

Information on changes to the Eurosystem collateral framework that enter into force on 6 May 2024

We are writing to draw your attention to the following changes to the rules governing, inter alia, the Eurosystem collateral framework. These changes will enter into force on 6 May 2024. Further information on the changes to the rules can be found on our website.

Below you will find a list of the main changes to the collateral framework.

1. In the context of acceptable coupon structures for eligible assets, it has been clarified that euro money market rates whose use in the European Union is permitted by Regulation (EU) 2016/1011 are acceptable; for example, €STR (including compounded or averaged daily €STR), EURIBOR, or similar indices.
In this regard, it should be noted that benchmark administrators in the United Kingdom are treated like other benchmark administrators located outside the Union.
2. Sustainability-linked bonds (SLBs) with coupon step-ups will cease to be eligible as of 6 May 2024 if the issuer has the right to exclude the step-up event or the associated step-up payment and exercises or has exercised this right.
3. Credit claims shall meet a minimum size threshold of €25,000 at the time of their submission.
4. The specific provisions relating to the Hellenic Republic became obsolete when the issuer rating of the Hellenic Republic was upgraded to credit quality step 3 in the Eurosystem's harmonised rating scale on 8 September 2023 and are removed accordingly. As a result of that upgrade, marketable debt instruments issued by the central government of the Hellenic Republic became compliant with the Eurosystem's credit quality requirements and should be subject to the usual valuation haircuts.
5. An additional new rule is the obligation to request, no later than two business days before the date for receipt of a payment (record date) from a non-euro-denominated security submitted as collateral (excluding bonds denominated in a euro legacy currency), the release of that security. On the business day following this record date, the security in question may be resubmitted if the eligibility requirements are met.

The relevant changes to the Bundesbank's General Terms and Conditions will also be published on the [Bundesbank's website](#). Please keep these changes in mind when managing your collateral operations.

To avoid any misunderstanding, we would like to point out that, pursuant to Section V Subsection 3(4) of the Bundesbank's General Terms and Conditions, open market loans and overnight credit (including accrued interest) must be backed at all times by sufficient collateral. If and when necessary, you shall be obliged to immediately post additional collateral. If the required additional collateral is not submitted, the Bundesbank may call in credit for full or partial repayment.

We would remind you that, in the event of any infringements of the rules for the use of eligible assets, sanctions may be imposed in the form of contractual penalties and/or, in the event of repeated infringements, exclusion from access to monetary policy operations (Section V Subsection 3(7) in conjunction with Section V Subsection 1(3) of the Bundesbank's General Terms and Conditions).

If you have any questions about the changes to the rules, please do not hesitate to contact our staff by calling the collateral hotline on +49 (0)69 9566 32599 or by email at sicherheitenliste@bundesbank.de. Please note that no individual impact analyses will be carried out by the Bundesbank.