



2024/1209

3.5.2024

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)

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 Articles 12.1 and 14.3, and Articles 17, 22 and 23 thereof,

Whereas:

- (1) The Governing Council carried out a review of the remuneration applied to the deposits held with national central banks of Member States whose currency is the euro (hereinafter 'NCBs') and the European Central Bank (ECB) that are not related to the implementation of monetary policy ('non-monetary policy deposits'). The aim of the review was to avoid potential interference of such deposits with the single monetary policy, while ensuring compliance with the principle of an open market economy and consistency in the treatment of similar deposits within the Eurosystem.
- (2) Following the review, the Governing Council 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 Guidelines (EU) 2019/671 (ECB/2019/7) ⁽¹⁾, (EU) 2024/1211 (ECB/2024/13) ⁽²⁾, (EU) 2022/912 (ECB/2022/8) ⁽³⁾ of the European Central Bank and Decision (EU) 2019/1743 of the European Central Bank (ECB/2019/31) ⁽⁴⁾. 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.
- (3) The remuneration of non-monetary policy deposits should not contribute to persistently or structurally disturbing the transmission or implementation of monetary policy and should safeguard orderly market functioning and thus limit the scope for large volatility of such deposits.
- (4) The Governing Council set the main remuneration policy rate at euro short-term rate (€STR) minus a spread. The spread is easily adjustable in the event that market conditions change, in order to preserve the effectiveness of monetary policy transmission while minimising the risk of abrupt flows into or out of money markets and allowing for a simple and consistent remuneration framework, with very few exceptions. The Governing Council has set, and will adjust as necessary, the spread to meet the objectives of the remuneration policy and to avoid negative effects on monetary policy implementation or market functioning. The spread is currently set at 20 basis points.

⁽¹⁾ 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).

⁽²⁾ Guideline (EU) 2024/1211 of the European Central Bank of 16 April 2024 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 (ECB/2024/13) (OJ L, 2024/1211, 3.5.2024, ELI: <http://data.europa.eu/eli/guideline/2024/1211/oj>).

⁽³⁾ Guideline (EU) 2022/912 of the European Central Bank of 24 February 2022 on a new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET) and repealing Guideline ECB/2012/27 (ECB/2022/8) (OJ L 163, 17.6.2022, p. 84).

⁽⁴⁾ Decision (EU) 2019/1743 of the European Central Bank of 15 October 2019 on the remuneration of holdings of excess reserves and of certain deposits (ECB/2019/31) (OJ L 267, 21.10.2019, p. 12).

- (5) The Governing Council has determined that certain deviations or exceptions from the main remuneration policy rate are necessary. The ceiling concept should continue to apply for the remuneration of government deposits and certain other non-monetary policy deposits, to allow NCBs to remunerate such deposits at a lower rate than the ceiling where appropriate, taking into account country-specific conditions such as those in the repurchase transactions market. A lower spread than 20 basis points, initially set at zero, should apply in the case of guarantee funds held by European Economic Area financial market infrastructures such as payment systems, central counterparties and central securities depositories, as well as for prefunded accounts held in TARGET, in view of the importance of these holdings for the smooth operation of payment systems and financial stability. Funds that are required to be temporarily deposited with the NCBs or the ECB in relation to financial assistance should continue to be exempt from negative rates.
- (6) The Governing Council has also determined it necessary to provide that, in certain circumstances, granular information regarding non-monetary policy deposits may be requested from NCBs by the ECB and be shared within the ECB and the Eurosystem on a strict need-to-know basis when the ECB determines, on a case-by-case basis, that such information is needed to enable the Eurosystem to assess the potential impact of those deposits on the implementation of monetary policy.
- (7) In order to achieve these objectives and in order to allow NCBs sufficient time to prepare for the application of the new remuneration policy to non-monetary policy deposits, this Decision should apply from 1 December 2024,

HAS ADOPTED THIS DECISION:

