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**GUIDELINE OF THE EUROPEAN CENTRAL BANK**

**of 9 July 2014**

**on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9**

**(recast)**

**(ECB/2014/31)**

**(2014/528/EU)**

**(OJ L 240, 13.8.2014, p. 28)**

Amended by:

		Official Journal		
		No	page	date
► <b><u>M1</u></b>	Guideline ECB/2014/46 of the European Central Bank of 19 November 2014	L 348	27	4.12.2014
► <b><u>M2</u></b>	Guideline (EU) 2016/2300 of the European Central Bank of 2 November 2016	L 344	123	17.12.2016
► <b><u>M3</u></b>	Guideline (EU) 2018/572 of the European Central Bank of 7 February 2018	L 95	49	13.4.2018
► <b><u>M4</u></b>	Guideline (EU) 2019/1034 of the European Central Bank of 10 May 2019	L 167	79	24.6.2019
► <b><u>M5</u></b>	Guideline (EU) 2020/515 of the European Central Bank of 7 April 2020	L 110I	26	8.4.2020
► <b><u>M6</u></b>	Guideline (EU) 2020/634 of the European Central Bank of 7 May 2020	L 148	10	11.5.2020
► <b><u>M7</u></b>	Guideline (EU) 2020/1691 of the European Central Bank of 25 September 2020	L 379	92	13.11.2020

**▼B****GUIDELINE OF THE EUROPEAN CENTRAL BANK****of 9 July 2014****on additional temporary measures relating to Eurosystem  
refinancing operations and eligibility of collateral and amending  
Guideline ECB/2007/9****(recast)****(ECB/2014/31)****(2014/528/EU)***Article 1***Additional measures relating to refinancing operations and eligible  
collateral**

1. The rules for the conduct of Eurosystem monetary policy operations and the eligibility criteria for collateral laid down in this Guideline shall apply in conjunction with Guideline ECB/2011/14.

2. In the event of any discrepancy between this Guideline and Guideline ECB/2011/14, as implemented at national level by the NCBs, this Guideline shall prevail. The NCBs shall continue to apply all the provisions of Guideline ECB/2011/14 unaltered unless otherwise provided for in this Guideline.

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\_\_\_\_\_**▼B***Article 2***Option to reduce the amount of, or terminate, longer-term  
refinancing operations**

1. The Eurosystem may decide that, under certain conditions, counterparties may reduce the amount of, or terminate, certain longer-term refinancing operations before maturity (such reduction of the amount or termination hereinafter also collectively referred to as 'early repayment'). The tender announcement shall specify whether the option to reduce the amount of, or terminate, the operations in question before maturity applies, as well as the date from when such option may be exercised. This information may alternatively be provided in another format deemed appropriate by the Eurosystem.

2. A counterparty may exercise the option to reduce the amount of, or terminate, longer-term refinancing operations before maturity by notifying the relevant NCB of the amount it intends to repay under the early repayment procedure, as well as of the date on which it intends to make such early repayment, at least one week in advance

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of that early repayment date. Unless otherwise specified by the Eurosystem, an early repayment may be effected on any day that coincides with the settlement day of a Eurosystem main refinancing operation, provided that the counterparty makes the notification referred to in this paragraph at least one week in advance of that date.

3. The notification referred to in paragraph 2 shall become binding on the counterparty one week before the early repayment date it refers to. Failure by the counterparty to settle, in full or in part, the amount due under the early repayment procedure by the due date may result in the imposition of a financial penalty as set out in Section 1 of Appendix 6 to Annex I to Guideline ECB/2011/14. The provisions of Section 1 of Appendix 6 which apply to infringements of rules related to tender operations shall apply where a counterparty fails to settle, in full or in part, the amount due on the early repayment date referred to in paragraph 2. The imposition of a financial penalty shall be without prejudice to the NCB's right to exercise the remedies provided for on the occurrence of an event of default as set out in Annex II to Guideline ECB/2011/14.

