



**EUROPEAN CENTRAL BANK**  
**EUROSYSTEM**

**ECB-PUBLIC**

*COURTESY TRANSLATION*

Mario DRAGHI  
President

Mr Angelo Ciocca  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt am Main, 8 November 2017

L/MD/17/423

**Re: Your letter (QZ-095)**

Honourable Member of the European Parliament, dear Mr Ciocca,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 20 September 2017.

As I explained to your honourable colleagues during my last appearance before the Committee on Economic and Monetary Affairs on 25 September 2017, the corporate sector purchase programme (CSPP) is part of the Eurosystem's expanded asset purchase programme (APP) and was introduced with the aim of strengthening the pass-through from the Eurosystem's asset purchases to financing conditions in the real economy.<sup>1</sup> The universe of CSPP-eligible bonds is deliberately broad, and its composition is guided primarily by monetary policy and risk management considerations. In pursuing its objective of maintaining price stability, the ECB is required to act in accordance with the principle of an open market economy with free competition, favouring efficient allocation of resources. Consequently, in the interest of market-neutral implementation of the APP, CSPP purchases are conducted on the basis of a benchmark that proportionally reflects the nominal value of eligible bonds in the CSPP-eligible universe.

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<sup>1</sup> The full text of my introductory statement at that hearing is available on the ECB's website:  
[https://www.ecb.europa.eu/press/key/date/2017/html/ecb.sp170925\\_2.en.html](https://www.ecb.europa.eu/press/key/date/2017/html/ecb.sp170925_2.en.html)

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The size of the Eurosystem's holdings of bonds issued by an eligible company is based on the issuer's share in that benchmark.<sup>2</sup> Deviations from that benchmark share are allowed to the extent determined by the limits that apply to each issuer. As liquidity conditions vary across individual issuers and bonds, these limits include some leeway in order to ensure the necessary flexibility in the development of the portfolio. This framework has also been applied to the specific issuer that you refer to in your letter (NOVOMATIC AG). As at 7 November 2017, three bonds issued by the aforementioned company had been bought under the CSPP (as reported on the ECB's website), and those holdings were broadly in line with the benchmark.

Finally, it should be noted that the names of all the companies whose bonds are held in the Eurosystem's CSPP portfolio are publicly available. Since 26 June 2017, the ECB has published on its website a full list of all CSPP holdings, including the names of issuers, maturity dates and the coupon rates of those bonds.<sup>3</sup> This list is updated on a weekly basis. Moreover, the ECB recently decided to further increase transparency by providing, on a semi-annual basis, starting on 6 October 2017, information on the Eurosystem's bond holdings by country, rating and sector. In addition, the six national central banks (NCBs) that are currently involved in CSPP purchases have, since July 2016, been publishing information on their own websites regarding the securities that are available for lending.<sup>4</sup>

Yours sincerely,

[signed]

Mario Draghi

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<sup>2</sup> For a comprehensive overview of the CSPP's implementation and impact, please see this Economic Bulletin box, which was published in June 2017: [https://www.ecb.europa.eu/pub/pdf/other/ebbox201704\\_02.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/ebbox201704_02.en.pdf)

<sup>3</sup> Those details can be found in the CSPP section of this page: <https://www.ecb.europa.eu/mopo/implement/omt/html/index.en.html>

<sup>4</sup> The ECB provides links to those NCBs' lists on its website: <https://www.ecb.europa.eu/mopo/implement/omt/lending/html/index.en.html>

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