

**20 December 2019**

## **Decisions taken by the Governing Council of the ECB (in addition to decisions setting interest rates)**

December 2019

### **Market operations**

#### *Collateral eligibility of secured marketable assets other than asset-backed securities and covered bonds*

On 13 December 2019 the Governing Council decided that it would no longer accept as Eurosystem collateral secured marketable assets other than asset-backed securities (ABSs) and covered bonds. The aim is to establish a consistent and transparent approach to defining the categories of secured marketable assets eligible as collateral for Eurosystem credit operations. The actual entry into force of that decision will be determined by the date of entry into force of the forthcoming amendments to the General Documentation, envisaged for the second quarter of 2020. As of that date, all secured marketable assets other than ABSs and covered bonds which are eligible when the decision enters into force will be grandfathered for an additional five years, provided that they continue to fulfil all other eligibility criteria. As a result of this phasing-out process, newly issued secured marketable assets other than ABSs and covered bonds will become ineligible for purchase under the asset purchase programme (APP), while those already purchased under the APP when the amendments to the General Documentation enter into force will continue to be held in the APP portfolios.

### **Advice on legislation**

#### *ECB Opinion on tax disincentives for the use of cash in Greece*

On 20 November 2019 the Governing Council adopted Opinion CON/2019/39 at the request of the Greek Ministry of Finance.

#### *ECB Opinion on increasing the special levy on selected financial institutions in Slovakia*

On 26 November 2019 the Governing Council adopted Opinion CON/2019/40 at the request of the Ministry of Finance of the Slovak Republic.

#### *ECB Opinion on the requirement for certain credit institutions and branches to provide cash services in Sweden*

On 26 November 2019 the Governing Council adopted Opinion CON/2019/41 on its own initiative.

*ECB Opinion on a guarantee scheme for securitisations of loans originated by credit institutions in Greece*

On 6 December 2019 the Governing Council adopted Opinion CON/2019/42 at the request of the Greek Ministry of Finance.

*ECB Opinion on taxes on assets of certain financial market participants and additional corporate income taxes on certain credit institutions in Lithuania*

On 16 December 2019 the Governing Council adopted Opinion CON/2019/44 on its own initiative.

*ECB Opinion on payment services and payment systems in Bulgaria*

On 17 December 2019 the Governing Council adopted Opinion CON/2019/45 at the request of the Bulgarian Minister for Finance.

## **Corporate governance**

*Technical amendments to legal instruments related to the Eurosystem accounting framework*

On 20 November 2019 the Governing Council adopted Guideline ECB/2019/34 amending Guideline (EU) 2016/2249 on the legal framework for accounting and financial reporting in the European System of Central Banks, Decision ECB/2019/35 amending Decision (EU) 2016/2247 on the annual accounts of the European Central Bank, and Decision ECB/2019/36 amending Decision (EU) 2015/298 on the interim distribution of the income of the European Central Bank. The amendments cater for technical clarifications and adjustments to the Eurosystem accounting legal framework. All legal acts will be published in due course on the ECB's website.

*Opinion of the Governing Council of the European Central Bank on a Council recommendation on the appointment of a member of the Executive Board of the European Central Bank*

On 11 December 2019 the Governing Council adopted Opinion CON/2019/43 at the request of the President of the European Council. A related press release is available on the ECB's website.

*Membership of the ECB Audit Committee*

On 11 December 2019 the Governing Council appointed Mr Josef Bonnici as a member of the ECB Audit Committee for a second three-year term, which will end on 30 November 2022.

*Appointment of a member of the Administrative Board of Review*

On 18 December 2019, having regard to the opinion of the Supervisory Board, the Governing Council decided that Mr Gerd Häusler, former Chairman of the Supervisory Board of the Bayerische Landesbank and former member of the Executive Board of the Deutsche Bundesbank, would be appointed as member of the Administrative Board of Review for a term of five years.

