Decision (EU) 2020/441 of the European Central Bank of 24 March 2020 amending Decision (EU) 2016/948 of the European Central Bank on the implementation of the corporate sector purchase programme (ECB/2020/18)

DECISION (EU) 2020/441 OF THE EUROPEAN CENTRAL BANK

of 24 March 2020

amending Decision (EU) 2016/948 of the European Central Bank on the implementation of the corporate sector purchase programme

(ECB/2020/18)

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

Whereas:

(1) In accordance with Article 18.1 of the Statute of the European System of Central Banks and of the European Central Bank, the European Central Bank (ECB), together with the national central banks of the Member States whose currency is the euro (hereinafter the 'NCBs') may operate in the financial markets by, among other things, buying and selling marketable instruments outright, in order to achieve the objectives of the European System of Central Banks.

(2) Decision (EU) 2016/948 of the European Central Bank (ECB/2016/16)[(1)] established a corporate sector purchase programme (CSPP). Alongside the third covered bond purchase programme, the asset-backed securities purchase programme and the secondary markets public sector asset purchase programme, the CSPP is part of the expanded asset purchase programme (APP) of the 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 support the sustained convergence of inflation rates to levels below, but close to, 2% over the medium term, consistent with the ECB's primary objective of maintaining price stability.

(3) Taking into account the exceptional economic and financial circumstances associated with the spread of coronavirus disease 2019 (COVID-19), on 18 March 2020, the Governing Council decided to expand the range of eligible assets under the CSPP to non-financial commercial papers, making all commercial papers of sufficient credit quality eligible for purchase under CSPP.

Changes to legislation: *There are currently no known outstanding effects for the Decision (EU) 2020/441 of the European Central Bank. (See end of Document for details)*

(4) To react promptly to the current pandemic situation, this Decision should enter into force on the day following that of its publication in the *Official Journal of the European Union*.

(5) Therefore, Decision (EU) 2016/948 (ECB/2016/16) should be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Amendment

In Article 2 of Decision (EU) 2016/948 (ECB/2016/16), point 2 is replaced by the following:

2. If a marketable debt instrument has an initial maturity of 365/366 days or less, the minimum remaining maturity shall be 28 days at the time of its purchase by the relevant Eurosystem central bank.

If a marketable debt instrument has an initial maturity of 367 days or more, the minimum remaining maturity shall be 6 months and the maximum remaining maturity shall be 30 years and 364 days at the time of its purchase by the relevant Eurosystem central bank.

Article 2

Entry into force

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

Done at Frankfurt am Main, 24 March 2020.

The President of the ECB

Christine LAGARDE