*Article 3***Admission of certain additional asset-backed securities**

1. In addition to asset-backed securities (ABS) eligible under Chapter 6 of Annex I to Guideline ECB/2011/14, ABS which do not fulfil the credit assessment requirements under Section 6.3 of Annex I to Guideline ECB/2011/14 but which otherwise comply with all eligibility criteria applicable to ABS pursuant to Annex I to Guideline ECB/2011/14 shall be eligible as collateral for Eurosystem monetary policy operations, provided that they have two ratings of at least 'triple B' level<sup>(1)</sup> from any accepted external credit assessment institution for the issue. They shall also satisfy all the following requirements:

- (a) the cash-flow generating assets backing the ABS shall belong to one of the following asset classes: (i) residential mortgages; (ii) loans to small and medium-sized enterprises (SMEs); ► **M3** ◀ (iv) auto loans; (v) leasing receivables; (vi) consumer finance loans; (vii) credit card receivables;
- (b) there shall be no mix of different asset classes in the cash-flow generating assets;
- (c) the cash-flow generating assets backing the ABS shall not contain loans which are any of the following:
  - (i) non-performing at the time of issuance of the ABS;

<sup>(1)</sup> A 'triple B' rating is a rating of at least 'Baa3' from Moody's, 'BBB-' from Fitch or Standard & Poor's, or 'BBBL' from DBRS.

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- (ii) non-performing when incorporated in the ABS during the life of the ABS, for example by means of a substitution or replacement of the cash-flow generating assets;
  
- (iii) at any time, structured, syndicated or leveraged;
  
- (d) the ABS transaction documents shall contain servicing continuity provisions.

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2. ABS referred to in paragraph 1 that do not have two public credit ratings of at least credit quality step 2 in the Eurosystem harmonised rating scale in accordance with Article 82(1)(b) of Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60) <sup>(1)</sup> shall be subject to a valuation haircut that depends on their weighted average life as detailed in Annex IIa.

2a. The weighted average life of the senior tranche of an ABS shall be estimated as the expected weighted average time remaining until repayment has been made for that tranche. For retained mobilised ABS, the calculation of the weighted average life shall assume that issuer call options will not be exercised.

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4. A counterparty may not submit ABS that are eligible pursuant to paragraph 1 as collateral if the counterparty, or any third party with which it has close links, acts as an interest rate hedge provider in relation to the ABS.

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<sup>(1)</sup> Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (General Documentation Guideline) (OJ L 91, 2.4.2015, p. 3).

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7. For the purposes of this Article the following definitions shall apply:

- (a) ‘residential mortgage’, besides residential real estate mortgage-backed loans, shall include guaranteed residential real estate loans (without a real estate mortgage) if the guarantee is payable promptly on default. Such guarantee may be provided in different contractual formats, including contracts of insurance, provided they are granted by a public sector entity or a financial institution subject to public supervision. The credit assessment of the guarantor for the purposes of such guarantees must comply with credit quality step 3 in the Eurosystem's harmonised rating scale over the life of the transaction;
- (b) ‘small enterprise’ and ‘medium-sized enterprise’ means an entity engaged in an economic activity, irrespective of its legal form, where the reported sales for the entity, or if the entity is a part of a consolidated group for the consolidated group, are less than EUR 50 million;
- (c) ‘non-performing loan’ shall include loans where payment of interest or principal is past due by 90 or more days and the obligor is in default, as defined in Article 178 of Regulation (EU) No 575/2013 of the European Parliament and of the Council <sup>(1)</sup>, or when there are good reasons to doubt that payment will be made in full;
- (d) ‘structured loan’ means a structure involving subordinated credit claims;
- (e) ‘syndicated loan’ means a loan provided by a group of lenders in a lending syndicate;
- (f) ‘leveraged loan’ means a loan provided to a company that already has a considerable degree of indebtedness, such as buy-out or take-over-financing, where the loan is used for the acquisition of the equity of a company which is also the obligor of the loan;

