



EUROPEAN CENTRAL BANK  
EUROSYSTEM

*COURTESY TRANSLATION*

Mr Mario Borghezio  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt, 22 May 2012

L/MD/12/360

**Re.: Your letter**

Dear Mr Borghezio,

Thank you for your letter passed on to me by Sharon Bowles, Chairwoman of the Committee on Economic and Monetary Affairs, and accompanied by a cover letter dated 30 March 2012.

As regards your question on the credit event declared by the International Swaps and Derivatives Association (ISDA), please note that credit default swaps are private contracts in which the ECB is not a contracting party.

The ECB has taken note of the decision taken by the committee of the market association ISDA as regards its declaration of a credit event in the case of Greek sovereign bonds and its implications for the stock of outstanding credit default swaps on Greek government bonds.

The Governing Council of the ECB independently decides on the eligibility of Greek government bonds for use as collateral in its monetary policy operations.

The ECB does not comment on the activities, whether real or alleged, of personalities that are not part of the ECB.

Yours sincerely,

[ signed ]

Mario Draghi