DECISION (EU) 2022/2071 OF THE EUROPEAN CENTRAL BANK

of 20 October 2022

on transitional provisions for the application of minimum reserves by the European Central Bank following the introduction of the euro in Croatia *(ECB/2022/36)*

THE EXECUTIVE BOARD OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 19.1 and the first indent of Article 46.2 thereof,

Having regard to Council Regulation (EC) No 2531/98 of 23 November 1998 concerning the application of minimum reserves by the European Central Bank ([1]),

Having regard to Council Regulation (EC) No 2532/98 of 23 November 1998 concerning the powers of the European Central Bank to impose sanctions ([2]),

Having regard to Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank ([3]), and in particular Articles 5(1) and 6(4) thereof,

Having regard to Regulation (EU) 2021/378 of the European Central Bank of 22 January 2021 on the application of minimum reserve requirements (ECB/2021/1) ([4]),

Having regard to Regulation (EU) 2021/379 of the European Central Bank of 22 January 2021 on the balance sheet items of credit institutions and of the monetary financial institutions sector (ECB/2021/2) ([5]),

Whereas:

(1) The adoption of the euro by Croatia on 1 January 2023 means that institutions located in Croatia will be subject to minimum reserve requirements from that date in accordance with Regulation (EU) 2021/378 (ECB/2021/1).

(2) The integration of these entities into the minimum reserve system of the Eurosystem requires the adoption of transitional provisions in order to ensure their smooth integration without creating a disproportionate burden for institutions in Member States whose currency is the euro, including Croatia.

(3) Article 5 of the Statute of the European System of Central Banks and of the European Central Bank implies that the ECB, assisted by the national central banks, collects the necessary statistical information from the competent national authorities or directly from economic agents also to ensure timely preparation in the field of statistics in view of the adoption of the euro by a Member State,

HAS ADOPTED THIS DECISION:

Article 1

Definitions

For the purposes of this Decision, the definitions in Article 2 of Regulation (EU) 2021/378 (ECB/2021/1) apply.

([1]) OJ L 318, 27.11.1998, p. 1.
([2]) OJ L 318, 27.11.1998, p. 4.
([3]) OJ L 318, 27.11.1998, p. 8.
([4]) OJ L 73, 3.3.2021, p. 1.
([5]) OJ L 73, 3.3.2021, p. 16.

Article 2

Transitional provisions for institutions located in Croatia

1. In derogation from Article 8 of Regulation (EU) 2021/378 (ECB/2021/1), a transitional maintenance period shall run from 1 January 2023 to 7 February 2023 for institutions located in Croatia.

2. The reserve base of each institution located in Croatia for the transitional maintenance period shall be defined in relation to its balance sheet at 31 October 2022. Hrvatska narodna banka shall request institutions located in Croatia to report to it their reserve base in accordance with Regulation (EU) 2021/379 (ECB/2021/2). Hrvatska narodna banka shall request institutions located in Croatia that benefit from the derogation under Article 9(1) or (2) or Article 9(5), point (a), of Regulation (EU) 2021/379 (ECB/2021/2) to calculate the reserve base for the transitional maintenance period on the basis of their balance sheets at 30 September 2022.

3. In respect of the transitional maintenance period, either an institution located in Croatia or Hrvatska narodna banka shall calculate such institution's minimum reserves. The party that calculates the minimum reserves shall submit its calculation to the other party allowing sufficient time for the latter to verify it and submit revisions. The calculated minimum reserves, including any revisions thereof, shall be confirmed by the two parties at the latest on 20 December 2022. If the notified party does not confirm the amount of minimum reserves by 20 December 2022, it shall be deemed to have acknowledged that the calculated amount applies for the transitional maintenance period.

4. Article 3(2) to (4) of this Decision shall apply *mutatis mutandis* to institutions located in Croatia so that these institutions may, for their initial maintenance periods, deduct from their reserve bases any liabilities owed to institutions in Croatia, although at the time the minimum reserves are calculated such institutions will not appear on the list of institutions subject to minimum reserve requirements referred to in Article 3(3) of Regulation (EU) 2021/378 (ECB/2021/1).

