

GUIDELINES

GUIDELINE OF THE EUROPEAN CENTRAL BANK

of 9 July 2014

on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9

(recast)

(ECB/2014/31)

(2014/528/EU)

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 5.1, 12.1, 14.3 and 18.2 thereof,

Whereas:

- (1) Guideline ECB/2013/4 ⁽¹⁾ has been substantially amended. Since further amendments are to be made, Guideline ECB/2013/4 should be recast in the interest of clarity.
- (2) Pursuant to Article 18.1 of the Statute of the European System of Central Banks and of the European Central Bank, the European Central Bank (ECB) and the national central banks of Member States whose currency is the euro (hereinafter the 'NCBs') may conduct credit operations with credit institutions and other market participants, with lending being based on adequate collateral. The general conditions under which the ECB and the NCBs stand ready to enter into credit operations, including the criteria determining the eligibility of collateral for the purposes of Eurosystem credit operations, are laid down in Annex I to Guideline ECB/2011/14 ⁽²⁾.
- (3) On 8 December 2011 and 20 June 2012 the Governing Council decided on additional enhanced credit support measures to support bank lending and liquidity in the euro area money market, including measures set out in Decision ECB/2011/25 ⁽³⁾. In addition, references to the reserve ratio in Guideline ECB/2007/9 ⁽⁴⁾ needed to be aligned with the amendments to Regulation (EC) No 1745/2003 of the European Central Bank (ECB/2003/9) ⁽⁵⁾ introduced by Regulation (EU) No 1358/2011 of the European Central Bank (ECB/2011/26) ⁽⁶⁾.
- (4) Decision ECB/2012/4 ⁽⁷⁾ provided that NCBs should not be obliged to accept as collateral in Eurosystem credit operations eligible bank bonds guaranteed by a Member State under a European Union/International Monetary Fund programme or by a Member State whose credit assessment does not comply with the Eurosystem benchmark for establishing its minimum requirement for high credit standards.

⁽¹⁾ Guideline ECB/2013/4 of 20 March 2013 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (OJ L 95, 5.4.2013, p. 23).

⁽²⁾ Guideline ECB/2011/14 of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (OJ L 331, 14.12.2011, p. 1).

⁽³⁾ Decision ECB/2011/25 of 14 December 2011 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (OJ L 341, 22.12.2011, p. 65).

⁽⁴⁾ Guideline ECB/2007/9 of 1 August 2007 on monetary, financial institutions and markets statistics (OJ L 341, 27.12.2007, p. 1).

⁽⁵⁾ Regulation (EC) No 1745/2003 of the European Central Bank of 12 September 2003 on the application of minimum reserves (ECB/2003/9) (OJ L 250, 2.10.2003, p. 10).

⁽⁶⁾ Regulation (EU) No 1358/2011 of the European Central Bank of 14 December 2011 amending Regulation (EC) No 1745/2003 on the application of minimum reserves (ECB/2003/9) (ECB/2011/26) (OJ L 338, 21.12.2011, p. 51).

⁽⁷⁾ Decision ECB/2012/4 of 21 March 2012 amending Decision ECB/2011/25 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (OJ L 91, 29.3.2012, p. 27).