*Triennial review of Eurosystem/ESCB committees*

On 18 December 2019, as part of the triennial review of the committees' mandates, the Governing Council extended the mandates of the Eurosystem/ESCB committees established in accordance with

Article 9.1 of the Rules of Procedure of the ECB for a further term expiring on 31 December 2022, and reappointed their chairs until 31 December 2022 with three exceptions. The Governing Council appointed Ms Imène Rahmouni-Rousseau, incoming Director General Market Operations, as the next Chairperson of the Market Operations Committee with effect from 1 February 2020, and approved a temporary extension of the mandate of the acting or interim Chairpersons of the Risk Management Committee and the Information Technology Committee, whose permanent Chairpersons will be decided on in the course of 2020. The full list of committees can be found in the ECB Annual Report.

## Banknotes

### *Amending Decision on the authenticity and fitness checking and recirculation of euro banknotes*

On 5 December 2019 the Governing Council adopted Decision ECB/2019/39 amending Decision ECB/2010/14 on the authenticity and fitness checking and recirculation of euro banknotes. The amending Decision introduces changes aimed at improving the efficiency of cash recirculation, incorporating Coin Dispensing Machines as a new category of banknote handling machines, and clarifying the reporting obligations of cash-handlers. This amending Decision will be published in due course on the ECB's website.

## Banking supervision

### *SREP Decisions establishing prudential requirements*

Between 14 November and 13 December 2019, the Governing Council did not object to several sets of proposals by the Supervisory Board establishing prudential requirements for a total of 94 supervised entities. Each addressee was given the opportunity to comment on the relevant draft Decision, which was based on the Supervisory Review and Evaluation Process (SREP) conducted by the ECB and other competent authorities. Once approved, the final Decisions were notified to each individual supervised entity.

### *ECB decisions on the significance of supervised credit institutions*

On 18 November 2019 the Governing Council did not object to a proposal by the Supervisory Board to change the significance status of one supervised credit institution. The list of supervised entities is updated regularly and is available on the ECB's banking supervision website. Following the annual review of the significance of credit institutions, the ECB announced that it would directly supervise 117 banks in 2020 (see the related press release published on the ECB's banking supervision website on 4 December 2019).

### *Sanction imposed on a supervised entity for breaches of reporting requirements*

On 3 December 2019 the ECB announced that it had imposed a penalty of €1,850,000 on Natixis Wealth Management Luxembourg for breaching the large exposures limit and large exposures reporting

requirements in 2016 and 2017. Further information can be found in the related press release available on the ECB's banking supervision website.

*Revised ECB supervisory fee legal framework*

On 5 December 2019 the Governing Council adopted Regulation ECB/2019/37 amending Regulation (EU) No 1163/2014 on supervisory fees, and Decision ECB/2019/38 on the methodology and procedures for the determination and collection of data regarding fee factors used to calculate annual supervisory fees (recast). Both legal acts took into account the comments received during two public consultations in 2017 and 2019. The respective feedback statements of these public consultations were approved for publication by the Governing Council. The outcome of the last public consultation confirms that the ECB's current methodology for calculating supervisory fees is considered fair and that only limited adjustments were needed to improve the framework. The main changes consist of (i) levying fees ex-post instead of on the basis of estimated costs, (ii) introducing a discount on the minimum fee component for small less significant institutions, (iii) simplifying measures, such as reusing supervisory data available at the ECB and providing a management letter instead of an auditor verification for total assets for branches, and (iv) providing fee notices in any EU official language. Both legal acts, together with the feedback public statement to the 2019 public consultation and a related press release, are available on the ECB's banking supervision website.

*Supervisory Examination Programme of on-site inspections and internal model investigations for 2020*

On 5 December 2019 the Governing Council did not object to a proposal by the Supervisory Board to approve the 2020 Supervisory Examination Programme (SEP) of on-site inspections and internal model investigations for significant institutions within European banking supervision. The on-site SEP is based on the Supervisory Priorities 2020 published on the ECB's banking supervision website in October 2019.

*Decisions concerning the data collection process related to SREP*

On 11 December 2019 the Governing Council did not object to a proposal by the Supervisory Board to approve Decisions requesting the complementary information from 113 banks that is needed to perform the SREP in 2020. Once approved, the Decisions were notified to each individual supervised entity.