



EUROPEAN CENTRAL BANK

EUROSYSTEM

26 July 2019

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

July 2019

External communication

Expiry of the fourth Central Bank Gold Agreement

On 26 July 2019 the ECB announced that the signatories of the Central Bank Gold Agreement had concluded that a formal gold agreement would no longer be necessary after its expiry on 26 September 2019. This decision is without prejudice to each national central bank's competences regarding the management of its own gold reserves. More detailed information can be found in a related press release available on the ECB's website.

Market operations

Business process and legal framework for the production of the euro short-term rate

On 10 July 2019 the Governing Council approved the business process for the production of the euro short-term rate (€STR), in particular the publication of the €STR on each TARGET2 business day at 08:00 CET, possibly followed by republication at 09:00 CET if errors of more than two basis points are detected following the standard publication. The Governing Council also adopted Guideline ECB/2019/19 on the euro short-term rate (€STR), which establishes the tasks and responsibilities of the ECB and the national central banks with respect to their contribution to the euro short-term rate determination process and other business procedures, sets out the €STR control framework and provides for the establishment of an internal oversight committee in charge of reviewing, challenging and reporting on all aspects of the euro short-term rate determination process. More detailed information can be found in a related press release available, together with Guideline ECB/2019/19, on the ECB's website.

Legal acts on the third series of targeted longer-term refinancing operations

On 22 July 2019 the Governing Council adopted Decision ECB/2019/21 on a third series of targeted longer-term refinancing operations (TLTRO-III), and Decision ECB/2019/22 amending Decision (EU) 2016/810 (ECB/2016/10) on a second series of targeted longer-term refinancing operations. Both legal acts, which lay down the rules reflecting the specific features of the TLTRO-III operations decided on by

the Governing Council in March 2019 and further detailed in June 2019, will be published shortly on the ECB's website.

Market infrastructure and payments

Eligibility of new links between securities settlement systems for use in Eurosystem credit operations

On 4 July 2019 the Governing Council approved one new direct link (from Clearstream Banking AG (CBF)-CASCADE to BOGS) and three new relayed links (from CBF-CREATION via Clearstream Banking S.A. (CBL) via CBF-CASCADE to BOGS, from CBL via CBF-CASCADE to BOGS, and from LuxCSD via CBF-CASCADE to BOGS) as eligible for use in Eurosystem credit operations. The updated list of eligible links is available on the ECB's website.

Advice on legislation

ECB Opinion on national legislation to be adopted for the purpose of establishing close cooperation between the European Central Bank and Hrvatska narodna banka

On 8 July 2019 the Governing Council adopted Opinion CON/2019/25 at the request of Hrvatska narodna banka, on behalf of the Croatian Minister for Finance.

ECB Opinion on the payment of funds to uninformed holders of subordinated bonds and minority shareholders who held shares in banks in which the Republic of Slovenia had a majority shareholding affected by Banka Slovenije's extraordinary measures

On 9 July 2019 the Governing Council adopted Opinion CON/2019/26 at the request of the President of the Slovenian National Assembly.

ECB Opinion on the conversion of Swiss franc loans in Slovenia

On 18 July 2019 the Governing Council adopted Opinion CON/2019/27 at the request of the National Assembly of the Republic of Slovenia.

Corporate governance

Appointment of ECB representatives to the Supervisory Board

On 10 July 2019 the Governing Council appointed, based on the outcome of a competitive process, Edouard Fernandez-Bollo, Kerstin af Jochnick and Elizabeth McCaul as ECB representatives to the Supervisory Board of ECB Banking Supervision, each for a non-renewable term of five years, of which the Supervisory Board, the European Parliament, the European Commission and the EU Council were subsequently informed. A related press release is available on the ECB's website.

Amendment to the Conditions of Employment for the staff of the European Central Bank

On 23 July 2019 the Governing Council adopted Decision ECB/2019/NP20 amending the Conditions of Employment for Staff of the European Central Bank and the Conditions of Short-Term Employment as regards selection and appointment. The amending Decision introduces some clarifications on core principles and criteria governing access to employment at the ECB and appointments to ECB positions and, inter alia, a confirmation period for internal appointments to managerial positions. The Conditions of Employment are available on the ECB's website.

