



EUROPEAN CENTRAL BANK

EUROSYSTEM

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ECB-PUBLIC

DECISION (EU) 2019/XX* OF THE EUROPEAN CENTRAL BANK
of 22 July 2019
amending Decision (EU) 2016/810 (ECB/2016/10) on a second series of
targeted longer-term refinancing operations
(ECB/2019/22)

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 (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60)¹,

Whereas:

- (1) Pursuant to Article 1(4) of Guideline (EU) 2015/510 (ECB/2014/60), the Governing Council may, at any time, change the tools, instruments, requirements, criteria and procedures for the implementation of Eurosystem monetary policy operations.
- (2) On 28 April 2016, in pursuing its price stability mandate and to strengthen the transmission of monetary policy by further incentivising bank lending to the non-financial private sector, the Governing Council adopted Decision (EU) 2016/810 of the European Central Bank (ECB/2016/10)². This Decision provided for a second series of targeted longer-term refinancing operations (TLTROs-II) to be conducted over the period from June 2016 to March 2017 .
- (3) On 7 March 2019, to assist in preserving favourable bank lending conditions and support the accommodative stance of monetary policy in Member States whose currency is the euro, the Governing Council decided to conduct a new series of seven targeted longer-term refinancing operations (TLTROs-III). The provisions regarding the TLTROs-III will be set out in a separate decision.

* This number will be allocated by the Publications Office of the European Union when the Decision is published in the Official Journal.

¹ Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (General Documentation Guideline) (ECB/2014/60) (OJ L 91, 2.4.2015, p. 3).

² Decision (EU) 2016/810 of the European Central Bank of 28 April 2016 on a second series of targeted longer-term refinancing operations (ECB/2016/10) (OJ L 132, 21.5.2016, p. 107).

- (4) In order to facilitate the calculation of the bid limits for the TLTROs-III, and taking into account any eventual voluntary early repayments of amounts borrowed under TLTROs-II, it is necessary to amend the notification period for such early repayment.
- (5) In order to allow credit institutions sufficient time to make operational preparations for the first TLTRO-III, this Decision should enter into force without undue delay.
- (6) Therefore, Decision (EU) 2016/810 (ECB/2016/10) should be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Amendments

Decision (EU) 2016/810 (ECB/2016/10) is amended as follows:

1. In Article 6, paragraphs 3 and 4 are replaced by the following:
 - '3. In order to benefit from the early repayment procedure, a participant shall notify the relevant NCB that it intends to repay under the early repayment procedure on the early repayment date, at least two weeks in advance of that early repayment date.
 4. The notification referred to in paragraph 3 shall become binding on the participant concerned two weeks before the early repayment date to which it refers. Failure by the participant to settle, in full or in part, the amount due under the early repayment procedure by the repayment date may result in the imposition of a financial penalty. The applicable financial penalty shall be calculated in accordance with Annex VII to Guideline (EU) 2015/510 (ECB/2014/60) and shall correspond to the financial penalty applied for failures to comply with the obligations to adequately collateralise and settle the amount the counterparty has been allotted as regards reverse transactions for monetary policy purposes. The imposition of a financial penalty shall be without prejudice to the NCB's right to exercise the remedies provided for on the occurrence of an event of default as set out in Article 166 of Guideline (EU) 2015/510 (ECB/2014/60).';

Article 2

Entry into force

This Decision shall enter into force on 3 August 2019.

Done at Frankfurt am Main, 22 July 2019.

[signed]

For the Governing Council of the ECB

The President of the ECB

Mario DRAGHI