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* Decision (EU) 2017/1400 of the European Parliament of 4 July 2017 extending by an additional period the term of office of the Committee of Inquiry to investigate alleged contraventions and maladministration in the application of Union law in relation to money laundering, tax avoidance and tax evasion ................................................................. 12


* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

(1) Text with EEA relevance.

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.
The titles of all other acts are printed in bold type and preceded by an asterisk.
* Commission Implementing Decision (EU) 2017/1402 of 28 July 2017 on the approval of the BMW AG engine idle coasting function as an innovative technology for reducing CO₂ emissions from passenger cars pursuant to Regulation (EC) No 443/2009 of the European Parliament and of the Council (1) ................................................................. 14

* Decision (EU) 2017/1403 of the European Central Bank of 23 June 2017 amending Decision ECB/2012/6 on the establishment of the TARGET2-Securities Board (ECB/2017/20) .................. 24

GUIDELINES


(1) Text with EEA relevance.
II

(Non-legislative acts)

INTERNATIONAL AGREEMENTS

Information relating to the entry into force of the Framework Agreement between the European Union and Kosovo* on the general principles for the participation of Kosovo in Union Programmes

As the procedures necessary for the entry into force of the abovementioned Agreement have been completed on 20 July 2017, this Agreement enters into force on 1 August 2017, in accordance with its Article 10.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.
REGULATIONS

COUNCIL REGULATION (EU) 2017/1398
of 25 July 2017
amending Regulation (EU) 2017/127 as regards certain fishing opportunities

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(3) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Council Regulation (EU) 2017/127 (1) fixes for 2017 the fishing opportunities for certain fish stocks and groups of fish stocks applicable in Union waters and, for Union fishing vessels, in certain non-Union waters.

(2) The derogation allowing catches of sea bass with certain gear categories is linked to the historic record of catches with those gears. It should be clarified that the derogation is maintained when fishing vessels are replaced, while ensuring that the number of vessels covered by the derogation and their overall fishing capacity do not increase.

(3) In 2017, the International Council for the Exploration of the Sea (ICES), in its advice and following the 2016 benchmark, amended the sandeel management areas. The sandeel management area 3r is mainly located in the Norwegian waters, however part of it also appears in the Union waters, with some important fishing banks straddling across the management areas 2r and 3r. It is appropriate to ensure that Union fishing vessels can access sandeel banks located in the Union waters of the management area 3r. The fishing opportunities established for the management area 2r should therefore also include the Union waters of the management area 3r.

(4) On 27 March 2017, ICES issued advice for catches of Northern prawn (Pandalus borealis) in ICES division IVa East and ICES subdivision 20 (northern North Sea, in the Norwegian Deep and Skagerrak). On the basis of that advice and following consultations with Norway, it is appropriate to fix the Union share of Northern prawn in Skagerrak at 3 856 tonnes and to amend the Union quota in the Norwegian Deep.

(5) In the previous years the total allowable catches (TAC) for sprat (Sprattus sprattus) in the North Sea have been fixed for a calendar year, while ICES issues its advice for the period from 1 July of the current year to 30 June of the following year. Those periods should be aligned in order to match the TAC period with that of the ICES advice. Exceptionally and only due to the transition, the TAC for sprat should be amended to cover the period of 18 months, ending at 30 June 2018. Any subsequent fishing opportunities should be fixed in line with the period for which ICES issues its advice.

(6) In Regulation (EU) 2017/127, the TAC for sprat was fixed at 33 830 tonnes to cover sprat catches in the first half of 2017. ICES advised that catches between 1 July 2017 and 30 June 2018 should be no more than 170 387 tonnes. Therefore, the TAC for sprat for 18 months should be fixed to cover actual catches that took place during the first half of 2017 within the limits of the TAC set in Regulation (EU) 2017/127 and the level of catches in the ICES advice for the remaining 12 months, i.e. from 1 July 2017 to 30 June 2018.

Council Regulation (EU) 2017/595 (1) deleted the fishing opportunities table for common dab (*Limanda limanda*) and European flounder (*Platichthys flesus*) for Union waters of ICES division IIa and subarea IV set out in Annex IA to Regulation (EU) 2017/127. Therefore, it is appropriate to delete common dab from the footnotes in Annex IA to Regulation (EU) 2017/127 which refer to common dab as associated by-catch species.

In the North East Atlantic Fisheries Commission (NEAFC) Recommendation 1:2014, it was prohibited to fish for redfish (*Sebastes mentella*) in the international waters of ICES subareas I and II from 1 January to 30 June 2014. The prohibition under that recommendation no longer applied after that the end of that period. The fishing opportunities should therefore be amended in order to allow the fishery of redfish throughout 2017.

At its 2016 Annual Meeting, the International Commission for the Conservation of Atlantic Tunas (ICCAT) adopted Recommendation 16-05 (Recommendation 16-05) setting the TAC for Mediterranean swordfish (*Xiphias gladius*) at 10,500 tonnes, and establishing a Working Group in order to define a fair and equitable allocation scheme of the TAC for Mediterranean swordfish, to fix the quota allocated to Contracting Parties, Cooperating non-Contracting Parties, Entities or Fishing Entities for 2017 and to define the mechanism for managing the TAC.

The Union, by letter addressed to the ICCAT Secretariat on 23 December 2016, confirmed that it would implement Recommendation 16-05 as of 1 January 2017. In particular, the Union confirmed that it would implement the closure period for Mediterranean swordfish referred to in paragraph 11 of Recommendation 16-05 during the period from 1 January to 31 March, starting in 2017. It is therefore appropriate to introduce such closure as a condition functionally linked to the fixing and allocation of fishing opportunities for Mediterranean swordfish.

The Working Group established by Recommendation 16-05 met on 20-22 February 2017 and proposed an allocation key as well as a compromise for managing the quota uptake for 2017. As part of that compromise, the Union’s share was fixed at 70.756 % of the ICCAT TAC, amounting to 7,410.48 tonnes in 2017. It is therefore appropriate to implement into Union law the Union’s share and to define the quotas for Member States. The allocation should be based on historic catches during a reference period of 2012-2015.

The catch limits provided for in Regulation (EU) 2017/127 apply from 1 January 2017. The provisions introduced by this amending Regulation concerning catch limits should therefore also apply from that date. Such retroactive application is without prejudice to the principles of legal certainty and protection of legitimate expectations as the fishing opportunities concerned have not yet been exhausted.

Regulation (EU) 2017/127 should therefore be amended accordingly.

HAS ADOPTED THIS REGULATION:

**Article 1**

Amendments to Regulation (EU) 2017/127

Regulation (EU) 2017/127 is amended as follows:

(1) in Article 9(2), the third subparagraph is replaced by the following:

‘The above derogations shall apply to Union fishing vessels that have recorded catches of sea bass over the period from 1 July 2015 to 30 September 2016: in point (b) with recorded catches using hooks and lines, and in point (c) with recorded catches using fixed gillnets. In the case of a replacement of a Union fishing vessel, Member States may allow the derogation to apply to another fishing vessel provided that the number of Union fishing vessels subject to the derogation and their overall fishing capacity do not increase.’;

(2) Annexes IA and ID to Regulation (EU) 2017/127 are amended as set out in the Annex to this Regulation.

