



**EUROPEAN CENTRAL BANK**  
EUROSYSTEM

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ECB-PUBLIC

**GUIDELINE (EU) 2024/1163 OF THE EUROPEAN CENTRAL BANK**

**of 8 February 2024**

**amending Guideline (EU) 2015/510 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60)**

**(ECB/2024/4)**

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 and 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) Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60)<sup>1</sup> should be amended to incorporate necessary technical and editorial adjustments relating to certain aspects of monetary policy operations.
- (3) Guideline ECB/2012/27 of the European Central Bank<sup>2</sup>, which governed the Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET2), was repealed by Guideline (EU) 2022/912 of the European Central Bank (ECB/2022/8)<sup>3</sup>, which sets out the new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET). The changes introduced by Guideline (EU) 2022/912 (ECB/2022/8) need to be reflected in Guideline (EU) 2015/510 (ECB/2014/60).

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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 Guideline ECB/2012/27 of the European Central Bank of 5 December 2012 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) (OJ L 30, 30.1.2013, p. 1).

3 Guideline (EU) 2022/912 of the European Central Bank of 24 February 2022 on a new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET) and repealing Guideline ECB/2012/27 (ECB/2022/8) (OJ L 163, 17.6.2022, p. 84).

- (4) The announcement, allotment and settlement dates of main refinancing operations and regular longer-term refinancing operations should be aligned to facilitate switching between the two types of operations. Furthermore, the time frame of regular longer-term refinancing operations should be adjusted to avoid an overlap between the two types of operations. In addition, the interest rounding rules for regular longer-term refinancing operations should be clarified to ensure a harmonised approach.
- (5) Certain aspects of the issuance of European Central Bank (ECB) debt certificates require further clarification regarding the identity of their legal issuer and the form of their issuance and holding.
- (6) Some further clarification on the treatment of interest rate benchmarks in the context of collateral eligibility for the purposes of Eurosystem monetary policy operations is required, in particular as regards those interest rate benchmarks that are administered from the United Kingdom (UK). UK benchmark administrators, like other benchmark administrators located outside the Union, should be considered third country benchmark administrators and Union supervised entities should only use benchmarks provided by third country administrators if they are authorised for use in the Union in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council<sup>4</sup>.
- (7) Clarifications are needed with respect to the eligibility as collateral of sustainability-linked bonds with coupon step-up cancellation rights.
- (8) It is necessary to harmonise the Eurosystem collateral eligibility rules applicable to guaranteed assets by further specifying the cases in which the relevant eligibility requirements apply. The applicability of these requirements should depend on whether a guarantee is used to establish the asset's compliance with the Eurosystem's credit quality requirements.
- (9) It is necessary to provide greater clarity in the Eurosystem credit assessment framework (ECAF) with regard to counterparties' reporting of probabilities of default based on their use of the internal ratings-based (IRB) approaches, and the provision of templates to be filled in by a credit rating agency (CRA) applying to become accepted as an external credit assessment institution (ECAI).
- (10) As part of the collateral easing measures it adopted in response to the COVID-19 pandemic to facilitate Eurosystem counterparties in maintaining sufficient eligible collateral in order to be able to participate in all liquidity-providing operations, the Governing Council decided on 7 April 2020 that for domestic use, credit claims should, at the time of their submission as collateral by the counterparty, meet a minimum size threshold of EUR 0, or any higher amount that may be laid down by a national central bank of a Member State whose currency is the euro (hereinafter an 'NCB') receiving them as collateral. In view of the gradual phasing out of these collateral easing measures, the Governing Council decided on 30 November 2023 to reinstate the minimum size threshold of EUR 25 000 that credit claims mobilised on an individual basis should meet in order to be acceptable

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<sup>4</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

collateral for domestic use under Guideline (EU) 2015/510 (ECB/2014/60). In making its decision, the Governing Council took into consideration: the need to harmonise the use of credit claims as collateral for Eurosystem credit operations, the low percentage of the total amount of collateral mobilised by Eurosystem counterparties that credit claims below that threshold represent, and the need to improve the operational and cost efficiency of mobilisation and handling procedures for the acceptance of credit claims as collateral.

