Dear Mr Badea,

Request for public access to ECB documents

On 1 April 2016 the European Central Bank (ECB) received your request for access to “documents containing the following information: Methodology - current and previous versions - for selecting the assets to be purchased under the quantitative easing programmes.”

We would like to refer you to information and documentation made publicly available by the ECB and provide you with an overview of the asset eligibility criteria framework, with references to relevant legal acts and other sources of information, which — we believe — specifically addresses the subject matter of your request.

Asset-backed securities purchase programme (ABSPP)

The asset-backed securities (ABS) selected for the ABSPP must fulfil the eligibility criteria applicable to ABS submitted as collateral for Eurosystem monetary policy operations as laid down in Annex I to Guideline ECB/2011/14 (as amended by Guideline ECB/2012/255 and Guideline ECB/2014/105) and in Decision ECB/2013/35. Additional requirements concerning eligibility criteria for the ABSPP are established in Article 2 of Decision ECB/2014/48 of 19 November 2014, as further amended on 15 March 2015 (these amendments are set out in Decision ECB/2015/31 of 10 September 2015.

Eligible instruments considered for purchase as part of the ABSPP are subject to credit risk assessment and due diligence by the ECB in accordance with Article 3 of Decision ECB/2014/45. Furthermore, the ECB has published high-level, non-binding and non-exhaustive guiding principles on the Eurosystem’s preferences in relation to the ABSs that it considers for purchase.  

---

Eurosystem third covered bond purchase programme (CBPP3)

In order to be eligible for outright purchase under the CBPP3, covered bonds must: be eligible for monetary policy operations in line with section 6.2.1 of Annex I to Guideline ECB/2011/14; fulfill the conditions for their acceptance as own-used collateral as laid down in section 6.2.3.2. (fifth paragraph) of Annex I to Guideline ECB/2011/14; and be issued by credit institutions incorporated in the euro area. They must also satisfy further requirements as established under Article 2 of Decision ECB/2014/40 of 15 October 2014. The so-called “multi-cédulas” issued by special purpose vehicles incorporated in the euro area can be also eligible for monetary policy operations in line with section 6.2.1 of Annex I to Guideline ECB/2011/14.

Public sector purchase program (PSPP)

Eligibility criteria for purchases under the PSPP are established under Article 3 of the ECB Decision ECB/2015/10 of 4 March 2015 and marketable instruments must comply with the eligibility criteria applied to Eurosystem credit operations as established in Annex I to Guideline ECB/2011/14, in particular Articles 4(1), 5 and 6. It should be noted that Article 6(1) was revised by the Governing Council at its meeting on 10 March 2016. These decisions were communicated in a press release.\(^8\)

You might find additional useful information in the PSPP Questions and answers document on the ECB’s website.\(^9\) The ECB has made it clear that market operations should be conducted in a market-neutral fashion, creating as little distortion as possible. However, that approach will not be a strict target and some flexibility will be applied, taking into account also the relative values of bonds and the liquidity of the different maturity segments.

Finally, for the sake of completeness, please note that the decisions taken by the Governing Council on 10 March 2016 are yet to be implemented in the relevant guidelines and decisions. Information on certain aspects of implementation of those decisions can be found in a press release, together with a detailed Q&A, published on the ECB’s website on 21 April 2016.\(^10\)

We hope that the identified documentation addresses your request.

Yours sincerely,

Pedro Gustavo Teixeira

Director General Secretariat

Roman Schremser

Chief Compliance and Governance Officer

---

