

EUROPEAN CENTRAL BANK

DECISION OF THE EUROPEAN CENTRAL BANK

of 11 December 2008

amending Decision ECB/2006/17 on the annual accounts of the European Central Bank

(ECB/2008/22)

(2009/98/EC)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

reserves. While forward interest rate swaps should be accounted for in the same manner as 'plain vanilla' interest rate swaps, foreign exchange futures and equity futures should be accounted for in the same manner as interest rate futures,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 26.2 thereof,

HAS DECIDED AS FOLLOWS:

Whereas:

Article 1

Amendments

Decision ECB/2006/17 is amended as follows:

- (1) Decision ECB/2006/17 of 10 November 2006 on the annual accounts of the European Central Bank ⁽¹⁾ needs to be amended to reflect policy decisions and market developments.
- (2) The European Central Bank (ECB) has revised its disclosure policy for securities transactions with a view to enhance further the transparency of the ECB's annual accounts. As part of the revised policy, securities that previously qualified as financial fixed assets should be reclassified from the balance sheet item 'Other financial assets' to the appropriate item under the heading 'asset' depending on the origin of the issuer, the currency denomination and on whether the securities are held-to-maturity. Moreover, all financial instruments that are part of an earmarked portfolio should be included under the item 'Other financial assets'.
- (3) Decision ECB/2006/17 does not contain specific rules on the accounting of forward interest rate swaps, foreign exchange futures and equity futures. Such instruments are increasingly used in the financial markets and may be relevant to the management of the ECB's foreign

1. Article 8 is amended as follows:

(a) Paragraph 2 is replaced by the following:

'2. The revaluation of gold, foreign currency instruments, securities other than those classified as held-to-maturity and non-marketable securities, as well as financial instruments, both on-balance-sheet and off-balance-sheet, shall be performed at the year-end at mid-market rates and prices.'

(b) The following paragraph 4 is added:

'4. Securities classified as held-to-maturity and non-marketable securities shall be valued at amortised costs and shall be subject to impairment.'

⁽¹⁾ OJ L 348, 11.12.2006, p. 38.

2. Article 10 is replaced by the following:

'Article 10

Marketable equity instruments

Marketable equity instruments shall be accounted for in accordance with Article 9 of Guideline ECB/2006/16.'

3. Article 16 is replaced by the following:

'Article 16

Future contracts

Future contracts shall be accounted for in accordance with Article 16 of Guideline ECB/2006/16.'

4. In Article 17 the following sentence is added:

'In the case of forward interest rate swaps the amortisation shall begin from the value date of the transaction.'

5. Annexes I and III to Decision ECB/2006/17 are amended in accordance with the Annex to this Decision.

Article 2

Final provision

This Decision shall enter into force on 31 December 2008.

Done at Frankfurt am Main, 11 December 2008.

The President of the ECB

Jean-Claude TRICHET

ANNEX

Annexes I and III to Decision ECB/2006/17 are amended as follows:

1. The table entitled 'Assets' in Annex I is replaced by the following:

'ASSETS

Balance sheet item	Categorisation of contents of balance sheet items	Valuation principle
Assets		
1 Gold and gold receivables	Physical gold, i.e. bars, coins, plates, nuggets, in storage or "under way". Non-physical gold, such as balances in gold sight accounts (unallocated accounts), term deposits and claims to receive gold arising from the following transactions: (i) upgrading or downgrading transactions; and (ii) gold location or purity swaps where there is a difference of more than one business day between release and receipt	Market value
2 Claim on non-euro area residents denominated in foreign currency	Claims on counterparties resident outside the euro area including international and supranational institutions and central banks outside the euro area denominated in foreign currency	
2.1 Receivables from the International Monetary Fund (IMF)	<p>(a) <i>Drawing rights within the reserve tranche (net)</i></p> <p>National quota minus balances in euro at the disposal of the IMF. The No 2 account of the IMF (euro account for administrative expenses) may be included in this item or under the item "Liabilities to non-euro area residents denominated in euro"</p> <p>(b) <i>Special drawing rights</i></p> <p>Holdings of special drawing rights (gross)</p> <p>(c) <i>Other claims</i></p> <p>General arrangements to borrow, loans under special borrowing arrangements, deposits within the framework of the Poverty Reduction and Growth Facility</p>	<p>(a) <i>Drawing rights within the reserve tranche (net)</i></p> <p>Nominal value, translation at the foreign exchange market rate</p> <p>(b) <i>Special drawing rights</i></p> <p>Nominal value, translation at the foreign exchange market rate</p> <p>(c) <i>Other claims</i></p> <p>Nominal value, translation at the foreign exchange market rate</p>
2.2 Balances with banks and security investments, external loans and other external assets	<p>(a) <i>Balances with banks outside the euro area other than those under asset item "Other financial assets"</i></p> <p>Current accounts, fixed-term deposits, day-to-day money, reverse repo transactions</p>	<p>(a) <i>Balances with banks outside the euro area</i></p> <p>Nominal value, translation at the foreign exchange market rate</p>

