



2024/1211

3.5.2024

**GUIDELINE (EU) 2024/1211 OF THE EUROPEAN CENTRAL BANK**

**of 16 April 2024**

**on the Eurosystem's provision of reserve management services in to central banks and countries located outside the euro area and to international organisations (ECB/2024/13)**

**(recast)**

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 Articles 12.1 and 14.3 and Article 23 thereof,

Whereas:

- (1) A number of amendments are to be made to Guideline (EU) 2021/564 of the European Central Bank (ECB/2021/9) <sup>(1)</sup>. In the interests of clarity, that Guideline should be recast.
- (2) In line with the role of the euro as an international reserve currency, the Eurosystem has developed a framework for the provision of reserve management services in euro to central banks, monetary authorities and countries located outside the euro area and to international organisations. The Eurosystem reserve management services (ERMS) are at the core of this framework and comprise a well-defined set of standardised reserve management services that allow customers to comprehensively manage their euro-denominated reserve assets through a single Eurosystem central bank.
- (3) Pursuant to Article 23 in conjunction with Article 42.4 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB'), the European Central Bank (ECB) and the national central banks of the Member States whose currency is the euro may establish relations with central banks and financial institutions in other countries and, where appropriate, with international organisations, and conduct all types of banking transactions in their relations with third countries and international organisations.
- (4) When providing Eurosystem reserve management services to customers, irrespective of the Eurosystem central bank through which such services are provided, the Eurosystem should act as a single system. To this end, this Guideline aims to ensure, inter alia, that Eurosystem reserve management services are provided on a standardised basis under harmonised terms and conditions and that the ECB, the ERMS providers or the Eurosystem, as appropriate, receive adequate information regarding these services.
- (5) All information, data and documents including those received from customers, drafted by and/or exchanged between Eurosystem central banks in the context of Eurosystem reserve management services are of a confidential nature and are subject to Article 37 of the Statute of the ESCB. The sharing of any information that contains personal data must be carried out in compliance with the applicable Union law governing data protection.
- (6) In accordance with Article 1, point (c), of Guideline (EU) 2019/671 of the European Central Bank (ECB/2019/7) <sup>(2)</sup>, the provisions of that Guideline do not apply to transactions executed and deposits taken within the framework of the Eurosystem reserve management services. For the avoidance of doubt and in the interests of legal certainty this should be specified in this Guideline.

<sup>(1)</sup> Guideline (EU) 2021/564 of the European Central Bank of 17 March 2021 on the Eurosystem's provision of reserve management services in euro to central banks and countries located outside the euro area and to international organisations and repealing Guideline (EU) 2020/1284 of the European Central Bank (ECB/2021/9) (OJ L 119, 7.4.2021, p. 121).

<sup>(2)</sup> 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).

- (7) The Governing Council has decided that greater transparency of the remuneration of non-monetary policy deposits is necessary. The remuneration rates applicable to these deposits are set out in several different legal acts. In order to improve transparency, as well as consistency across related legal acts, it is appropriate for remuneration rates to be set out in a comprehensive manner in a single legal act to facilitate communication of the remuneration rates and to allow for future adjustments of those rates. Consequently, the remuneration rules relating to deposits taken within the framework of the Eurosystem reserve management services include references to the relevant provisions of Decision (EU) 2024/1209 of the European Central Bank (ECB/2024/11) <sup>(3)</sup>, which is the single legal act that sets out the remuneration applicable to non-monetary policy deposits.
- (8) In order to ensure legal certainty, it is necessary to align the date of application of this Guideline with the date of application of Decision (EU) 2024/1209 (ECB/2024/11). This Guideline should therefore apply from 1 December 2024,

HAS ADOPTED THIS GUIDELINE:

#### *Article 1*

### **Subject matter and scope**

This Guideline sets out the framework for the provision of Eurosystem reserve management services by Eurosystem central banks to customers.

