionality of the programme and, as a result, the conditions for the temporary suspension of the Eurosystem's credit quality thresholds in respect of such instruments, as set out in Article 8(2) of Guideline ECB/2014/31, are no longer fulfilled. As a consequence, the Governing Council has decided that the Eurosystem's credit quality thresholds shall apply in respect of marketable debt instruments issued or fully guaranteed by the Hellenic Republic,

HAS ADOPTED THIS DECISION:

³ See Recital 4 of Decision ECB/2010/3 of 6 May 2010 on temporary measures relating to the eligibility of marketable debt instruments issued or guaranteed by the Greek Government (OJ L 117, 11.5.2010, p. 102).

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Article 1

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

1. For the purposes of Article 6(1) and Article 8 of Guideline ECB/2014/31, the Hellenic Republic shall no longer be considered to be in compliance with a European Union/International Monetary Fund programme.
2. The Eurosystem's minimum requirements for credit quality thresholds, as set out in the Eurosystem credit assessment framework rules for certain marketable assets in Section 6.3.2 of Annex I to Guideline ECB/2011/14, shall apply in the case of marketable debt instruments issued or fully guaranteed by the Hellenic Republic.
2. In the event of any discrepancy between this Decision, Guideline ECB/2011/14 and Guideline ECB/2014/31, as implemented at national level by the NCBs, this Decision shall prevail.

Article 2

Entry into force

This Decision shall enter into force on 11 February 2015.

Done at Frankfurt am Main, 10 February 2015.

[signed]

The President of the ECB

Mario DRAGHI