- (5) Decision ECB/2012/12 ⁽¹⁾ also reviewed the exception from the close links prohibition set out in Section 6.2.3.2 of Annex I to Guideline ECB/2011/14 with respect to government-guaranteed bank bonds own used as collateral by counterparties.
- (6) On 2 August 2012, Decision ECB/2011/25 was replaced by Guideline ECB/2012/18 ⁽²⁾, which was implemented by the NCBs in their contractual or regulatory arrangements. Guideline ECB/2012/18 also permitted counterparties participating in Eurosystem credit operations to increase the levels of own use of government-guaranteed bank bonds that they had on 3 July 2012 subject to the *ex ante* approval of the Governing Council in exceptional circumstances. The requests submitted to the Governing Council for *ex ante* approval need to be accompanied by a funding plan.
- (7) Guideline ECB/2012/18 was amended on 10 October 2012 by Guideline ECB/2012/23 ⁽³⁾, which temporarily widened the criteria determining the eligibility of assets to be used as collateral in Eurosystem monetary policy operations, accepting marketable debt instruments denominated in pounds sterling, yen or US dollars as eligible assets for monetary policy operations. Valuation markdowns reflecting the historical volatility of the relevant exchange rates were applied to such marketable debt instruments.
- (8) Guideline ECB/2013/2 ⁽⁴⁾ specifies the procedure applicable to the early repayment of longer-term refinancing operations by counterparties in order to ensure that the same conditions are applied by all NCBs. In particular, the sanctions regime set out in Appendix 6 to Annex I to Guideline ECB/2011/14 applies where a counterparty that has opted for early repayment fails, in full or in part, to settle the amount to be repaid to the relevant NCB by the due date.
- (9) Guideline ECB/2012/18 was further amended to incorporate the content of Decision ECB/2012/34 ⁽⁵⁾ and to ensure that NCBs are not obliged to accept as collateral for Eurosystem credit operations eligible uncovered bank bonds which are: (a) issued by the counterparties using them or by entities closely linked to the counterparty; and (b) fully guaranteed by a Member State whose credit assessment does not meet the Eurosystem's high credit standards and which the Governing Council considers as complying with a European Union/International Monetary Fund programme.
- (10) In the interest of clarity and simplicity, on 20 March 2013, Guideline ECB/2012/18 was replaced by Guideline ECB/2013/4, which was implemented by the NCBs in their contractual or regulatory arrangements.
- (11) In the interest of clarity and simplicity, the content of Decisions ECB/2011/4 ⁽⁶⁾, ECB/2011/10 ⁽⁷⁾ and ECB/2012/32 ⁽⁸⁾ was included in Guideline ECB/2013/4 with all other temporary measures relating to Eurosystem refinancing operations and eligibility of collateral.
- (12) Guideline ECB/2013/4 was amended on 5 July 2013 by Decision ECB/2013/22 ⁽⁹⁾ and on 12 March 2014 by Guideline ECB/2014/12 ⁽¹⁰⁾ to take into account the euro area Member States that the Governing Council considered compliant with a European Union/International Monetary Fund programme, as well as to reflect amendments to the Eurosystem collateral framework. Following subsequent changes to the list of euro area Member

⁽¹⁾ Decision ECB/2012/12 of 3 July 2012 amending Decision ECB/2011/25 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (OJ L 186, 14.7.2012, p. 38).

⁽²⁾ Guideline ECB/2012/18 of 2 August 2012 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (OJ L 218, 15.8.2012, p. 20).

⁽³⁾ Guideline ECB/2012/23 of 10 October 2012 amending Guideline ECB/2012/18 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (OJ L 284, 17.10.2012, p. 14).

⁽⁴⁾ Guideline ECB/2013/2 of 23 January 2013 amending Guideline ECB/2012/18 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (OJ L 34, 5.2.2013, p. 18).

⁽⁵⁾ Decision ECB/2012/34 of 19 December 2012 on temporary changes to the rules relating to the eligibility of foreign currency denominated collateral (OJ L 14, 18.1.2013, p. 22).

⁽⁶⁾ Decision ECB/2011/4 of 31 March 2011 on temporary measures relating to the eligibility of marketable debt instruments issued or guaranteed by the Irish Government (OJ L 94, 8.4.2011, p. 33).

⁽⁷⁾ Decision ECB/2011/10 of 7 July 2011 on temporary measures relating to the eligibility of marketable debt instruments issued or guaranteed by the Portuguese Government (OJ L 182, 12.7.2011, p. 31).

⁽⁸⁾ Decision ECB/2012/32 of 19 December 2012 on temporary measures relating to the eligibility of marketable debt instruments issued or fully guaranteed by the Hellenic Republic (OJ L 359, 29.12.2012, p. 74).

⁽⁹⁾ Decision ECB/2013/22 of 5 July 2013 on temporary measures relating to the eligibility of marketable debt instruments issued or fully guaranteed by the Republic of Cyprus (OJ L 195, 18.7.2013, p. 27).

⁽¹⁰⁾ Guideline ECB/2014/12 of 12 March 2014 amending Guideline ECB/2013/4 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (OJ L 166, 5.6.2014, p. 42).

States compliant with a European Union/International Monetary Fund programme, further adjustment of Guideline ECB/2013/4 is necessary.