Acting Chair of the Market Infrastructure Board

On 23 July 2019 the Governing Council appointed Mr Ulrich Bindseil, Director General Market Operations, as Acting Chair of the Market Infrastructure Board (MIB), from 1 August 2019 until he formally takes up the position as Director General Market Infrastructure and Payments and Chair of the MIB.

Opinion of the Governing Council of the European Central Bank on a Council recommendation on the appointment of the President of the European Central Bank

On 24 July 2019 the Governing Council adopted Opinion CON/2019/28 at the request of the President of the European Council.

Membership of the ECB Ethics Committee

On 24 July 2019 the Governing Council appointed Ms Virginia Canter, currently Chief Ethics Counsel of a non-governmental organisation, as a member of the ECB Ethics Committee for a term of three years (renewable once). Ms Canter replaces Mr Jean-Claude Trichet, whose second term ends on 31 July 2019. The Committee will subsequently designate its Chair.

Statistics

ECB Decision on the procedure to be followed by the Eurosystem for the recognition of Member States whose currency is not the euro as reporting Member States under Regulation (EU) 2016/867 on the collection of granular credit and credit risk data

On 18 July 2019 the Governing Council adopted Decision ECB/2019/20 on the procedure for recognising non-euro area Member States as reporting Member States under Regulation (EU) 2016/867 on the collection of granular credit and credit risk data. The Decision, which will be published in due course on the ECB's website, specifies the procedures to be followed by the ECB relating to expressions of interest by non-euro area Member States to become reporting Member States under Regulation ECB/2016/13, its assessment of these expressions of interest, and its recognition of a non-euro area Member State as a reporting Member State. The Decision also lays down the procedures to follow in case of suspension or termination of such recognition, as well as the conditions for the access to and use of credit data collected under this regime.

Banking supervision

ECB guide to internal models

On 4 July 2019 the Governing Council did not object to a proposal by the Supervisory Board to publish on the ECB's banking supervision website the risk-type-specific chapters of the ECB guide to internal models, together with the feedback statement following the related public consultation launched in March 2018. The ECB guide to internal models was developed in the context of the targeted review of internal models (TRIM) project in order to provide transparency on how the ECB understands the regulatory requirements for internal models and how it intends to apply them in a harmonised manner when assessing whether institutions meet these requirements. The risk-type-specific chapters, together with a feedback statement and a press release, are available on the ECB's banking supervision website.

Updated frequently asked questions on Brexit

On 4 July 2019 the Governing Council did not object to a proposal by the Supervisory Board to publish on the ECB's banking supervision website an updated version of the frequently asked questions (FAQs) on Brexit document. This update inter alia takes into account developments since the last update in August 2018, in particular the extension of the Article 50 Treaty on European Union period until 31 October 2019; provides further information on the approval process related to future third-country branches of banks operating under the Single Supervisory Mechanism in the United Kingdom; and states that 30 June 2022 will be the deadline for all Brexit-related transitional arrangements for internal models to be in place. The updated FAQs are available on the ECB's banking supervision website.

Compliance with EBA Guidelines for the estimation of loss given default appropriate for an economic downturn

On 16 July 2019 the Governing Council did not object to a proposal by the Supervisory Board to notify the European Banking Authority (EBA), for significant institutions under its direct supervision, of the ECB's intention to comply with the EBA Guidelines of 6 March 2019 for the estimation of loss given default appropriate for an economic downturn (EBA/GL/2019/03), by their latest date of application, currently set by the EBA as 1 January 2021.

Compliance with EBA Guidelines on disclosure of non-performing and forborne exposures

On 17 July 2019 the Governing Council did not object to a proposal by the Supervisory Board to notify the EBA, for significant institutions under its direct supervision, of the ECB's intention to comply with the EBA Guidelines on disclosure of non-performing and forborne exposures (EBA/GL/2018/10) as of 31 December 2019.

Results of the comprehensive assessment for Nordea Bank Abp

On 17 July 2019 the Governing Council did not object to a proposal by the Supervisory Board to publish the results of a comprehensive assessment for Nordea Bank Abp (Nordea) conducted in 2018 and finalised in 2019. The comprehensive assessment followed Nordea's decision to relocate its headquarters

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and parent company from Sweden to Finland, resulting in its inclusion in the scope of European banking supervision. A related press release detailing the results of Nordea's comprehensive assessment is available on the ECB's banking supervision website.