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- (g) ‘servicing continuity provisions’ means provisions in the legal documentation of an asset-backed security that consist of either back-up servicer provisions or back-up servicer facilitator provisions (if there are no back-up servicer provisions). In the case of back-up servicer facilitator provisions, a back-up servicer facilitator should be nominated and the facilitator should be mandated to find a suitable back-up servicer within 60 days of the occurrence of a trigger event in order to ensure timely payment and servicing of the asset-backed security. These provisions shall also include servicer replacement triggers for the appointment of a back-up servicer, which can be rating-based and/or non-rating-based, e.g. non-performance of obligations by the current servicer. In the

<sup>(1)</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

**▼ M2**

case of back-up servicer provisions, the back-up servicer shall not have close links to the servicer. In the case of back-up servicer facilitator provisions, there shall not be close links between each of the servicer, the back-up servicer facilitator and the issuer account bank at the same time;

- (h) 'close links' has the meaning given in Article 138(2) of Guideline (EU) 2015/510 (ECB/2014/60);
- (i) 'retained mobilised ABS' means ABS used in a percentage greater than 75 % of the outstanding nominal amount by a counterparty that originated the ABS or by entities with close links to the originator.

**▼ B***Article 4***Admission of certain additional credit claims**

1. NCBs may accept as collateral for Eurosystem monetary policy operations credit claims that do not satisfy the Eurosystem eligibility criteria.

2. ► **M7** NCBs that decide to accept credit claims in accordance with paragraph 1 shall establish eligibility criteria and risk control measures for this purpose by specifying deviations from the requirements of Guideline (EU) 2015/510 (ECB/2014/60). ◀ Such eligibility criteria and risk control measures shall include the criterion that the credit claims are governed by the laws of the Member State of the NCB establishing the eligibility criteria and risk control measures. The eligibility criteria and risk control measures shall be subject to the Governing Council's prior approval.

3. In exceptional circumstances NCBs may, subject to the Governing Council's prior approval, accept credit claims:

- (a) in application of the eligibility criteria and risk control measures established by another NCB pursuant to paragraphs 1 and 2; or
- (b) governed by the law of any Member State other than the Member State in which the accepting NCB is established, or
- (c) that are included in a pool of credit claims or backed by real estate assets, if the law governing the credit claim or the relevant debtor (or guarantor, where applicable) is that of any Member State other than the one in which the accepting NCB is established.

4. Another NCB shall only provide assistance to an NCB accepting credit claims pursuant to paragraph 1 if bilaterally agreed between both NCBs and subject to prior approval by the Governing Council.

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5. For failure to comply with an obligation referred to in Article 154(1)(c) of Guideline (EU) 2015/510 (ECB/2014/60), the sum of the values in breach of such obligation of all non-compliant credit claims included in a pool of credit claims shall be taken into account for the calculation of the financial penalty in accordance with Annex VII to that Guideline.

*Article 5***Acceptance of certain short-term debt instruments**

1. NCBs may accept as collateral for Eurosystem monetary policy operations certain short-term debt instruments that do not satisfy the Eurosystem eligibility criteria for marketable assets laid down in Annex I to Guideline ECB/2011/14.

2. NCBs that decide to accept short-term debt instruments in accordance with paragraph 1, shall establish the eligibility criteria and risk control measures for such purpose provided they meet the minimum standards specified by the Governing Council. Such eligibility criteria and risk control measures shall include the following criteria applicable to the short-term debt instruments.

- (a) They are issued by non-financial corporations <sup>(1)</sup> that are established in the euro area. The guarantor of the short-term debt instrument (if any) must also be a non-financial corporation established in the euro area unless a guarantee is not needed for the short-term debt instrument to comply with the provisions on establishing high credit standards as set out in subparagraph (d).
- (b) They are not admitted to trading on a market regarded as acceptable by the Eurosystem as laid down in Section 6.2.1.5 of Annex I to Guideline ECB/2011/14.
- (c) They are denominated in euro.
- (d) They fulfil the requirements on high credit standards established by the relevant NCB which shall apply in place of the requirements of Sections 6.3.2 and 6.3.3 of Annex I to Guideline ECB/2011/14.
- (e) Other than as set out in subparagraphs (a) to (d), they are compliant with the Eurosystem eligibility criteria for marketable assets laid down in Annex I to Guideline ECB/2011/14.