#### *Article 2*

### **Definitions**

For the purposes of this Guideline, the following definitions apply:

- (1) 'international organisation' means any organisation, other than a Union institution or body, established by or under the authority of an international treaty;
- (2) 'Eurosystem reserve management services' or 'ERMS' means the reserve management services listed in Article 3 that may be provided by ERMS providers to customers allowing customers to comprehensively manage their reserves through one or more ERMS providers;
- (3) 'customer' means any central bank (including any monetary authority) or any country (including any public authority or government agency) located outside the euro area, or any international organisation to which Eurosystem reserve management services are provided by one or more Eurosystem central banks;
- (4) 'Eurosystem central bank' means the ECB or any national central bank of a Member State whose currency is the euro;
- (5) 'ERMS provider' means a Eurosystem central bank which provides all or a subset of the Eurosystem reserve management services irrespective of whether the relevant Eurosystem central bank concluded a contract with the customer;
- (6) 'Tier 1 investment facility' means a limited facility for investment directly with the ERMS provider;
- (7) 'Tier 2 investment facility' means a facility for investment on an agency basis in the market with counterparties selected by the ERMS provider;
- (8) 'agency basis' means that the ERMS provider acts as agent for a customer in either of the following ways: (a) on a disclosed basis, where the ERMS provider acts in the name and on behalf of its customer vis-à-vis its counterparty, i.e. it discloses the identity of its customer and the fact that it acts as an agent for that customer; or (b) on an undisclosed basis, where the ERMS provider acts on behalf of but not in the name of its customer vis-à-vis its counterparty, i.e. it discloses the fact that it acts as an agent on behalf of one of its customers but does not disclose the identity of that customer;

<sup>(3)</sup> Decision (EU) 2024/1209 of the European Central Bank of 16 April 2024 on the remuneration of non-monetary policy deposits held with national central banks and the European Central Bank (ECB/2024/11) (OJ L, 2024/1209, 3.5.2024, ELI: <http://data.europa.eu/eli/dec/2024/1209/oj>).

- (9) 'excess cash balance' means a balance that cannot be accommodated under either the Tier 1 investment facility or the Tier 2 investment facility on any given day;
- (10) 'principal basis' means that the ERMS provider acts in its own name and on its own behalf with regard to its customers and counterparties;
- (11) 'reserves' means euro-denominated cash and those euro-denominated securities that are included in the Eurosystem list of eligible marketable assets, as published and updated daily on the ECB's website in accordance with Article 61 of Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60) <sup>(4)</sup>, with the exception of:
- (a) securities falling under haircut category V under Guideline (EU) 2016/65 of the European Central Bank (ECB/2015/35) <sup>(5)</sup> (asset-backed securities);
  - (b) cash and securities held solely for the purpose of meeting the pension and related obligations of a customer towards its former or existing staff;
  - (c) cash and securities held solely for the following purposes or in the following accounts:
    - (i) public debt rescheduling within the framework of international agreements or funds stemming from other programme loans to the extent that the funds are not at the free disposal of the account holder (e.g. when funds are mandatorily held in locked accounts ahead of repayment);
    - (ii) the No 1 Account, No 2 Account or Securities Account of the International Monetary Fund; and
    - (iii) euro area Member States' paid-in contributions to international development banks;
  - (d) categories of securities as decided from time to time by the Governing Council.

### Article 3

#### Eurosystem reserve management services

ERMS providers may offer all or a subset of the following Eurosystem reserve management services to customers in accordance with this Guideline. Where relevant, the remuneration applied shall be as set out in Article 2(2) of Decision (EU) 2024/1209 (ECB/2024/11):

- (1) the following cash account services:
  - (a) opening and managing cash accounts;
  - (b) executing and recording incoming and outgoing cashless payment transactions in connection with Eurosystem reserve management services;
- (2) the following custodian services:
  - (a) opening and managing securities accounts and providing safekeeping through one or a combination of the following, from which ERMS providers are free to select the particular custodian and settlement arrangements they wish to offer to their respective customers:
    - (i) an account with the local central securities depository (CSD);
    - (ii) remote access to a CSD or international CSD (ICSD);
    - (iii) bilateral agreements between an ERMS provider and the national central bank of the country where the relevant securities are issued;
  - (b) end-of-month custody statements, with the possibility of also providing statements on other dates at the customer's request;
  - (c) transmission of statements via SWIFT to all customers capable of receiving statements via SWIFT, and via other means as appropriate for customers not capable of receiving statements via SWIFT;

<sup>(4)</sup> Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (OJ L 91, 2.4.2015, p. 3).

<sup>(5)</sup> Guideline (EU) 2016/65 of the European Central Bank of 18 November 2015 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework (ECB/2015/35) (OJ L 14, 21.1.2016, p. 30).

