

DECISION OF THE EUROPEAN CENTRAL BANK**of 12 March 2014****amending Decision ECB/2013/35 on additional measures relating to Eurosystem refinancing operations and eligibility of collateral****(ECB/2014/11)**

(2014/328/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 14.3 and Article 18.2 thereof,

Having regard to Guideline ECB/2011/14 of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem ⁽¹⁾ and Decision ECB/2013/6 of 20 March 2013 on the rules concerning the use as collateral for Eurosystem monetary policy operations of own-use uncovered government-guaranteed bank bonds ⁽²⁾,

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 conditions under which the ECB and the NCBs stand ready to enter into credit operations, including the criteria determining the eligibility of collateral for the purposes of Eurosystem credit operations, are laid down in Annex I to Guideline ECB/2011/14, as well as Decision ECB/2013/6 and Decision ECB/2013/35 ⁽³⁾.
- (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.
- (3) On 17 July 2013, the Governing Council decided to further strengthen its risk control framework by adjusting the eligibility criteria and haircuts applied to collateral accepted in Eurosystem monetary policy operations and adopting certain additional measures to improve the overall consistency of the framework and its practical implementation. These measures were laid down in Decision ECB/2013/35.
- (4) In relation to the rating requirements for asset-backed securities, it is necessary to introduce further refinements to Decision ECB/2013/35, which should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

*Article 1***Amendment**

Article 6 of Decision ECB/2013/35 is amended as follows:

1. paragraph 2 is replaced by the following:

'2. The credit quality threshold applicable to asset-backed securities, as laid down in Section 6.3 of Annex I to Guideline ECB/2011/14, shall correspond to Credit Quality Step (CQS) 2 of the Eurosystem's harmonised rating scale ("single A") ^(*). All asset-backed securities shall have at least two credit assessments at a "single A" level from any accepted ECAI for the issue.

^(*) A "single A" rating is a rating of at least "A3" from Moody's, "A-" from Fitch or Standard & Poor's, or "AL" from DBRS.;

2. paragraph 3 is deleted.

⁽¹⁾ OJ L 331, 14.12.2011, p. 1.

⁽²⁾ OJ L 95, 5.4.2013, p. 22.

⁽³⁾ Decision ECB/2013/35 of 26 September 2013 on additional measures relating to Eurosystem refinancing operations and eligibility of collateral (OJ L 301, 12.11.2013, p. 6).

*Article 2***Entry into force**

This Decision shall enter into force on 1 April 2014.

Done at Frankfurt am Main, 12 March 2014.

The President of the ECB
Mario DRAGHI
