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PRESS RELEASE

The Governing Council of the ECB announced on 8 December 2016 a number of adjustments to the securities lending framework (SL) for the Eurosystem's public sector purchase programme (PSPP).

Up to now, the securities lending operations of Eurosystem central banks have been implemented as repo/reverse repo transactions with matched cash settlements. The Governing Council decided on 8 December 2016 to open the possibility to also accept cash as collateral without entering into an offsetting reverse repo transaction. The overall Eurosystem limit for securities lending against cash collateral is set at 50 bn€.

Starting on 15 December 2016, Banque de France will be able to lend its PSPP securities against cash collateral on a bilateral basis by entering into repo transactions.

The other characteristics of its lending facility - maturity, eligible counterparties, eligible collateral for reverse repo transactions and concentration limit by counterparty and by ISIN - are available at the following link:

https://www.banque-france.fr/fileadmin/user_upload/banque_de_france/Politique_Monetaire/BDF-2015-04-02-PSPP-EN.pdf

To recall, Banque de France publishes on a weekly basis the list of ISIN codes related to PSPP securities that are available for lending.

This new implementation modality aims at increasing the effectiveness of our securities lending facility and supporting market liquidity.

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