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DECISION (EU) 2024/2818 OF THE EUROPEAN CENTRAL BANK

of 24 October 2024

amending Decision (EU) 2016/948 on the implementation of the corporate sector purchase programme (ECB/2016/16) *(ECB/2024/28)*

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 second subparagraph of Article 12.1 in conjunction with the first indent of Article 3.1, and Article 18.1 thereof,

Whereas:

(1) Decision (EU) 2016/948 of the European Central Bank (ECB/2016/16) ([1]) established the corporate sector purchase programme (CSPP). The CSPP contains a number of safeguards to ensure that the purchases and holding of bonds will be proportionate to its aims. These safeguards should also ensure that related financial risks are taken into account in the CSPP's design and should reflect risk management perspectives.

(2) Accordingly, the Governing Council decided on 6 August 2024 to amend the rule applicable to securities lending transactions of corporate bonds held by the Eurosystem under the CSPP to reflect risk management considerations.

(3) In addition, Eurosystem central banks should be permitted to participate in standard market transactions such as repurchase transactions by issuers of corporate bonds ('buybacks'), as well as sales pursuant to put options, and the provisions on eligible counterparties for the CSPP should be amended accordingly.

(4) Therefore, Decision (EU) 2016/948 (ECB/2016/16) should be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Amendments

Decision (EU) 2016/948 (ECB/2016/16) is amended as follows:

(1) Article 6 is replaced by the following:

'*Article 6*

Eligible counterparties

The following shall be eligible counterparties for the CSPP, both for outright transactions and for securities lending transactions involving corporate bonds held in the CSPP Eurosystem portfolios:

(a) entities that fulfil the eligibility criteria to participate in Eurosystem monetary policy operations pursuant to Article 55 of Guideline (EU) 2015/510 (ECB/2014/60);

(b) any other counterparties that are used by Eurosystem central banks for the investment of their euro-denominated investment portfolios; and

(c) the issuers of corporate bonds held in the CSPP Eurosystem portfolios, but only in the case of either:

(i) a repurchase of the relevant corporate bond by that issuer pursuant to a buyback, or

(ii) the exercise by a Eurosystem central bank of a put option under the relevant corporate bond that is structured as a sale and repurchase transaction.';

([1]) Decision (EU) 2016/948 of the European Central Bank of 1 June 2016 on the implementation of the corporate sector purchase programme (ECB/2016/16) (OJ L 157, 15.6.2016, p. 28).

(2) Article 7 is replaced by the following:

'*Article 7*

Securities lending transactions

The Eurosystem central banks purchasing corporate bonds under the CSPP shall make securities that meet the credit quality requirements for securities purchased under the CSPP available for lending, including repos, with a view to ensuring the effectiveness of the CSPP.'.

Article 2

Entry into force

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

Done at Frankfurt am Main, 24 October 2024.

The President of the ECB
Christine LAGARDE