

**REGULATION (EU) 2022/2419 OF THE EUROPEAN CENTRAL BANK****of 6 December 2022****amending Regulation (EU) 2021/378 on the application of minimum reserve requirements  
(ECB/2021/1) (ECB/2022/43)**

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 to Article 19(1) thereof,

Having regard to Council Regulation (EC) No 2531/98 of 23 November 1998 concerning the application of minimum reserves by the European Central Bank <sup>(1)</sup>,

Whereas:

- (1) Minimum reserves have until now been remunerated at the European Central Bank's (ECB) main refinancing operations rate. In order to align the minimum reserves remuneration more closely with money market conditions, the Governing Council decided on 27 October 2022 to set such remuneration at the Eurosystem's deposit facility rate (DFR). Under the prevailing market and liquidity conditions, the DFR better reflects the rate at which funds may be invested in money market instruments if not held as minimum reserves and the rate at which banks may borrow funds in the money market to fulfil minimum reserves. The change in the remuneration of minimum reserves seeks to ensure that the Eurosystem minimum reserves system neither puts a burden on the banking system in the euro area, nor hinders the efficient allocation of resources. In order to ensure an effective transition, the remuneration change should be aligned with the beginning of the maintenance period, starting on 21 December 2022.
- (2) To ensure legal clarity and transparency, as a follow-up to the Governing Council's decision on 17 February 2022 to review the remuneration of non-monetary policy deposits at Eurosystem level, it is appropriate to also define the remuneration treatment of funds initially included in holdings of minimum reserves that are subsequently considered to fulfil the conditions of Article 3(1)(d) of Regulation (EU) 2021/378 of the European Central Bank (ECB/2021/1) <sup>(2)</sup>, and thus are excluded from an institution's reserve holdings under that act.
- (3) This Regulation should apply from 21 December 2022.
- (4) Therefore, Regulation (EU) 2021/378 (ECB/2021/1) should be amended accordingly,

HAS ADOPTED THIS REGULATION:

*Article 1***Amendment**

Article 9 of Regulation (EU) 2021/378 (ECB/2021/1) is replaced by the following:

*'Article 9***Remuneration**

1. The relevant NCB shall remunerate holdings of minimum reserves in the reserve accounts at the average, taken over the maintenance period, of the Eurosystem's deposit facility rate (weighted according to the number of calendar days) according to the following formula (whereby the result is rounded to the nearest cent):

<sup>(1)</sup> OJ L 318, 27.11.1998, p. 1.

<sup>(2)</sup> Regulation (EU) 2021/378 of the European Central Bank of 22 January 2021 on the application of minimum reserve requirements (ECB/2021/1) (OJ L 73, 3.3.2021, p. 1).

$$R_t = \frac{H_t \cdot n_t \cdot r_t}{100 \cdot 360}$$

$$r_t = \sum_{i=1}^{n_t} \frac{DFR_i}{n_t}$$

Where:

- $R_t$  = remuneration to be paid on holdings of minimum reserves for the maintenance period  $t$ ;
- $H_t$  = average daily holdings of minimum reserves for the maintenance period  $t$ ;
- $n_t$  = number of calendar days in the maintenance period  $t$ ;
- $r_t$  = rate of remuneration on holdings of minimum reserves for the maintenance period  $t$ ; standard rounding of the rate of remuneration to two decimals shall be applied;
- $i$  =  $i$ th calendar day of the maintenance period  $t$ ;
- $DFR_i$  = the deposit facility rate on each day  $i$  of the maintenance period.

2. The relevant NCB shall pay the remuneration on the holdings of minimum reserves on the second TARGET2 business day following the end of the maintenance period over which the remuneration was earned.

3. Funds included in holdings of minimum reserves that are subsequently excluded from those minimum reserves pursuant to Article 3(1)(d) shall be remunerated by the relevant NCB in accordance with the rules applicable to non-monetary policy deposits in Guideline (EU) 2019/671 of the European Central Bank (ECB/2019/7) (\*), with effect from the date the specific condition of Article 3(1)(d) applies, as determined by the relevant NCB.

(\*) Guideline (EU) 2019/671 of the European Central Bank of 9 April 2019 on domestic asset and liability management operations by the national central banks (ECB/2019/7) (OJ L 113, 29.4.2019, p. 11).'

## Article 2

### Final provisions

This Regulation shall enter into force on the fifth day following that of its publication in the *Official Journal of the European Union*. It shall apply from 21 December 2022.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Frankfurt am Main, 6 December 2022.

For the Governing Council of the ECB  
The President of the ECB  
Christine LAGARDE