3. An NCB may not, unless it does so pursuant to a bilateral agreement with another NCB, accept short-term debt instruments pursuant to paragraphs 1 and 2 that are issued in the euro area:

- (a) with that other NCB; or
- (b) with a central securities depository which (i) has been positively assessed by the Eurosystem pursuant to the standards and assessment procedures described in the 'Framework for the assessment of securities settlement systems and links to determine their eligibility for use in Eurosystem credit operations' <sup>(2)</sup>; and (ii) is established in the euro area Member State in which the other NCB is established.

<sup>(1)</sup> Non-financial corporations are defined as provided for in the European System of Accounts 1995 (ESA 95).

<sup>(2)</sup> Available on the ECB's website at [www.ecb.europa.eu](http://www.ecb.europa.eu).

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4. For the purposes of this Article ‘short-term debt instruments’ mean debt instruments with a maturity of no longer than 365 days at issuance and at any time subsequently.

**▼ M4****▼ B***Article 7***Admission of certain assets denominated in pounds sterling, yen or US dollars as eligible collateral**

1. Marketable debt instruments as described in Section 6.2.1 of Annex I to Guideline ECB/2011/14, if denominated in pounds sterling, yen or US dollars, shall constitute eligible collateral for Eurosystem monetary policy operations, provided that: (a) they are issued and held/settled in the euro area; (b) the issuer is established in the European Economic Area; and (c) they fulfil all other eligibility criteria included in Section 6.2.1 of Annex I to Guideline ECB/2011/14.

2. The Eurosystem shall apply the following valuation markdowns to such marketable debt instruments: (a) a markdown of 16 % on assets denominated in pounds sterling or US dollars; and (b) a markdown of 26 % on assets denominated in yen.

3. Marketable debt instruments described in paragraph 1, which have coupons linked to a single money market rate in their currency of denomination or to an inflation index containing no discrete range, range accrual, ratchet or similar complex structures for the respective country, shall also constitute eligible collateral for the purposes of Eurosystem monetary policy operations.

4. The ECB may publish a list of other acceptable benchmark foreign currency interest rates, in addition to those referred to in paragraph 3, on its website at [www.ecb.europa.eu](http://www.ecb.europa.eu), following approval by the Governing Council.

5. Only Articles 1, 3, 6, 7 and 9 of this Guideline shall apply to foreign currency denominated marketable assets.

*Article 8***Suspension of the requirements for credit quality thresholds for certain marketable instruments**

1. The Eurosystem's minimum requirements for credit quality thresholds, as specified in the Eurosystem credit assessment framework rules for marketable assets in Section 6.3.2 of Annex I to Guideline ECB/2011/14 shall be suspended in accordance with paragraph 2.



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2. On the basis of a specific decision of the Governing Council to that effect, the Eurosystem's credit quality threshold shall not apply to marketable debt instruments issued or fully guaranteed by the central government of a euro area Member State under a European Union/International Monetary Fund programme, for as long as such Member State is considered by the Governing Council to comply with the conditionality of the financial support and/or the macroeconomic programme.

**▼ M5***Article 8a***Acceptance of marketable debt securities issued by the central government of the Hellenic Republic**

1. NCBs may accept as collateral for Eurosystem credit operations marketable debt instruments issued by the central government of the Hellenic Republic that do not satisfy the Eurosystem's credit quality requirements for marketable assets laid down in Articles 59 and 71 and Chapter 2 of Title II of Part Four of Guideline (EU) 2015/510 (ECB/2014/60), provided that these instruments comply with all other eligibility criteria applicable to marketable assets and laid down in Guideline (EU) 2015/510 (ECB/2014/60).

2. The securities referred to in paragraph 1 that are accepted by NCBs as collateral shall be subject to the valuation haircuts laid down in Annex IIB to this Guideline.

