

Implementation aspects of the public sector purchase programme (PSPP)

In the context of the Eurosystem's expanded asset purchase programme announced on 22 January 2015, which consists of combined monthly purchases of EUR 60 bn in public and private sector securities, purchases under the public sector purchase programme (PSPP) of marketable debt instruments issued by euro area central governments, certain agencies located in the euro area or certain international or supranational institutions (referred to in legal texts as "international organisations and multilateral development banks") located in the euro area will start on 9 March 2015 (for more information, see also the [Q&A on the public sector purchase programme](#)).

Implementation

In its implementation of the PSPP, the Eurosystem intends to conduct purchases in a gradual and broad-based manner, aiming to achieve market neutrality in order to avoid interfering with the market price formation mechanism.

In principle, purchases of nominal marketable debt instruments at a negative yield to maturity are permissible as long as the yield is above the deposit facility rate.

If the purchasable volume of marketable debt instruments issued by the central government and agencies is insufficient in the respective jurisdiction to accommodate the corresponding share of purchases under the ECB's capital key, substitute purchases are foreseen.

If these substitute purchases comprise marketable debt instruments issued by international or supranational institutions located in the euro area, such purchases will be subsumed under the 12% allocation for these securities in the PSPP. The remaining purchases of marketable debt instruments issued by international or supranational institutions located in the euro area will be conducted on behalf of the Eurosystem by the Banco de España and the Banque de France.

International and supranational institutions and agencies

The initial list of international or supranational institutions located in the euro area and of agencies located in the euro area whose securities are eligible for the PSPP is as follows:

International or supranational institutions located in the euro area

- Council of Europe Development Bank
 - European Atomic Energy Community
 - European Financial Stability Facility
 - European Stability Mechanism
 - European Investment Bank
 - European Union
 - Nordic Investment Bank
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Agencies located in the euro area

- Caisse d'amortissement de la dette sociale (CADES)
 - Union Nationale Interprofessionnelle pour l'Emploi dans l'Industrie et le Commerce (UNEDIC)
 - Instituto de Credito Oficial
 - Kreditanstalt fuer Wiederaufbau
 - Landeskreditbank Baden-Württemberg Foerderbank
 - Landwirtschaftliche Rentenbank
 - NRW.Bank
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This initial list may be amended following the Governing Council meeting on 15 April 2015 on the basis of monetary policy considerations and duly reflecting risk management issues.

Securities lending

The marketable debt instruments purchased under the PSPP will be made available for securities lending. This will be implemented in a decentralised manner, mirroring the organisation of the PSPP.

The Eurosystem will start to gradually lend securities using the channels for securities lending available under its existing infrastructure, including so-called fails mitigation programmes by international central securities depositories, agency lending and bilateral securities lending. The Eurosystem aims to develop these existing formats in the near future.