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DECISION (EU) 2025/1241 OF THE EUROPEAN CENTRAL BANK

of 11 June 2025

amending Decision (EU) 2020/440 on a temporary pandemic emergency purchase programme (ECB/2020/17) *(ECB/2025/21)*

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) Taking into account the exceptional economic and financial circumstances associated with the spread of coronavirus disease 2019 (COVID-19), on 18 March 2020, the Governing Council decided to launch a temporary pandemic emergency purchase programme (PEPP) including all the asset categories eligible under the ECB's asset purchase programme, consisting of the secondary markets public sector asset purchase programme, the third covered bond purchase programme (CBPP3), the asset-backed securities purchase programme, and the corporate sector purchase programme (CSPP).

(2) The CBPP3 was established by Decision ECB/2014/40 of the European Central Bank ([1]), which was recast in Decision (EU) 2020/187 of the European Central Bank (ECB/2020/8) ([2]). It 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 design of the CBPP3, and therefore also the PEPP, and should reflect risk management perspectives.

(3) Accordingly, the Governing Council decided on 24 April 2025 to amend the rule applicable to securities lending transactions of covered bonds held by the Eurosystem under the CBPP3 and the PEPP to reflect risk management considerations.

(4) Therefore, Decision (EU) 2020/440 of the European Central Bank (ECB/2020/17) ([3]) should be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Amendment

Article 7 of Decision (EU) 2020/440 (ECB/2020/17) is replaced by the following:

'*Article 7*

Securities lending

Except for securities that no longer meet the credit quality requirements for securities purchased under the corporate sector purchase programme or the third covered bond purchase programme, the Eurosystem shall make securities purchased under the PEPP available for lending, including repos, with a view to ensuring the effectiveness of the PEPP.'

([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).
([3]) Decision (EU) 2020/440 of the European Central Bank of 24 March 2020 on a temporary pandemic emergency purchase programme (ECB/2020/17) (OJ L 91, 25.3.2020, p. 1, ELI: http://data.europa.eu/eli/dec/2020/440/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