- (13) Decision ECB/2013/36 ⁽¹⁾ adjusts the valuation haircuts and servicing continuity provisions applicable to the asset-backed securities accepted pursuant to the additional temporary measures relating to Eurosystem refinancing operations provided for in Guideline ECB/2013/4 and amends the eligibility criteria applied to additional credit claims thereunder.
- (14) In the interest of clarity and simplicity, the content of Decisions ECB/2013/22 and ECB/2013/36 should be included in this Guideline.
- (15) On 22 May 2014 the Governing Council decided that, in addition to certain additional credit claims already provided for in Guideline ECB/2013/4, NCBs may accept certain short-term debt instruments issued by non-financial corporations that would not satisfy the Eurosystem eligibility criteria for marketable assets, provided they comply with the eligibility criteria and risk control measures specified by the Governing Council. This decision necessitates further adjustment of Guideline ECB/2013/4.
- (16) The additional measures set out in this Guideline should apply temporarily, until the Governing Council considers that they are no longer necessary to ensure an appropriate monetary policy transmission mechanism,

HAS ADOPTED THIS GUIDELINE:

Article 1

Additional measures relating to refinancing operations and eligible collateral

1. The rules for the conduct of Eurosystem monetary policy operations and the eligibility criteria for collateral laid down in this Guideline shall apply in conjunction with Guideline ECB/2011/14.
2. In the event of any discrepancy between this Guideline and Guideline ECB/2011/14, as implemented at national level by the NCBs, this Guideline shall prevail. The NCBs shall continue to apply all the provisions of Guideline ECB/2011/14 unaltered unless otherwise provided for in this Guideline.
3. For the purposes of Article 6(1) and Article 8, the Hellenic Republic and the Republic of Cyprus shall be considered euro area Member States compliant with a European Union/International Monetary Fund programme.

Article 2

Option to reduce the amount of, or terminate, longer-term refinancing operations

1. The Eurosystem may decide that, under certain conditions, counterparties may reduce the amount of, or terminate, certain longer-term refinancing operations before maturity (such reduction of the amount or termination hereinafter also collectively referred to as 'early repayment'). The tender announcement shall specify whether the option to reduce the amount of, or terminate, the operations in question before maturity applies, as well as the date from when such option may be exercised. This information may alternatively be provided in another format deemed appropriate by the Eurosystem.
2. A counterparty may exercise the option to reduce the amount of, or terminate, longer-term refinancing operations before maturity by notifying the relevant NCB of the amount it intends to repay under the early repayment procedure, as well as of the date on which it intends to make such early repayment, at least one week in advance of that early repayment date. Unless otherwise specified by the Eurosystem, an early repayment may be effected on any day that coincides with the settlement day of a Eurosystem main refinancing operation, provided that the counterparty makes the notification referred to in this paragraph at least one week in advance of that date.

⁽¹⁾ Decision ECB/2013/36 of 26 September 2013 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (OJ L 301, 12.11.2013, p. 13).

3. The notification referred to in paragraph 2 shall become binding on the counterparty one week before the early repayment date it refers to. Failure by the counterparty to settle, in full or in part, the amount due under the early repayment procedure by the due date may result in the imposition of a financial penalty as set out in Section 1 of Appendix 6 to Annex I to Guideline ECB/2011/14. The provisions of Section 1 of Appendix 6 which apply to infringements of rules related to tender operations shall apply where a counterparty fails to settle, in full or in part, the amount due on the early repayment date referred to in paragraph 2. The imposition of a financial penalty shall be without prejudice to the NCB's right to exercise the remedies provided for on the occurrence of an event of default as set out in Annex II to Guideline ECB/2011/14.

Article 3

Admission of certain additional asset-backed securities

1. In addition to asset-backed securities (ABS) eligible under Chapter 6 of Annex I to Guideline ECB/2011/14, ABS which do not fulfil the credit assessment requirements under Section 6.3 of Annex I to Guideline ECB/2011/14 but which otherwise comply with all eligibility criteria applicable to ABS pursuant to Annex I to Guideline ECB/2011/14 shall be eligible as collateral for Eurosystem monetary policy operations, provided that they have two ratings of at least 'triple B' level ⁽¹⁾ from any accepted external credit assessment institution for the issue. They shall also satisfy all the following requirements:

- (a) the cash-flow generating assets backing the ABS shall belong to one of the following asset classes: (i) residential mortgages; (ii) loans to small and medium-sized enterprises (SMEs); (iii) commercial real estate mortgages; (iv) auto loans; (v) leasing receivables; (vi) consumer finance loans; (vii) credit card receivables;
- (b) there shall be no mix of different asset classes in the cash-flow generating assets;
- (c) the cash-flow generating assets backing the ABS shall not contain loans which are any of the following:
 - (i) non-performing at the time of issuance of the ABS;
 - (ii) non-performing when incorporated in the ABS during the life of the ABS, for example by means of a substitution or replacement of the cash-flow generating assets;
 - (iii) at any time, structured, syndicated or leveraged;
- (d) the ABS transaction documents shall contain servicing continuity provisions.

