

Thomas O'Neill

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Request for public access to ECB documents

Dear Mr O'Neill,

On 7 April 2020 the European Central Bank (ECB) received your application for access to *“documents which contain the following information: That the ECB discloses details on all bonds it has purchased to date through the [Pandemic Emergency Purchase Programme] PEPP. This should include: 1) All the bonds purchased by the PEPP (not the [Corporate Sector Purchase Programme] CSPP); 2) The Bonds' ISINs; 3) The total amount of euros spent on each bond.”*

You further explained that you would like the ECB to include all bonds purchased under the PEPP from March 24 to the date that this request is processed. Moreover, you mention *“that the ECB website is publishing at the end of each week a ‘list of corporate bond securities held under the CSPP/PEPP’. However, this list: Merges and does not distinguish between (previous & new) purchases made under the pre-existing CSPP, and those associated with the PEPP program. It also does not disclose the number of euros spent on each corporate bond. Therefore, it is effectively impossible to ascertain any meaningful information on how much money is supporting which companies. Given that the ECB has 750 billion euros to spend in a short space of time through PEPP, there is a clear public interest in greater transparency over this program”*.

On 5 May 2020, in line with Article 7(3) of Decision ECB/2004/3¹ on public access to ECB documents and owing to the increased workload, the ECB extended the stipulated time limit for reply by 20 working days.

Background information

The new temporary pandemic emergency purchase programme (PEPP), which includes all the asset categories eligible under the asset purchase programmes (APP), was established on 18 March 2020. Purchases under the PEPP, which are separate from, and in addition to, purchases carried out under the APP, with an overall envelope of EUR 1,350 billion until the end of June 2021², do not pursue an investment

¹ Decision ECB/2004/3 of 4 March 2004 on public access to European Central Bank documents (OJ L 80, 18.3.2004, p. 42)

² Monetary policy decision of the ECB Governing Council of 4 June 2020, for further information please refer to the press release: <https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.mp200604~a307d3429c.en.html>

objective, but rather a public interest objective, namely to respond to the crisis related to the COVID-19 pandemic which the Governing Council assessed as *“a specific, extraordinary and acute economic crisis, which could jeopardise the objective of price stability and the proper functioning of the monetary policy transmission mechanism”*.

Identification of the requested documents and assessment of disclosure

The ECB, after having carefully examined your request in line with Decision ECB/2004/3, has identified a confidential internal database containing the requested data on the corporate sector bonds the ECB has purchased to date under the PEPP, including the ISINs of the corporate bonds purchased and the respective book value of the purchases.

Following a thorough assessment in line with Decision ECB/2004/3 we regret to inform you that the specific data you are interested in cannot be provided since disclosure would undermine the interests protected under the second indent of Article 4(1)(a) (*“the protection of public interest as regards the financial, monetary or economic policy of the Union or a Member State”*) of that Decision.

The following explanations clarify the ECB's decision not to disclose the requested data.

Second indent of Article 4(1)(a) of Decision ECB/2004/3 – “the financial, monetary or economic policy of the Union or a Member State”

Pursuant to the second indent of Article 4(1)(a) of Decision ECB/2004/3, the ECB shall refuse access to documents where disclosure would undermine the protection of the public interest as regards the financial, monetary or economic policy of the Union. As explained below, the disclosure of the requested data, first, may seriously distort price discovery and compromise the integrity of the market and, second, may undermine the purpose of the PEPP, creating serious risks to the monetary policy transmission mechanism and the outlook for the euro area.

First, the disclosure of detailed, disaggregated data on the securities purchased under the PEPP in a centralised and complete manner by the ECB would lead market participants to draw inferences about the Eurosystem holdings and adjust their own behaviour according to assumptions established on the basis of the information made available. This could harm the efficiency of the transmission of the PEPP to the real economy.