Article 3

Transitional provisions for institutions located in other Member States whose currency is the euro

1. The maintenance period applicable to institutions located in other Member States whose currency is the euro pursuant to Article 8 of Regulation (EU) 2021/378 (ECB/2021/1) shall remain unaffected by the transitional maintenance period for institutions located in Croatia.

2. Institutions located in other Member States whose currency is the euro may decide to deduct from their reserve base for the maintenance periods from 21 December 2022 to 7 February 2023 and from 8 February to 21 March 2023 any liabilities owed to institutions located in Croatia, although at the time the minimum reserves are calculated such institutions will not appear on the list of institutions subject to minimum reserve requirements referred to in Article 3(3) of Regulation (EU) 2021/378 (ECB/2021/1).

3. Institutions located in other Member States whose currency is the euro that decide to deduct liabilities owed to institutions located in Croatia pursuant to paragraph 2 shall, for the maintenance periods from 21 December 2022 to 7 February 2023 and from 8 February to 21 March 2023, calculate their minimum reserves on the basis of their balance sheets at 31 October 2022 and 31 December 2022 respectively and report statistical information in accordance with Part 1 of Annex III to Regulation (EU) 2021/379 (ECB/2021/2) showing institutions located in Croatia as already subject to the ECB's minimum reserve system.

This shall be without prejudice to the obligation for institutions to report statistical information for the periods concerned in accordance with Table 1 in Part 2 of Annex I to Regulation (EU) 2021/379 (ECB/2021/2), still showing institutions located in Croatia as being banks located in the 'Rest of the world'.

The tables shall be reported in accordance with the time limits and procedures laid down in Regulation (EU) 2021/379 (ECB/2021/2).

4. For the maintenance periods starting in December 2022 and February 2023, institutions located in other Member States whose currency is the euro that benefit from the derogation under Article 9(1) or (2) or Article 9(5), point (a), of Regulation (EU) 2021/379 (ECB/2021/2) and decide to deduct liabilities owed to institutions located in Croatia pursuant to paragraph 2 shall calculate their minimum reserves on the basis of their balance sheet at 30 September 2022 and report statistical information in accordance with Part 1 of Annex III to Regulation (EU) 2021/379 (ECB/2021/2) showing institutions located in Croatia as already subject to the ECB's minimum reserve system.

For the maintenance periods starting in March and May 2023, institutions located in other Member States whose currency is the euro that benefit from the derogation under Article 9(1) or (2) or Article 9(5), point (a), of Regulation (EU) 2021/379 (ECB/2021/2) and decide to deduct liabilities owed to institutions located in Croatia pursuant to paragraph 2 shall calculate their minimum reserves on the basis of their balance sheet at 31 December 2022, and report statistical information in accordance with Part 1 of Annex III to Regulation (EU) 2021/379 (ECB/2021/2) showing institutions located in Croatia as already subject to the ECB's minimum reserve system.

This shall be without prejudice to the obligation for institutions to report statistical information for the periods concerned in accordance with Table 1 in Part 2 of Annex I to Regulation (EU) 2021/379 (ECB/2021/2) still showing institutions located in Croatia as being banks located in the 'Rest of the world'.

The statistical information shall be reported in accordance with the time limits and procedures laid down in Regulation (EU) 2021/379 (ECB/2021/2).

Article 4

Final provisions

1. This Decision shall take effect on the day of its notification to the addressees.

2. It shall apply from 1 November 2022.

3. In the absence of specific provisions in this Decision, the provisions of Regulations (EU) 2021/378 (ECB/2021/1) and (EU) 2021/379 (ECB/2021/2) shall apply.

Article 5

Addressees

This Decision is addressed to Hrvatska narodna banka, institutions located in Croatia and institutions located in other Member States whose currency is the euro.

Done at Frankfurt am Main, 20 October 2022.

The President of the ECB
Christine LAGARDE