Article 2

Entry into force

This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.

It shall apply from 1 January 2017.

This Regulation shall be binding in its entirety and directly applicable in all Member States.


For the Council
The President
M. MAASIKAS
1. Annex IA to Regulation (EU) 2017/127 is amended as follows:
(a) the fishing opportunities table for sandeel and associated by-catches in Union waters of IIa, IIIa and IV is replaced by the following:

<table>
<thead>
<tr>
<th>Species</th>
<th>Zone: Union waters of IIa, IIIa and IV (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandeel and associated by-catches Ammodytes spp.</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>458 552 (2)</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10 024 (2)</td>
</tr>
<tr>
<td>Germany</td>
<td>701 (2)</td>
</tr>
<tr>
<td>Sweden</td>
<td>16 838 (2)</td>
</tr>
<tr>
<td>Union</td>
<td>486 115</td>
</tr>
<tr>
<td>TAC</td>
<td>486 115</td>
</tr>
</tbody>
</table>

- Analytical TAC
- Article 3 of Regulation (EC) No 847/96 shall not apply
- Article 4 of Regulation (EC) No 847/96 shall not apply

(1) Excluding waters within six nautical miles of the UK baselines at Shetland, Fair Isle and Foula.
(2) Without prejudice to the landing obligation, by-catches of whiting and mackerel may consist of up to 2 % of the quota (OT1/*2A3A4). Where a Member State uses this provision in respect of a by-catch species in this fishery, no inter-species flexibility provision may be used by that Member State in respect of by-catches of that species.

**Special condition:**
within the limits of the abovementioned quotas, no more than the quantities given below may be taken in the following sandeel management areas, as defined in Annex IID:

<table>
<thead>
<tr>
<th>Zone: Union waters of sandeel management areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1r</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Denmark</td>
</tr>
<tr>
<td>United Kingdom</td>
</tr>
<tr>
<td>Germany</td>
</tr>
<tr>
<td>Sweden</td>
</tr>
<tr>
<td>Union</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
(b) the fishing opportunities table for Northern prawn in IIIa is replaced by the following:

<table>
<thead>
<tr>
<th>Species:</th>
<th>Zone:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern prawn</td>
<td>IIIa (PRA/03A.)</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>2 506</td>
</tr>
<tr>
<td>Sweden</td>
<td>1 350</td>
</tr>
<tr>
<td>Union</td>
<td>3 856</td>
</tr>
<tr>
<td>TAC</td>
<td>7 221</td>
</tr>
</tbody>
</table>

Precautionary TAC

Article 7(2) of this Regulation applies

(c) the fishing opportunities table for Northern prawn in Norwegian waters south of 62° N is replaced by the following:

<table>
<thead>
<tr>
<th>Species:</th>
<th>Zone:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern prawn</td>
<td>Norwegian waters south of 62° N (PRA/04-N.)</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>211</td>
</tr>
<tr>
<td>Sweden</td>
<td>123 (1)</td>
</tr>
<tr>
<td>Union</td>
<td>334</td>
</tr>
<tr>
<td>TAC</td>
<td>Not relevant</td>
</tr>
</tbody>
</table>

Analytical TAC

Article 3 of Regulation (EC) No 847/96 shall not apply

Article 4 of Regulation (EC) No 847/96 shall not apply

(1) By-catches of cod, haddock, pollack, whiting and saithe are to be counted against the quotas for these species.

(d) the fishing opportunities table for sprat and associated by-catches in Union waters of IIa and IV is replaced by the following:

<table>
<thead>
<tr>
<th>Species:</th>
<th>Zone:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sprat and associated by-catches</td>
<td>Union waters of IIa and IV (SPR/2AC4-C)</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>1 890 (1) (2)</td>
</tr>
<tr>
<td>Denmark</td>
<td>149 592 (1) (2)</td>
</tr>
<tr>
<td>Germany</td>
<td>1 890 (1) (2)</td>
</tr>
<tr>
<td>France</td>
<td>1 890 (1) (2)</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>1 890 (1) (2)</td>
</tr>
<tr>
<td>Sweden</td>
<td>1 995 (1) (2) (4)</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>6 264 (1) (2)</td>
</tr>
<tr>
<td>Union</td>
<td>165 411 (1)</td>
</tr>
<tr>
<td>Norway</td>
<td>10 000 (1)</td>
</tr>
<tr>
<td>Faroe Islands</td>
<td>1 000 (2) (3)</td>
</tr>
<tr>
<td>TAC</td>
<td>176 411 (1)</td>
</tr>
</tbody>
</table>

Analytical TAC

(1) The quota may only be fished from 1 January 2017 to 30 June 2018.
(2) The quota may only be fished from 1 July 2017 to 30 June 2018.
(3) Without prejudice to the landing obligation, by-catches of whiting may consist of up to 2 % of the quota (OTH/*2AC4C). Where a Member State uses this provision in respect of a by-catch species in this fishery, no inter-species flexibility provision may be used by that Member State in respect of by-catches of that species.
(4) Including sandeel.
(5) May contain up to 4 % of by-catch of herring.
(e) in the fishing opportunities table for sprat and associated by-catches in IIIa, footnote 1 is replaced by the following:

'(1) Without prejudice to the landing obligation, by-catches of whiting and haddock may consist of up to 5 % of the quota (OTH/*03A.). Where a Member State uses this provision in respect of a by-catch species in this fishery, no inter-species flexibility provision may be used by that Member State in respect of by-catches of that species.'

(f) the fishing opportunities table for redfish in international waters of I and II is replaced by the following:

<table>
<thead>
<tr>
<th>Species</th>
<th>Redfish</th>
<th>Zone:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sebastes</td>
<td>International waters of I and II (RED/1/2INT)</td>
</tr>
<tr>
<td></td>
<td>spp.</td>
<td></td>
</tr>
</tbody>
</table>

| Union | to be established (1) (2) | TAC | 8 000 (1) |

Analytical TAC

Article 3 of Regulation (EC) No 847/96 shall not apply

Article 4 of Regulation (EC) No 847/96 shall not apply

(1) The fishery will be closed when the TAC is fully utilised by NEAFC Contracting Parties. From the closure date, Member States shall prohibit directed fishery for redfish by vessels flying their flag.

(2) Vessels shall limit their by-catches of redfish in other fisheries to a maximum of 1 % of the total catch retained on board.

(3) Provisional catch limit to cover catches of all NEAFC Contracting Parties.