2. ABS referred to in paragraph 1 that have two ratings of at least single A ⁽²⁾ shall be subject to a valuation haircut of 10 %.

3. ABS referred to in paragraph 1 that do not have two ratings of at least single A shall be subject to a valuation haircut of 22 %.

4. A counterparty may not submit ABS that are eligible pursuant to paragraph 1 as collateral if the counterparty, or any third party with which it has close links, acts as an interest rate hedge provider in relation to the ABS.

5. An NCB may accept as collateral for Eurosystem monetary policy operations ABS whose underlying assets include residential mortgages or loans to SMEs or both and which do not fulfil the credit assessment requirements under Section 6.3.2 of Annex I to Guideline ECB/2011/14 and the requirements referred to in paragraph 1(a) to (d) and paragraph 4 above but which otherwise comply with all eligibility criteria applicable to ABS pursuant to Guideline ECB/2011/14 and have two ratings of at least triple B. Such ABS shall be limited to those issued before 20 June 2012 and shall be subject to a valuation haircut of 22 %.

6. ABS with servicing continuity provisions complying with Guideline ECB/2013/4 that were on the list of eligible assets before 1 October 2013 shall remain eligible until 1 October 2014.

⁽¹⁾ A 'triple B' rating is a rating of at least 'Baa3' from Moody's, 'BBB-' from Fitch or Standard & Poor's, or 'BBBL' from DBRS.

⁽²⁾ A 'single A' rating is a rating of at least 'A3' from Moody's, 'A-' from Fitch or Standard & Poor's, or 'AL' from DBRS.

7. For the purposes of this Article the following definitions shall apply:
- (a) 'residential mortgage', besides residential real estate mortgage-backed loans, shall include guaranteed residential real estate loans (without a real estate mortgage) if the guarantee is payable promptly on default. Such guarantee may be provided in different contractual formats, including contracts of insurance, provided they are granted by a public sector entity or a financial institution subject to public supervision. The credit assessment of the guarantor for the purposes of such guarantees must comply with credit quality step 3 in the Eurosystem's harmonised rating scale over the life of the transaction;
 - (b) 'small enterprise' and 'medium-sized enterprise' means an entity engaged in an economic activity, irrespective of its legal form, where the reported sales for the entity, or if the entity is a part of a consolidated group for the consolidated group, are less than EUR 50 million;
 - (c) 'non-performing loan' shall include loans where payment of interest or principal is past due by 90 or more days and the obligor is in default, as defined in Article 178 of Regulation (EU) No 575/2013 of the European Parliament and of the Council ⁽¹⁾, or when there are good reasons to doubt that payment will be made in full;
 - (d) 'structured loan' means a structure involving subordinated credit claims;
 - (e) 'syndicated loan' means a loan provided by a group of lenders in a lending syndicate;
 - (f) 'leveraged loan' means a loan provided to a company that already has a considerable degree of indebtedness, such as buy-out or take-over-financing, where the loan is used for the acquisition of the equity of a company which is also the obligor of the loan;
 - (g) 'servicing continuity provisions' means provisions in the legal documentation of an asset-backed security that consist of either back-up servicer provisions or back-up servicer facilitator provisions (if there are no back-up servicer provisions). In the case of back-up servicer facilitator provisions, a back-up servicer facilitator should be nominated and mandated to find a suitable back-up servicer within 60 days of the occurrence of a trigger event in order to ensure timely payment and servicing of the asset-backed security. These provisions shall also include servicer replacement triggers for the appointment of a back-up servicer. Such triggers may be rating-based and/or non-rating-based, e.g. non-performance of obligations by the current servicer.