Article 1

Definitions

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

- (1) ‘deposit’ means a credit balance in euro or in another currency resulting from funds held in an account with an NCB or the ECB or from temporary situations deriving from other services provided by an NCB or the ECB, giving rise to a liability recorded on that NCB’s or the ECB’s balance sheet, and which that NCB or the ECB is required to repay under the applicable contractual or regulatory conditions, including overnight and fixed term deposits;
- (2) ‘€STR’ means the euro short-term rate as defined in Article 2(2) of Guideline (EU) 2019/1265 of the European Central Bank (ECB/2019/19) ⁽⁷⁾ and published by the ECB;
- (3) ‘€STR OIS’ means an overnight index swap (OIS) as defined in Article 1(25) of Regulation (EU) No 1333/2014 of the European Central Bank (ECB/2014/48) ⁽⁸⁾, where the periodic floating interest rate payments refer to €STR as the overnight index rate;
- (4) ‘non-monetary policy deposits’ means deposits that are not executed to implement the single monetary policy as decided by the Governing Council and that fall within the scope of one of the following:
 - (a) Guideline (EU) 2019/671 (ECB/2019/7) on domestic asset and liability management operations by the national central banks;
 - (b) Guideline (EU) 2024/1211 (ECB/2024/13) 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;
 - (c) Guideline (EU) 2022/912 (ECB/2022/8) on a new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET);

⁽⁷⁾ Guideline (EU) 2019/1265 of the European Central Bank of 10 July 2019 on the euro short-term rate (€STR) (ECB/2019/19) (OJ L 199, 26.7.2019, p. 8).

⁽⁸⁾ Regulation (EU) No 1333/2014 of the European Central Bank of 26 November 2014 concerning statistics on the money markets (ECB/2014/48) (OJ L 359, 16.12.2014, p. 97).

- (d) Decision (EU) 2022/911 of the European Central Bank (ECB/2022/22) ⁽⁷⁾ concerning the terms and conditions of TARGET-ECB;
- (e) Decision (EU) 2019/1743 (ECB/2019/31) on the remuneration of holdings of excess reserves and of certain deposits.

Article 2

Remuneration of non-monetary policy deposits

1. The remuneration of deposits held with NCBs and falling within the scope of Guideline (EU) 2019/671 (ECB/2019/7) shall be subject to the following ceilings:

- (a) for the following government deposits denominated in euro:
 - (i) for overnight deposits: €STR minus 20 basis points;
 - (ii) for fixed term deposits: €STR OIS rate with corresponding maturity minus 20 basis points;
 - (iii) for overnight government deposits related to an adjustment programme: either zero per cent or €STR minus 20 basis points, whichever is higher;
 - (iv) for fixed term government deposits related to an adjustment programme: either zero percent or €STR OIS rate with corresponding maturity minus 20 basis points, whichever is higher;
- (b) for government deposits denominated in currencies other than in euro: the corresponding rates for the currency concerned and applying the same spread referred to in point (a);
- (c) for deposits other than government deposits, denominated in euro:
 - (i) for overnight deposits: €STR minus 20 basis points;
 - (ii) for fixed term deposits: €STR OIS rate with corresponding maturity minus 20 basis points;
- (d) for deposits other than government deposits, denominated in other currencies: the corresponding rates for the currency concerned and applying the same spread referred to in point (c).

2. The remuneration of deposits held with NCBs and falling within the scope of Guideline (EU) 2024/1211 (ECB/2024/13) shall be as follows:

- (a) for cash overnight investment services:
 - (i) for Tier 1 investment facility: €STR minus 20 basis points;
 - (ii) for Tier 2 investment facility: the actual rate at which funds are placed in the market minus a margin as decided from time to time by the Governing Council and provided that this kind of investment shall only be made if the remuneration is above the remuneration of excess cash balances;
 - (iii) for excess cash balances: €STR minus 20 basis points;
- (b) for fixed term deposits:
 - (i) for fixed term deposits on an agency basis: the actual rate at which funds are placed in the market minus a margin as decided from time to time by the Governing Council;
 - (ii) for fixed term deposits on a principal basis with maturity shorter than seven calendar days: €STR OIS rate with corresponding maturity minus 20 basis points;
 - (iii) for fixed term deposits on a principal basis with a maturity of at least seven calendar days: a rate not exceeding the rate achieved when reversing the deposit in the market.

⁽⁷⁾ Decision (EU) 2022/911 of the European Central Bank of 19 April 2022 concerning the terms and conditions of TARGET-ECB and repealing Decision ECB/2007/7 (ECB/2022/22) (OJ L 163, 17.6.2022, p. 1).

3. The remuneration of deposits falling within the scope of Guideline (EU) 2022/912 (ECB/2022/8) and Decision (EU) 2022/911 (ECB/2022/22) shall be as follows:

- (a) for government deposits denominated in euro held in TARGET the remuneration set-out in paragraph 1 (a) applies;
- (b) for non-monetary policy deposits held in TARGET other than government deposits referred to in point (a), except where point (c) applies: either zero percent or €STR minus 20 basis points, whichever is lower;
- (c) for overnight balances held on a TIPS AS technical account or on an RTGS AS technical account for AS settlement procedure D, and guarantee funds held by European Economic Area financial market infrastructures, including those held on an AS guarantee fund account: €STR minus 0 basis points;
- (d) for TARGET balances of connected NCBs:
 - (i) for balances up to and including 10 % of the daily average value of transactions: €STR minus 20 basis points;
 - (ii) for balances exceeding those under point (i): either zero percent or €STR minus 20 basis points, whichever is lower.

