

GUIDELINE OF THE EUROPEAN CENTRAL BANK**of 12 March 2014****amending Guideline ECB/2013/4 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9****(ECB/2014/12)**

(2014/330/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⁾, 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⁾ and Decision ECB/2013/35 of 26 September 2013 on additional measures relating to Eurosystem refinancing operations and eligibility of collateral ⁽³⁾,

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.
- (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) Guideline ECB/2013/4 ⁽⁴⁾, Decision ECB/2013/22 ⁽⁵⁾ and Decision ECB/2013/36 ⁽⁶⁾ together with other legal acts lay down the additional measures relating to Eurosystem refinancing operations and eligibility of collateral to be applied temporarily until the Governing Council considers that they are no longer necessary to ensure an appropriate monetary policy transmission mechanism.
- (4) Guideline ECB/2013/4 should be amended to reflect changes to the Eurosystem's collateral framework, relating to: (a) the extension of loan-level reporting requirements to asset-backed securities backed by credit card receivables in Annex I to Guideline ECB/2011/14; (b) the revision of the mapping of certain credit ratings in the context of the Eurosystem harmonised rating scale; and (c) clarification of the rating rules relating to asset-backed securities,

⁽¹⁾ OJ L 331, 14.12.2011, p. 1.

⁽²⁾ OJ L 95, 5.4.2013, p. 22.

⁽³⁾ OJ L 301, 12.11.2013, p. 6.

⁽⁴⁾ Guideline ECB/2013/4 of 20 March 2013 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (OJ L 95, 5.4.2013, p. 23).

⁽⁵⁾ Decision ECB/2013/22 of 5 July 2013 on temporary measures relating to the eligibility of marketable debt instruments issued or fully guaranteed by the Republic of Cyprus (OJ L 195, 18.7.2013, p. 27).

⁽⁶⁾ Decision ECB/2013/36 of 26 September 2013 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (OJ L 301, 12.11.2013, p. 13).

HAS ADOPTED THIS GUIDELINE:

Article 1

Amendments

Guideline ECB/2013/4 is amended as follows:

1. Article 1(3) is replaced by the following:

‘3. For the purposes of Article 5(1) and Article 7, the Hellenic Republic and the Portuguese Republic shall be considered euro area Member States compliant with a European Union/International Monetary Fund programme.’;

2. Article 3(1) is replaced by the following:

‘1. In addition to asset-backed securities (ABS) eligible under Chapter 6 of Annex I to Guideline ECB/2011/14, ABS which do not fulfil the credit assessment requirements under Section 6.3 of Annex I to Guideline ECB/2011/14 but which otherwise comply with all eligibility criteria applicable to ABS pursuant to Annex I to Guideline ECB/2011/14, shall be eligible as collateral for Eurosystem monetary policy operations, provided that they have two ratings of at least “triple B” level (*) from any accepted ECAI for the issue. They shall also satisfy all the following requirements:

- (a) the cash-flow generating assets backing the ABS shall belong to one of the following asset classes: (i) residential mortgages; (ii) loans to small and medium-sized enterprises (SMEs); (iii) commercial mortgages; (iv) auto loans; (v) leasing; (vi) consumer finance; (vii) credit card receivables;
- (b) there shall be no mix of different asset classes in the cash-flow generating assets;
- (c) the cash-flow generating assets backing the ABS shall not contain loans which are any of the following:
 - (i) non-performing at the time of issuance of the ABS;
 - (ii) non-performing when incorporated in the ABS during the life of the ABS, for example by means of a substitution or replacement of the cash-flow generating assets;
 - (iii) at any time, structured, syndicated or leveraged;
- (d) the ABS transaction documents shall contain servicing continuity provisions.

(*) A “triple B” rating is a rating of at least “Baa3” from Moody’s, “BBB-” from Fitch or Standard & Poor’s, or a rating of “BBBL” from DBRS.’

Article 2

Taking effect and implementation

1. This Guideline shall take effect on the day of its notification to the NCBs.
2. The NCBs shall take the necessary measures to comply with Article 1 of this Guideline and apply them from 1 April 2014. They shall notify the ECB of the texts and means relating to those measures by 24 March 2014 at the latest.

Article 3

Addressees

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 12 March 2014.

The President of the ECB
Mario DRAGHI
