

DECISION OF THE EUROPEAN CENTRAL BANK**of 5 March 2012****on the eligibility of marketable debt instruments issued or fully guaranteed by the Hellenic Republic
in the context of the Hellenic Republic's debt exchange offer****(ECB/2012/3)**

(2012/153/EU)

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,

Having regard to Guideline ECB/2011/14 of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem ⁽¹⁾, and in particular Sections 1.6, 6.3.1 and 6.3.2 of Annex I thereof,

Whereas:

- (1) Given the exceptional circumstances prevailing in financial markets and the disruption in the normal assessment by the market of securities issued or guaranteed by the Hellenic Republic, the Governing Council adopted 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 ⁽²⁾. This Decision temporarily suspended the Eurosystem's minimum requirements for credit quality thresholds, as specified in the Eurosystem credit assessment framework rules for certain marketable assets in Section 6.3.2 of Annex I to Guideline ECB/2011/14. Decision ECB/2012/2 ⁽³⁾ repealed Decision ECB/2010/3 because of the negative impact on the credit ratings assigned to such debt instruments of the launch of the debt exchange offer in the context of private sector involvement to holders of marketable debt instruments issued or guaranteed by the Greek Government.
- (2) On 21 July 2011, the Heads of State or Government of the euro area and Union institutions announced measures to stabilise Greek public finances, which included their commitment to provide collateral enhancement to underpin the quality of marketable debt instruments issued or guaranteed by the Hellenic Republic. The Governing Council has decided that such

collateral enhancement is to be provided by the Hellenic Republic for the benefit of the national central banks (NCBs).

- (3) The Governing Council has decided that the Eurosystem's credit quality threshold should be suspended in respect of marketable debt instruments issued or fully guaranteed by the Hellenic Republic that are covered by the collateral enhancement,

HAS ADOPTED THIS DECISION:

*Article 1***Eligibility of marketable debt instruments issued or fully guaranteed by the Hellenic Republic in the context of the Hellenic Republic's debt exchange offer**

1. The use, as collateral for Eurosystem credit operations, of marketable debt instruments issued or fully guaranteed by the Hellenic Republic that do not fulfil the Eurosystem's minimum requirements for credit quality thresholds, as specified in the Eurosystem credit assessment framework rules for certain marketable assets in Section 6.3.2 of Annex I to Guideline ECB/2011/14 while fulfilling the other eligibility requirements specified in Annex I to Guideline ECB/2011/14, shall be conditional on the provision by the Hellenic Republic to NCBs of a collateral enhancement in form of a buy-back scheme.
2. The marketable debt instruments referred to in paragraph 1 shall remain eligible for the duration of the collateral enhancement.

*Article 2***Entry into force**

This Decision shall enter into force on 8 March 2012.

Done at Frankfurt am Main, 5 March 2012.

The President of the ECB
Mario DRAGHI

⁽¹⁾ OJ L 331, 14.12.2011, p. 1.

⁽²⁾ OJ L 117, 11.5.2010, p. 102.

⁽³⁾ OJ L 59, 1.3.2012, p. 36.