4. The remuneration of deposits held with the ECB falling within the scope of Decision (EU) 2019/1743 (ECB/2019/31) shall be as follows:

- (a) for accounts maintained in accordance with Decisions ECB/2003/14 ⁽⁸⁾, ECB/2010/4 ⁽⁹⁾, ECB/2010/17 ⁽¹⁰⁾ and ECB/2010/31 ⁽¹¹⁾ of the European Central Bank, and Council Regulation (EU) 2020/672 ⁽¹²⁾:
 - (i) €STR minus 20 basis points, except where point (ii) applies;
 - (ii) during any period when deposits need to be held in the relevant accounts in advance of the date on which a payment must be made in accordance with the legal or contractual rules applicable to the relevant facility: either zero percent or €STR minus 20 basis points, whichever is higher;
- (b) for other deposit accounts for the European Stability Mechanism and for the European Financial Stability Facility not covered under point (a): €STR minus 20 basis points;

⁽⁸⁾ Decision ECB/2003/14 of the European Central Bank of 7 November 2003 concerning the administration of the borrowing-and-lending operations concluded by the European Community under the medium-term financial assistance facility (OJ L 297, 15.11.2003, p. 35).

⁽⁹⁾ Decision ECB/2010/4 of the European Central Bank of 10 May 2010 concerning the management of pooled bilateral loans for the benefit of the Hellenic Republic and amending Decision ECB/2007/7 (OJ L 119, 13.5.2010, p. 24).

⁽¹⁰⁾ Decision ECB/2010/17 of the European Central Bank of 14 October 2010 concerning the administration of the borrowing and lending operations concluded by the Union under the European financial stabilisation mechanism (OJ L 275, 20.10.2010, p. 10).

⁽¹¹⁾ Decision ECB/2010/31 of the European Central Bank of 20 December 2010 concerning the opening of accounts for the processing of payments in connection with EFSF loans to Member States whose currency is the euro (OJ L 10, 14.1.2011, p. 7).

⁽¹²⁾ Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak (OJ L 159, 20.5.2020, p. 1).

- (c) for the dedicated account maintained in accordance with Article 13(2) of Commission Implementing Decision of 14 April 2021 establishing the necessary arrangements for the administration of the borrowing operations under Council Decision (EU, Euratom) 2020/2053 and for the lending operations related to loans granted in accordance with Article 15 of Regulation (EU) 2021/241 of the European Parliament and of the Council ⁽¹³⁾ and used for the purposes of prudential cash holdings in relation to the NextGenerationEU program, the Instrument for providing support to Ukraine for 2023 (macro-financial assistance+) ⁽¹⁴⁾, or other Union financing programmes as agreed by the ECB and the European Commission:
- (i) €STR minus 20 basis points, except where point (ii) applies;
 - (ii) for an aggregated amount of deposits not exceeding EUR 20 billion: either zero percent or €STR minus 20 basis points, whichever is higher.

5. Where a negative interest rate applies to any of the deposits referred to in this Article, the deposit holder shall owe interest to the relevant NCB or the ECB, and the relevant NCB or the ECB may debit the relevant deposit account accordingly.

Article 3

Sharing of information on non-monetary policy deposits

1. Where the ECB considers, on a case-by-case basis, that it is necessary for assessing potential impacts on the implementation of monetary policy, NCBs shall share with the ECB complete information on non-monetary policy deposits, including details on the following:

- (a) account holders;
- (b) the remuneration applied;
- (c) the amounts held with the relevant NCB.

2. Information received by the ECB pursuant to paragraph 1 shall be shared within the ECB, and by the ECB within the Eurosystem, on a strict need-to-know basis.

Article 4

Entry into force

- 1. This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.
- 2. It shall apply from 1 December 2024.

Done at Frankfurt am Main, 16 April 2024.

The President of the ECB
Christine LAGARDE

⁽¹³⁾ C(2021) 2502 final.

⁽¹⁴⁾ Regulation (EU) 2022/2463 of the European Parliament and of the Council of 14 December 2022 establishing an Instrument for providing support to Ukraine for 2023 (macro-financial assistance+) (OJ L 322, 16.12.2022, p. 1).