

DECISION (EU) 2015/299 OF THE EUROPEAN CENTRAL BANK**of 10 February 2015****amending Decision ECB/2014/34 on measures relating to targeted longer-term refinancing operations (ECB/2015/5)**

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 the first indent of Article 3.1, Article 12.1, the second indent of Article 18.1 and the second indent of Article 34.1 thereof,

Having regard to Guideline ECB/2011/14 of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem ⁽¹⁾,

Whereas:

- (1) Pursuant to Section 1.6 of Annex I to Guideline ECB/2011/14, the Governing Council may, at any time, change the instruments, conditions, criteria and procedures for the execution of Eurosystem monetary policy operations.
- (2) On 22 January 2015, in order to support the effectiveness of the targeted longer-term refinancing operations (TLTROs), the Governing Council decided to eliminate the 10 basis points spread over the rate for main refinancing operations (MROs) for the TLTROs to be conducted between March 2015 and June 2016. The elimination of the spread reflects the reduction in term premia of market-based funding instruments for institutions since the announcement of TLTROs on 5 June 2014. The decision does not affect the interest rate which is applied to the first TLTROs conducted in September and December 2014. This rate therefore remains unchanged, i.e. it is fixed over the life of each operation at the rate for MROs prevailing at the time of the tender announcement in respect of the relevant TLTRO, plus a fixed spread of 10 basis points.
- (3) In addition, certain minor corrections are required to Decision ECB/2014/34 ⁽²⁾.
- (4) Therefore, Decision ECB/2014/34 should be amended accordingly,

HAS ADOPTED THIS DECISION:

*Article 1***Amendments**

Decision ECB/2014/34 is amended as follows:

1. Article 5 is replaced by the following:

'Article 5

Interest

With respect to the TLTROs conducted in September 2014 and December 2014, the interest rate applicable shall be fixed over the life of each operation at the rate for main refinancing operations prevailing at the time of the tender announcement in respect of the relevant TLTRO, plus a fixed spread of 10 basis points. With respect to the TLTROs conducted from March 2015 to June 2016, the interest rate applicable shall be fixed over the life of each operation at the rate for main refinancing operations prevailing at the time of the tender announcement in respect of the relevant TLTRO.

Interest shall be payable in arrears upon maturity of the operation, or upon early repayment as provided in Articles 6 and 7, as applicable.;

⁽¹⁾ OJ L 331, 14.12.2011, p. 1.

⁽²⁾ Decision ECB/2014/34 of 29 July 2014 on measures relating to targeted longer-term refinancing operations (OJ L 258, 29.8.2014, p. 11).

2. in Annex I, in paragraph 1 (Calculation of borrowing limits), the second table is replaced by the following:

'k	Month of TLTRO	Allotment reference month	CNL _k
3	Mar. 2015	Jan. 2015	$NL_{May2014} + NL_{June2014} + \dots + NL_{Jan2015}$
4	June 2015	Apr. 2015	$NL_{May2014} + NL_{June2014} + \dots + NL_{Apr2015}$
5	Sept. 2015	July 2015	$NL_{May2014} + NL_{June2014} + \dots + NL_{Jul2015}$
6	Dec. 2015	Oct. 2015	$NL_{May2014} + NL_{June2014} + \dots + NL_{Oct2015}$
7	Mar. 2016	Jan. 2016	$NL_{May2014} + NL_{June2014} + \dots + NL_{Jan2016}$
8	June 2016	Apr. 2016	$NL_{May2014} + NL_{June2014} + \dots + NL_{Apr2016}$

3. in Annex I, in paragraph 2 (Calculation of mandatory early repayments), the formula for 'The mandatory early repayment in September 2016 of a participant' is replaced by the following:

$$'MR = \sum_{k=1}^8 C_k, \text{ if } BE_8 > CNL_8'$$

4. in Annex I, the third footnote is replaced by the following:

'For the TLTRO to be conducted in March 2015 ($k = 3$), the constraint is $C_3 \leq \max\{0, AA_3\}$.';

5. in Annex II, the fourth footnote is replaced by the following:

'The sector classification of holding corporations of non-financial corporations in Regulation (EC) No 25/2009 (ECB/2008/32) has been amended in Regulation (EU) No 1071/2013 (ECB/2013/33) to reflect changes in international statistical standards. Under Regulation (EU) No 1071/2013 (ECB/2013/33), holding corporations of non-financial corporations are reclassified as financial corporations. TLTRO reporting must in principle be in line with the BSI framework: with effect from December 2014 data should not cover holding corporations and adjustments should be transmitted accordingly.';

6. in Annex II, the thirteenth footnote is replaced by the following:

'The effects of the reclassification of holding corporations of non-financial corporations as financial corporations, which took place in December 2014, should be recorded under item 3.2C.'.

Article 2

Entry into force

This Decision shall enter into force on 10 February 2015.

Done at Frankfurt am Main, 10 February 2015.

The President of the ECB
Mario DRAGHI