Regarding your request to be able to distinguish between (previous and new) purchases made under the pre-existing CSPP, and those associated with the PEPP programme, it is noted that the publication of the holdings of corporate bonds (and public sector securities) takes place with the aim to facilitate market functioning via securities lending. The holdings of corporate bonds and public sector securities resulting from purchases under the APP and PEPP are lent out through common securities lending facilities and the separation of holdings into multiple lists would unnecessarily increase the operational burden for prospective borrowers. In addition, the publication of separate securities lending lists for corporate bonds held under the APP and the PEPP may lead to unintended and unwarranted speculation, as the purchase of a corporate bond under the

APP or the PEPP is not an expression of preference or credit quality but rather a function of internal programme steering.

Therefore, if market participants were granted access to the requested detailed, disaggregated information regarding the PEPP portfolios, this could introduce unwanted volatility and distortions in the market, which may seriously distort price discovery and compromise the integrity of the market³.

Second, the disclosure of detailed, broken down data on the securities held under the PEPP in a centralised and complete manner by the ECB could undermine the monetary policy purpose of this programme. PEPP purchases are intended to have a positive effect on all asset categories targeted. Since market participants are not familiar with the individual assets preferred by the ECB and the Eurosystem national central banks (NCBs), they will tend to invest broadly in the entire categories targeted. By contrast, if market participants were to be granted access to detailed, broken down information this could compromise the effectiveness of the intervention measures and, ultimately, the monetary policy pursued.

The disclosure of the requested data would create serious risks to the monetary policy transmission mechanism and the outlook for the euro area in the face of the disruptions related to the COVID-19 pandemic. The successful implementation of the PEPP is critical in delivering the favourable financial conditions that are necessary to support the economy, in view of the severe risks both to the monetary policy transmission mechanism and the outlook for the euro area posed by the pandemic.

Disclosure of the requested data may lead to market fragmentation and undermine the level playing field on which issuers and originators operate, thereby jeopardising the ECB's aim of minimising the impact of the implementation of the purchase programmes on the functioning of the relevant markets.

Taking into account the points made above, the ECB has concluded that the requested data cannot be disclosed.

Other remarks

As you noted in your application, the ECB publishes under the asset purchase programmes section of the ECB's website the book value of securities held under the PEPP on a weekly basis⁴ and a list of corporate bond securities held under the CSPP/PEPP also on a weekly basis⁵, which contains information on the NCB that holds the security, the ISIN, the issuer name, the maturity date and the coupon rate. In addition, we would like to provide you with a comprehensive overview of other PEPP data published at the ECB website and that might be of interest to you.

³ See *Versorgungswerk v ECB*, T-376/13, ECLI:EU:T:2015:361, paragraph 80.

⁴ The PEPP holdings at amortised costs on weekly basis: <https://www.ecb.europa.eu/mopo/implement/pepp/html/index.en.html>

⁵ See <https://www.ecb.europa.eu/mopo/implement/omt/html/index.en.html>

On a monthly basis the PEPP cumulative net purchases are published and the ECB has also started to publish further breakdowns by asset category, country, and market type on a bi-monthly basis for the preceding two months. The first data was released on 2 June and covered March to May 2020⁶.

Furthermore, holdings of corporate bonds and public sector securities held under the PEPP are also made available for lending and the same conditions apply for securities lending transactions under the PEPP as under the APP. In this regard, the ECB publishes the aggregate monthly average on-loan balance of public sector securities for the Eurosystem and the daily on-loan balances, together with breakdowns by collateral type (securities or cash). The data is published every third Monday of the month for the previous month⁷. Finally, the ECB and the Eurosystem NCBs make available further details on their securities lending arrangements on their respective [websites](#).

Final remarks

For the sake of good order, we would like to inform you that, as regards the identified document Article 7(2) of Decision ECB/2004/3 provides that *“in the event of total or partial refusal, the applicant may, within 20 working days of receiving the ECB’s reply, make a confirmatory application asking the ECB’s Executive Board to reconsider its position”*.

Yours sincerely,

[signed]

Petra Senkovic
Director General Secretariat

[signed]

Margarita Louiza Karydi
Head of the Compliance and Governance Division

⁶ See <https://www.ecb.europa.eu/mopo/implement/pepp/html/index.en.html>

⁷ See <https://www.ecb.europa.eu/mopo/implement/omt/lending/html/index.en.html>