

DECISION OF THE EUROPEAN CENTRAL BANK
of 21 October 2014
on transitional provisions for the application of minimum reserves by the European Central Bank
following the introduction of the euro in Lithuania

(ECB/2014/42)

(2014/781/EU)

THE EXECUTIVE BOARD OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 19.1 and the first indent of Article 46.2 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 ⁽¹⁾,

Having regard to Regulation (EC) No 1745/2003 of the European Central Bank of 12 September 2003 on the application of minimum reserves (ECB/2003/9) ⁽²⁾,

Having regard to Council Regulation (EC) No 2532/98 of 23 November 1998 concerning the powers of the European Central Bank to impose sanctions ⁽³⁾,

Having regard to Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank ⁽⁴⁾, and in particular Articles 5(1) and 6(4) thereof,

Having regard to Regulation (EU) No 1071/2013 of the European Central Bank of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector (ECB/2013/33) ⁽⁵⁾,

Whereas:

- (1) The adoption of the euro by Lithuania on 1 January 2015 means that credit institutions and branches of credit institutions located in Lithuania will be subject to reserve requirements from that date.
- (2) The integration of these entities into the minimum reserve system of the Eurosystem requires the adoption of transitional provisions in order to ensure their smooth integration without creating a disproportionate burden for credit institutions in Member States whose currency is the euro, including Lithuania.
- (3) Article 5 of the Statute of the European System of Central Banks and of the European Central Bank implies that the ECB, assisted by the national central banks, collects the necessary statistical information from the competent national authorities or directly from economic agents also to ensure timely preparation in the field of statistics in view of the adoption of the euro by a Member State,

HAS ADOPTED THIS DECISION:

Article 1

Definitions

For the purposes of this Decision, the terms 'institution', 'reserve requirement', 'maintenance period' and 'reserve base' have the same meaning as in Regulation (EC) No 1745/2003 (ECB/2003/9).

⁽¹⁾ OJ L 318, 27.11.1998, p. 1.

⁽²⁾ OJ L 250, 2.10.2003, p. 10.

⁽³⁾ OJ L 318, 27.11.1998, p. 4.

⁽⁴⁾ OJ L 318, 27.11.1998, p. 8.

⁽⁵⁾ OJ L 297, 7.11.2013, p. 1.

Article 2

Transitional provisions for institutions located in Lithuania

1. In derogation from Article 7 of Regulation (EC) No 1745/2003 (ECB/2003/9), a transitional maintenance period shall run from 1 to 27 January 2015 for institutions located in Lithuania.
2. The reserve base of each institution located in Lithuania for the transitional maintenance period shall be defined in relation to elements of its balance sheet at 31 October 2014. Institutions located in Lithuania shall report their reserve base to Lietuvos bankas in accordance with the ECB's reporting framework for money and banking statistics, as laid down in Regulation (EU) No 1071/2013 (ECB/2013/33). Institutions located in Lithuania that benefit from the derogation under Article 9(1) of Regulation (EU) No 1071/2013 (ECB/2013/33) shall calculate a reserve base for the transitional maintenance period on the basis of their balance sheets at 30 September 2014.
3. In respect of the transitional maintenance period, either an institution located in Lithuania or Lietuvos bankas shall calculate such institution's minimum reserves. The party that calculates the minimum reserves shall submit its calculation to the other party allowing sufficient time for the latter to verify it and submit revisions. The calculated minimum reserves, including any revisions thereof, shall be confirmed by the two parties at the latest on 9 December 2014. If the notified party does not confirm the amount of minimum reserves by 9 December 2014, it shall be deemed to have acknowledged that the calculated amount applies for the transitional maintenance period.
4. The provisions of Article 3(2) to (4) shall apply *mutatis mutandis* to institutions located in Lithuania so that these institutions may, for their initial maintenance periods, deduct from their reserve bases any liabilities owed to institutions in Lithuania, although at the time the minimum reserves are calculated such institutions will not appear on the list of institutions subject to reserve requirements in Article 2(3) of Regulation (EC) No 1745/2003 (ECB/2003/9).

Article 3

Transitional provisions for institutions located in other Member States whose currency is the euro

1. The maintenance period applicable to institutions located in other Member States whose currency is the euro, pursuant to Article 7 of Regulation (EC) No 1745/2003 (ECB/2003/9) shall remain unaffected by the existence of a transitional maintenance period for institutions located in Lithuania.
2. Institutions located in other Member States whose currency is the euro may decide to deduct from their reserve base for the maintenance periods from 10 December 2014 to 27 January 2015 and from 28 January to 10 March 2015 any liabilities owed to institutions located in Lithuania, even though at the time the minimum reserves are calculated such institutions will not appear on the list of institutions subject to reserve requirements mentioned in Article 2(3) of Regulation (EC) No 1745/2003 (ECB/2003/9).
3. Institutions located in other Member States whose currency is the euro that wish to deduct liabilities owed to institutions located in Lithuania shall, for the maintenance periods from 10 December 2014 to 27 January 2015 and from 28 January to 10 March 2015, calculate their minimum reserves on the basis of their balance sheets at 31 October 2014 and 30 November 2014 respectively and report statistical information in accordance with Part 1 of Annex III to Regulation (EU) No 1071/2013 (ECB/2013/33) showing institutions located in Lithuania as already subject to the ECB's minimum reserve system.

This shall be without prejudice to the obligation for institutions to report statistical information for the periods concerned in accordance with Table 1 of Annex I to Regulation (EU) No 1071/2013 (ECB/2013/33), still showing institutions located in Lithuania as being banks located in the 'Rest of the world'.

The tables shall be reported in accordance with the time limits and procedures laid down in Regulation (EU) No 1071/2013 (ECB/2013/33).

4. For the maintenance periods starting in December 2014 and January 2015, institutions located in other Member States whose currency is the euro that benefit from the derogation under Article 9(1) of Regulation (EU) No 1071/2013 (ECB/2013/33) and wish to deduct liabilities owed to institutions located in Lithuania, shall calculate their minimum reserves on the basis of their balance sheets at 30 September 2014 and report statistical information in accordance with Part 1 of Annex III to Regulation (EU) No 1071/2013 (ECB/2013/33) showing institutions located in Lithuania as already subject to the ECB's minimum reserve system.

This shall be without prejudice to the obligation for institutions to report statistical information for the periods concerned in accordance with Table 1 of Annex I to Regulation (EU) No 1071/2013 (ECB/2013/33) still showing institutions located in Lithuania as being banks located in the 'Rest of the world'.

The statistical information shall be reported in accordance with the time limits and procedures laid down in Regulation (EU) No 1071/2013 (ECB/2013/33).

Article 4

Entry into force and application

1. This Decision is addressed to Lietuvos bankas, institutions located in Lithuania and institutions located in other Member States whose currency is the euro.
2. This Decision shall enter into force on 1 November 2014.
3. In the absence of specific provisions in this Decision, the provisions of Regulations (EC) No 1745/2003 (ECB/2003/9) and (EU) No 1071/2013 (ECB/2013/33) shall apply.

Done at Frankfurt am Main, 21 October 2014.

The President of the ECB
Mario DRAGHI
