



EUROPEAN CENTRAL BANK

EUROSYSTEM

22 September 2017

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

September 2017

Market operations

Provision by the Eurosystem of a new unsecured overnight interest rate

On 20 September 2017 the Governing Council decided to develop a euro unsecured overnight interest rate based on data already available to the Eurosystem. The interest rate, which would be produced before 2020, would complement existing benchmark rates produced by the private sector and serve as a backstop reference rate. The high-level features of this new overnight interest rate will be communicated to market participants in the course of 2018. A related press release, together with an explanatory Questions & Answers document, is available on the ECB's website.

Market infrastructure and payments

Eurosystem policy for the identification and oversight of critical service providers of financial market infrastructures

On 24 August 2017 the Governing Council approved a policy to be followed by the Eurosystem regarding the identification and oversight of critical service providers of financial market infrastructures (FMIs). The policy operationalises the Eurosystem Oversight Policy Framework [\[LINK\]](#) in a harmonised manner and is applicable to FMIs that fall under the legal mandate of the Eurosystem, notably the systemically important payment systems (i.e. TARGET2, EURO1, STEP2-T, CORE(FR)), retail payment systems, card payment schemes and T2S.

Eligibility of new securities settlement systems and of new direct links between them

On 24 August 2017 the Governing Council approved the three Baltic securities settlement systems (SSSs) of Estonia, Latvia and Lithuania, to be operated by the new Nasdaq CSD following their planned merger, as eligible for use in Eurosystem credit operations. On 8 September 2017 the Governing Council approved one further new SSS operated by the Slovak Národný centrálny depozitár cenných papierov SR (NCDCP) as eligible for use in Eurosystem credit operations. On the same day, the Governing Council also approved two new direct links from LuxCSD to the Clearstream Banking AG (CBF) system and from Interbolsa to the CBF system created in view of the final T2S migration wave. While NCDCP has already

been added to the ECB's list of eligible settlement arrangements, the Baltic SSSs and the new links will only be added once they become operational. The full list of eligible direct and relayed links is available on the ECB's website. [\[LINK\]](#)

Eligibility of additional central securities depositories (CSDs) for access to T2S

On 24 August and 14 September 2017 respectively the Governing Council approved the eligibility of Iberclear and Nasdaq CSD and of NCDCP for access to T2S services. Accordingly, Iberclear and Nasdaq CSD could migrate to T2S as part of the final wave which went live successfully on 18 September 2017. NCDCP is scheduled to migrate to T2S in October 2017. The full list of eligible CSDs is available on the ECB's website. [\[LINK\]](#)

Advice on legislation

ECB Opinion on an additional mortgage amortisation requirement in Sweden

On 4 August 2017 the Governing Council adopted Opinion CON/2017/29 at the request of Finansinspektionen (the Swedish financial supervisory authority).

ECB Opinion on a draft decision on the monetary policy implementation of Hrvatska narodna banka

On 4 August 2017 the Governing Council adopted Opinion CON/2017/30 at the request of Hrvatska narodna banka.

ECB Opinion on an Act on critical infrastructure in Slovenia

On 14 August 2017 the Governing Council adopted Opinion CON/2017/31 at the request of the Slovenian Ministry of Defence.

ECB Opinion on the designation of the Central Bank of Cyprus as the information authority and inclusion of relevant exception to bank secrecy requirement

On 21 August 2017 the Governing Council adopted Opinion CON/2017/32 at the request of the Ministry of Justice and Public Order of the Republic of Cyprus.

ECB Opinion on the reporting of credit data in Austria

On 21 August 2017 the Governing Council adopted Opinion CON/2017/33 at the request of the Austrian Ministry of Finance.

ECB Opinion on a draft law amending the NBB Organic Statute with regard to the number of directors on the NBB's Board

On 24 August 2017 the Governing Council adopted Opinion CON/2017/34 at the request of the Governor of the Nationale Bank van België/Banque Nationale de Belgique (NBB), on behalf of the Minister for Finance.

ECB Opinion on amendments to the financial market supervisory regime in Austria

On 25 August 2017 the Governing Council adopted Opinion CON/2017/35 at the request of the Austrian Ministry of Finance.

ECB Opinion on the legal framework for covered bonds, reporting of credit data, macroprudential powers and tools, and SSM common procedures in the Slovak Republic

On 8 September 2017 the Governing Council adopted Opinion CON/2017/36 at the request of the Ministry of Finance of the Slovak Republic.

ECB Opinion on interbank clearing and settlements in Poland

On 20 September 2017 the Governing Council adopted Opinion CON/2017/37 at the request of the President of Narodowy Bank Polski.

ECB Opinion on a proposal for a regulation of the European Parliament and of the Council on a framework for the recovery and resolution of central counterparties and amending Regulations (EU) No 1095/2010, (EU) No 648/2012, and (EU) 2015/2365

On 20 September 2017 the Governing Council adopted Opinion CON/2017/38 at the request of the Council of the European Union and of the European Parliament. The Opinion will be published shortly on the ECB's website.