**▼ M6***Article 8b***Admission of certain marketable assets and issuers eligible on 7 April 2020**

1. Terms used in this Article shall have the same meaning as in Guideline (EU) 2015/510 (ECB/2014/60).

2. Notwithstanding the provisions of Article 59(3), Article 71 and Article 82(1)(a) of Guideline (EU) 2015/510 (ECB/2014/60), marketable assets – other than asset-backed securities (ABSs) – issued on or before 7 April 2020 that on 7 April 2020 had a public credit rating, provided by at least one accepted ECAI system, that complied with the minimum credit quality requirements of the Eurosystem, shall constitute eligible collateral for Eurosystem credit operations provided that, at all times after 7 April 2020:

- (a) they have a public credit rating provided by at least one accepted ECAI system that complies with, as a minimum, credit quality step 5 in the Eurosystem's harmonised rating scale; and
- (b) they continue to comply with all other eligibility criteria applicable to marketable assets as laid down in Guideline (EU) 2015/510 (ECB/2014/60).

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For the avoidance of doubt, the public credit rating on 7 April 2020, as referred to in this paragraph, shall be determined by the Eurosystem on the basis of the rules set out in Article 82(1)(a), Article 82(2), Article 83, Article 84(a) and (b), Article 85 and Article 86 of Guideline (EU) 2015/510 (ECB/2014/60).

3. Where compliance of a marketable asset with the minimum credit quality requirements of the Eurosystem on 7 April 2020 is determined on the basis of an ECAI issuer rating or an ECAI guarantor rating provided by an accepted ECAI system, that marketable asset shall constitute eligible collateral for Eurosystem credit operations provided that, at all times after 7 April 2020:

- (a) the ECAI issuer rating or the ECAI guarantor rating, as applicable, for that marketable asset complies with, as a minimum, credit quality step 5 in the Eurosystem's harmonised rating scale; and
- (b) that marketable asset continues to comply with all other eligibility criteria applicable to it as laid down in Guideline (EU) 2015/510 (ECB/2014/60).

4. Marketable assets – other than ABSs – issued after 7 April 2020 whose issuer or guarantor, as applicable, had on 7 April 2020 a public credit rating, provided by at least one accepted ECAI system, that complied with the minimum credit quality requirements of the Eurosystem, shall constitute eligible collateral for Eurosystem credit operations provided that, at all times after 7 April 2020:

- (a) those marketable assets have a public credit rating, provided by at least one accepted ECAI system, that complies with, as a minimum, credit quality step 5 in the Eurosystem's harmonised rating scale; and
- (b) those marketable assets comply with all other eligibility criteria applicable to marketable assets as laid down in Guideline (EU) 2015/510 (ECB/2014/60).

For the avoidance of doubt, the public credit rating referred to in point (a) of this paragraph shall be determined by the Eurosystem on the basis of the rules set out in Article 82(1)(a), Article 82(2), Article 83, Article 84(a) and (b), Article 85 and Article 86 of Guideline (EU) 2015/510 (ECB/2014/60).

5. Covered bonds issued after 7 April 2020 under a covered bond programme that on 7 April 2020 itself had a credit assessment, provided by at least one accepted ECAI system, that complied with the minimum credit quality requirements of the Eurosystem, shall constitute eligible collateral for Eurosystem credit operations provided that:

- (a) at all times after 7 April 2020 the covered bond programme has a public credit rating, provided by at least one accepted ECAI system, that complies with, as a minimum, credit quality step 5 in the Eurosystem's harmonised rating scale, and

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- (b) these covered bonds comply with all other eligibility criteria applicable to them as laid down in Guideline (EU) 2015/510 (ECB/2014/60).

6. The marketable assets referred to in Article 87(2) of Guideline (EU) 2015/510 (ECB/2014/60) that on 7 April 2020 did not have a public credit rating provided by an accepted ECAI system, but that on 7 April 2020 had an implicit credit assessment derived by the Eurosystem in accordance with the rules laid down in Article 87(1) and (2) of Guideline (EU) 2015/510 (ECB/2014/60) that complied with the credit quality requirements of the Eurosystem, shall constitute eligible collateral for Eurosystem credit operations irrespective of the date of their issuance provided that, at all times after 7 April 2020:

- (a) the issuer or guarantor, as applicable, of these marketable assets complies, as a minimum, with a credit quality requirement corresponding to credit quality step 5 in the Eurosystem's harmonised rating scale; and
- (b) these marketable assets comply with all other eligibility criteria applicable to them as laid down in Guideline (EU) 2015/510 (ECB/2014/60).