2. In Annex ID to Regulation (EU) 2017/127, the fishing opportunities table for swordfish in the Mediterranean Sea is replaced by the following:

<table>
<thead>
<tr>
<th>Species</th>
<th>Swordfish</th>
<th>Zone:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Xiphias gladius</td>
<td>Mediterranean Sea (SWO/MED)</td>
</tr>
</tbody>
</table>

| Croatia | 16 (1) |
| Cyprus  | 59 (1) |
| Spain   | 1 822,49 (1) |
| France  | 127,02 (1) |
| Greece  | 1 206,45 (1) |
| Italy   | 3 736,26 (1) |
| Malta   | 443,26 (1) |
| Union   | 7 410,48 (1) |
| TAC     | 10 500 |

Analytical TAC

Article 3 of Regulation (EC) No 847/96 shall not apply

Article 4 of Regulation (EC) No 847/96 shall not apply

(1) This quota may only be fished from 1 April 2017 to 31 December 2017.
COMMISSION REGULATION (EU) 2017/1399
of 28 July 2017
(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1333/2008 of the European Parliament and of the Council of 16 December 2008 on food additives (1), and in particular Articles 10(3) and 14 thereof,

Having regard to Regulation (EC) No 1331/2008 of the European Parliament and of the Council of 16 December 2008 establishing a common authorisation procedure for food additives, food enzymes and food flavourings (2), and in particular Article 7(5) thereof,

Whereas:

(1) Annex II to Regulation (EC) No 1333/2008 lays down a Union list of food additives approved for use in foods and their conditions of use.

(2) Only food additives included in the Union list in Annex II to Regulation (EC) No 1333/2008 may be placed on the market as such and used in foods under the conditions of use specified therein.

(3) Some food additives are intended for specific uses for certain oenological practices and processes. The use of such food additives should comply with Regulation (EC) No 1333/2008 and with the specific provisions laid down in the relevant Union legislation.


(6) The Union list and the specifications may be updated in accordance with the common procedure referred to in Article 3(1) of Regulation (EC) No 1331/2008, either on the initiative of the Commission or following an application.

(7) On 24 February 2015, an application was submitted for the authorisation of the use of potassium polyaspartate as a stabiliser in wine. The application was made available to the Member States pursuant to Article 4 of Regulation (EC) No 1331/2008.

(8) The European Food Safety Authority evaluated the safety of potassium polyaspartate as a food additive and in its opinion (7) of 9 March 2016 concluded that there was no safety concern from the proposed use in wine at a maximum use level of 300 mg/L and typical levels in the range of 100-200 mg/L.

Potassium polyaspartate acts as a stabiliser against tartrate crystal precipitation in wine (red, rosé and white wine). It enhances the keeping quality and stability of wine and its use does not have an impact on the sensory properties. It is therefore appropriate to include potassium polyaspartate in the Union list of food additives and to assign E 456 as E-number to that additive to enable its authorisation as a stabiliser in wine in the specific provisions of the relevant Union legislation.

The specifications for potassium polyaspartate (E 456) should be included in Regulation (EU) No 231/2012 when it is included in the Union list of food additives laid down in Annex II to Regulation (EC) No 1333/2008 for the first time.

Regulations (EC) No 1333/2008 and (EU) No 231/2012 should therefore be amended accordingly.

The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on Plants, Animals, Food and Feed,

HAS ADOPTED THIS REGULATION:

Article 1

Annex II to Regulation (EC) No 1333/2008 is amended in accordance with Annex I to this Regulation.

Article 2

The Annex to Regulation (EU) No 231/2012 is amended in accordance with Annex II to this Regulation.

Article 3

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.


For the Commission

The President

Jean-Claude JUNCKER
In Part B of Annex II to Regulation (EC) No 1333/2008, in point 3 ‘Additives other than colours and sweeteners’, the following new entry is inserted after the entry for food additive E 452:

| E 456 | Potassium polyaspartate |
ANNEX II

In the Annex to Regulation (EU) No 231/2012, the following new entry is inserted after the entry for food additive E 452(iv):

<table>
<thead>
<tr>
<th><strong>E 456 POTASSIUM POLYASPARTATE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Synonyms</strong></td>
</tr>
<tr>
<td>Definition</td>
</tr>
<tr>
<td>CAS number</td>
</tr>
<tr>
<td>Chemical name</td>
</tr>
<tr>
<td>Chemical formula</td>
</tr>
<tr>
<td>Weight average molecular weight</td>
</tr>
<tr>
<td>Assay</td>
</tr>
<tr>
<td>Particle size</td>
</tr>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td><strong>Identification</strong></td>
</tr>
<tr>
<td>Solubility</td>
</tr>
<tr>
<td>pH</td>
</tr>
<tr>
<td><strong>Purity</strong></td>
</tr>
<tr>
<td>Degree of substitutions</td>
</tr>
<tr>
<td>Loss on drying</td>
</tr>
<tr>
<td>Potassium hydroxide</td>
</tr>
<tr>
<td>Aspartic acid</td>
</tr>
<tr>
<td>Other impurities</td>
</tr>
<tr>
<td>Arsenic</td>
</tr>
<tr>
<td>Lead</td>
</tr>
<tr>
<td>Mercury</td>
</tr>
<tr>
<td>Cadmium</td>
</tr>
</tbody>
</table>
DECISIONS

DECISION (EU) 2017/1400 OF THE EUROPEAN PARLIAMENT

of 4 July 2017
extending by an additional period the term of office of the Committee of Inquiry to investigate alleged contraventions and maladministration in the application of Union law in relation to money laundering, tax avoidance and tax evasion

THE EUROPEAN PARLIAMENT,

— having regard to the proposal by the Conference of Presidents,
— having regard to Article 226 of the Treaty on the Functioning of the European Union,
— having regard to Decision 95/167/EC, Euratom, ECSC of the European Parliament, the Council and the Commission of 19 April 1995 on the detailed provisions governing the exercise of the European Parliament’s right of inquiry (1),
— having regard to its Decision (EU) 2016/1021 of 8 June 2016 on setting up a Committee of Inquiry to investigate alleged contraventions and maladministration in the application of Union law in relation to money laundering, tax avoidance and tax evasion (2),
— having regard to its Decision (EU) 2017/846 of 16 March 2017 extending the term of office of the Committee of Inquiry to investigate alleged contraventions and maladministration in the application of Union law in relation to money laundering, tax avoidance and tax evasion (3),
— having regard to Rule 198(11) of its Rules of Procedure,

A. whereas the Committee of Inquiry requested an extension of its term of office in order to enable it to implement its mandate fully and appropriately, taking into account the number of documents yet to be examined, the analyses commissioned, and the stakeholders to be heard;

1. Decides to extend by an additional period of 3 months the term of office of the Committee of Inquiry.

For the European Parliament
The President
A. TAJANI

(3) OJ L 125, 18.5.2017, p. 34.
POLITICAL AND SECURITY COMMITTEE DECISION (CFSP) 2017/1401
of 18 July 2017
extending the mandate of the Head of Mission of the European Union Integrated Border Management Assistance Mission in Libya (EUBAM Libya) (EUBAM Libya/1/2017)

THE POLITICAL AND SECURITY COMMITTEE,
Having regard to the Treaty on European Union, and in particular the third paragraph of Article 38 thereof,
Having regard to the Council Decision 2013/233/CFSP of 22 May 2013 on the European Union Integrated Border Management Assistance Mission in Libya (EUBAM Libya) (1), and in particular Article 9(1) thereof,
Whereas:
(1) Pursuant to Article 9(1) of Decision 2013/233/CFSP, the Political and Security Committee (PSC) is authorised, in accordance with Article 38 of the Treaty, to take the relevant decisions for the purpose of exercising the political control and strategic direction of the European Union Integrated Border Management Assistance Mission in Libya (EUBAM Libya), including the decision to appoint a Head of Mission.
(2) On 30 August 2016, the PSC adopted Decision (CFSP) 2016/1634 (2), appointing Mr Vincenzo TAGLIAFERRI as Head of Mission of EUBAM Libya from 1 September 2016 to 21 August 2017.
(4) On 17 July 2017, the Council adopted Decision (CFSP) 2017/1342 (4), extending the mandate of EUBAM Libya from 22 August 2017 to 31 December 2018.
(5) On 12 July 2017, the High Representative of the Union for Foreign Affairs and Security Policy proposed to extend the mandate of Mr Vincenzo TAGLIAFERRI as Head of Mission of EUBAM Libya from 22 August 2017 to 21 August 2018.

