Frankfurt am Main, 11 March 2022
L/CL/22/64

Re: Your letter (QZ-001)

Honourable Members of the European Parliament, dear Mr Zanni, Mr Grant and Mr Rinaldi,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 24 January 2022.

As I mentioned in a reply to your honourable colleague,¹ the Eurosystem purchases debt securities issued by public and private entities as part of its monetary policy measures to support the monetary policy transmission mechanism and to provide the policy stimulus needed to safeguard medium-term price stability. In the context of the public sector purchase programme (PSPP) and the pandemic emergency purchase programme (PEPP), it also purchases bonds issued by EU institutions and bodies in the secondary market,² subject to the rules and conditions set out in the applicable legal framework.

To answer your question on hypothetical purchases by the Eurosystem of bonds issued by a newly created European debt management agency, such purchases would be subject to the same rules and conditions as purchases of bonds issued by other EU institutions or bodies. The eligibility criteria for secondary market

² For the list of international and supranational institutions located in the euro area whose securities are eligible for the PSPP and PEPP, see https://www.ecb.europa.eu/mopo/implement/omt/html/pspp.en.html.
purchases under the PSPP and the PEPP are laid down in Article 3 of the PSPP Decision⁵ and Articles 1 to 3 of the PEPP Decision⁴. Moreover, any purchases would have to comply with the relevant EU treaties, including Article 123 of the Treaty on the Functioning of the European Union⁵ which you mention in your letter.

Yours sincerely,

[signed]

Christine Lagarde

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⁵ See https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12008E123:EN:HTML.