Article 4

Admission of certain additional credit claims

1. NCBs may accept as collateral for Eurosystem monetary policy operations credit claims that do not satisfy the Eurosystem eligibility criteria.
2. NCBs that decide to accept credit claims in accordance with paragraph 1 shall establish eligibility criteria and risk control measures for this purpose by specifying deviations from the requirements of Annex I to Guideline ECB/2011/14. Such eligibility criteria and risk control measures shall include the criterion that the credit claims are governed by the laws of the Member State of the NCB establishing the eligibility criteria and risk control measures. The eligibility criteria and risk control measures shall be subject to the Governing Council's prior approval.
3. In exceptional circumstances NCBs may, subject to the Governing Council's prior approval, accept credit claims:
 - (a) in application of the eligibility criteria and risk control measures established by another NCB pursuant to paragraphs 1 and 2; or
 - (b) governed by the law of any Member State other than the Member State in which the accepting NCB is established, or
 - (c) that are included in a pool of credit claims or backed by real estate assets, if the law governing the credit claim or the relevant debtor (or guarantor, where applicable) is that of any Member State other than the one in which the accepting NCB is established.
4. Another NCB shall only provide assistance to an NCB accepting credit claims pursuant to paragraph 1 if bilaterally agreed between both NCBs and subject to prior approval by the Governing Council.

⁽¹⁾ 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).

*Article 5***Acceptance of certain short-term debt instruments**

1. NCBs may accept as collateral for Eurosystem monetary policy operations certain short-term debt instruments that do not satisfy the Eurosystem eligibility criteria for marketable assets laid down in Annex I to Guideline ECB/2011/14.
2. NCBs that decide to accept short-term debt instruments in accordance with paragraph 1, shall establish the eligibility criteria and risk control measures for such purpose provided they meet the minimum standards specified by the Governing Council. Such eligibility criteria and risk control measures shall include the following criteria applicable to the short-term debt instruments.
 - (a) They are issued by non-financial corporations ⁽¹⁾ that are established in the euro area. The guarantor of the short-term debt instrument (if any) must also be a non-financial corporation established in the euro area unless a guarantee is not needed for the short-term debt instrument to comply with the provisions on establishing high credit standards as set out in subparagraph (d).
 - (b) They are not admitted to trading on a market regarded as acceptable by the Eurosystem as laid down in Section 6.2.1.5 of Annex I to Guideline ECB/2011/14.
 - (c) They are denominated in euro.
 - (d) They fulfil the requirements on high credit standards established by the relevant NCB which shall apply in place of the requirements of Sections 6.3.2 and 6.3.3 of Annex I to Guideline ECB/2011/14.
 - (e) Other than as set out in subparagraphs (a) to (d), they are compliant with the Eurosystem eligibility criteria for marketable assets laid down in Annex I to Guideline ECB/2011/14.
3. An NCB may not, unless it does so pursuant to a bilateral agreement with another NCB, accept short-term debt instruments pursuant to paragraphs 1 and 2 that are issued in the euro area:
 - (a) with that other NCB; or
 - (b) with a central securities depository which (i) has been positively assessed by the Eurosystem pursuant to the standards and assessment procedures described in the 'Framework for the assessment of securities settlement systems and links to determine their eligibility for use in Eurosystem credit operations' ⁽²⁾; and (ii) is established in the euro area Member State in which the other NCB is established.
4. For the purposes of this Article 'short-term debt instruments' mean debt instruments with a maturity of no longer than 365 days at issuance and at any time subsequently.

*Article 6***Acceptance of certain government-guaranteed bank bonds**

1. An NCB shall not be obliged to accept as collateral for Eurosystem credit operations eligible uncovered bank bonds which:
 - (a) do not fulfil the Eurosystem's requirement of high credit standards;
 - (b) are issued by the counterparty using them or by entities closely linked to the counterparty; and
 - (c) are fully guaranteed by a Member State:
 - (i) whose credit assessment does not comply with the Eurosystem's requirement of high credit standards for issuers and guarantors of marketable assets as laid down in Sections 6.3.1 and 6.3.2 of Annex I to Guideline ECB/2011/14; and
 - (ii) which is compliant with a European Union/International Monetary Fund programme, as assessed by the Governing Council.
2. NCBs shall inform the Governing Council whenever they decide not to accept as collateral the securities described in paragraph 1.
3. Counterparties may not submit as collateral for Eurosystem monetary policy operations uncovered bank bonds issued by themselves or issued by closely linked entities and guaranteed by a European Economic Area public sector entity with the right to impose taxes in excess of the nominal value of these bonds already submitted as collateral on 3 July 2012.