HAS ADOPTED THIS DECISION:

Article 1

The mandate of Mr Vincenzo TAGLIAFERRI as Head of Mission of EUBAM Libya is hereby extended from 22 August 2017 to 21 August 2018.

Article 2

This Decision shall enter into force on 21 August 2017.


For the Political and Security Committee
The Chairperson
W. STEVENS

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COMMISSION IMPLEMENTING DECISION (EU) 2017/1402

of 28 July 2017

on the approval of the BMW AG engine idle coasting function as an innovative technology for reducing CO₂ emissions from passenger cars pursuant to Regulation (EC) No 443/2009 of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 443/2009 of the European Parliament and of the Council of 23 April 2009 setting emissions performance standards for new passenger cars as part of the Community's integrated approach to reduce CO₂ emissions from light-duty vehicles (*), and in particular Article 12(4) thereof,

Having regard to Commission Implementing Regulation (EU) No 725/2011 of 25 July 2011 establishing a procedure for the approval and certification of innovative technologies for reducing CO₂ emissions from passenger cars pursuant to Regulation (EC) No 443/2009 of the European Parliament and of the Council (**), and in particular Article 10(2) thereof,

Whereas:

(1) The manufacturer BMW AG (the 'Applicant') submitted an application for the approval of an engine idle coasting function as an eco-innovation on 23 June 2016. The completeness of the application was assessed in accordance with Article 4 of Implementing Regulation (EU) No 725/2011. The application was found to be complete.

(2) The application has been assessed in accordance with Article 12 of Regulation (EC) No 443/2009, Implementing Regulation (EU) No 725/2011 and the Technical Guidelines for the preparation of applications for the approval of innovative technologies pursuant to Regulation (EC) No 443/2009 (**). Due to the complexity of the technology, the assessment period has been extended by five months in accordance with Article 10(4) of Implementing Regulation (EU) No 725/2011, i.e. until 23 August 2017.

(3) The application refers to the BMW AG 'engine idle coasting' function to be used in BMW M1 vehicles with conventional powertrain and automatic transmission. The basic principle of this innovative technology is to decouple the combustion engine from the drivetrain and prevent deceleration caused by engine braking. The function should be automatically activated in the predominant driving mode, which is the mode automatically selected when the vehicle is switched on. Thus coasting can be used to increase the rolling distance of the vehicle in situations where no propulsion or a slow reduction of speed is needed. When 'coasting', the kinetic and potential energy of the vehicle is directly used to overcome driving resistance and, as consequence, to decrease fuel consumption. To obtain less deceleration the engine is decoupled from the drivetrain by opening a clutch. This is done automatically by the control unit of the automatic transmission. During these coasting phases the engine is running at idle speed ('engine idle coasting').

(4) The Commission approved by way of Implementing Decision (EU) 2015/1132 (**) an application by Porsche AG concerning a coasting function intended for use in Porsche S-segment M1 vehicles (sport coupé) only. The application by BMW AG concerning an engine idle coasting function is intended for use in BMW M1 vehicles with conventional powertrain and automatic transmission.

(5) The applicant has provided a methodology for testing the CO₂ reductions from the use of the engine idle coasting function, including a modified NEDC test cycle to offer the possibility for the vehicle to coast. To compare the vehicle fitted with engine idle coasting function with a baseline vehicle where the coasting function

(**) https://circabc.europa.eu/w/browse/59272ae-29f8-4950-b33d-22c700598b52
is not installed, not available in the predominant driving mode or disabled for testing purposes, both vehicles should be tested on the same modified NEDC test cycle. However, in view of the difficulties for the baseline vehicle to follow the speed-trace of the modified NEDC test cycle, the test of the baseline vehicle is performed on the standard NEDC under hot start conditions, while the modified conditions are taken into account by a conversion factor being applied for the calculation of the CO₂ savings. The determination of the conversion factor is vehicle-specific and related primarily to the powertrain hardware configuration. Based on previous studies, the conversion factor appears to lie within the range 0.96 to 0.99. The applicant has requested that the conversion factor should be set at the level of 0.98. The Commission finds however that the applicant has not provided sufficient evidence for justifying a conversion factor higher than 0.96. In view of this, it is considered appropriate to maintain the conversion factor at the lower end of the identified range, i.e. at the value of 0.960, in line with the conversion factor defined in Implementing Decision (EU) 2015/1132.

A key element in determining the CO₂ savings is the proportion of the distance travelled by the vehicle over which the coasting function will be activated, taking into account that the coasting function may be deactivated in other driving modes than the predominant driving mode. The applicant has proposed a usage factor of 0.7 which relates the observed distance covered under coasting conditions during real world driving tests to the coasting distance under modified NEDC conditions. However, that proposed usage factor resulted as a best case value without robust supporting analysis. Based on additional analysis and taking into account the analysis made for the purpose of Implementing Decision (EU) 2015/1132, it is appropriate to consider a more conservative usage factor equal to 0.62.

The case study conducted by BMW AG concerned two vehicles having the engine idle coasting technology active until 40km/h. In view of the forthcoming production of BMW models able to coast until 15km/h, the applicant has proposed an analytical method to extend the scope to also cover this longer coasting activation period. Nevertheless, the influence of the more extended coasting period upon the usage factor has not been analysed by the applicant. Therefore, it is appropriate to consider the coasting function as active at least down to 40 km/h.

The information provided in the application demonstrates that the conditions defined in Articles 2 and 4 of Implementing Regulation (EU) No 725/2011 and the criteria referred to in Article 12 of Regulation (EC) No 443/2009 have been met for at least one of the two vehicles presented in the case study. Moreover, the application is supported by a verification report established by an independent and certified body in accordance with Article 7 of Implementing Regulation (EU) No 725/2011.

Based on the information provided with the current application, and taking into account the experience gained from the assessment of the application on the approval of the Porsche AG coasting function in the framework of Implementing Decision (EU) 2015/1132, it has been satisfactorily demonstrated that the BMW engine idle coasting function can provide a reduction in CO₂ emissions of at least 1 g CO₂/km in accordance with Article 9 of Implementing Regulation (EU) No 725/2011 for certain BMW vehicles. It is therefore necessary for the type approval authority, to verify that the 1gCO₂/km threshold specified in Article 9 of Implementing Regulation (EU) No 725/2011 is met for the certification of the CO₂ savings from BMW vehicles fitted with engine idle coasting function.

