GUIDELINE (EU) 2020/[XX] OF THE EUROPEAN CENTRAL BANK
of 25 September 2020
amending Guideline ECB/2014/31 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral
(ECB/2020/47)

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, and Articles 5.1, 12.1, 14.3 and 18.2 thereof,

Whereas:

(1) Asset-backed securities whose underlying assets include residential mortgages or loans to small and medium-sized enterprises, or both, and which do not fulfil certain requirements specified in Article 3(5) of Guideline ECB/2014/31 of the European Central Bank\(^\text{1}\) should no longer be eligible as Eurosystem collateral, in view of the fact that this asset class has never been used.

(2) The method of calculation of financial penalties in cases where credit claims that are not compliant with Article 154(1)(c) of Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60)\(^\text{2}\) are included in a pool of additional credit claims under Article 4 of Guideline ECB/2014/31 should be amended to avoid the imposition of disproportionate financial penalties.

(3) Therefore, Guideline ECB/2014/31 should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

Article 1

Amendments

Guideline ECB/2014/31 is amended as follows:


1. in Article 3, paragraph 5 is deleted;
2. Article 4 is amended as follows:
   (a) in paragraph 2, the first sentence is replaced by the following:
       "NCBs that decide to accept credit claims in accordance with paragraph 1 shall establish
       eligibility criteria and risk control measures for this purpose by specifying deviations from the
       requirements of Guideline (EU) 2015/510 (ECB/2014/60).";
   (b) the following paragraph is added:
       "5. For failure to comply with an obligation referred to in Article 154(1)(c) of Guideline
       (EU) 2015/510 (ECB/2014/60), the sum of the values in breach of such obligation of
       all non-compliant credit claims included in a pool of credit claims shall be taken into
       account for the calculation of the financial penalty in accordance with Annex VII to that
       Guideline.".

Article 2
Taking effect and implementation
1. This Guideline shall take effect on the date of its notification to the national central banks of the
   Member States whose currency is the euro.
2. The national central banks of the Member States whose currency is the euro shall take the
   necessary measures to comply with this Guideline and apply them from 1 January 2021. They shall
   notify the European Central Bank of the texts and means relating to those measures by 6
   November 2020 at the latest.

Article 3
Addressees
This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 25 September 2020.

For the Governing Council of the ECB

[signed]

The President of the ECB
Christine LAGARDE