Balance sheet item	Categorisation of contents of balance sheet items	Valuation principle
	<p>(b) <i>Security investments outside the euro area other than those under asset item "Other financial assets"</i></p> <p>Notes and bonds, bills, zero bonds, money market paper, equity instruments held as part of the foreign reserves, all issued by non-euro area residents</p> <p>(c) <i>External loans (deposits) to non-euro area residents other than those under asset item "Other financial assets"</i></p> <p>(d) <i>Other external assets</i></p> <p>Non-euro area banknotes and coins</p>	<p>(b)(i) <i>Marketable securities other than held-to-maturity</i></p> <p>Market price and foreign exchange market rate</p> <p>Any premiums or discounts are amortised</p> <p>(b)(ii) <i>Marketable securities classified as held-to-maturity</i></p> <p>Cost subject to impairment and foreign exchange market rate</p> <p>Any premiums or discounts are amortised</p> <p>(b)(iii) <i>Non-marketable securities</i></p> <p>Cost subject to impairment and foreign exchange market rate</p> <p>Any premiums or discounts are amortised</p> <p>(b)(iv) <i>Marketable equity instruments</i></p> <p>Market price and foreign exchange market rate</p> <p>(c) <i>External loans</i></p> <p>Deposits at nominal value, translated at the foreign exchange market rate</p> <p>(d) <i>Other external assets</i></p> <p>Nominal value, translation at the foreign exchange market rate</p>
<p>3 Claims on euro area residents denominated in foreign currency</p>	<p>(a) <i>Security investments inside the euro area other than those under asset item "Other financial assets"</i></p> <p>Notes and bonds, bills, zero bonds, money market paper, equity instruments held as part of the foreign reserves, all issued by euro area residents</p>	<p>(a)(i) <i>Marketable securities other than held-to-maturity</i></p> <p>Market price and foreign exchange market rate</p> <p>Any premiums or discounts are amortised</p> <p>(a)(ii) <i>Marketable securities classified as held-to-maturity</i></p> <p>Cost subject to impairment and foreign exchange market rate</p> <p>Any premiums or discounts are amortised</p> <p>(a)(iii) <i>Non-marketable securities</i></p> <p>Cost subject to impairment and foreign exchange market rate</p> <p>Any premiums or discounts are amortised</p>

