



Continuation of reverse auctions under the PSPP after the test period

Three Eurosystem NCBs (Banque de France, De Nederlandsche Bank and Lietuvos Bankas) conducted reverse auctions on a trial basis under the Public Sector Purchase Programme (PSPP) between October 2015 and December 2015. These trial reverse auctions targeted a small part of the overall monthly purchases and took place alongside regular bilateral purchases. Overall, the experiences of the three NCBs were positive, with the reverse auctions generating adequate participation and leading to competitive pricing.

Based on its assessment of the results at the end of the trial period, the Eurosystem concludes that reverse auctions can be a useful complementary purchase method in less liquid market segments. Therefore, the Governing Council endorsed a regular use of reverse auctions by some NCBs under the PSPP as a complement to the bilateral purchase approach in some specific market segments.

The Banque de France will continue to conduct reverse auctions on supranational securities as a complement of bilateral purchases, with similar frequency and operational modalities than during the test phase (use of the Bloomberg auction tool, ex ante communication of selected Isins on the BDF<GO> Bloomberg page, quick allocation process).

The operational modalities of reverse auctions might be adjusted in the coming months, taking into account the changes on the specific markets targeted for reverse auctions.

A press release is also available on the [ECB website](#).