- (d) notification of corporate actions, including for example coupon payments and redemptions, in relation to a customers' securities holdings;
  - (e) processing corporate actions on behalf of customers;
  - (f) facilitating arrangements for automatic securities lending programmes between customers and third-party agents on behalf of customers, under certain restrictions, either via programmes operated by CSDs or ICSDs or via third party agents. Agreements shall be executed as necessary in order to grant the securities lending agent (CSD, ICSD or third party agent) access to customers' securities holdings. In certain cases, additional sub-accounts may have to be opened for the customer, for example where the customer does not wish the agent to have access to its entire securities holdings or the ERMS provider does not wish the agent to have access to the customer's main cash account. This facility shall only be granted if the lending agent is an institution acceptable to the ERMS provider concerned in terms of both that agent's settlement reputation and record and the jurisdiction where the agent operates and/or is incorporated;
- (3) the following settlement services:
- (a) free of payment or delivery/receipt versus payment settlement services for all euro-denominated securities for which an ERMS provider offers a securities account to the respective customer, making the customer aware of the links that may be used for the settlement of securities held by the customer's counterparties and the risks of using links not eligible for Eurosystem monetary policy operations;
  - (b) confirmation of settlement of all operations via SWIFT (or other means as appropriate for customers not capable of receiving statements via SWIFT);
- (4) the following cash overnight investment services:
- (a) a Tier 1 investment facility subject to the following:
    - (i) the Tier 1 investment facility shall be limited to an overall amount determined by the Governing Council for the entire Eurosystem and a portion of this overall amount shall be allocated to each ERMS provider;
    - (ii) the ECB shall retain a certain portion of the overall Tier 1 investment facility amount determined by the Governing Council which it may allocate in part or in full to any ERMS provider as deemed appropriate;
    - (iii) the ERMS provider may allocate, upon a customer's request, a Tier 1 investment facility amount to that individual customer for the Tier 1 investment facility, up to a maximum limit per customer determined by the Governing Council. If the consent referred to in Article 5(2) is not obtained from a customer, that customer's limit for the Tier 1 investment facility balances shall be set to zero by the relevant ERMS provider;
    - (iv) the ERMS provider may unilaterally change the allocated Tier 1 investment facility amount without the customer's consent;
    - (v) the funds invested under the Tier 1 investment facility are not reversed in the market;
    - (vi) the credit or debit of interest on customers' accounts shall be computed on a day-to-day basis (applying euro short-term rate (€STR) published on each TARGET business day based on transactions conducted and settled on the previous TARGET business day) and credited or debited to each customer's account within five business days of the last business day of the previous month at the latest;
  - (b) a Tier 2 investment facility, subject to the following:
    - (i) if a customer expresses interest in this investment facility, the relevant ERMS provider shall endeavour to invest, on an agency basis, the relevant funds with counterparties on its counterparty list;
    - (ii) transactions under the Tier 2 investment facility shall be executed on a best effort basis. All credit risks, and any losses sustained, shall be borne by the customer;
    - (iii) this kind of investment shall only be made if the remuneration is above the remuneration of excess cash balances. Pooling of investments and block trades shall remain possible;
  - (c) excess cash balances, subject to such excess cash balances remaining on the respective cash accounts;

- (5) the following fixed-term deposit services:
- (a) fixed-term deposits from customers on an agency basis, subject to the following:
    - (i) transactions shall be executed at the customer's request (via SWIFT or via other means as appropriate for customers not capable of receiving statements via SWIFT), which may be transmitted on an individual basis or as part of a standing order arrangement;
    - (ii) transactions shall be entered into with the counterparties on the relevant ERMS provider's counterparty list;
    - (iii) all credit risks, and any losses sustained, shall be borne by the customer;
    - (iv) transactions shall be executed on a best effort basis;
  - (b) fixed-term deposits from customers on a principal basis, subject to the following:
    - (i) the fixed-term deposits shall be immediately reversed in the market on a collateralised basis;
    - (ii) a minimum maturity of one day and a maximum maturity of 12 months shall be offered on a deposit with no restriction on the value date of the initial placement, provided that the ERMS provider is able to neutralise the liquidity impact;
    - (iii) the minimum size of a deposit shall be EUR 1 000 000;
- (6) execution of investments for customers in accordance with their standing instructions, or an investment mandate, and in accordance with the set of Eurosystem reserve management services, subject to the following:
- (a) the ERMS provider shall arrange for interested customers to execute a power of attorney under which investments may be made in accordance either with their standing instructions or with an investment mandate;
  - (b) the power of attorney referred to in point (a) shall state the amounts involved and the frequency of the standing instructions. The funds required to cover the costs of the transaction executed in line with the standing instructions shall be deposited in the customer's cash account with the relevant ERMS provider no later than close of business on the settlement date or at an earlier cut-off time as indicated in the individual ERMS contract;
  - (c) unless the customer instructs otherwise two business days in advance of the execution of the instructions, standing instructions are executed automatically;
- (7) execution of customers' orders for securities purchases or sales in the secondary market, which shall cover securities from the entire range of eligible securities for which securities accounts are provided as set out in point (2)(a), subject to the following:
- (a) Eurosystem central banks shall execute securities orders on an agency basis or on a principal basis;
  - (b) securities orders shall be executed on a best effort basis;
  - (c) the funds required to cover the costs of the transaction executed in line with a securities order shall be deposited in the customer's cash account with the ERMS provider no later than close of business on the settlement date or at an earlier cut-off time as indicated in the individual ERMS contract;
- (8) the following foreign exchange transaction services in respect of euro against other currencies and gold as well as reverse repurchase agreements (reverse repos) in euro:
- (a) purchases or sales on a spot basis on a principal basis;
  - (b) swaps on a principal basis;

