

Information issued on 28 March 2022 regarding the ECB Governing Council's decisions on the temporary rules for the use of eligible collateral published on 24 March 2022

In our letters dated 17 April 2020 and 15 May 2020, we informed you of various temporary changes to the General Terms and Conditions of the Deutsche Bundesbank regarding collateral for monetary policy refinancing operations.

In this context, we would like to point out the following rule changes published by the ECB Governing Council on 24 March 2022¹ regarding the use of eligible collateral that will also be incorporated into the General Terms and Conditions of the Deutsche Bundesbank in the coming weeks:

1. With effect from 8 July 2022, the limit with respect to unsecured bank debt instruments pursuant to section V subsection 3(2a) of the General Terms and Conditions of the Deutsche Bundesbank will be reduced from the current 10% to 2.5% once again.
2. With effect from 8 July 2022, marketable assets will once again have to fulfil the Eurosystem's minimum credit quality requirements in full.² That means that the temporary eligibility of marketable assets whose credit ratings deteriorated below credit quality step 3 on the Eurosystem's harmonised rating scale (or credit quality step 2 for ABS) after 7 April 2020 will end.
3. With effect from 8 July 2022, collateral valuation haircuts will again increase by a factor of 10%, calculated based on the percentages applicable until April 2020.

We will inform you in due course in a separate letter about the Bundesbank's framework for the eligibility of additional credit claims (ACC), which will expire on 30 June 2022 pursuant to No 4 of our special terms and conditions for ACCs.³

¹ <https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.pr220324~8b7f2ff5ea.en.html>

² These require an ECAI issue rating, ECAI issuer rating or ECAI guarantor rating of, at a minimum, BBB- on the Eurosystem's harmonised rating scale.

³ <https://www.bundesbank.de/resource/blob/867404/b845a0e56d1e035c88c2dfc70d04448e/mL/acc-bedingungen-aenderungen-data.pdf>

We are writing to you to point out the upcoming changes to the General Terms and Conditions of the Deutsche Bundesbank in good time to enable you to adjust your collateral holdings smoothly.

We would remind you that, in the event of any infringements of the rules for the use of eligible collateral, sanctions may be imposed in the form of contractual penalties and/or, in the event of repeated infringements, an exclusion from access to monetary policy operations (section V subsection 3(7) in conjunction with section V subsection 1(2) of the General Terms and Conditions of the Deutsche Bundesbank).

If you have any questions, please do not hesitate to contact our staff by calling the collateral hotline on +49 (0)69 9566 2599 or by email at sicherheitenliste@bundesbank.de