

REGULATION (EU) 2023/1679 OF THE EUROPEAN CENTRAL BANK
of 25 August 2023
amending Regulation (EU) 2021/378 on the application of minimum reserve
requirements (ECB/2021/1)
(ECB/2023/21)

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 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 ⁽¹⁾,

Whereas:

- (1) Credit institutions' holdings of minimum reserves, which are required under Regulation (EU) 2021/378 of the European Central Bank (ECB/2021/1) ⁽²⁾, and reserves held in the deposit facility, are currently remunerated at the Eurosystem's deposit facility rate (DFR). In the current conditions of ample liquidity, the interest paid on the reserves that banks hold in the deposit facility is the main instrument to steer short-term money market rates in line with the desired monetary policy stance.
- (2) On 27 July 2023, the Governing Council of the European Central Bank (ECB) decided to set the remuneration of minimum reserves at 0 %. The decision of the Governing Council to reduce the remuneration on minimum reserves ensures the continued effectiveness of monetary policy by preserving the DFR's anchoring function for money market rates and thereby maintains the current degree of control over the monetary policy stance. At the same time, the decision improves the efficiency of monetary policy in the current economic context by reducing the overall amount of interest that needs to be paid on reserves in order to implement the appropriate monetary policy stance. This efficiency consideration has become all the more relevant with the increases in the key ECB interest rates.
- (3) This Regulation should apply from 20 September 2023, which is the first day of the sixth maintenance period in 2023.
- (4) Therefore, Regulation (EU) 2021/378 (ECB/2021/1) should be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments

Regulation (EU) 2021/378 (ECB/2021/1) is amended as follows:

- (1) in Article 2, point (13) is replaced by the following:

“TARGET business day” means “business day” or “TARGET business day” as defined in Article 2(13) of Guideline (EU) 2022/912 of the European Central Bank (ECB/2022/8) ^(*), in conjunction with point (13) of Annex III to that Guideline;

^(*) Guideline (EU) 2022/912 of the European Central Bank of 24 February 2022 on a new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET) and repealing Guideline ECB/2012/27 (ECB/2022/8) (OJ L 163, 17.6.2022, p. 84).;

⁽¹⁾ OJ L 318, 27.11.1998, p. 1.

⁽²⁾ 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).

(2) Article 9 is replaced by the following:

Article 9

Remuneration

1. The relevant NCB shall remunerate holdings of minimum reserves in the reserve accounts at 0 %.
2. The relevant NCB shall pay the remuneration, if any, on the holdings of minimum reserves on the second TARGET 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

1. This Regulation shall enter into force on the fifth day following that of its publication in the *Official Journal of the European Union*.
2. It shall apply from 20 September 2023.

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, 25 August 2023.

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