Eurosystem foreign exchange transaction services offered by ERMS providers on a principal basis shall be executed in their own names and may be subject to the guidelines adopted by the ECB on the basis of Article 31 of the Statute of the ESCB that set out the thresholds at or below which various types of foreign exchange operations on any given day may be conducted by national central banks without the ECB's approval, and above which various types of foreign exchange operations on any given day may not be conducted by national central banks without the ECB's prior approval. Insofar as the transactions executed pursuant to this Guideline are subject to the guidelines adopted by the ECB on the basis of Article 31 of the Statute of the ESCB, the latter guidelines shall also apply.

*Article 4***Costs and service charges**

ERMS providers shall charge their customers the following costs and service charges:

- (1) to recover internal costs for the custodian and settlement services provided to customers for the range of eligible securities set out in Article 3, points (2) and (3), the following fees, as determined by the Governing Council:
  - (a) a custody fee calculated in relation to the volume of securities;
  - (b) a transaction fee, which shall be charged on the following basis:
    - (i) each time securities are deposited for or withdrawn from safe custody; or
    - (ii) for each securities lending transaction in which the ERMS provider has a direct operational involvement;
- (2) for the execution of securities orders, internal costs shall be covered by applying a margin to be determined by the ERMS provider concerned on a transaction basis. Any external fees, for example fees charged by CSDs, ICSDs and correspondent central banks in the context of bilateral arrangements shall be passed on in full to customers. These fees may vary and are not harmonised at Eurosystem level;
- (3) the fees charged to customers for investments in accordance with standing instructions or an investment mandate shall be those applied for the underlying securities-related operation or cash service. No separate or additional fees shall be applied for the execution of standing instructions as such. The fee for an investment mandate shall be determined by the relevant ERMS provider;
- (4) for costs incurred in providing foreign exchange transaction services on a principal basis the relevant ERMS provider shall apply a margin between the purchasing or selling price of the foreign exchange, as determined by the respective ERMS provider, and the prevailing market rate on an individual transaction basis;
- (5) customers shall ensure that their cash accounts balances are greater than or equal to zero no later than close of business on every business day.

*Article 5***Information regarding Eurosystem reserve management services**

1. ERMS providers shall provide to the ECB any relevant information on the provision of Eurosystem reserve management services to customers and inform the ECB when a potential customer approaches them. The ECB may share relevant information within the ECB and the Eurosystem on a strict need to know basis. The sharing of any information that contains personal data shall be carried out in compliance with the applicable Union law governing data protection. Shared information shall not include transaction data broken down by individual customer.
2. ERMS providers shall endeavour to obtain a customer's consent to the disclosure of its identity to the Eurosystem for the following purposes:
  - (a) analysis of Eurosystem reserve management services and conditions, including Tier 1 investment facility allocation;
  - (b) protection of customers and other ERMS providers from damage through identified major incidents, i.e. cyber-attacks, technical or operational failure or fraud on the customer side;
  - (c) support of lending/repurchase (repo) operations with the customer; and
  - (d) other Eurosystem tasks or advisory functions within the mandate of the ECB.
3. If a customer's consent to the disclosure of its identity for the purposes referred to in paragraph 2 is not obtained, the ERMS provider concerned shall provide to the ECB the relevant information (via a pseudonymised numerical identification code) without revealing the identity of that customer, and shall set the customer's limit for the Tier 1 investment facility balances to zero.