- (11) To enhance the protection of the Eurosystem from risks associated with the acceptance of credit claims as collateral, if it is ascertained that the procedures and systems used by a counterparty are no longer adequate for the submission of information on credit claims to the Eurosystem, the NCB concerned should be allowed to take the measures it deems necessary. These measures should include the partial or full suspension of the mobilisation of credit claims by that counterparty until the NCB concerned has conducted a new verification of the appropriateness of the procedures and systems used by the counterparty to submit the information on credit claims to the Eurosystem.
- (12) In line with the Governing Council's decision of 22 June 2022, a high-level principle concerning climate change risk disclosure in ECAs' credit assessments is to be introduced in the ECAF.
- (13) Adjustments need to be made to the Eurosystem counterparty framework for accessing Eurosystem monetary policy operations to further clarify the treatment of counterparties that do not meet the own funds requirements laid down in Regulation (EU) No 575/2013 of the European Parliament and of the Council<sup>5</sup>, the treatment of counterparties in breach of the initial capital requirement laid down in Article 93 of Regulation (EU) No 575/2013 and the relevant national legislation, as well as the treatment of counterparties and of eligible assets issued by entities that are subject to European Union restrictive measures.
- (14) It is necessary to harmonise the events of default within the Eurosystem, also with a view to ensuring transparency and consistency, and to improve the level playing field for the Eurosystem's counterparties for monetary policy operations.
- (15) Regulation (EU) 2021/378 of the European Central Bank (ECB/2021/1)<sup>6</sup> has been amended as regards the remuneration of holdings of minimum reserves. The changes introduced by Regulation (EU) 2023/1679 of the European Central Bank (ECB/2023/21)<sup>7</sup> therefore need to be reflected in the provisions relating to minimum reserves in Guideline (EU) 2015/510 (ECB/2014/60).
- (16) Therefore, Guideline (EU) 2015/510 (ECB/2014/60) should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

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<sup>5</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 amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

<sup>6</sup> Regulation (EU) 2021/378 of the European Central Bank of 22 January 2021 on the application of minimum reserve requirements (ECB/2021/1) (OJ L 73, 3.3.2021, p. 1).

<sup>7</sup> Regulation (EU) 2023/1679 of the European Central Bank of 25 August 2023 amending Regulation (EU) 2021/378 on the application of minimum reserve requirements (ECB/2021/1) (ECB/2023/21) (OJ L 216, 1.9.2023, p. 96).

*Article 1*

**Amendments**

Guideline (EU) 2015/510 (ECB/2014/60) is amended as follows:

1. references to 'TARGET2' are replaced by references to 'TARGET' in the following: Article 2, points (6) and (26), Article 19(1) and (2), Article 22(1), Article 51(1) and (3), Article 53(2), Article 61(1), Article 177(2), point (d), Article 186(2), point (b), the heading of Part Seven A, the title of Article 187a, the introductory wording of Article 187a(1), Article 187a(4), the title of Article 187b, Article 187b, first sentence, the title of Article 187c, Article 187c, first sentence, Article 187c, point (b), the title of Article 187d, and Article 187d;
2. Article 2 is amended as follows:
  - (a) point (24-a) is replaced by the following:  
 '(24-a) "ECONS credit" means credit provided within contingency processing as referred to in point 2.3 and point 3.2 of Appendix IV to Annex I to Guideline (EU) 2022/912 of the European Central Bank (ECB/2022/8)(\*);  
 (\* Guideline (EU) 2022/912 of the European Central Bank of 24 February 2022 on a new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET) and repealing Guideline ECB/2012/27 (ECB/2022/8) (OJ L 163, 17.6.2022, p. 84).';
  - (b) point (46) is replaced by the following:  
 '(46) "intraday credit" means intraday credit as defined in Article 2, point (35), of Guideline (EU) 2022/912 (ECB/2022/8), in conjunction with point (35) of Annex III to that Guideline;';
  - (c) point (91) is replaced by the following:  
 '(91) "TARGET" means the new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system, regulated under Guideline (EU) 2022/912 (ECB/2022/8);';
  - (d) the following point (91a) is inserted:  
 '(91a) "TARGET account" means TARGET account as defined in Article 2, point (59), of Guideline (EU) 2022/912 (ECB/2022/8), in conjunction with point (59) of Annex III to that Guideline;';
3. in Article 7, paragraph 6 is replaced by the following:  
 '6. LTROs are executed by means of variable rate tender procedures, unless it is decided by the Eurosystem to execute them by means of a fixed-rate tender procedure. In such a case, the rate applicable to fixed-rate tender procedures may be indexed to an underlying reference rate (e.g. average MRO rate) over the life of the operation, with or without a spread. When the applicable interest rate is calculated as an average of an underlying reference rate over the life of the operation, it shall be calculated by rounding the average to at least the eighth decimal position.';
4. in Article 8(2), point (d) is replaced by the following:  
 '(d) are executed in a decentralised manner by the NCBs;';
5. in Article 10(4), point (e) is replaced by the following:

- ‘(e) are executed in a decentralised manner by the NCBs.’;
6. in Article 11(5), point (d) is replaced by the following:  
‘(d) are executed in a decentralised manner by the NCBs.’;
7. Article 12 is amended as follows:  
(a) paragraph 5 is replaced by the following:  
‘5. Fixed-term deposits shall be held in accounts with the home NCB.’;  
(b) in paragraph 6, point (d) is replaced by the following:  
‘(d) is executed in a decentralised manner by the NCBs.’;
8. Article 13 is amended as follows:  
(a) paragraph 2 is replaced by the following:  
‘2. ECB debt certificates shall be issued in book-entry form in a securities depository in a Member State whose currency is the euro. They shall be held in book-entry form.’;  
(b) in paragraph 5, point (e) is replaced by the following:  
‘(e) they are tendered in a decentralised manner by the NCBs.’;
9. Article 19 is amended as follows:  
(a) paragraph 5 is replaced by the following:  
‘5. Counterparties may access the marginal lending facility after making a request to their home NCB at the latest by 18:15 Central European Time (CET)(\*), the cut-off time for the use of standing facilities, pursuant to Appendix V to Annex I to Guideline (EU) 2022/912 (ECB/2022/8). On the last Eurosystem business day of a minimum reserve maintenance period, the deadline for requesting access to the marginal lending facility shall occur 15 minutes later. Under exceptional circumstances, the Eurosystem may decide to apply later deadlines. The request for access to the marginal lending facility shall specify the amount of credit required. The counterparty shall deliver sufficient eligible assets as collateral for the transaction, unless such assets have already been pre-deposited by the counterparty with the home NCB pursuant to Article 18(4).  
(\*) CET takes account of the change to Central European Summer Time.’;  
(b) the first sentence in paragraph 6 is replaced by the following:  
‘If at the end of a business day, the total balance on a counterparty’s TARGET accounts with its home NCB after finalisation of the end-of-day control procedures is negative, this negative balance shall automatically be considered as a request for recourse (‘automatic request’) to the marginal lending facility.’;
10. in Article 20, paragraph 1 is replaced by the following:  
‘1. The maturity of credit extended under the marginal lending facility shall be overnight. The credit shall be repaid on the next day on which: (a) TARGET; and (b) the relevant SSSs are operational, at the time at which those systems open.’;

11. Article 22 is amended as follows:

(a) paragraph 2 is replaced by the following:

‘2. Counterparties may access the deposit facility after making a request to their home NCB at the latest by 18:15 Central European Time (CET)(\*), the cut-off time for the use of standing facilities, pursuant to Appendix V to Annex I to Guideline (EU) 2022/912 (ECB/2022/8). On the last Eurosystem business day of a minimum reserve maintenance period, the deadline for requesting access to the deposit facility shall occur 15 minutes later. Under exceptional circumstances, the Eurosystem may decide to apply later deadlines. The request for access to the deposit facility shall specify the amount to be deposited.

(\* ) CET takes account of the change to Central European Summer Time.’;

(b) paragraph 3 is deleted;

12. in Article 23, paragraph 1 is replaced by the following:

‘1. The maturity of deposits under the deposit facility shall be overnight. Deposits held under the deposit facility shall mature on the next day on which TARGET is operational, at the time at which this system opens.’;

13. Article 25(2) is amended as follows:

(a) the second sentence is replaced by the following:

‘The operational features of standard and quick tender procedures are identical, except for the time frame and the range of counterparties.’;

(b) Table 5 is deleted;

(c) The following Table 5a is inserted:

**‘TABLE 5a**

***Indicative time frame for standard and quick tender procedures (times are stated in Central European Time (1))***

	Standard tender procedures		Quick tender procedures
	MRO	Regular LTRO	
Tender announcement	T-1 15:40	T-1 15:55	T hh:mm
Deadline for counterparties’ submission of bids	T 09:30	T 10:00	+ 00:30
Announcement of tender results	T 11:30	T 12:00	+ 01:35
Settlement of transactions	T+1	T+1	T

(1) Central European Time (CET) takes account of the change to Central European Summer Time.

T stands for “trade day”.’;

(d) Table 6 is deleted;

14. in Article 28(3), Table 7 is replaced by the following:

<i>Table 7</i>	
<i>Normal trade days for MROs and regular LTROs</i>	
Category of open market operations	Normal trade day (T)
MROs	Each Tuesday(*)
Regular LTROs	The last Tuesday of each calendar month(**)

(\*) Special scheduling can take place due to holidays.

(\*\*) Due to the holiday period, the December operation is normally brought forward by one week, i.e. to the preceding Tuesday of the month.’;

15. in Article 49, paragraph 1 is replaced by the following:

‘1. Payment orders relating to the participation in open market operations or use of the standing facilities shall be settled on the counterparties’ accounts with an NCB or on the accounts of another credit institution participating in TARGET.’;

16. in Article 58, paragraph 2 is replaced by the following:

‘2. In order to participate in Eurosystem credit operations, counterparties shall provide the Eurosystem with assets that are eligible as collateral for such operations. Given that Eurosystem credit operations include intraday credit, collateral provided by counterparties in respect of intraday credit shall also comply with the eligibility criteria laid down in this Guideline, as outlined in Guideline (EU) 2022/912 (ECB/2022/8).’;

17. Article 63 is amended as follows:

(a) in paragraph 1, point (b)(i), the first indent is replaced by the following:

‘— a euro money market rate the use of which is permitted in the Union in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council (\*), e.g. the euro short-term rate (€STR) (including compounded or averaged daily €STR), Euribor, or similar indices; for the first or/and the last coupon the reference rate can be a linear interpolation between two tenors of the same euro money market rate, e.g. a linear interpolation between two different tenors of Euribor,

(\* ) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).’;

(b) in paragraph 1, point (c) is replaced by the following:

‘(c) multi-step or floating coupons with steps linked to SPTs, provided that:

(i) the compliance with SPTs by the issuer, or any undertaking belonging to the same sustainability-linked bond issuer group, is subject to verification by an independent third party in accordance with the terms and conditions of the debt instrument; and

(ii) the step-up event and/or the associated step-up payment have not been cancelled or disapplied by the issuer or by other means.’;

(c) the following paragraph 5 is added:

‘5. By way of derogation from paragraph 4, the coupon structure shall not be rendered ineligible in the case of multi-step or floating coupons with steps linked to SPTs by the mere existence of the issuer’s right to cancel or disapply the step-up event and/or the associated step-up payment.’;

18. in Article 69, the following paragraph 1a is inserted:

‘1a. The requirement set out in the first sentence of paragraph 1 shall not apply to the guarantor of a debt instrument where the guarantee is not used to establish the compliance of that debt instrument with the credit quality requirements for marketable assets.’;

19. in Article 70, paragraph 2 is replaced by the following:

‘2. In order to be eligible, guarantors of debt instruments shall be established in the EEA, unless a guarantee is not used to establish the compliance of that debt instrument with the credit quality requirements for specific debt instruments, subject to the exceptions laid down in paragraphs 3 and 4. The possibility to use an ECAI guarantor rating to establish compliance with the relevant credit quality requirements for specific debt instruments is laid down in Article 84.’;

20. the heading of Part Four, Title II, Chapter 1, Section 2, Subsection 3 is replaced by the following:

‘Specific eligibility criteria for debt certificates issued by the ECB or by NCBs prior to the date of adoption of the euro in their respective Member State’;

21. Article 81 is amended as follows:

(a) the title is replaced by the following:

**‘Eligibility criteria for debt certificates issued by the ECB or by NCBs prior to the date of adoption of the euro in their respective Member State’;**

(b) paragraph 2 is replaced by the following:



'2. Debt certificates issued by the ECB and debt certificates issued by the NCBs prior to the date of adoption of the euro in their respective Member State whose currency is the euro shall not be subject to the criteria laid down in Title II of this Part Four.';

22. in Article 90, point (b)(iii), first indent, the first sub-indent is replaced by the following:

'— a euro money market rate the use of which is permitted in the Union in accordance with Regulation (EU) 2016/1011, e.g. €STR (including compounded or averaged daily €STR), Euribor, or similar indices';

23. Article 93 is replaced by the following:

'Article 93

#### **Minimum size of credit claims**

For domestic use, credit claims shall, at the time of their submission as collateral by the counterparty, meet a minimum size threshold of EUR 25 000, or any higher amount that may be laid down by the home NCB. For cross-border use, a minimum size threshold of EUR 500 000 shall apply.';

24. in Article 95, paragraph 1 is replaced by the following:

'1. The debtors and guarantors of eligible credit claims shall be non-financial corporations, public sector entities (excluding public financial corporations), multilateral development banks or international organisations. This requirement shall not apply to the guarantor of a credit claim where the guarantee is not used to establish the compliance of that credit claim with the credit quality requirements for non-marketable assets.';

25. in Article 96, paragraph 2 is replaced by the following:

'2. The guarantor in respect of a credit claim shall also be established in a Member State whose currency is the euro, unless a guarantee is not used to establish the compliance of that credit claim with the credit quality requirements for non-marketable assets.';

26. in Article 97, point (d) is replaced by the following:

'(d) guarantor (only where a guarantee exists and the guarantee is used to establish the compliance of the credit claim with the credit quality requirements for non-marketable assets)';

27. Article 100 is replaced by the following:

'Article 100

#### **Verifications of the procedures and systems used to submit credit claims**

1. NCBs, or supervisors or external auditors, shall conduct a verification of the appropriateness of the procedures and systems used by the counterparty to submit the information on credit claims to the Eurosystem prior to the first mobilisation of credit claims by the counterparty. The verification of the procedures and systems shall subsequently be conducted at least once every five years. In the event of significant changes to such procedures or systems, a new verification may be conducted.