7. Notwithstanding the provisions of Article 59(3), Article 71 and Article 82(1)(b) of Guideline (EU) 2015/510 (ECB/2014/60), ABS issued on or before 7 April 2020 that on 7 April 2020 had at least two public credit ratings, each provided by a different accepted ECAI system, that complied with the minimum credit quality requirements of the Eurosystem under Guideline (EU) 2015/510 (ECB/2014/60), shall constitute eligible collateral for Eurosystem credit operations provided that, at all times after 7 April 2020:

- (a) they have at least two public credit ratings, each provided by a different accepted ECAI system, that comply with, as a minimum, credit quality step 4 in the Eurosystem's harmonised rating scale; and
- (b) they continue to comply with all other eligibility criteria applicable to ABSs as laid down in Guideline (EU) 2015/510 (ECB/2014/60).

For the avoidance of doubt, the requirements laid down in Article 3(1)(a) to (d) and Article 3(4) of this Guideline shall not apply to the ABS referred to in this paragraph.

8. ABS that on 7 April 2020 were admitted by the Eurosystem as eligible collateral under Article 3(1) of this Guideline shall remain eligible provided that, at all times after 7 April 2020:

- (a) they have two public credit ratings of at least credit quality step 4 in the Eurosystem's harmonised rating scale provided by two accepted ECAI systems; and

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- (b) they continue to comply with all other requirements applicable to them under Article 3(1) (except the rating level), Article 3(2a) and Article 3(4) of this Guideline.

For the avoidance of doubt, Article 3(2) and Article 3(5) of this Guideline shall not apply to the ABS referred to in this paragraph.

9. For as long as they continue to be admitted as eligible collateral by the Eurosystem according to this Article, the marketable assets, including covered bonds, referred to in paragraphs 2 to 6 shall be subject to the valuation haircuts laid down in Annex IIb to this Guideline. The ABS referred to in paragraphs 7 and 8 shall be subject to the valuation haircuts laid down in Annex IIa to this Guideline. The valuation haircuts shall be calculated on the basis of the current rating applicable on any given day after 7 April 2020 in accordance with the rules relating to priority of ECAI credit assessments as set out in Articles 83 to 88 of Guideline (EU) 2015/510 (ECB/2014/60).

10. In addition to the valuation haircuts provided for in paragraph 9, the following additional valuation haircuts shall apply:

- (a) ABS, covered bonds and unsecured debt instruments issued by credit institutions that are theoretically valued in accordance with the rules contained in Article 134 of Guideline (EU) 2015/510 (ECB/2014/60) shall be subject to an additional valuation haircut in the form of a valuation markdown of 4%;
- (b) own-use covered bonds shall be subject to an additional valuation haircut of (i) 6,4% applied to the value of the debt instruments allocated to credit quality steps 1 and 2, and (ii) 9,6% applied to the value of the debt instruments allocated to credit quality steps 3, 4 and 5;
- (c) for the purposes of paragraph (b), ‘own-use’ shall mean the submission or use by a counterparty of covered bonds that are issued or guaranteed by the counterparty itself or by any other entity with which that counterparty has close links as determined in accordance with Article 138 of Guideline (EU) 2015/510 (ECB/2014/60);
- (d) if the additional valuation haircut referred to in paragraph (b) cannot be applied with respect to a collateral management system of an NCB, triparty agent, or TARGET2-Securities for auto-collateralisation, the additional valuation haircut shall be applied in such systems or platform to the entire issuance value of the covered bonds that can be own used.