Against that background, the Commission finds that no objections should be raised as regards the approval of the innovative technology in question.

The manufacturer BMW AG should, in order to have the CO₂ savings from the BMW AG engine idle coasting function certified, provide a verification report from an independent and certified body confirming the compliance of the fitted vehicle with the conditions specified in this Decision together with the application for certification to the type approval authority.

For the purposes of determining the general eco-innovation code to be used in the relevant type approval documents in accordance with Annexes I, VIII and IX to Directive 2007/46/EC of the European Parliament and of the Council (1), the individual code to be used for the innovative technology should be specified,

HAS ADOPTED THIS DECISION:

Article 1

Approval

The BMW AG engine idle coasting function, hereinafter BMW engine idle coasting function, is approved as an innovative technology within the meaning of Article 12 of Regulation (EC) No 443/2009 provided the following conditions are met:

(a) the innovative technology is fitted in BMW conventional powertrain M1 vehicles with automatic transmission equipped with the BMW engine idle coasting function automatically activated in the predominant driving mode; this is the driving mode that is always selected when the vehicle is switched on regardless of the operating mode selected when the vehicle was previously shut down; the BMW engine idle coasting function may not be deactivated in the predominant driving mode by the driver or by external interventions;

(b) the BMW engine idle coasting function is active at least down to 40km/h;

(c) for vehicles with the capacity to coast down to a speed lower than 40km/h, the BMW engine idle coasting function shall be de-activated at 40km/h for the purpose of the test set out in the Annex.

Article 2

Application for certification of CO\textsubscript{2} savings

The manufacturer BMW AG may apply for certification of the CO\textsubscript{2} savings from the BMW engine idle coasting function by reference to this Decision.

The application for certification shall be accompanied by a verification report from an independent and certified body confirming the compliance of the fitted vehicle with the conditions set out in Article 1 and that the CO\textsubscript{2} savings threshold of 1gCO\textsubscript{2}/km specified in Article 9 of Implementing Regulation (EU) No 725/2011 is met.

Article 3

Certification of CO\textsubscript{2} savings

The reduction in CO\textsubscript{2} emissions from the use of the BMW engine idle coasting function referred to in Article 1 shall be determined using the methodology set out in the Annex.

Article 4

Eco-innovation code

The eco-innovation code No 23 shall be entered into the type approval documentation where reference is made to this Decision in accordance with Article 11(1) of Implementing Regulation (EU) No 725/2011.

Article 5

Entry into force

This Decision shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.


For the Commission

The President

Jean-Claude JUNCKER
ANNEX

Methodology to determine the CO₂ savings of the use of the BMW engine idle coasting function

1. INTRODUCTION

In order to determine the CO₂ savings that can be attributed to the use of the BMW engine idle coasting function, it is necessary to specify the following:

(1) The test vehicles;

(2) The testing procedure to determine the CO₂ emission of the eco-innovative vehicle under modified testing conditions;

(3) The testing procedure to be followed to determine the CO₂ emission of the baseline vehicle under type approval hot start conditions;

(4) The calculation of the CO₂ savings;

(5) The calculation of the statistical margin.

2. SYMBOLS, PARAMETERS AND UNITS

Latin symbols

\( C_{CO₂} \) — CO₂ savings [g CO₂/km];

\( CO₂ \) — Carbon dioxide;

\( c \) — Conversion parameter;

\( B_{MC} \) — Arithmetic mean of the CO₂ emissions of the baseline technology vehicle under modified testing conditions [gCO₂/km];

\( E_{MC} \) — Arithmetic mean of the CO₂ emission of the eco-innovation technology vehicle under modified testing conditions [gCO₂/km];

\( B_{TA_{hot}} \) — Arithmetic mean of the CO₂ emission of the baseline vehicle under type approval hot start conditions [gCO₂/km];

\( B_{TA} \) — Arithmetic mean of the CO₂ emission of the baseline vehicle under type approval testing conditions [gCO₂/km];

\( E_{TA} \) — Arithmetic mean of the CO₂ emission of the eco-innovation technology vehicle under type approval testing conditions [gCO₂/km];

\( RCD_{pw} \) — Relative coasting distance under real world conditions [%];

\( RCD_{mNEDC} \) — Relative coasting distance under modified testing conditions [%];

\( UF \) — Usage factor of the coasting technology, which is 0.62 for the BMW engine idle coasting technology. This value is representative only of the BMW fleet;

\( s_{CO₂} \) — Statistical margin of the total CO₂ savings [gCO₂/km];

\( s_{B_{TA_{hot}}} \) — Standard deviation of the arithmetic mean of the CO₂ emission of the baseline vehicle under type approval hot start conditions [gCO₂/km];

\( s_{B_{MC}} \) — Standard deviation of the arithmetic mean of the CO₂ emission of the eco-innovation vehicle under modified testing conditions [gCO₂/km];

\( s_{UF} \) — Standard deviation of the arithmetic mean of the usage factor.
3. THE TEST VEHICLES

The test vehicles shall fulfil the following specifications:

(a) Eco-innovative vehicle: a vehicle with the innovative technology installed and active in the predominant driving mode as defined in Article 1(a);

(b) Baseline vehicle: a vehicle with the innovative technology deactivated or not installed or not available in the predominant driving mode. If it is not possible to deactivate the technology, it has to be assured that the BMW engine idle coasting function is not activated during the dynamometer testing procedure.

4. DETERMINATION OF THE CO₂ EMISSION OF THE ECO-INNOVATIVE VEHICLE UNDER MODIFIED TESTING CONDITIONS (E_{EC})

The emissions of CO₂ and fuel consumption of the Eco-innovative vehicles have to be measured in accordance with Annex 6 of UN/ECE Regulation No 101 (Method of measuring emissions of carbon dioxide and fuel consumption of vehicles powered by an internal combustion engine only). The following procedures and test conditions shall be modified:

4.1. Preconditioning of the vehicle

In order to reach the hot testing conditions of the powertrain, one or more complete preconditioning NEDC tests shall be performed.

4.2. Dynamometer road load determination

The dynamometer road load determination shall be carried out on a single-roll dynamometer as follows:

(a) Bring the vehicle to operating temperature following the preconditioning procedure referred to in point 4.1;

(b) Determine the dynamometer road load according to the standard operating procedures defined in the UN/ECE Regulation No 83 (1).

4.3. Definition of the Coast Down Curve

The determination of the coast down curve in coasting mode is carried out on a single-roll dynamometer as described in the following compulsory steps:

(a) Bring the vehicle to operating temperature following the preconditioning procedure referred to in point 4.1;

(b) Execute a coast down in coasting mode from an initial speed of not less than 120 km/h to either a standstill or to the lowest possible coasting speed.