2. If NCBs, or supervisors or external auditors ascertain that the procedures and systems used by the counterparty are no longer adequate for the submission of the information on credit claims to the Eurosystem, the NCB involved in the verification shall take the measures it deems necessary, which may include the partial or full suspension of the mobilisation of credit claims by the counterparty until a new verification of the appropriateness of the procedures and systems used by the counterparty to submit the information on credit claims to the Eurosystem has been conducted.’;
28. Article 104 is amended as follows:
- (a) paragraphs 1 and 2 are replaced by the following:
- ‘1. Credit claims shall be fully transferable and capable of being mobilised without restriction for the benefit of the Eurosystem. The credit claim agreement, other contractual arrangements between the counterparty and the debtor or, where a guarantee in respect of such credit claim exists, the guarantee, shall not contain any restrictive provisions on mobilisation as collateral, unless national legislation provides that such contractual restrictions cannot impact the transferability and mobilisation of the credit claim or are without prejudice to the Eurosystem’s rights with respect to the mobilisation of collateral.
2. Credit claims shall be capable of realisation without restriction for the benefit of the Eurosystem. The credit claim agreement, other contractual arrangements between the counterparty and the debtor or, where a guarantee in respect of such credit claim exists, the guarantee, shall not contain any restrictive provisions regarding the realisation of the credit claim used as collateral for Eurosystem credit operations, including any form, time or other requirement with regard to realisation.’;
- (b) paragraph 3a is replaced by the following:
- ‘3a. NCBs shall employ a mechanism to ensure that set-off risk has been excluded or significantly mitigated when they accept credit claims as collateral.’;
29. in Article 107a, paragraph 7 is replaced by the following:
- ‘7. The governing law applicable to the DECC, the originator, the debtors and, where relevant, the guarantors of the underlying credit claims, the underlying credit claim agreements and any agreements ensuring the direct or indirect transfer of the underlying credit claims from the originator to the issuer shall be the law of the jurisdiction where the issuer is established. This requirement shall only apply to the guarantors of the underlying credit claims where a guarantee is used to establish compliance with the credit quality requirements of the credit claim.’;
30. in Article 113, paragraph 2 is replaced by the following:
- ‘2. Guarantees provided by guarantors that are used to establish compliance with the Eurosystem’s credit quality requirements shall comply with this Title.’;
31. Article 118(1) is amended as follows:
- (a) point (a) is replaced by the following:

‘(a) in the case of marketable assets in accordance with Article 70, in the EEA, unless a guarantee is not used to establish the compliance of that marketable asset with the credit quality requirements for a specific debt instrument. The possibility to use an ECAI guarantor rating to establish the relevant credit quality requirements for marketable assets is addressed in Article 84;’;

(b) point (c) is replaced by the following:

‘(c) in the case of credit claims in accordance with Article 96, in a Member State whose currency is the euro, unless a guarantee is not used to establish the compliance of that credit claim with the credit quality requirements for non-marketable assets. The option to use a credit assessment in respect of a guarantor to establish the compliance of that credit claim with the relevant credit quality requirements for credit claims is addressed in Article 108’;

32. in Article 120, the following paragraph 4 is added:

‘4. ECAIs shall be transparent in relation to the incorporation of climate change risk in their methodologies and ratings, where such climate change risk can be a source of credit risk. They shall provide regular updates to the ECB on their activities in this field.’;

33. Article 122 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. To obtain ECAF approval of an IRB system, a counterparty shall file a request with the home NCB. An IRB system may only be approved in the ECAF if the counterparty has been authorised by the competent authority to use it for capital requirements purposes. Where an IRB system has been so authorised, but such authorisation is subsequently withdrawn, ECAF approval is withdrawn at the same time.’;

(b) in paragraph 3, point (d) is replaced by the following:

‘(d) information on its approach to assigning probabilities of default to debtors, as well as data on the rating grades and associated one-year probabilities of default used to determine eligible rating grades. The probability of default, as referred to in Article 59(3), reported by the counterparty’s IRB system shall be the “final” probability of default used for the calculation of own fund requirements, including any supervisory regulatory floors, add-ons, appropriate adjustments, margin of conservatism, overrides and mapping to master scales;’;

34. in Article 123(4), point (d) is replaced by the following:

‘(d) notifications to the home NCB of facts or circumstances that could materially influence the continued use of the IRB system for ECAF purposes or the way in which the IRB system leads to the establishment of eligible collateral, including in particular material changes to a counterparty’s IRB system which may impact on the manner in which the IRB system’s rating grades or probabilities of default correspond with the Eurosystem harmonised rating scale. These shall include, but are not limited to, any changes affecting the probabilities of default, as referred to in Article 122(3), point (d), used by the IRB system to calculate own funds requirements.’;

35. Article 144a(2) is amended as follows:

(a) point (a) is replaced by the following:

‘(a) any counterparty’s TARGET account, as provided for in Article 27(6) of Part I of Annex I to Guideline (EU) 2022/912 (ECB/2022/8); or’;

(b) point (b) is replaced by the following:

‘(b) with prior authorisation, any TARGET account of another credit institution designated by the counterparty.’;

(c) point (c) is deleted;

36. in Article 154(1), point (d) is replaced by the following:

‘(d) as regards end-of-day procedures and access conditions for the marginal lending facility, in cases where there is any remaining negative balance on a counterparty’s TARGET accounts after finalisation of the end-of-day control procedures and an automatic request for recourse to the marginal lending facility is therefore considered to arise, as laid down in Article 19(6), the obligation to present sufficient eligible assets in advance as collateral or, in the case of a counterparty whose access to Eurosystem monetary policy operations has been limited pursuant to Article 158, the obligation to keep its recourse to Eurosystem monetary policy operations within the defined limit;’;

37. Article 158 is amended as follows:

(a) paragraph 2 is replaced by the following:

‘2. Counterparties that are subject to supervision as referred to in Article 55, point (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, point (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. Counterparties shall automatically be suspended from accessing Eurosystem monetary policy operations on the grounds of prudence, unless the ECB’s Governing Council decides otherwise upon the relevant NCB’s request, where either of the following applies:

(a) 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;

(b) non-compliance was identified outside the scope of the data collection exercise and compliance with own funds requirements has not been restored within eight weeks from the day on which the relevant supervisory authority confirmed that the counterparty no longer complies

with minimum own funds requirements and no later than 20 weeks after the end of the relevant quarter.’;

(b) the following paragraph 3b is inserted:

‘3b. The Eurosystem may suspend, limit, or exclude, on the grounds of prudence, access to Eurosystem monetary policy operations by counterparties that are in breach of the initial capital requirement laid down in Article 93 of Regulation (EU) No 575/2013 and the relevant national legislation.’;

(c) paragraph 8 is replaced by the following:

‘8. In the case of an occurrence of an event of default, the Eurosystem may, in line with Article 166, suspend, limit or exclude access to Eurosystem monetary policy operations with regard to counterparties that are in default pursuant to Article 165 as implemented in any contractual or regulatory arrangements applied by the relevant NCB.’;

(d) the following paragraph 8a is inserted:

‘8a. The Eurosystem may immediately suspend, rather than limit, the counterparty’s access to Eurosystem monetary policy operations where all of the following apply:

- (a) the conditions for a limitation as set out in paragraphs 2, 3 and 4 are met;
- (b) the counterparty’s outstanding exposure to Eurosystem monetary policy operations at the time of the non-compliance is zero;
- (c) the counterparty had zero intraday credit and auto-collateralisation exposure over the last 90 business days preceding the decision to impose the measure.’;

38. in Article 159(4), point (a) is replaced by the following:

‘(a) assets issued, co-issued, serviced or guaranteed by counterparties, or entities closely linked to counterparties subject to freezing of funds and/or other measures, including restrictive measures imposed by the Union under Article 75 or Article 215 or similar relevant provisions of the Treaty or by a Member State restricting the use of funds; and/or’;

39. Article 165 is replaced by the following:

*‘Article 165*

#### **Events of default**

1. Each NCB shall apply contractual or regulatory arrangements that provide for events of default that are considered either automatic (“automatic events of default”) or discretionary (“discretionary events of default”), as set out in this Article.

2. The following shall be considered automatic events of default, as referred to in paragraph 1:

- (a) a decision is made by a competent judicial or other authority to implement, in relation to the counterparty, a procedure for the winding-up of the counterparty or the appointment of a liquidator or analogous officer over the counterparty, or any other analogous procedure. For the purposes of this point (a), the taking of crisis prevention measures or crisis management measures within the

meaning of Directive 2014/59/EU against a counterparty shall not qualify as an automatic event of default;

(b) the counterparty becomes subject to freezing of funds and/or other measures, including restrictive measures, imposed by the Union under Article 75 or Article 215 or similar relevant provisions of the Treaty restricting the counterparty's ability to use its funds;

(c) the counterparty is no longer subject to the Eurosystem's minimum reserve system as required by Article 55, point (a);

(d) the counterparty is no longer subject to harmonised Union/EEA supervision or comparable supervision under Article 55, point (b);

(e) the counterparty becomes a wind-down entity as defined in Article 2, point (99a).

3. The following shall be considered discretionary events of default, as referred to in paragraph 1:

(a) a decision is made by a competent judicial or other authority to implement, in relation to the counterparty, an intervention measure, other than under paragraph 2, point (a), restricting its business activities, including a moratorium, or a reorganisation measure or other analogous procedure intended to safeguard or restore the financial situation of the counterparty and to avoid a decision of the type referred to in paragraph 2, point (a), being taken;

(b) the counterparty no longer fulfils any of the home NCB's operational requirements referred to in Article 55, point (d);

(c) a declaration is made by the counterparty in writing of its inability to pay all or any part of its debts or to meet its obligations arising in relation to monetary policy transactions or any other transactions with its home NCB or with any other NCB, or the counterparty ceases to pursue its objects under its articles of association or analogous constitutive documents or a declaration is made by the counterparty of its intention to cease to pursue its objects under its articles of association or analogous constitutive documents, or a voluntary general agreement or arrangement is entered into by the counterparty with its creditors, or if the counterparty is, or is deemed to be, insolvent or is deemed to be unable to pay its debts;