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11. For the avoidance of doubt, the provisions of this Article are independent from and shall not be taken into account for the purposes of assessing eligibility for outright purchases under the secondary markets public sector asset programme (PSPP) <sup>(1)</sup>; the third covered bond purchase programme (CBPP3) <sup>(2)</sup>; the asset-backed securities purchase programme (ABSPP) <sup>(3)</sup>; the corporate sector purchase programme (CSPP) <sup>(4)</sup>; and the pandemic emergency purchase programme (PEPP) <sup>(5)</sup>.

**▼ B***Article 9***Taking effect, implementation and application**

1. This Guideline shall take effect on 9 July 2014.

2. The NCBs shall take the necessary measures to comply with Article 1(3), Article 3(2), (3), (5) and (6), Article 3(7)(g), Article 4(3)(c) and Article 8(3) and apply this Guideline from 20 August 2014. They shall notify the ECB of the texts and means relating to measures relating to Article 1(3), Article 3(2), (3), (5) and (6), Article 3(7)(g), Article 4(3)(c) and Article 8(3) by 6 August 2014 at the latest, and any measures relating to Article 5 in accordance with the procedures specified by the Governing Council.

**▼ M4****▼ B***Article 10***Amendment to Guideline ECB/2007/9**

In Part 5 of Annex III the paragraph following Table 2 is replaced by the following:

***‘Calculation of lump-sum allowance for control purposes (R6):***

**Lump-sum allowance:** The allowance is applied to every credit institution. Each credit institution deducts a maximum lump sum designed to reduce the administrative cost of managing very small reserve requirements. Should [reserve base × reserve ratio] be

<sup>(1)</sup> Decision (EU) 2020/188 of the European Central Bank of 3 February 2020 on a secondary markets public sector asset purchase programme (recast) (ECB/2020/9) (OJ L 39, 12.2.2020, p. 12).

<sup>(2)</sup> Decision (EU) 2020/187 of the European Central Bank of 3 February 2020 on the implementation of the third covered bond purchase programme (ECB/2020/8) (OJ L 39, 12.2.2020, p. 6).

<sup>(3)</sup> Decision (EU) 2015/5 of the European Central Bank of 19 November 2014 on the implementation of the asset-backed securities purchase programme (ECB/2014/45) (OJ L 1, 6.1.2015, p. 4).

<sup>(4)</sup> Decision (EU) 2016/948 of the European Central Bank of 1 June 2016 on the implementation of the corporate sector purchase programme (ECB/2016/16) (OJ L 157 15.6.2016, p. 28).

<sup>(5)</sup> Decision (EU) 2020/440 of the European Central Bank of 24 March 2020 on a temporary pandemic emergency purchase programme (ECB/2020/17) (OJ L 91, 25.3.2020, p. 1).

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less than EUR 100 000, then the lump sum allowance equals [reserve base × reserve ratio]. Should [reserve base × reserve ratio] be greater than or equal to EUR 100 000, then the lump sum allowance equals EUR 100 000. Institutions allowed to report statistical data regarding their consolidated reserve base as a group (as defined in Part 2, Section 1 of Annex III to Regulation (EC) No 25/2009 (ECB/2008/32)) hold minimum reserves through one of the institutions in the group which is acting as an intermediary exclusively for these institutions. In accordance with Article 11 of Regulation (EC) No 1745/2003 of the European Central Bank of 12 September 2003 on the application of minimum reserves (ECB/2003/9) (\*), in the latter case only the group as a whole is entitled to deduct the lump sum allowance.

The minimum (or “required”) reserves are computed as follows:

Minimum (or “required”) reserves = reserve base × reserve ratio — lump sum allowance

The reserve ratio applies in accordance with Regulation (EC) No 1745/2003 (ECB/2003/9).

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(\*) OJ L 250, 2.10.2003, p. 10.’.

*Article 11***Repeal**

1. Guideline ECB/2013/4 is repealed from 20 August 2014.
2. References to Guideline ECB/2013/4 shall be construed as references to this Guideline and shall be read in accordance with the correlation table in Annex IV.

*Article 12***Addressees**

This Guideline is addressed to all Eurosystem central banks.

