GUIDELINES

GUIDELINE (EU) 2023/818 OF THE EUROPEAN CENTRAL BANK

of 5 April 2023

amending Guideline (EU) 2019/671 on domestic asset and liability management operations by the national central banks (ECB/2019/7) *(ECB/2023/8)*

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 Articles 12.1 and 14.3 thereof,

Whereas:

(1) On 8 September 2022, the Governing Council decided to adjust temporarily the remuneration of deposits held with the national central banks of Member States whose currency is the euro (hereinafter 'NCBs') acting as fiscal agents pursuant to Article 21.2 of the Statute of the European System of Central Banks and of the European Central Bank, as specified in Guideline (EU) 2019/671 of the European Central Bank (ECB/2019/7) ([1]). Decision (EU) 2022/1521 of the European Central Bank (ECB/2022/30) ([2]) implemented this temporary framework by setting the remuneration ceiling applicable to such deposits at the deposit facility rate or the euro short-term rate (€STR), whichever is lower. Decision (EU) 2022/1521 (ECB/2022/30) will not be in force after 30 April 2023.

(2) On 6 February 2023, the Governing Council decided that from 1 May 2023 the remuneration ceiling applicable to such deposits held with NCBs will be adjusted so that with respect to government deposits other than government deposits related to an adjustment programme it will be set at the euro short-term rate (€STR) minus 20 basis points, and that the possibility of a more favourable remuneration of government deposits up to a certain threshold will be removed. This decision aims to provide incentives for a gradual and orderly reduction of those deposits held with the NCBs, thereby minimising the risk of adverse effects on market functioning and ensuring the smooth transmission of monetary policy.

(3) On 12 May 2022, the Governing Council decided to reduce the frequency of the assessment of the implementation of Guideline (EU) 2019/671 (ECB/2019/7) to be submitted by the European Central Bank (ECB) to the Governing Council, from one year to two years. Consequently, it is appropriate that the frequency with which the NCBs inform the ECB of the related organisational arrangements is also reduced from one year to two years.

(4) Therefore, Guideline (EU) 2019/671 (ECB/2019/7) should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

Article 1

Amendments

Guideline (EU) 2019/671 (ECB/2019/7) is amended as follows:

(1) in Article 3, paragraph 4 is replaced by the following:

([1]) Guideline (EU) 2019/671 of the European Central Bank of 9 April 2019 on domestic asset and liability management operations by the national central banks (ECB/2019/7) (OJ L 113, 29.4.2019, p. 11).

([2]) Decision (EU) 2022/1521 of the European Central Bank of 12 September 2022 on temporary adjustments to the remuneration of certain non-monetary policy deposits held with national central banks and the European Central Bank (ECB/2022/30) (OJ L 236 I, 13.9.2022, p. 1).

'4. The NCBs shall inform the ECB of the arrangements established in accordance with this Article once every two years.';

(2) in Article 4, paragraph 1 is replaced by the following:

'1. The remuneration of government deposits shall be subject to the following ceilings:

(a) in the case of government deposits denominated in euro, other than government deposits related to an adjustment programme:

(i) for overnight government deposits, the unsecured overnight market rate minus 20 basis points;

(ii) for fixed term government deposits, the secured market rate with a comparable maturity minus 20 basis points or if that is not available, the unsecured overnight market rate minus 20 basis points;

(b) in the case of government deposits denominated in other currencies, other than government deposits related to an adjustment programme, an approach comparable for the concerned currency to the approach set out for deposits denominated in euro, as set out in point (a);

(c) in the case of government deposits related to an adjustment programme, the higher of: (i) zero per cent and (ii) the unsecured overnight market rate or, if available, the secured market rate with a comparable maturity, as applicable.';

(3) in Article 7, paragraph 1 is replaced by the following:

'1. Once every two years the ECB shall prepare an assessment of the implementation of this Guideline in the previous two years and submit it to the Governing Council.'.

Article 2

Taking effect and implementation

1. This Guideline shall take effect on the day of its notification to the NCBs.

2. The NCBs shall take the necessary measures to comply with this Guideline and apply them from 1 May 2023. They shall notify the ECB of the texts and means relating to the measures specified in Article 1, point (2) by 17 April 2023 at the latest.

Article 3

Adressees

This Guideline is addressed to the NCBs.

Done at Frankfurt am Main, 5 April 2023.

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