DECISION (EU) 2021/874 OF THE EUROPEAN CENTRAL BANK

of 26 May 2021

amending Decision (EU) 2019/1743 on the remuneration of holdings of excess reserves and of certain deposits (ECB/2021/25)

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 first indent of Article 3.1 and Articles 17 to 19 thereof,

Whereas:

(1) Commission Implementing Decision C(2021) 2502 final of 14 April 2021 establishing the necessary arrangements for the administration of the borrowing operations under Council Decision (EU, Euratom) 2020/2053 and for the lending operations related to loans granted in accordance with Article 15 of Regulation (EU) 2021/241 of the European Parliament and of the Council [1] provides, inter alia, for the administration of borrowing operations in the context of NextGenerationEU, which has been adopted to finance COVID-19 crisis recovery initiatives while facilitating the green and digital transition of the Union economy.

(2) The Governing Council considers that prudential cash holdings that are held in a dedicated account with the European Central Bank (ECB) in accordance with Article 13(2) of Implementing Decision C(2021) 2502 final should be exempt from negative interest rates.

(3) In accordance with Article 22 of Implementing Decision C(2021) 2502 final, NextGenerationEU borrowing, debt management and lending operations will not be implemented until the date of entry into force of Council Decision (EU, Euratom) 2020/2053. However, as NextGenerationEU borrowing, debt management and lending operations are expected to commence in June 2021, it is necessary to prepare the ECB legal framework for such implementation and it is therefore appropriate to amend Decision (EU) 2019/1743 (ECB/2019/31) before the date of entry into force of Council Decision (EU, Euratom) 2020/2053, to provide for such exemptions. Therefore, this Decision should enter into force without delay.

(4) Therefore, Decision (EU) 2019/1743 (ECB/2019/31) should be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Amendment

Article 2 of Decision (EU) 2019/1743 (ECB/2019/31) is replaced by the following:

'*Article 2*

Remuneration of certain deposits held with the ECB

1. Accounts maintained with the ECB in accordance with Decision ECB/2003/14 of the European Central Bank (*), Decision ECB/2010/31 of the European Central Bank (**), Decision ECB/2010/17 of the European Central Bank (***) and Council Regulation (EU) 2020/672 (****) shall continue to be remunerated at the deposit facility rate. However, when deposits need to be held in those accounts in advance of the date on which a payment must be made in accordance with the legal or contractual rules applicable to the relevant facility, such deposits shall be remunerated during this advance period at zero per cent or the deposit facility rate, whichever is higher.

[1] C(2021) 2502 final.

2. The dedicated account maintained with the ECB in accordance with Article 13(2) of Commission Implementing Decision C(2021) 2502 final of 14 April 2021 establishing the necessary arrangements for the administration of the borrowing operations under Council Decision (EU, Euratom) 2020/2053 and for the lending operations related to loans granted in accordance with Article 15 of Regulation (EU) 2021/241 of the European Parliament and of the Council (*****) for the purposes of prudential cash holdings as referred to in that Article shall be remunerated at zero per cent or the deposit facility rate, whichever is higher, except where the aggregate amount of deposits held in that dedicated account exceeds EUR 20 billion, in which case the amount in excess shall be remunerated at the deposit facility rate.

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(*) Decision ECB/2003/14 of the European Central Bank of 7 November 2003 concerning the administration of the borrowing-and-lending operations concluded by the European Community under the medium-term financial assistance facility (OJ L 297, 15.11.2003, p. 35).

(**) Decision ECB/2010/31 of the European Central Bank of 20 December 2010 concerning the opening of accounts for the processing of payments in connection with EFSF loans to Member States whose currency is the euro (OJ L 10, 14.1.2011, p. 7).

(***) Decision ECB/2010/17 of the European Central Bank of 14 October 2010 concerning the administration of the borrowing and lending operations concluded by the Union under the European financial stabilisation mechanism (OJ L 275, 20.10.2010, p. 10).

(****) Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak (OJ L 159, 20.5.2020, p. 1).

(*****) C(2021) 2502 final.'.

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, 26 May 2021.

For the Governing Council of the ECB
The President of the ECB
Christine LAGARDE