▼ M4▼ M6*ANNEX IIa***Valuation haircut levels (in %) applied to asset-backed securities (ABS) eligible under Article 3(2) and Article 8b of this Guideline**

Credit quality	Weighted Average Life (*)	Valuation haircut
Step 3	[0,1)	4,8
	[1,3)	7,2
	[3,5)	10,4
	[5,7)	12,0
	[7,10)	14,4
	[10, ∞)	24,0
Step 4	[0,1)	11,2
	[1,3)	15,2
	[3,5)	18
	[5,7)	24,8
	[7,10)	30,4
	[10, ∞)	43,2

(\*) i.e. [0,1) weighted average life (WAL) less than one year, [1,3) WAL equal to or greater than one year and less than three years, etc.

▼ **M6***ANNEX IIb***Valuation haircut levels (in %) applied to marketable assets, other than ABS, referred to in Articles 8a and 8b**

		Category I		Category II		Category III		Category IV	
Credit quality	Residual maturity (years) (*)	Fixed and floating coupon	zero coupon	Fixed and floating coupon	zero coupon	Fixed and floating coupon	zero coupon	Fixed and floating coupon	zero coupon
Step 4	[0,1)	6,4	6,4	8	8	12,8	12,8	20	20
	[1,3)	9,6	10,4	12	15,2	16	18,4	28	30
	[3,5)	11,2	12	16	20	19,2	23,6	33,6	37,2
	[5,7)	12,4	13,6	20	24,8	22,4	28,4	36,8	40,4
	[7,10)	13,2	14,4	21,6	28,4	24,8	32	40	44,8
	[10,∞)	14,4	16,8	23,2	31,6	26,4	34,8	41,6	46,8
Step 5	[0,1)	8	8	12	12	22,4	22,4	24	24
	[1,3)	11,2	12	16	19,2	25,6	28	32	34
	[3,5)	13,2	14	22,4	26,4	28,8	33,2	38,4	42
	[5,7)	14,4	15,6	27,2	32	31,6	37,6	43,2	46,8
	[7,10)	15,2	16,4	28,8	35,6	33,2	40,4	46,4	51,2
	[10,∞)	16,4	18,8	30,4	38,8	33,6	42	48	53,2

(\*) i.e. [0,1) residual maturity less than one year, [1,3) residual maturity equal to or greater than one year and less than three years, etc.



**▼B**

*ANNEX III*

**REPEALED GUIDELINE WITH ITS SUBSEQUENT AMENDMENTS**

Guideline ECB/2013/4 (OJ L 95, 5.4.2013, p. 23).

Guideline ECB/2014/12 (OJ L 166, 5.6.2014, p. 42).



## ANNEX IV

## CORRELATION TABLE

Guideline ECB/2013/4	This Guideline
Articles 1 and 2	Articles 1 and 2
Article 3(4) and (5)	Article 3(4) and (5)
Article 3(6)	Article 3(7)
Article 4	Article 4
Article 3(6)(1)	Article 3(7)(a)
Article 3(6)(2)	Article 3(7)(b)
Article 3(6)(3)	Article 3(7)(c)
Article 3(6)(4)	Article 3(7)(d)
Article 3(6)(5)	Article 3(7)(e)
Article 3(6)(6)	Article 3(7)(f)
—	Article 5
Article 5	Article 6
Article 6	Article 7
Article 7	Article 8
Article 8	Article 9
Article 9	Article 10
—	Article 11
Article 11	Article 12
Guideline ECB/2014/12	This Guideline
Article 1(1)	Article 1(3)
Article 1(2)	Article 3(1)
Decision ECB/2013/22	This Guideline
Article 1(1)	Article 1(3)
Article 1(2)	Article 8(3)
Annex	Annex II
Decision ECB/2013/36	This Guideline
Article 2(1)(a)	Article 3(2)
Article 2(1)(b)	Article 3(3)
Article 2(2)	Article 3(5)
Article 3(2)	Article 3(7)(g)
Article 3(3)	Article 3(6)
Article 4(c)	Article 4(3)(c)