



EUROPEAN CENTRAL BANK
EUROSYSTEM

GUIDELINE (EU) [2021/[XX]] OF THE EUROPEAN CENTRAL BANK

of 6 May 2021

**amending Guideline (EU) 2015/510 on the implementation of the Eurosystem monetary policy
framework**

(ECB/2021/23)

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, Articles 9.2, 12.1, 14.3, 18.2 and the first paragraph of Article 20 thereof,

Whereas:

- (1) Achieving a single monetary policy entails defining the tools, instruments and procedures to be used by the Eurosystem, in order to implement such a policy in a uniform manner throughout the Member States whose currency is the euro.
- (2) Compliance with own funds requirements constitutes a necessary condition for establishing financial soundness of institutions pursuant to Article 55(c) of Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60)¹.
- (3) Under Article 92(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council², credit institutions are subject to the following own funds requirements: Common Equity Tier 1 capital ratio, Tier 1 capital ratio, total capital ratio. From 28 June 2021, credit institutions will be subject to an additional own funds requirement: the leverage ratio, introduced pursuant to point 46 of Article 1

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

² 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).

of Regulation (EU) 2019/876 of the European Parliament and of the Council³, read in conjunction with Article 3(2) of that Regulation.

- (4) Therefore, Guideline (EU) 2015/510 (ECB/2014/60) should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

Article 1

Amendments

Paragraphs 2 and 3 of Article 158 of Guideline (EU) 2015/510 (ECB/2014/60) are replaced by the following:

‘2. Counterparties that are subject to supervision as referred to in Article 55(b)(i) but which do not meet the own funds requirements laid down in Regulation (EU) No 575/2013, on an individual and/or consolidated basis, in accordance with the supervisory requirements, and counterparties that are subject to supervision of a comparable standard as referred to in Article 55(b)(iii) but which do not meet requirements comparable to the own funds requirements laid down in Regulation (EU) No 575/2013, on an individual and/or consolidated basis, shall automatically have their access to Eurosystem monetary policy operations limited on the grounds of prudence. The limitation shall correspond to the level of access to Eurosystem monetary policy operations prevailing at the time such non-compliance is notified to the Eurosystem. This limitation is without prejudice to any further discretionary measure that the Eurosystem may take. If compliance with own funds requirements has not been restored through adequate and timely measures at the latest within 20 weeks from the reference date of the data collection exercise in which the non-compliance was identified, counterparties shall be automatically suspended from accessing Eurosystem monetary policy operations on the grounds of prudence.

3. In the context of its assessment of financial soundness of a counterparty pursuant to Article 55(c) and without prejudice to any other discretionary measures, the Eurosystem may limit, on the grounds of prudence, access to Eurosystem monetary policy operations by the following counterparties:

- (a) counterparties for which information on capital and/or leverage ratios under Regulation (EU) No 575/2013 is incomplete or not made available to the relevant NCB and the ECB in a timely manner and at the latest within 14 weeks from the end of the relevant quarter;

³ Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (OJ L 150, 7.6.2019, p. 1).

- (b) counterparties which are not required to report capital and leverage ratios under Regulation (EU) No 575/2013 but for which information of a comparable standard as referred to in Article 55(b)(iii) is incomplete or not made available to the relevant NCB and the ECB in a timely manner and at the latest within 14 weeks from the end of the relevant quarter.

Access shall be restored once the relevant information has been made available to the relevant NCB and it has been determined that the counterparty fulfils the criterion of financial soundness pursuant to Article 55(c). If the relevant information has not been made available at the latest within 20 weeks from the end of the relevant quarter, the counterparty's access to Eurosystem monetary policy operations shall be automatically suspended on the grounds of prudence.'

Article 2

Taking effect and implementation

1. This Guideline shall take effect on the day of its notification to the national central banks of the Member States whose currency is the euro.
2. The national central banks of the Member States whose currency is the euro shall take the necessary measures to comply with this Guideline and apply them from 28 June 2021. They shall notify the European Central Bank of the texts and means relating to those measures by 1 June 2021 at the latest.

Article 3

Addressees

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 6 May 2021.

For the Governing Council of the ECB

The President of the ECB

Christine LAGARDE