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DECISION (EU) 2025/1240 OF THE EUROPEAN CENTRAL BANK

of 11 June 2025

amending Decision (EU) 2020/187 on the implementation of the third covered bond purchase programme (ECB/2020/8) *(ECB/2025/20)*

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 127(2), first indent, thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 12.1, second subparagraph, in conjunction with Article 3.1, first indent, and Article 18.1 thereof,

Whereas:

(1) Decision ECB/2014/40 of the European Central Bank ([1]) established the third covered bond purchase programme (CBPP3) and has been recast in Decision (EU) 2020/187 of the European Central Bank (ECB/2020/8) ([2]). The CBPP3 contains a number of safeguards to ensure that the purchases and holding of covered bonds will be proportionate to its aims. These safeguards should also ensure that related financial risks are taken into account in the CBPP3's design and should reflect risk management perspectives.

(2) Accordingly, the Governing Council decided on 24 April 2025 to amend the provisions on eligible counterparties for the CBPP3 to permit Eurosystem central banks to participate in standard market transactions such as repurchase transactions by issuers of covered bonds ('buybacks').

(3) Therefore, Decision (EU) 2020/187 (ECB/2020/8) should be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Amendment

Article 4 of Decision (EU) 2020/187 (ECB/2020/8) is replaced by the following:

'*Article 4*

Eligible counterparties

The following shall be eligible counterparties for the CBPP3, both for outright transactions and for securities lending transactions involving covered bonds held in the CBPP3 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, including non-euro area counterparties active in the covered bonds markets; and

(c) issuers of covered bonds held in the CBPP3 Eurosystem portfolios to which neither point (a) nor point (b) applies, but only in the case of a repurchase of the relevant covered bond by that issuer pursuant to a buyback.'.

([1]) Decision ECB/2014/40 of the European Central Bank of 15 October 2014 on the implementation of the third covered bond purchase programme (OJ L 335, 22.11.2014, p. 22, ELI: http://data.europa.eu/eli/dec/2014/828/oj).
([2]) Decision (EU) 2020/187 of the European Central Bank of 3 February 2020 on the implementation of the third covered bond purchase programme (ECB/2020/8) (OJ L 39, 12.2.2020, p. 6, ELI: http://data.europa.eu/eli/dec/2020/187/oj).

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, 11 June 2025.

The President of the ECB
Christine LAGARDE