4.4. Generation of the modified NEDC profile (mNEDC):

The speed profile of the mNEDC shall be generated as follows:

4.4.1. Assumptions

(a) The test sequence is composed of an urban cycle made of four elementary urban cycles and an extra-urban cycle;

(b) All acceleration ramps are identical to the NEDC-profile;

(1) Regulation No 83 of the Economic Commission for Europe of the United Nations (UN/ECE) — Uniform provisions concerning the approval of vehicles with regard to the emission of pollutants according to engine fuel requirements (OJ L 42, 15.2.2012, p. 1).
(c) All constant speed levels are identical to the NEDC-profile;

(d) The deceleration values when the BMW engine idle coasting function is deactivated are equal to the ones within the NEDC-profile;

(e) The speed and time tolerances shall be in accordance with paragraph 1.4 of Annex 7 to UN/ECE Regulation No 101.

4.4.2. Constraints

(a) The deviation from the NEDC profile shall be minimised and the overall distance must comply with the NEDC specified tolerances;

(b) The distance at the end of each deceleration phase of the mNEDC-profile shall be equal to the distances at the end of each deceleration phase of the NEDC-profile;

(c) For all phases of acceleration, constant velocity and deceleration, standard NEDC tolerances shall be applied;

(d) During coasting phases the internal combustion engine is decoupled and no active correction of the vehicles velocity trajectory is permitted.

4.4.3. System boundaries

(a) Lower speed limit for coasting:

The coasting mode shall be disabled at a coasting speed of 40 km/h by engaging the brake. At this point, a coast down curve is followed by a deceleration ramp as described for the NEDC-profile ($v_{min}$ in Figure 1);

(b) Minimal stop time:

The minimum time after every coasting deceleration to a standstill or constant speed phase is 2 seconds ($t_{stop\ min}$ in Figure 1);

(c) Minimum time for constant speed phases:

The minimum time for constant speed phases after acceleration or coasting deceleration is 2 seconds ($t_{const\ min}$ in Figure 1). For technically justified reasons this value may be increased.

Figure 1

NEDC profile with system boundaries for coasting mode

4.5. Number of tests

The complete test procedure on the test bench shall be repeated at least three times. The arithmetic mean of the CO₂ emissions from the eco-innovation vehicle ($E_{MC}$) and the respective standard deviation of the arithmetic mean ($s_{E_{MC}}$) shall be calculated.
5. **DETERMINATION OF THE CO\(_2\) EMISSIONS OF THE BASELINE VEHICLE UNDER TYPE APPROVAL HOT START CONDITIONS (B\(_{TA\_hot}\))**

The emissions of CO\(_2\) and fuel consumption of the baseline vehicles have to be measured in accordance with Annex 6 of UN/ECE Regulation No 101 (Method of measuring emissions of carbon dioxide and fuel consumption of vehicles powered by an internal combustion engine only). The following procedures and test conditions shall be modified:

5.1. **Preconditioning of the vehicle**

In order to reach the hot testing conditions of the powertrain, one or more complete preconditioning NEDC tests shall be performed.

5.2. **Number of tests**

The complete test procedure under type approval hot start conditions on the test bench shall be repeated at least three times. The arithmetic means of the CO\(_2\) emission from the baseline vehicle (B\(_{TA\_hot}\)) and the respective standard deviation of the arithmetic mean (s\(_{B\_TA\_hot}\)) shall be calculated.

6. **CALCULATION OF THE CO\(_2\) SAVINGS**

To calculate the CO\(_2\) savings of the innovative technology the following formula shall be used:

**Formula 1:**

\[
C_{CO_2} = \left( (B_{MC} - E_{MC}) - (B_{TA} - E_{TA}) \right) \cdot UF
\]

Where,

- \(C_{CO_2}\): CO\(_2\) savings [gCO\(_2\)/km];
- \(B_{MC}\): Arithmetic mean of the CO\(_2\) emissions of the baseline technology vehicle under modified testing conditions [gCO\(_2\)/km];
- \(E_{MC}\): Arithmetic mean of the CO\(_2\) emission of the eco-innovation technology vehicle under modified testing conditions [gCO\(_2\)/km];
- \(B_{TA}\): Arithmetic mean of the CO\(_2\) emission of the baseline vehicle under type approval testing conditions [gCO\(_2\)/km];
- \(E_{TA}\): Arithmetic mean of the CO\(_2\) emission of the eco-innovation technology vehicle under type approval testing conditions [gCO\(_2\)/km];
- UF: Usage factor of the BMW engine idle coasting function is 0.62.

If it is demonstrated that the innovative technology is not active under the type approval testing conditions, the Formula 1 may be simplified as follows:

**Formula 2:**

\[
C_{CO_2} = (B_{MC} - E_{MC}) \cdot UF
\]

To determine \(B_{MC}\), the same modified testing conditions shall be followed by a vehicle which does not have the BMW engine idle coasting function.
It shall be assumed that the baseline vehicle is able to perform a sailing curve (line 2’ in Figure 2) without disconnecting the engine from the wheels, although with lower efficiency than a vehicle fitted with a BMW engine idle coasting function (i.e. able to disconnect the engine from the wheels).

**Figure 2**

*Sailing curve for baseline vehicle*

Figure 2 illustrates that during the deceleration phases of the type approval (3) and the modified (2’ + 3’) testing conditions no fuel is used (cut-off) by the baseline vehicle.

In order to determine the CO\(_2\) emissions of the baseline vehicle under the modified conditions (B\(_{MC}\)), those emissions shall be calculated based on the CO\(_2\) emissions of the baseline vehicle determined under type approval hot start conditions using a conversion parameter (c-factor) which takes into account the effect of the modified testing conditions in accordance with the following Formula 3:

**Formula 3:**

\[
c = \frac{B_{TA_{hot}}}{B_{MC}}
\]

As consequence, Formula 2 becomes:

**Formula 4:**

\[
C_{CO_2} = (c \cdot B_{TA_{hot}} - E_{MC}) \cdot UF
\]

Where,

- \(c\): Conversion parameter which is 0.960;
- \(B_{TA_{hot}}\): Arithmetic mean of the CO\(_2\) emission of the baseline vehicle under type approval hot start conditions [gCO\(_2\)/km];
- \(E_{MC}\): Arithmetic mean of the CO\(_2\) emission of the eco-innovation vehicle under modified testing conditions [gCO\(_2\)/km];
- \(UF\): Usage factor of the coasting technology for the BMW technology which is 0.62; this value is representative only for the BMW fleet.
7. **CALCULATION OF THE STATISTICAL MARGIN**

The statistical margin in the results of the testing methodology is to be quantified. The statistical margin of the total CO\(_2\) saving shall not exceed 0,5 g CO\(_2\)/km as expressed in the following Formula 5:

**Formula 5:**

\[
s_{C_{CO2}} \leq 0.5 \text{gCO}_2/\text{km}
\]

Where,

\(s_{C_{CO2}}\): Statistical margin of the total CO\(_2\) savings [g CO\(_2\)/km].