⁽¹⁾ Non-financial corporations are defined as provided for in the European System of Accounts 1995 (ESA 95).

⁽²⁾ Available on the ECB's website at www.ecb.europa.eu.

4. In exceptional cases, the Governing Council may decide on temporary derogations from the requirement laid down in paragraph 3 for a maximum of three years. A request for a derogation shall be accompanied by a funding plan that indicates how the own use of uncovered government-guaranteed bank bonds by the requesting counterparty will be phased out by no later than three years following the approval of the derogation. Any derogation already granted since 3 July 2012 shall continue to apply until it is due for review.

Article 7

Admission of certain assets denominated in pounds sterling, yen or US dollars as eligible collateral

1. Marketable debt instruments as described in Section 6.2.1 of Annex I to Guideline ECB/2011/14, if denominated in pounds sterling, yen or US dollars, shall constitute eligible collateral for Eurosystem monetary policy operations, provided that: (a) they are issued and held/settled in the euro area; (b) the issuer is established in the European Economic Area; and (c) they fulfil all other eligibility criteria included in Section 6.2.1 of Annex I to Guideline ECB/2011/14.
2. The Eurosystem shall apply the following valuation markdowns to such marketable debt instruments: (a) a markdown of 16 % on assets denominated in pounds sterling or US dollars; and (b) a markdown of 26 % on assets denominated in yen.
3. Marketable debt instruments described in paragraph 1, which have coupons linked to a single money market rate in their currency of denomination or to an inflation index containing no discrete range, range accrual, ratchet or similar complex structures for the respective country, shall also constitute eligible collateral for the purposes of Eurosystem monetary policy operations.
4. The ECB may publish a list of other acceptable benchmark foreign currency interest rates, in addition to those referred to in paragraph 3, on its website at www.ecb.europa.eu, following approval by the Governing Council.
5. Only Articles 1, 3, 6, 7 and 9 of this Guideline shall apply to foreign currency denominated marketable assets.

Article 8

Suspension of the requirements for credit quality thresholds for certain marketable instruments

1. The Eurosystem's minimum requirements for credit quality thresholds, as specified in the Eurosystem credit assessment framework rules for marketable assets in Section 6.3.2 of Annex I to Guideline ECB/2011/14 shall be suspended in accordance with paragraph 2.
2. The Eurosystem's credit quality threshold shall not apply to marketable debt instruments issued or fully guaranteed by the central governments of euro area Member States under a European Union/International Monetary Fund programme, unless the Governing Council decides that the respective Member State does not comply with the conditionality of the financial support and/or the macroeconomic programme.
3. Marketable debt instruments issued or fully guaranteed by the central government of the Hellenic Republic or the Republic of Cyprus shall be subject to the specific haircuts set out in Annexes I and II to this Guideline, respectively.

Article 9

Taking effect, implementation and application

1. This Guideline shall take effect on 9 July 2014.
2. The NCBs shall take the necessary measures to comply with Article 1(3), Article 3(2), (3), (5) and (6), Article 3(7)(g), Article 4(3)(c) and Article 8(3) and apply this Guideline from 20 August 2014. They shall notify the ECB of the texts and means relating to measures relating to Article 1(3), Article 3(2), (3), (5) and (6), Article 3(7)(g), Article 4(3)(c) and Article 8(3) by 6 August 2014 at the latest, and any measures relating to Article 5 in accordance with the procedures specified by the Governing Council.
3. Article 6 shall apply until 28 February 2015.

*Article 10***Amendment to Guideline ECB/2007/9**

In Part 5 of Annex III the paragraph following Table 2 is replaced by the following:

‘Calculation of lump-sum allowance for control purposes (R6):

Lump-sum allowance: The allowance is applied to every credit institution. Each credit institution deducts a maximum lump sum designed to reduce the administrative cost of managing very small reserve requirements. Should [reserve base × reserve ratio] be less than EUR 100 000, then the lump sum allowance equals [reserve base × reserve ratio]. Should [reserve base × reserve ratio] be greater than or equal to EUR 100 000, then the lump sum allowance equals EUR 100 000. Institutions allowed to report statistical data regarding their consolidated reserve base as a group (as defined in Part 2, Section 1 of Annex III to Regulation (EC) No 25/2009 (ECB/2008/32)) hold minimum reserves through one of the institutions in the group which is acting as an intermediary exclusively for these institutions. In accordance with Article 11 of Regulation (EC) No 1745/2003 of the European Central Bank of 12 September 2003 on the application of minimum reserves (ECB/2003/9) (*), in the latter case only the group as a whole is entitled to deduct the lump sum allowance.

