Decision (EU) 2020/1688 of the European Central Bank of 25 September 2020 amending Decision (EU) 2020/187 on the implementation of the third covered bonds purchase programme (ECB/2020/48)

DECISION (EU) 2020/1688 OF THE EUROPEAN CENTRAL BANK

of 25 September 2020

amending Decision (EU) 2020/187 on the implementation of the third covered bonds purchase programme (ECB/2020/48)

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 second subparagraph of Article 12.1 in conjunction with the first indent of Article 3.1, and Article 18.1 thereof,

Whereas:

(1) Decision ECB/2014/40 of the European Central Bank[(1)] established the third covered bond purchase programme (CBPP3) and has been recast in Decision (EU) 2020/187 of the European Central Bank (ECB/2020/8)[(2)]. Alongside the asset-backed securities purchase programme, the secondary markets public sector asset purchase programme and the corporate sector purchase programme, the CBPP3 is part of the expanded asset purchase programme (APP) of the European Central Bank (ECB). The APP aims to enhance the transmission of monetary policy, facilitate the provision of credit to the euro area economy, ease borrowing conditions for households and firms and contribute to returning inflation rates to levels below but close to 2 % over the medium term, consistent with the ECB's primary objective of maintaining price stability.

(2) On 5 March 2020, the Governing Council decided, in principle, to automatically limit an eligible counterparty's access to Eurosystem monetary policy operations in certain pre-defined circumstances. Consequently, the Governing Council also decided that where and for as long as such an automatic limitation or a suspension or exclusion applies pursuant to Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60)[(3)], a corresponding automatic exclusion of purchases of covered bonds under the CBPP3 issued by that counterparty should also apply. The Governing Council further decided that amendments to reflect these decisions should apply from the date from which the annual amendment of Guideline (EU) 2015/510 (ECB/2014/60) applies.

(3) Therefore, Decision (EU) 2020/187 (ECB/2020/8) should be amended accordingly,

HAS ADOPTED THIS DECISION:

Changes to legislation: *There are currently no known outstanding effects for the Decision (EU) 2020/1688 of the European Central Bank. (See end of Document for details)*

Article 1

Amendment

Decision (EU) 2020/187 (ECB/2020/8) is amended as follows:

In Article 3, point (d) of paragraph 3 is replaced by the following:

(d) Covered bonds issued by credit institutions whose access to Eurosystem monetary policy operations has been limited, suspended or excluded pursuant to Guideline (EU) 2015/510 (ECB/2014/60) shall be automatically excluded from purchases under the CBPP3 for the duration of the limitation, suspension or exclusion. By derogation from the first sentence of this point (d), the Governing Council shall retain its power, following a case-by-case assessment, to reassess the exclusion of covered bonds issued by a credit institution whose access to Eurosystem monetary policy operations has been limited, suspended or excluded pursuant to Guideline (EU) 2015/510 (ECB/2014/60) and to revoke the exclusion, if deemed appropriate.

Article 2

Entry into force

This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021.

Done at Frankfurt am Main, 25 September 2020.

For the Governing Council of the ECB

The President of the ECB

Christine LAGARDE