(d) procedural steps are taken preliminary to a decision being made under paragraph 2, point (a) or points (a) or (f), of this paragraph, including a proposal to withdraw the authorisation to conduct activities under either: (a) Directive 2013/36/EU and Regulation (EU) No 575/2013; or (b) Directive 2014/65/EU, as implemented in the relevant Member State whose currency is the euro;

(e) a temporary administrator or other analogous officer with the powers to restrict the ability of the counterparty to meet its obligations towards the Eurosystem is appointed;

(f) a receiver, trustee or analogous officer is appointed over all or any material part of the property of the counterparty, to the extent applicable;

(g) an incorrect or untrue representation or other pre-contractual statement is made or implied by the counterparty under applicable provisions of law in relation to:

- (i) monetary policy transactions or any other transactions with its home NCB or with any other NCB, or
- (ii) compliance with any laws or regulations to which it may be subject, which may threaten the performance by the counterparty of its obligations under the arrangement it entered into for the purpose of effecting Eurosystem monetary policy operations;
- (h) the counterparty's authorisation to conduct activities under Directive 2014/65/EU, as implemented in the relevant Member State whose currency is the euro, is suspended or revoked;
- (i) the counterparty is suspended from or has its participation terminated in any payment system through which payments under monetary policy transactions are made or (except for foreign exchange swap transactions) is suspended from or has its participation terminated in any SSS used for the settlement of Eurosystem monetary policy operations;
- (j) measures such as those referred to in Articles 41(1) and 43(1) and Article 44 of Directive 2013/36/EU are taken against the counterparty;
- (k) in relation to reverse transactions, the counterparty fails to comply with provisions concerning risk control measures;
- (l) in relation to repurchase transactions, the counterparty fails to pay the purchase price or the repurchase price or fails to deliver purchased or repurchased assets; or in relation to collateralised loans, the counterparty fails to deliver assets or reimburse the credit on the applicable dates for such payments and deliveries;
- (m) in relation to foreign exchange swaps for monetary policy purposes and fixed-term deposits, the counterparty fails to pay the euro amount; or in relation to foreign exchange swaps for monetary policy purposes, the counterparty fails to pay foreign currency amounts on the applicable dates for such payments;
- (n) an event of default, not materially different from those defined in this Article, occurs in relation to the counterparty under an agreement concluded for the purposes of the management of the foreign reserves or own funds of the ECB or any NCBs;
- (o) the counterparty fails to provide relevant information, thus causing severe consequences for the home NCB;
- (p) the counterparty fails to perform any other of its obligations under arrangements for reverse transactions and foreign exchange swap transactions and, if capable of remedy, does not remedy such failure within a maximum of 30 days in the case of collateralised transactions and a maximum of 10 days for foreign exchange swap transactions after notice is given by the NCB requiring it to do so;
- (q) an event of default occurs in relation to the counterparty, including its branches, under any agreement or transaction with the Eurosystem entered into for the purpose of effecting Eurosystem monetary policy operations;

(r) the counterparty becomes subject to the freezing of funds and/or other measures imposed by a Member State whose currency is the euro restricting the counterparty's ability to use its funds;

(s) all or a substantial part of the counterparty's assets are subjected to a freezing order, attachment, seizure or any other procedure that is intended to protect the public interest or the rights of the counterparty's creditors;

(t) all or a substantial part of the counterparty's assets are assigned to another entity or all or a substantial part of the operations or business of the counterparty are sold, dissolved, liquidated or discontinued or any decision to this effect is made; and

(u) any other impending or existing event which threatens the performance by the counterparty of its obligations under the arrangements it entered into for the purpose of effecting Eurosystem monetary policy operations or under any other contractual and/or statutory rules applying to the relationship between the counterparty and the ECB or any of the NCBs; or the counterparty defaults on, breaches or fails to duly perform any other obligation, agreement or transaction with its home NCB under the arrangements entered into for the purpose of effecting monetary policy operations or under any other contractual and/or statutory rules applying to the relationship between the counterparty and the ECB or any of the NCBs.