The statistical margin shall be calculated in accordance with the following Formula 6:

**Formula 6**

\[
s_{C_{CO2}} = \sqrt{\left(c \cdot UF \cdot s_{BTA\text{hot}}\right)^2 + \left(- UF \cdot s_{E\text{MC}}\right)^2} + \left(s_{BTA\text{hot}} - E_{\text{MC}}\right) \cdot s_{UF}\]

Where,

\(s_{C_{CO2}}\): Statistical margin of the total CO\(_2\) savings [g CO\(_2\)/km];

\(c\): Conversion parameter which is 0,960;

\(B_{TA\text{hot}}\): Arithmetic mean of the CO\(_2\) emission of the baseline vehicle under type approval hot start conditions [gCO\(_2\)/km];

\(s_{BTA\text{hot}}\): Standard deviation of the arithmetic mean of the CO\(_2\) emission of the baseline vehicle under modified testing conditions [gCO\(_2\)/km];

\(E_{\text{MC}}\): Arithmetic mean of the CO\(_2\) emission of the eco-innovation vehicle under modified testing conditions [gCO\(_2\)/km];

\(s_{E\text{MC}}\): Standard deviation of the arithmetic mean of the CO\(_2\) emission of the eco-innovation vehicle under modified testing conditions [gCO\(_2\)/km];

\(UF\): Usage factor of the BMW engine idle coasting function which is 0,62; this value is representative only for the BMW fleet;

\(s_{UF}\): Standard deviation of the arithmetic mean of the usage factor, which is 0,019; this value is representative only for the BMW fleet.

8. **DEMONSTRATION THAT THE MINIMUM THRESHOLD OF 1gCO\(_2\)/KM IS EXCEEDED IN A STATISTICALLY SIGNIFICANT WAY**

In order to demonstrate that the 1 gCO\(_2\)/km threshold is exceeded in a statistically significant way, the following Formula shall be used:

**Formula 7**

\[
MT = 1 \text{gCO}_2/\text{km} \leq C_{CO2} - s_{C_{CO2}}
\]
Where,

\[ \text{MT: Minimum threshold [gCO}_2\text{/km]} \]
\[ \text{C}_{\text{CO}_2}: \text{CO}_2 \text{ savings [gCO}_2\text{/km]} \]
\[ s_{\text{CO}_2}: \text{Statistical margin of the total CO}_2 \text{ savings [gCO}_2\text{/km]} \]

Where the CO\textsubscript{2} emission savings, as a result of the calculation using Formula 4 are below the threshold specified in Article 9(1) of Implementing Regulation (EU) No 725/2011, the second subparagraph of Article 11(2) of that Regulation shall apply.
DECISION (EU) 2017/1403 OF THE EUROPEAN CENTRAL BANK

of 23 June 2017

amending Decision ECB/2012/6 on the establishment of the TARGET2-Securities Board

(ECB/2017/20)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Articles 3.1, 12.1 and 12.3 and Articles 17, 18 and 22 thereof,

Having regard to Guideline ECB/2012/13 of 18 July 2012 on TARGET2-Securities (1),

Whereas:

(1) On 16 March 2016, the Governing Council approved the establishment of a ‘Market Infrastructure Board’, a new governance body responsible for technical and operational management tasks in the field of market infrastructures and platforms.

(2) Accordingly, Decision ECB/2012/6 (2) should be amended, to reflect the establishment of the Market Infrastructure Board, and the operation of the T2S Board as one of the dedicated formats of the Market Infrastructure Board,

HAS ADOPTED THIS DECISION:

Article 1

Amendments

Decision ECB/2012/6 is amended as follows:

1. Article 1 is replaced by the following:

‘Article 1

Definitions

Terms used in this Decision shall have the same meaning as in Guideline ECB/2012/13 (3) and in the T2S Framework Agreement endorsed by the Governing Council on 17 November 2011.


2. in Article 2, paragraph 1 is replaced by the following:

‘1. The T2S Board shall be established as a governance body with the task of developing proposals for the Governing Council on key strategic issues and executing tasks of a purely technical nature assigned to it by the Governing Council. It shall operate as one of the dedicated formats of the Market Infrastructure Board (MIB).’;

3. in Annex I, under the section ‘Composition’, the fourth paragraph is replaced by the following:

‘The mandate of a T2S Board member lasts for 24 months and may be renewed. The Governing Council may decide on a shorter mandate, including when members resign or retire before the expiry of their mandate.’;

4. Annex II is amended as follows:

(a) in Article 1, paragraph 3 is replaced by the following:

‘3. Members shall not be directly involved in the oversight of T2S or of central securities depositories that outsource settlement operations to T2S, to the extent that such involvement could give rise to actual or potential conflicts with their functions as T2S Board Members. Appropriate measures shall be put in place to identify and avoid any such conflicts. Members shall not be part of the Internal Auditors Committee (IAC), nor shall they be involved in Level 3 Activities on a day-to-day basis.’

(b) in Article 2, paragraph 1 is deleted.

Article 2

Final provision

This Decision shall enter into force on 23 June 2017.

Done at Frankfurt am Main, 23 June 2017.

The President of the ECB
Mario DRAGHI
GUIDELINES

GUIDELINE (EU) 2017/1404 OF THE EUROPEAN CENTRAL BANK
of 23 June 2017
amending Guideline ECB/2012/13 on TARGET2-Securities (ECB/2017/19)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first indent of Article 127(2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank and in particular Articles 3.1, 12.1 and 12.3 and Articles 17, 18 and 22 thereof,

Whereas:

(1) On 16 March 2016, the Governing Council approved the establishment of a ‘Market Infrastructure Board’, a new governance body responsible for technical and operational management tasks in the field of market infrastructures and platforms.

(2) On the same date, the Governing Council approved the establishment of a ‘Market Infrastructure and Payments Committee’, to replace the ‘Payment and Settlement Systems Committee’.

(3) An ‘Advisory group on Market Infrastructures for Securities and Collateral’ (hereinafter ‘AMI SeCo’) has been established to take over the responsibilities of the T2S Advisory Group, to advise the Eurosystem on matters relevant to securities clearing and settlement, collateral management and T2S.

(4) Guideline ECB/2012/13 (1) should, therefore, be amended, to reflect the replacement of the Payment and Settlement Systems Committee by the Market Infrastructure and Payments Committee, the establishment of the Market Infrastructure Board, and the replacement of the T2S Advisory Group by AMI SeCo,

HAS ADOPTED THIS GUIDELINE:

Article 1

Amendments

Guideline ECB/2012/13 is amended as follows:

1. in Article 2 the following definitions are added:

‘(25) “Advisory Group on Market Infrastructures for Securities and Collateral” or “AMI SeCo” means the advisory body whose mission is to advise the Eurosystem on matters related to securities clearing and settlement, collateral management and T2S, and whose mandate is published on the ECB’s website;

(26) “Market Infrastructure Board” or “MIB” means the governance body, which has as its mission to support the Governing Council by ensuring that the Eurosystem’s market infrastructures and platforms, in the fields of cash settlement, securities settlement and collateral management, are maintained and further developed in line with the Treaty objectives of the European System of Central Banks (ESCB), the ESCB’s business needs, technological advances, as well as regulatory and oversight requirements, as applicable from time to time;

(27) “Market Infrastructure and Payments Committee” or “MIPC” means the Eurosystem Committee charged with assisting the decision-making bodies of the Eurosystem in fulfilling the ESCB’s statutory duty to promote the smooth operation of payment systems, including business continuity aspects, or its successor.’.

