

Decision (EU) 2020/1735 of the European Central Bank of 12 November 2020 amending Decision (EU) 2016/2248 on the allocation of monetary income of the national central banks of Member States whose currency is the euro (ECB/2020/55)

DECISION (EU) 2020/1735 OF THE EUROPEAN CENTRAL BANK

of 12 November 2020

amending Decision (EU) 2016/2248 on the allocation of monetary income of the national central banks of Member States whose currency is the euro (ECB/2020/55)

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 32 thereof,

Whereas:

- (1) Decision (EU) 2020/440 of the European Central Bank (ECB/2020/17)⁽¹⁾ establishes a temporary pandemic emergency asset purchase programme (PEPP) for monetary policy purposes.
- (2) As is the case for such instruments purchased as part of the secondary markets public sector asset purchase programme established by the European Central Bank (ECB) pursuant to Decision (EU) 2020/188 of the European Central Bank (ECB/2020/9)⁽²⁾, debt instruments issued by central, regional or local governments and recognised agencies and substitute debt instruments issued by public non-financial corporations that are purchased as part of the PEPP established pursuant to Decision (EU) 2020/440 (ECB/2020/17) should be deemed to generate income at the reference rate defined in Decision (EU) 2016/2248 of the European Central Bank (ECB/2016/36)⁽³⁾.
- (3) A new earmarkable asset has been established to ensure consistency within the monetary income scheme.
- (4) The Governing Council decided on 24 June 2020 that euro liquidity-providing facilities by the Eurosystem central banks with non-Eurosystem central banks should be set up as part of the ECB's response measures to the crisis caused by the coronavirus disease 2019 (COVID-19) pandemic. The income earned from the euro liquidity-providing operations to the non-Eurosystem central banks should be shared amongst the national central banks of Member States whose currency is the euro as part of the monetary income scheme and the relevant balances should be included in the definition of earmarkable assets set out in Decision (EU) 2016/2248 (ECB/2016/36).
- (5) Therefore Decision (EU) 2016/2248 (ECB/2016/36) should be amended accordingly,

HAS ADOPTED THIS DECISION:

Changes to legislation: There are currently no known outstanding effects for the Decision (EU) 2020/1735 of the European Central Bank. (See end of Document for details)

Article 1

Amendments

Decision (EU) 2016/2248 (ECB/2016/36) is amended as follows:

- (1) Article 3(1)(b)(iii) is replaced by the following:
 - (iii) debt instruments issued by central, regional and local governments and recognised agencies and substitute debt instruments issued by public non-financial corporations held for monetary policy purposes under either Decision (EU) 2020/188 of the European Central Bank (ECB/2020/9)⁽⁴⁾ or Decision (EU) 2020/440 of the European Central Bank (ECB/2020/17)⁽⁵⁾;
- (2) Annex II is amended in accordance with the Annex to this Decision.

Article 2

Entry into force

This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 31 December 2020.

Done at Frankfurt am Main, 12 November 2020.

The President of the ECB

Christine LAGARDE