The minimum (or “required”) reserves are computed as follows:

Minimum (or “required”) reserves = reserve base × reserve ratio — lump sum allowance

The reserve ratio applies in accordance with Regulation (EC) No 1745/2003 (ECB/2003/9).

(*) OJ L 250, 2.10.2003, p. 10.’.

*Article 11***Repeal**

1. Guideline ECB/2013/4 is repealed from 20 August 2014.
2. References to Guideline ECB/2013/4 shall be construed as references to this Guideline and shall be read in accordance with the correlation table in Annex IV.

*Article 12***Addressees**

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 9 July 2014.

The President of the ECB

Mario DRAGHI

ANNEX I

**Haircut schedule applying to marketable debt instruments issued or fully guaranteed by the
Hellenic Republic**

	Maturity bucket	Haircuts for fixed coupons and floaters	Haircuts for zero coupon
Greek government bonds (GGBs)	0-1	15,0	15,0
	1-3	33,0	35,5
	3-5	45,0	48,5
	5-7	54,0	58,5
	7-10	56,0	62,0
	> 10	57,0	71,0
	Maturity bucket	Haircuts for fixed coupons and floaters	Haircuts for zero coupon
Government-guaranteed bank bonds (GGBBs) and government-guaranteed non-financial corporate bonds	0-1	23,0	23,0
	1-3	42,5	45,0
	3-5	55,5	59,0
	5-7	64,5	69,5
	7-10	67,0	72,5
	> 10	67,5	81,0

ANNEX II

**Haircut schedule applying to marketable debt instruments issued or fully guaranteed by the
Republic of Cyprus**

	Maturity bucket	Haircuts for fixed coupons and floaters	Haircuts for zero coupon
Government bonds	0-1	14,5	14,5
	1-3	27,5	29,5
	3-5	37,5	40,0
	5-7	41,0	45,0
	7-10	47,5	52,5
	> 10	57,0	71,0
	Maturity bucket	Haircuts for fixed coupons and floaters	Haircuts for zero coupon
Government guaranteed bank bonds and government-guaranteed non-financial corporate bonds	0-1	23,0	23,0
	1-3	37,0	39,0
	3-5	47,5	50,5
	5-7	51,5	55,5
	7-10	58,0	63,0
	> 10	68,0	81,5

ANNEX III

REPEALED GUIDELINE WITH ITS SUBSEQUENT AMENDMENTS

Guideline ECB/2013/4 (OJ L 95, 5.4.2013, p. 23).

Guideline ECB/2014/12 (OJ L 166, 5.6.2014, p. 42).

ANNEX IV

CORRELATION TABLE

Guideline ECB/2013/4	This Guideline
Articles 1 and 2	Articles 1 and 2
Article 3(4) and (5)	Article 3(4) and (5)
Article 3(6)	Article 3(7)
Article 4	Article 4
Article 3(6)(1)	Article 3(7)(a)
Article 3(6)(2)	Article 3(7)(b)
Article 3(6)(3)	Article 3(7)(c)
Article 3(6)(4)	Article 3(7)(d)
Article 3(6)(5)	Article 3(7)(e)
Article 3(6)(6)	Article 3(7)(f)
—	Article 5
Article 5	Article 6
Article 6	Article 7
Article 7	Article 8
Article 8	Article 9
Article 9	Article 10
—	Article 11
Article 11	Article 12
Guideline ECB/2014/12	This Guideline
Article 1(1)	Article 1(3)
Article 1(2)	Article 3(1)
Decision ECB/2013/22	This Guideline
Article 1(1)	Article 1(3)
Article 1(2)	Article 8(3)
Annex	Annex II
Decision ECB/2013/36	This Guideline
Article 2(1)(a)	Article 3(2)
Article 2(1)(b)	Article 3(3)
Article 2(2)	Article 3(5)
Article 3(2)	Article 3(7)(g)
Article 3(3)	Article 3(6)
Article 4(c)	Article 4(3)(c)