Balance sheet item	Categorisation of contents of balance sheet items	Valuation principle
	<p>(b) <i>Other claims on euro area residents other than those under asset item "Other financial assets"</i></p> <p>Loans, deposits, reverse repo transactions, sundry lending</p>	<p>(a)(iv) <i>Marketable equity instruments</i></p> <p>Market price and foreign exchange market rate</p> <p>(b) <i>Other claims</i></p> <p>Deposits and other lending at nominal value, translated at the foreign exchange market rate</p>
<p>4 Claims on non-euro area residents denominated in euro</p>		
<p>4.1 Balances with banks, security investments and loans</p>	<p>(a) <i>Balances with banks outside the euro area other than those under asset item "Other financial assets"</i></p> <p>Current accounts, fixed-term deposits, day-to-day money, reverse repo transactions in connection with the management of securities denominated in euro</p> <p>(b) <i>Security investments outside the euro area other than those under asset item "Other financial assets"</i></p> <p>Equity instruments, notes and bonds, bills, zero bonds, money market paper, all issued by non-euro area residents</p> <p>(c) <i>Loans to non-euro area residents other than those under asset item "Other financial assets"</i></p> <p>(d) <i>Securities issued by entities outside the euro area other than those under asset item "Other financial assets"</i></p> <p>Securities issued by supranational or international organisations, e.g. the European Investment Bank, irrespective of their geographical location</p>	<p>(a) <i>Balances with banks outside the euro area</i></p> <p>Nominal value</p> <p>(b)(i) <i>Marketable securities other than held-to-maturity</i> Market price</p> <p>Any premiums or discounts are amortised</p> <p>(b)(ii) <i>Marketable securities classified as held-to-maturity</i></p> <p>Cost subject to impairment</p> <p>Any premiums or discounts are amortised</p> <p>(b)(iii) <i>Non-marketable securities</i></p> <p>Cost subject to impairment</p> <p>Any premiums or discounts are amortised</p> <p>(b)(iv) <i>Marketable equity instruments</i></p> <p>Market price</p> <p>(c) <i>Loans outside the euro area</i></p> <p>Deposits at nominal value</p> <p>(d)(i) <i>Marketable securities other than held-to-maturity</i></p> <p>Market price</p> <p>Premiums/discounts are amortised</p> <p>(d)(ii) <i>Marketable securities classified as held-to-maturity</i></p> <p>Cost subject to impairment</p> <p>Any premiums or discounts are amortised</p>

Balance sheet item	Categorisation of contents of balance sheet items	Valuation principle
		(d)(iii) <i>Non-marketable securities</i> Cost subject to impairment Any premiums or discounts are amortised
4.2 Claims arising from the credit facility under ERM II	Lending according to the ERM II conditions	Nominal value
5 Lending to euro area credit institutions related to monetary policy operations denominated in euro	Items 5.1 to 5.5: transactions according to the respective monetary policy instruments described in Annex I to Guideline ECB/2000/7 of 31 August 2000 on monetary policy instruments and procedures of the Eurosystem ⁽¹⁾	
5.1 Main refinancing operations	Regular liquidity-providing reverse transactions with a weekly frequency and normally a maturity of one week	Nominal value or repo cost
5.2 Longer-term refinancing operations	Regular liquidity-providing reverse transactions with a monthly frequency and normally a maturity of three months	Nominal value or repo cost
5.3 Fine-tuning reverse operations	Reverse transactions, executed as ad hoc transactions for fine-tuning purposes	Nominal value or repo cost
5.4 Structural reverse operations	Reverse transactions adjusting the structural position of the Eurosystem vis-à-vis the financial sector	Nominal value or repo cost
5.5 Marginal lending facility	Overnight liquidity facility at a pre-specified interest rate against eligible assets (standing facility)	Nominal value or repo cost
5.6 Credits related to margin calls	Additional credit to credit institutions, arising from value increases of underlying assets regarding other credit to these credit institutions	Nominal value or cost
6 Other claims on euro area credit institutions denominated in euro	Current accounts, fixed-term deposits, day-to-day money, reverse repo transactions in connection with the management of security portfolios under the asset item "Securities of euro area residents denominated in euro", including transactions resulting from the transformation of former foreign currency reserves of the euro area, and other claims. Correspondent accounts with non-domestic euro area credit institutions. Other claims and operations unrelated to monetary policy operations of the Eurosystem	Nominal value or cost

Balance sheet item	Categorisation of contents of balance sheet items	Valuation principle
7 Securities of euro area residents denominated in euro	Securities other than those under asset item "Other financial assets": Equity instruments, notes and bonds, bills, zero bonds, money market paper held outright including government securities stemming from before EMU denominated in euro; ECB debt certificates purchased for fine-tuning purposes	<p>(i) <i>Marketable securities other than held-to-maturity</i></p> <p>Market price</p> <p>Any premiums or discounts are amortised</p> <p>(ii) <i>Marketable securities classified as held-to-maturity</i></p> <p>Cost subject to impairment</p> <p>Any premiums or discounts are amortised</p> <p>(iii) <i>Non-marketable securities</i></p> <p>Cost subject to impairment</p> <p>Any premiums or discounts are amortised</p> <p>(iv) <i>Marketable equity instruments</i></p> <p>Market price</p>
8 General government debt denominated in euro	Claims on government stemming from before EMU (non-marketable securities, loans)	Deposits/loans at nominal value, non-marketable securities at cost
9 Intra-Eurosystem claims		
9.1 Claims related to promissory notes backing the issuance of ECB debt certificates	Only an ECB balance sheet item Promissory notes issued by NCBs, due to the back-to-back agreement in connection with ECB debt certificates	Nominal value
9.2 Claims related to the allocation of euro banknotes within the Eurosystem	Claims related to the ECB's banknote issue, according to Decision ECB/2001/15 of 6 December 2001 on the issue of euro banknotes ⁽²⁾	Nominal value
9.3 Other claims within the Eurosystem (net)	Net position of the following sub-items: (a) net claims arising from balances of TARGET2 accounts and correspondent accounts of NCBs, i.e. the net figure of claims and liabilities — see also liability item "Other liabilities within the Eurosystem (net)" (b) other intra-Eurosystem claims that may arise, including the interim distribution of ECB seigniorage income to NCBs	(a) Nominal value (b) Nominal value
10 Items in course of settlement	Settlement account balances (claims), including the float of cheques in collection	Nominal value

