Regulation (EU) 2016/1705 of the European Central Bank of 9 September 2016 amending Regulation (EC) No 1745/2003 (ECB/2003/9) on the application of minimum reserves (ECB/2016/26)

REGULATION (EU) 2016/1705 OF THE EUROPEAN CENTRAL BANK

of 9 September 2016

amending Regulation (EC) No 1745/2003 (ECB/2003/9) on the application of minimum reserves (ECB/2016/26)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 19.1 thereof,

Having regard to Council Regulation (EC) No 2531/98 of 23 November 1998 concerning the application of minimum reserves by the European Central Bank[(1)],

Whereas:

(1) For the exclusion of interbank liabilities from the reserve base, any standard deduction to be applied to liabilities with a maturity of up to two years within the debt securities category should be based on the euro area-wide macro ratio between: (a) the stock of relevant instruments issued by credit institutions and held by other credit institutions and by the ECB and participating national central banks; and (b) the total amount outstanding of such instruments issued by credit institutions. The method for applying the standard deduction set out in Article 3(2) of Regulation (EC) No 1745/2003 of the European Central Bank (ECB/2003/9)[(2)] should be further clarified.

(2) Therefore, Regulation (EC) No 1745/2003 (ECB/2003/9) should be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments

Regulation (EC) No 1745/2003 (ECB/2003/9) is amended as follows:

(1) Article 3 is amended as follows:

(a) paragraphs 1 and 2 are replaced by the following:

1. An institution's reserve base shall comprise the following liabilities, as defined in the ECB's reporting framework laid down in Regulation (EU) No 1071/2013 of the European Central Bank (ECB/2013/33)[(3)], resulting from the acceptance of funds:

a deposits; and

b debt securities issued.

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EU) 2016/1705 of the European Central Bank. (See end of Document for details)*

If an institution has liabilities in relation to a branch of the same entity, or in relation to the head office or registered office of the same entity, which are located outside participating Member States, it shall include such liabilities in the reserve base.

2 The following liabilities shall be excluded from the reserve base:

a liabilities owed to any other institution not included on the list of institutions exempt from the ECB's minimum reserve requirements in accordance with Article 2(3); and

b liabilities owed to the ECB or to a participating NCB.;

(b) the following paragraph 2a is inserted:

2a. For the liability category "deposits" referred to in point (a) of paragraph 1, the exclusion, as referred to in paragraph 2, shall be effected in the following manner: the institution shall provide evidence to the relevant participating NCB of the amount of liabilities referred to in points (a) and (b) of paragraph 2, and the amount evidenced shall be deducted from the reserve base.

For the liability category "debt securities issued" referred to in point (b) of paragraph 1, the exclusion, as referred to in paragraph 2, shall be effected by deducting an amount from the reserve base in the following manner:

a the institution shall provide evidence to the relevant participating NCB of the amount of liabilities referred to in points (a) and (b) of paragraph 2, and the amount evidenced shall be deducted from the reserve base;

b where the institution is unable to provide evidence to the relevant participating NCB of the amount of liabilities referred to in points (a) and (b) of paragraph 2, the institution shall apply the standard deduction published on the ECB's website to the outstanding amount of the debt securities which it has issued and which have an original maturity of up to and including two years..

(2) Throughout the Regulation, the words 'for money and banking statistics' are deleted.

Article 2

Final provisions

This Regulation shall enter into force on 14 December 2016.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.