4. The ECB may request ERMS providers to disclose to it ad hoc information on any customer in exceptional circumstances, such as the customer being potentially subject to sanctions or restrictive measures, and may share such information within the Eurosystem. ERMS providers shall send information about such ad hoc information-sharing to the customer as soon as reasonably practicable.

5. Eurosystem central banks shall inform the ECB about the provision of any service in euro in relation to the investment of reserves that is not included in Article 3 and hence not subject to this Guideline, specifying the type of service and the applicable terms and conditions.

#### *Article 6*

### **Prohibition and suspension of Eurosystem reserve management services**

1. The customer shall comply with all Union and national legislation on sanctions or restrictive measures and for the prevention of money laundering and terrorist financing, in so far as and to the extent that such legislation is applicable to the customer, including instructions given by competent authorities. The customer shall also confirm to the ERMS provider its compliance with such legislation and that it is not involved in any form of money laundering or terrorist financing.

2. ERMS providers may limit, suspend or exclude a customer from the provision of Eurosystem reserve management services under any of the following circumstances:

- (a) if the customer fails to comply with the obligations referred to in paragraph 1;
- (b) if the customer and/or its reserves are subject to any sanctions or restrictive measures imposed by Union and/or national legislation;
- (c) if the customer fails to comply with any obligations provided for in this Guideline or in the individual ERMS contract.

3. If the ERMS provider refuses to provide, or limits the provision of Eurosystem reserve management services to a customer, on the basis of a measure or decision other than those referred to in paragraph 1, the ERMS provider concerned shall promptly notify the ECB thereof. The ECB shall in turn promptly inform the other Eurosystem central banks thereof. The taking of any such measure or decision shall not prevent the other Eurosystem central banks from providing Eurosystem reserve management services to such customers.

#### *Article 7*

### **Responsibility and liability for Eurosystem reserve management services**

1. Each ERMS provider shall be responsible for the execution of any contractual or informal arrangement on Eurosystem reserve management services with its customers and shall be liable for the services that it provides. The existence of such an arrangement does not in itself create customer rights or entitlements with respect to any other Eurosystem central banks.

2. The ERMS provider may make suggestions to customers as to the timing and execution of a transaction to avoid conflicts with the Eurosystem's monetary and exchange rate policy, and shall not be liable for any consequences that such suggestions may have for the customer.

#### *Article 8*

### **Contractual arrangements with customers**

1. ERMS providers shall ensure that their contractual arrangements with customers implement this Guideline.

2. If a customer does not agree to the changes necessary to ensure that its contractual arrangement with the ERMS provider is consistent with this Guideline, the ERMS provider shall terminate the contractual arrangement. Where the amendment refers to a specific service only and not the entire set of services, the ERMS provider may opt to terminate only the service that is concerned by the relevant changes.

*Article 9***Role of the ECB**

The ECB shall coordinate the general provision of Eurosystem reserve management services and the related information framework and may, for this purpose, establish internal technical specifications. Any Eurosystem central bank that becomes an ERMS provider or that terminates its status as an ERMS provider shall inform the ECB accordingly.

*Article 10***Non-application of Guideline (EU) 2019/671 (ECB/2019/7)**

In accordance with Article 1, point (c), of Guideline (EU) 2019/671 (ECB/2019/7), the provisions of that Guideline do not apply to transactions executed and deposits taken within the framework of the Eurosystem reserve management services.

*Article 11***Repeal of Guideline (EU) 2021/564 (ECB/2021/9)**

1. Guideline (EU) 2021/564 (ECB/2021/9) is repealed with effect from 1 December 2024.
2. References to the repealed Guideline shall be construed as references to this Guideline and shall be read in accordance with the correlation table in the Annex.

*Article 12***Taking effect**

1. This Guideline shall take effect on the day of its notification to the national central banks of the Member States whose currency is the euro.
2. The Eurosystem central banks shall comply with this Guideline from 1 December 2024.

*Article 13***Addressees**

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 16 April 2024.

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



## ANNEX

**Correlation table**

Guideline (EU) 2021/564 (ECB/2021/9)	This Guideline
-	Article 1
Article 1	Article 2
Article 2	Article 3
Article 3	-
-	Article 4
Article 4	Article 5
Article 5	Article 6
Article 6	Article 7
Article 7	-
-	Article 8
Article 8	Article 9
Article 9	-
Article 10	-
-	Article 10
-	Article 11
Article 11	Article 12
Article 12	Article 13