2. in Article 2, point (18) is replaced by the following:

‘(18) “T2S Board” means the governance body established pursuant to Decision ECB/2012/6, with the task of developing proposals for the Governing Council on key strategic issues and executing tasks of a purely technical nature in relation to T2S, and which operates as one of the dedicated formats of the MIB’;

3. in Article 7, in paragraphs 1, to 3 all references to the ‘T2S Advisory Group’ are replaced by ‘AMI SeCo’;

4. in Article 8, paragraph 1 is replaced by the following:

‘1. In order to avoid conflicts of interest between the provision of T2S services by the Eurosystem and the Eurosystem’s oversight functions, the Eurosystem central banks shall ensure that:

(a) T2S Board members, shall not be directly involved in the oversight of T2S or of CSDs that outsource settlement operations to T2S, to the extent that such involvement could give rise to actual or potential conflicts with their functions as T2S Board Members. Appropriate measures shall be put in place to identify and avoid any such conflicts;

(b) T2S Board members shall not be part of the Internal Auditors Committee (IAC), nor shall they be involved in Level 3 Activities on a day-to-day basis;

(c) T2S oversight activities shall be separated from T2S operational activities.’;

5. in Article 9, in paragraphs 3 and 4 all references to the ‘Payment and Settlement Systems Committee (PSSC)’ are replaced by ‘Market Infrastructure and Payments Committee (MIPC)’;

6. the Annex is replaced by the Annex to this Guideline.

Article 2

Taking effect

This Guideline shall take effect on the day of its notification to the national central banks of the Member States whose currency is the euro.

Article 3

Addressees

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 23 June 2017.

For the Governing Council of the ECB
The President of the ECB
 Mario DRAGHI
ANNEX

NATIONAL USER GROUPS

MANDATE

1. Objectives

1.1. The National User Groups (NUGs) bring together providers and users of securities settlement services within their national markets in order to support the development, implementation and operation of TARGET2-Securities (T2S). They create fora for involving national market participants in the work of the Advisory group on Market Infrastructures for Securities and Collateral (hereinafter “AMI SeCo”) and establish the formal link between AMI SeCo and the national markets. They act both as a sounding board for the T2S Programme Office and as providers of input to AMI SeCo in relation to all matters considered by AMI SeCo. As such, they may also suggest issues for AMI SeCo's consideration.

1.2. The NUGs may be involved in the change and release management process and can play an important role in assessing such requests in the context of the operation of the national markets. The NUGs should adopt the T2S principle of seeking to avoid incorporating national specificities in T2S, and should actively promote harmonisation.

2. Responsibilities and Tasks

2.1. The NUGs in markets participating in T2S are responsible for:

(a) assessing the impact of the T2S functionality, and in particular any changes in the T2S user requirements, on their national market. In this context, due consideration should be given to the concept of a "lean T2S" that aims to avoid national specificities and to promote harmonisation;

(b) contributing to the monitoring and implementation tasks associated with the T2S harmonisation activities supported by AMI SeCo;

(c) bringing material concerns of the national market to the attention of AMI SeCo;

(d) raising the awareness of T2S in all segments of the national securities community;

(e) supporting AMI SeCo members representing the national community.

2.2. While fulfilling their responsibilities, the NUGs must adhere to the high standards of transparency that are a key element of T2S.

2.3. Although the focus of this mandate is on markets participating in T2S, markets not yet participating in T2S are also welcome to establish NUGs. Any such market that decides to establish an NUG must follow a similar mandate in order to prepare its market for participation in T2S.

3. Composition and Term

3.1. The NUGs comprise a Chairperson, Secretary and members.

3.2. The Chairperson of an NUG should preferably be a full member or observer of AMI SeCo. This role will typically be performed by a senior official of the relevant national central bank (NCB). If the relevant NCB does not provide or designate the chairperson of the NUG, the chairperson will be nominated by AMI SeCo's Chairperson who will look for consensus amongst the main participants in the relevant market. Should the NUG Chairperson not be a member of AMI SeCo, an AMI SeCo member should coordinate between AMI SeCo and the NUG Chairperson to ensure a close link between AMI SeCo and the NUG. Should no member of an NUG be represented in AMI SeCo, the NUG shall seek close cooperation with AMI SeCo's Secretary in order to be informed about T2S developments.
3.3. The secretary of an NUG is provided by the relevant NCB in euro area countries; in other countries the NUG Secretary is appointed by the NUG Chairperson and should ideally be provided by the respective NCB. The secretary is expected to attend regular briefings organised for NUG secretaries by the T2S Programme Office via the NUG experts network. The NUG secretaries of markets that do not participate in T2S may participate as guests in the NUG experts network.

3.4. The members of an NUG comprise the relevant AMI SeCo members and observers (or their nominated senior representatives, acceptable to the NUG Chairperson) and additional persons with the knowledge and standing to be broadly representative of all categories of users and providers in the national market, including experts on cash matters. NUG members may thus include central securities depositories (CSDs), brokers, banks, investment banks, custodians, issuers and/or their agents, central counterparties, exchanges and multilateral trading facilities, the relevant NCB, regulatory authorities and the relevant banking associations.

3.5. The NUGs’ mandate expires at the same time as the mandate of AMI SeCo, i.e. when the Framework Agreement and the Currency Participation Agreement are replaced by a new contract and/or when the Framework Agreement and Currency Participation Agreement are terminated with all signing CSDs and non-euro area central banks.

4. Working Procedures

4.1. NUGs only deal with issues relevant to T2S. They are invited to actively seek briefing from the T2S Programme Office in relation to live issues, and provide national views in a timely fashion on matters as requested by the AMI SeCo Secretary or as raised by the NUG. The T2S Programme Office regularly provides information to the NUGs on markets participating in T2S and organises meetings with such NUG secretaries via the NUG experts network to foster the interaction between the NUGs and the T2S Programme Office.

4.2. The NUGs will endeavour to have regular meetings aligned with the schedule of AMI SeCo meetings, so that they can offer advice to national AMI SeCo members. However, no AMI SeCo member is bound by any such advice. NUGs may also make written submissions to the AMI SeCo via the AMI SeCo Secretary and invite an AMI SeCo member to present its view.

4.3. The NUG Secretary aims to circulate the agenda and relevant documents for discussion at NUG meetings at least 5 business days prior to the meeting. Summaries of NUG meetings will be published on the T2S website and, if deemed appropriate, on the website of the respective NCB. Publication should ideally be made in English and, if required, in the relevant national language within 3 weeks of each NUG meeting.

4.4. The members of the NUGs will be published on the T2S website. The NUGs will also publish an NUG-contact e-mail address on the T2S website, so that participants in national markets know whom to contact to express their views.