



Counterparty Agreement - Eurosystem's overnight deposit facility

1 Parties to the Agreement

Bank of Finland and

XX Bank Ltd (business ID)

2 Purpose and scope of the Agreement

Pursuant to Article 127(2) of the Treaty on the Functioning of the European Union, one of the basic tasks of the European System of Central Banks (ESCB) is to define and implement the monetary policy of the Union. According to Article 12 of the Statute of the European System of Central Banks and of the European Central Bank, the Governing Council of the European Central Bank (ECB) adopts guidelines that are binding on the national central banks (NCBs) and takes such decisions as are necessary to ensure the performance of the tasks entrusted to the ESCB. According to Article 14.3 of the Statute, the NCBs are an integral part of the ESCB and act in accordance with the guidelines and instructions of the ECB. The Eurosystem's¹ monetary policy operations are executed under uniform terms and conditions in all Member States. The Bank of Finland is obliged to implement the guidelines of the ECB at the national level.

Under this Agreement, the Counterparty has the right to access the Eurosystem's overnight deposit facility, which is one of the standing facilities offered by the Eurosystem (ECB Guideline (ECB/2014/60), Title II, Chapter 2).

Under this Agreement, the Counterparty agrees to observe, in all monetary policy operations with the Bank of Finland, this Agreement and the valid Bank of Finland Rules on monetary policy operations and collateral and any separate agreements on monetary policy operations. The Bank of Finland Rules on monetary policy operations and collateral include guidelines issued by the ECB and a document entitled 'Implementation of monetary policy operations and collateral management at the Bank of Finland'. If any of the guidelines issued by the ECB and included in the Bank of Finland Rules on monetary policy operations and collateral call for the inclusion by NCBs of certain

¹ The expression 'Eurosystem' is used of the composition in which the ESCB carries out its basic tasks. The Eurosystem comprises the ECB and the NCBs of those Member States that have adopted the euro as their single currency in accordance with the Treaty on the Functioning of the European Union.



requirements in their contractual and regulatory arrangements, such requirements shall apply to this contractual relationship. The Bank of Finland Rules on monetary policy operations and collateral are available on the Bank of Finland's website.²

In addition, the Counterparty is required to comply with the decisions and regulations issued by the ECB that constitute directly applicable law.

3 Right to amend the Agreement and the Rules

The ECB may decide to unilaterally amend guidelines included in the Bank of Finland Rules on monetary policy operations and collateral. The ECB's guidelines and amendments thereto shall apply as from the date specified in the relevant legal document.

The Bank of Finland is entitled to unilaterally amend its guidance, which constitutes a part of the Bank of Finland Rules on monetary policy operations and collateral.

The Counterparty shall be notified electronically of any amendments of the Rules. Such amendments shall take effect on the date specified in the notification.

4 Remedies in the event of default or on the grounds of prudence

The Bank of Finland Rules on monetary policy operations and collateral define the events of default and the consequences. The Counterparty undertakes to abide by the remedies and sanctions set out in the guidelines issued by the ECB and included in the Bank of Finland Rules on monetary policy operations and collateral.

The Bank of Finland is entitled to exercise the following remedies in case of an event of default or on the grounds of prudence:

- a) suspend, limit or exclude the Counterparty from access to open market operations,
- b) suspend, limit or exclude the Counterparty from access to Eurosystem standing facilities,
- c) terminate all outstanding agreements and operations,
- d) demand accelerated performance of claims that have not yet matured or are contingent,
- e) use deposits of the Counterparty placed with the Bank of Finland to set off claims against that Counterparty,
- f) suspend the performance of obligations against the Counterparty until the claim on the Counterparty has been satisfied.

² <https://www.suomenpankki.fi/en/media-and-publications/publications/instructions-and-rules/bank-of-finland-rules-for-counterparties-and-customers/>



Following an event of default, the Bank of Finland may claim default interest and an indemnity for any losses sustained as a consequence of such default by the Counterparty.

5 The relation of this Agreement to other agreements

The Counterparty shall not be entitled to assign this Agreement.

6 Termination

Either party to this Agreement may terminate the Agreement subject to one (1) month's prior notice to the other party. Despite expiry of the period of notice, the parties to the Agreement shall continue to apply the terms of the Agreement until completion of outstanding monetary policy operations.

Notwithstanding the above-mentioned periods of notice, the Bank of Finland shall be entitled to exclude the Counterparty from access to monetary policy operations on the grounds of prudence or Counterparty has been placed under resolution or in the event of severe or persistent default on the part of the Counterparty in performing its obligations vis-à-vis the Bank of Finland.

The Bank of Finland shall not be held liable for indemnity in respect of any possible damage to the Counterparty on the basis of cancellation or termination of the Agreement.



7 Governing law and jurisdiction

This Counterparty Agreement shall be governed by the law of Finland.

Any disputes concerning this Agreement shall be adjudicated in the first instance by the Helsinki district court.

This Agreement shall enter into force on.....

The Agreement has been drawn up in two identical copies, one for each party.

Helsinki,

SUOMEN PANKKI – FINLANDS BANK

XXXX BANK
