

**GUIDELINE OF THE EUROPEAN CENTRAL BANK****of 5 June 2014****amending Guideline ECB/2012/27 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2)****(ECB/2014/25)****(2014/340/EU)**

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 and fourth indents 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 Article 3.1 and Articles 17, 18 and 22 thereof,

Whereas:

- (1) The Governing Council may decide from time to time to lower the deposit facility rate to below zero per cent.
- (2) The Governing Council has decided on certain ceilings to the remuneration of government deposits, which are specified in Guideline ECB/2014/9 <sup>(1)</sup>.
- (3) Limitations on the remuneration of government deposits held by NCBs as fiscal agents pursuant to Article 21.2 of the Statute of the European System of Central Banks and of the European Central Bank must be specified to achieve the single monetary policy, in particular in order to provide incentives for government deposits to be placed in the market, which facilitates the Eurosystem's liquidity management and monetary policy implementation. In addition, the introduction of a ceiling on the remuneration of government deposits based on money market rates clarifies the criteria and facilitates the monitoring of the NCBs' compliance with the prohibition on monetary financing carried out by the ECB in accordance with Article 271(d) of the Treaty.
- (4) Guideline ECB/2012/27 <sup>(2)</sup> specifies the remuneration on the Payments Module accounts and their sub-accounts, which may interfere with the general principles on the remuneration of government deposits as approved by the Governing Council and the Governing Council decision to lower the deposit facility rate to below zero per cent referred to in recital 1.
- (5) Therefore Guideline ECB/2012/27 should be amended accordingly.
- (6) For the purposes of the limitation on the remuneration of government deposits, Guideline ECB/2012/27 should be considered as a *lex specialis* in relation to Guideline ECB/2014/9. In case of discrepancy with the general principles on the remuneration of government deposits as approved by the Governing Council, the former shall prevail. Hence, PM accounts and their sub-accounts shall necessarily be remunerated at zero per cent or at the deposit facility rate, whichever is lower, disregarding for these purposes any possibly higher remuneration available for governments under Guideline ECB/2014/9,

HAS ADOPTED THIS GUIDELINE:

*Article 1***Amendments**

Guideline ECB/2012/27 is amended as follows:

1. in Article 2, the following definitions are added:

(54) "deposit facility" means a Eurosystem standing facility which counterparties may use to make overnight deposits with an NCB at the pre-specified deposit rate;

(55) "deposit facility rate" means the interest rate applicable to the deposit facility.;

<sup>(1)</sup> Guideline ECB/2014/9 of 20 February 2014 on domestic asset and liability management operations by the national central banks (OJ L 159, 28.5.2014, p. 56).

<sup>(2)</sup> Guideline ECB/2012/27 of 5 December 2012 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) (OJ L 30, 30.1.2013, p. 1).

2. in Annex II, the following definitions are added:

— “deposit facility” means a Eurosystem standing facility which counterparties may use to make overnight deposits with an NCB at a pre-specified deposit rate,

— “deposit facility rate” means the interest rate applicable to the deposit facility’;

3. in Annex II, Article 12(5) is replaced by the following:

‘5. PM accounts and their sub-accounts shall either be remunerated at zero per cent or the deposit facility rate, whichever is lower, unless they are used to hold required minimum reserves. In such a case, the calculation and payment of remuneration of holdings of minimum reserves shall be governed by Council Regulation (EC) No 2531/98 of 23 November 1998 concerning the application of minimum reserves by the European Central Bank (\*) and Regulation (EC) No 1745/2003 of the European Central Bank of 12 September 2003 on the application of minimum reserves (ECB/2003/9) (\*\*).

(\*) OJ L 318, 27.11.1998, p. 1.

(\*\*) OJ L 250, 2.10.2003, p. 10.’

#### Article 2

##### **Taking effect and implementation**

1. This Guideline shall take effect on the day of its publication in the *Official Journal of the European Union*.

2. The NCBs whose currency is the euro shall take the necessary measures to comply with this Guideline and apply them from the day six weeks following the day on which this Guideline takes effect. They shall notify the European Central Bank of the texts and means relating to those measures by the day four weeks following the day on which this Guideline takes effect at the latest.

#### Article 3

##### **Addressees**

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 5 June 2014.

*The President of the ECB*

Mario DRAGHI

---