4. In the case of the discretionary events of default referred to in paragraph 3, the event of default is to be declared by the relevant NCB in accordance with Eurosystem procedures adopted by the Governing Council and shall be perfected only upon service of a notice of default. Such notice of default may provide a "grace period" of up to three business days to rectify the event in question.;

40. Article 166 is amended as follows:

(a) in paragraph 1, the introductory wording is replaced by the following:

'Each NCB shall apply contractual or regulatory arrangements which ensure that on the grounds of prudence the NCB is entitled to exercise any of the following remedies:';

(b) the following paragraph 1a is inserted:

'1a. Each NCB shall apply contractual or regulatory arrangements which ensure that:

(a) following the occurrence of an automatic event of default under Article 165(2), the NCB shall be entitled to exercise any of the remedies listed in paragraph 1, except for the remedy of limiting the counterparty as set out in paragraph 1, points (a) and (b); and

(b) following the occurrence of a discretionary event of default under Article 165(3), the NCB shall be entitled to exercise any of the remedies listed in paragraph 1.';

(c) in paragraph 2, the first sentence is replaced by the following:

'Each NCB may apply contractual or regulatory arrangements which, if an event of default occurs, entitle the home NCB to exercise any of the following remedies, in addition to the remedies referred to in paragraph 1a:';

41. in Article 187a(1), point (a) is replaced by the following:



‘(a) the contingency solution as defined in Article 2, point (20), of Guideline (EU) 2022/912 (ECB/2022/8), in conjunction with point (20) of Annex III to that Guideline, is activated as a result of the interruption; and’;

42. in Article 187b, point (a) is replaced by the following:

‘(a) The settlement of open market operations in euro as set out in Title III, Chapter 2 of this Guideline shall not be processed via the contingency solution as defined in Article 2, point (20), of Guideline (EU) 2022/912 (ECB/2022/8), in conjunction with point (20) of Annex III, to that Guideline. As a consequence, the settlement of such operations may be delayed until normal TARGET operations resume.’;

43. Annexes I, VI, VIa and IXc are amended in accordance with the Annex to this Guideline.

#### *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 6 May 2024. They shall notify the ECB of the texts and means relating to those measures by 22 March 2024 at the latest.

#### *Article 3*

##### **Addressees**

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 8 February 2024.

*For the Governing Council of the ECB*

*The President of the ECB*

Christine LAGARDE

Annexes I, VI, VIa and IXc to Guideline ECB/2014/60 are amended as follows:

1. Annex I is amended as follows:
  - (a) paragraph 10 is replaced by the following:

‘10. The reserve ratios are those specified by the ECB in Regulation (EU) 2021/378 (ECB/2021/1) subject to the maximum limit set out in Regulation (EC) No 2531/98.’;
  - (b) paragraph 13 is replaced by the following:

‘13. In accordance with Article 9 of Regulation (EU) 2021/378 (ECB/2021/1), institutions’ holdings of minimum reserves are remunerated at 0 %.

The end-of-day balance of TARGET during the period of a prolonged TARGET disruption over several business days as referred to in Article 187a will be considered in the remuneration of minimum reserves retroactively after the TARGET disruption is resolved.

The end-of-day balance of TARGET, applied over the number of days of the prolonged TARGET disruption over several business days, will be determined according to the best information available to the ECB. Any balances held in the contingency solution used during a prolonged TARGET disruption over several business days, intraday or for a longer period, are remunerated at zero percent.

Where an institution fails to comply with other obligations under ECB regulations and decisions relating to the Eurosystem’s minimum reserve system (e.g. if relevant data are not transmitted in time or are not accurate), the ECB is empowered to impose sanctions in accordance with Regulation (EC) No 2531/98, Regulation (EC) No 2532/98, Regulation (EC) No 2157/1999 (ECB/1999/4) and Decision (EU) 2021/1815 (ECB/2021/45).’;
2. in Annex VI, section I, paragraph 5, references to ‘TARGET2’ are replaced by references to ‘TARGET’;
3. in Annex VIa, in paragraph 5 of section II, points (a) and (b) are replaced by the following:

‘(a) an SSS and its links must provide settlement services on all TARGET business days;

(b) an SSS must operate during daytime processing as referred to in Appendix V to Annex I to Guideline (EU) 2022/912 (ECB/2022/8) (\*);

(\* ) Guideline (EU) 2022/912 of the European Central Bank of 24 February 2022 on a new generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET) and repealing Guideline ECB/2012/27 (ECB/2022/8) (OJ L 163, 17.6.2022, p. 84).’;
4. in Annex IXc, section II, paragraph 3, point (d) is replaced by the following:

‘(d) The historical record of the CRA’s default events covering at least three years and preferably five years as well as the definition of default used by the CRA, in order for the Eurosystem to perform an ex post performance monitoring of the CRA in accordance with the performance monitoring

framework. This will also form the basis for mapping the ratings to the Eurosystem's harmonised rating scale. The submission must include:

- (i) global disaggregated data on all ratings, including those that are not ECAF-eligible, for example due to geographic or other restrictions;
- (ii) corresponding rating transition tables and default statistics.

The disaggregated ratings data must be submitted in the applicable templates provided by the ECB, which contain instructions regarding the presentation of the data. The data must cover all asset, issuer and guarantor ratings that are eligible for ECAF purposes in accordance with this Guideline as well as static information on the related assets, issuers and guarantors as provided for in the templates.'.