Corporate governance

ECB Recommendation to the Council of the European Union on the external auditors of the Banco de Portugal

On 24 August 2017 the Governing Council adopted Recommendation ECB/2017/24 to the Council of the European Union on the external auditors of the Banco de Portugal. The Recommendation has been published in the *Official Journal of the European Union* and is available on the ECB's website.

ECB Recommendation to the Council of the European Union on the external auditors of Národná banka Slovenska

On 8 September 2017 the Governing Council adopted Recommendation ECB/2017/27 to the Council of the European Union on the external auditors of Národná banka Slovenska. The Recommendation will be published in the *Official Journal of the European Union* and is available on the ECB's website.

Banking supervision

ECB Decision amending Decision ECB/2014/29 on the provision to the European Central Bank of supervisory data reported to the national competent authorities by the supervised entities pursuant to Commission Implementing Regulation (EU) No 680/2014

On 3 August 2017 the Governing Council adopted Decision ECB/2017/23 amending Decision ECB/2014/29 on the provision of supervisory data reported to the national competent authorities by the supervised entities. The amendment reflects recent changes made to the supervisory reporting framework, following the adoption of Commission Implementing Regulation (EU) 2016/2070, with regard to benchmarking institutions' internal models. The Decision has been published in the *Official Journal of the European Union* and is available on the ECB's website.

Publication of non-confidential versions of the ECB "failing or likely to fail" assessments

On 14 August 2017 the Governing Council did not object to a proposal by the Supervisory Board to approve a policy stance according to which, as a general rule, non-confidential versions of failing or likely

to fail (FOLTF) assessments would be made publicly available on the ECB's website. A FOLTF assessment by the ECB is a supervisory assessment about an individual bank addressed to the Single Resolution Board in order for the latter to conduct its own resolution assessment. Accordingly, the Governing Council did not object to the Supervisory Board's proposal to approve the publication of the FOLTF assessments adopted by the ECB in relation to Banco Popolare, Veneto Banca and Banca Popolare di Vicenza on the ECB's website.

Compliance with the EBA Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013

On 15 August 2017 the Governing Council did not object to the proposal by the Supervisory Board to notify the European Banking Authority (EBA) that, for significant institutions (SIs) under its direct supervision, the ECB intends to comply with the Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (EBA-GL-2016-11). According to the Supervisory Board's proposal, the full application of the Guidelines will be confined to global systemically important institutions (G-SIIs) and other systemically important institutions (O-SIIs), whereas non-systemic SIs would only be expected to apply certain parts of the Guidelines.

ECB Regulation amending Regulation (EU) 2015/534 on reporting of supervisory financial information and ECB Regulation laying down the date of application of Regulation (EU) 2017/1538 amending Regulation (EU) 2015/534 on reporting of supervisory financial information (ECB/2017/25) to less significant supervised entities which are subject to national accounting frameworks

On 25 August 2017 the Governing Council adopted Regulation (EU) 2017/1538 amending Regulation (EU) 2015/534 on reporting of supervisory financial information ECB/2017/25. The Regulation lays down the rules and procedures for financial reporting by banks or banking groups to the relevant supervisory authorities. The amendments mainly reflect the regulatory changes introduced in Union legislation to align the reporting of financial information (FINREP) with the requirements of International Financial Reporting Standard 9 (IFRS 9), the new reporting standard for financial instruments. The amendments also include further changes and clarifications based on experience gained since the Regulation was adopted. They also take into account the feedback received during the public consultation on the Regulation. On 25 August 2017 the Governing Council also adopted Regulation (EU) 2017/1539 laying down the date of application of Regulation (EU) 2017/1538 amending Regulation (EU) 2015/534 on reporting of supervisory financial information (ECB/2017/25) to less significant supervised entities which are subject to national accounting frameworks ECB/2017/26. A related press release, together with the text of both Regulations, is available on the ECB's website.

Decisions on the imposition of administrative penalties

On 13 July 2017 the Governing Council did not object to a proposal by the Supervisory Board to impose administrative penalties on Permanent tsb Group Holdings plc on the grounds of breach of ECB Decisions imposing specific liquidity requirements. A related press release was issued on 28 August 2017 on the ECB's banking supervision website. A further press release issued on 15 September 2017 provides detailed information on similar penalties applied to Banca Popolare di Vicenza S.p.A. in L.C.A.

Public consultation on draft ECB guides to assessments of licence applications

On 15 September 2017 the Governing Council did not object to a proposal by the Supervisory Board to launch a public consultation on two draft ECB guides, one related to assessments of licence applications in general, and one specifically related to assessments of licence applications by fintech credit institutions. The purpose of both guides is to enhance transparency for potential applicants and increase their understanding of the procedure and criteria applied by the ECB in its assessment of licence applications. The public consultation is expected to be launched shortly and would run until November 2017.

ECB guide on materiality assessment

On 18 September 2017 the Governing Council did not object to a proposal by the Supervisory Board to publish the final ECB guide on materiality assessment together with the feedback statement which assesses the responses to the public consultation that took place between December 2016 and February 2017. This document will serve as a basis for the materiality assessment of extensions and changes to the internal model method (IMM) and the advanced method for calculating credit valuation adjustment risk (A-CVA). The guide will be available soon on the ECB's banking supervision website.