

Press release

7 May 2021

ECB updates treatment of leverage ratio in the Eurosystem monetary policy counterparty framework

- Amendments to give effect to the leverage ratio becoming a binding Pillar 1 own-funds requirement under the Capital Requirements Regulation (CRR)
- Change will apply as of 28 June 2021

The European Central Bank (ECB) has today published amendments to its monetary policy implementation Guideline¹ to give effect to the leverage ratio becoming a binding Pillar 1 own-funds requirement. The amended guideline implements a decision taken by the Governing Council on 06 May 2021. The decision is linked to this prudential requirement becoming binding as of 28 June 2021, in line with the entry into force of related regulatory requirements.²

Under the amended Guideline, automatic measures are applied in case of breaches of the leverage ratio requirement or in case the information on the leverage ratio is incomplete or not made available in time. As of 28 June 2021, the treatment of the leverage ratio in the Eurosystem monetary policy counterparty framework will be aligned with that of existing Pillar 1 own-funds requirements, consisting of the common equity tier 1 capital ratio, the tier 1 capital ratio and the total capital ratio.

Guideline ECB/2021/23 is available on the ECB's website and will be published in the 23 official EU languages in the Official Journal of the European Union.³

¹ Guideline 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (General Documentation Guideline)

² As per Article 1(46) of Regulation (EU) 2019/876 of the European Parliament and of the Council, read in conjunction with Article 3(2) of that Regulation.

³ The new Guideline ECB/2021/xx amends Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (General Documentation Guideline) (ECB/2014/60) (OJ L 91, 2.4.2015, p. 3)

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