

**DECISION OF THE EUROPEAN CENTRAL BANK**  
**of 5 June 2014**  
**on the remuneration of deposits, balances and holdings of excess reserves**  
**(ECB/2014/23)**  
**(2014/337/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 and fourth indents 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 and fourth indents of Article 3.1 and Articles 17, 18 and 22 thereof,

Having regard to Guideline ECB/2011/14 of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem <sup>(1)</sup>,

Having regard to Guideline ECB/2012/27 of 5 December 2012 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) <sup>(2)</sup>,

Having regard to Guideline ECB/2014/9 of 20 February 2014 on domestic assets and liability management operations by the national central banks <sup>(3)</sup>,

Whereas:

- (1) The Governing Council may decide from time to time to lower the deposit facility rate to below zero per cent.
- (2) In the event of a reduction of the deposit facility rate, rules for the remuneration of deposits, balances and holdings of excess reserves under Guidelines ECB/2011/14, ECB/2012/27 and ECB/2014/9 need to be adjusted accordingly,

HAS ADOPTED THIS DECISION:

*Article 1*

**Remuneration of deposits**

'Remuneration' in provisions of Annex I to Guideline ECB/2011/14 relating to the collection of fixed-term deposits and the deposit facility may be: (a) at a positive interest rate; (b) at an interest rate of zero per cent; or (c) at a negative interest rate. A negative interest rate entails a payment obligation of the deposit holder to the relevant Eurosystem central bank including the right of that Eurosystem central bank to debit the account of the counterparty accordingly.

*Article 2*

**Remuneration of holdings of excess reserves**

Reserve holdings exceeding the required minimum reserves shall be remunerated at zero per cent or the deposit facility rate, whichever is lower.

*Article 3*

**Remuneration of balances in TARGET2**

Payments Module accounts and their sub-accounts shall either be remunerated at zero per cent or the deposit facility rate, whichever is lower, unless they are used to hold required minimum reserves.

<sup>(1)</sup> OJ L 331, 14.12.2011, p. 1.

<sup>(2)</sup> OJ L 30, 30.1.2013, p. 1.

<sup>(3)</sup> OJ L 159, 28.5.2014, p. 56.

*Article 4***Remuneration of government deposits**

1. On any calendar day, the total amount of overnight and fixed term deposits of all governments with an NCB exceeding the higher of either: (a) EUR 200 million; or (b) 0,04 % of the gross domestic product of the Member State in which the NCB is domiciled, shall be remunerated with an interest rate of zero per cent. If the deposit facility rate on this day is negative, then an interest rate no higher than the deposit facility rate shall apply. A negative interest rate entails a payment obligation of the deposit holder to the relevant NCB including the right of that NCB to debit the relevant government deposit account accordingly.
2. Paragraph 1 shall (a) only apply once the Governing Council decides to lower the deposit facility rate to below zero per cent, and (b) be read in conjunction with Article 5(3) and Article 11 of Guideline ECB/2014/9, provided that Article 11 of Guideline ECB/2014/9 shall only apply to the outstanding balance and the remaining applicable maturity of fixed-term deposits held with the NCBs on the calendar day before the day on which the Governing Council decides to lower the deposit facility rate to below zero per cent.
3. The government deposits related to European Union/International Monetary Fund and other comparable financial support programmes that are held in accounts with NCBs shall be subject to the remuneration rates referred in Article 5(1) of Guideline ECB/2014/9 or remunerated at zero per cent, whichever is higher, but they shall not count towards the threshold amount mentioned in paragraph 1.

*Article 5***Remuneration of certain deposits held with the ECB**

Accounts maintained with the ECB in accordance with Decision ECB/2003/14 <sup>(1)</sup>, Decision ECB/2010/31 <sup>(2)</sup> and Decision ECB/2010/17 <sup>(3)</sup> shall continue to be remunerated at the deposit facility rate. However, when deposits are required to be held in those accounts in advance of the date on which a payment needs to be made in accordance with the legal or contractual rules applicable to the relevant facility, such deposits shall be remunerated during this advance period at the deposit facility rate or at zero per cent, whichever is higher.

*Article 6***Entry into force**

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Union*.

Done at Frankfurt am Main, 5 June 2014.

*The President of the ECB*

Mario DRAGHI

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<sup>(1)</sup> Decision ECB/2003/14 of 7 November 2003 concerning the administration of the borrowing-and-lending operations concluded by the European Community under the medium-term financial assistance facility (OJ L 297, 15.11.2003, p. 35).

<sup>(2)</sup> Decision ECB/2010/31 of 20 December 2010 concerning the opening of accounts for the processing of payments in connection with EFSF loans to Member States whose currency is the euro (OJ L 10, 14.1.2011, p. 7).

<sup>(3)</sup> Decision ECB/2010/17 of 14 October 2010 concerning the administration of the borrowing and lending operations concluded by the Union under the European financial stabilisation mechanism (OJ L 275, 20.10.2010, p. 10).