Balance sheet item	Categorisation of contents of balance sheet items	Valuation principle
11 Other assets		
11.1 Coins of euro area	Euro coins	Nominal value
11.2 Tangible and intangible fixed assets	Land and buildings, furniture and equipment including computer equipment, software	<p>Cost less depreciation</p> <p>Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The useful life is the period over which a fixed asset is expected to be available for use by the entity. Useful lives of individual material fixed assets may be reviewed on a systematic basis, if expectations differ from previous estimates. Major assets may comprise components with different useful lives. The lives of such components should be assessed individually</p> <p>The cost of intangible assets includes the price for the acquisition of the intangible asset. Other direct or indirect costs are to be expensed</p> <p>Capitalisation of expenditure: limit based (below EUR 10 000 excluding VAT: no capitalisation)</p>
11.3 Other financial assets	<ul style="list-style-type: none"> — Participating interests and investments in subsidiaries, equities held for strategic/policy reasons — Securities including equities, and other financial instruments and balances including fixed-term deposits and current accounts held as an earmarked portfolio — Reverse repo transactions with credit institutions in connection with the management of securities portfolios under this item 	<p>(a) <i>Marketable equity instruments</i></p> <p>Market price</p> <p>(b) <i>Participating interests and illiquid equity shares, and any other equity instruments held as permanent investments</i></p> <p>Cost subject to impairment</p> <p>(c) <i>Investment in subsidiaries or significant interests</i></p> <p>Net asset value</p> <p>(d) <i>Marketable securities other than held-to-maturity</i></p> <p>Market price</p> <p>Premiums/discounts are amortised</p> <p>(e) <i>Marketable securities classified as held-to-maturity or held as a permanent investment</i></p> <p>Cost subject to impairment</p> <p>Any premiums or discounts are amortised</p> <p>(f) <i>Non-marketable securities</i></p> <p>Cost subject to impairment</p> <p>(g) <i>Balances with banks and loans</i></p> <p>Nominal value, translated at the foreign exchange market rate if the balances/deposits are denominated in foreign currencies</p>

Balance sheet item	Categorisation of contents of balance sheet items	Valuation principle
11.4 Off-balance-sheet instruments revaluation differences	Valuation results of foreign exchange forwards, foreign exchange swaps, interest rate swaps, forward rate agreements, forward transactions in securities, foreign exchange spot transactions from trade date to settlement date	Net position between forward and spot, at the foreign exchange market rate
11.5 Accruals and prepaid expenditure	Income not due in, but assignable to the reported period. Prepaid expenditure and accrued interest paid (i.e. accrued interest purchased with a security)	Nominal value, foreign exchange translated at market rate
11.6 Sundry	(a) Advances, loans and other minor items. Loans on a trust basis (b) Investments related to customer gold deposits (c) Net pension assets	(a) Nominal value or cost (b) Market value (c) As per Article 22(3)
12 Loss for the year		Nominal value

(¹) OJ L 310, 11.12.2000, p. 1.

(²) OJ L 337, 20.12.2001, p. 52.

2. In Annex III, the words 'Transfer to/from provisions for foreign exchange rate and price risks' in the first column of the table under subheading 2.3 are replaced by the words 'Transfer to/from provisions for foreign exchange rate, interest rate and gold price risks'.