



EUROPEAN CENTRAL BANK

EUROSYSTEM

DIRECTORATE GENERAL SECRETARIAT

ECB-UNRESTRICTED

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Request for public access to ECB documents

Dear Mr Jourdan,

Thank you for your application of 6 July 2018 requesting access to a *"list of securities currently being held by the Eurosystem under the ABSPP, including the name of the purchasing national central bank, ISIN number, issuer name, maturity and coupon rate"*, and a *"list of securities currently being held by the Eurosystem under the CBPP3, including the name of the purchasing national central bank, ISIN number, issuer name, maturity and coupon rate"*. On 7 August 2018, in line with Article 7(3) of Decision ECB/2004/3 on public access to ECB documents¹ and owing to increased workload, the ECB extended the stipulated time limit for reply by an additional 20 working days.

Background information

The asset-backed securities purchase programme (ABSPP) started on 21 November 2014², while the third covered bond purchase programme (CBPP3) was launched on 20 October 2014³. To reiterate, the purchases under the ABSPP and the CBPP3 do not pursue an investment objective, but rather a public objective, namely that of "further enhancing the transmission of monetary policy, facilitating credit provision to the euro area economy, generating positive spill-overs to other markets and, as a result, easing the ECB's monetary policy stance and contributing to a return of inflation rates to levels closer to 2%"⁴. The ABSPP also "helps banks to diversify funding sources and stimulates the issuance of new securities"⁵. As such, these two programmes are part of the non-standard monetary policy measures that the ECB has adopted in recent years. In order to increase transparency regarding the purchase

¹ Decision of the European Central Bank of 4 March 2004 on public access to European Central Bank documents (ECB/2004/3) (OJ L 80, 18.3.2004, p. 42), as last amended by Decision ECB/2015/1 (OJ L 84, 28.3.2015, p. 64).

² See Q&A on the CBPP3, available at <https://www.ecb.europa.eu/mopo/implement/omt/html/abspp-faq.en.html>.

³ See Q&A on the ABSPP, available at <https://www.ecb.europa.eu/mopo/implement/omt/html/cbpp3-qa.en.html>.

⁴ See Decision of the European Central Bank of 19 November 2014 on the implementation of the asset-backed securities purchase programme (ECB/2014/45) (OJ L 1, 6.1.2015, p.4-7) (ABSPP) and Decision of the European Central Bank of 15 October 2014 on the implementation of the third covered bond purchase programme (ECB/2014/40) (OJ L 335, 22.11.2014, p.22-24) (CBPP3).

⁵ See the description of the SBSPP, available at <https://www.ecb.europa.eu/mopo/implement/omt/html/index.en.html>.

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programmes, the ECB already publishes on a weekly basis on its website the holdings at amortised cost for both the ABSPP and CBPP3. In addition, this information is supplemented on a monthly basis by a breakdown between primary and secondary market holdings and the expected monthly redemption amounts over a rolling 12-month horizon. The ECB also made public on 15 December 2016 the name of the purchasing national central bank responsible for each ABS market under the ABSPP starting from 1 April 2017.⁶ Finally, all the securities acquired under the ABSPP are held on the ECB's balance sheet.⁷

Assessment of your application

Having carefully examined your request in line with Decision ECB/2004/3, we have identified an internal database containing the requested data on ABSPP and CBPP3.

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 disclosed as it is protected under the second indent of Article 4(1)(a) ("the protection of public interest as regards the monetary policy of the Union") of that Decision. The following explanations clarify the ECB's decision not to disclose the requested data.

The 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 public interest as regards the monetary policy of the Union.

First, the disclosure of detailed, broken down data on the securities held under the ABSPP and the CBPP3 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 prognoses established on the basis of the information made available. Disclosure of the precise composition of the ABSPP and the CBPP3 portfolio may, for example, be perceived by the market as indicating a differentiation between financially sound and comparatively weaker issuers and originators. It is quite common for market participants to use the information disclosed by central banks, since their analyses and decisions are considered a particularly important and reliable source to assess current and prospective financial market developments.⁸ Therefore, such disclosure may seriously distort competition and compromise the integrity of the market.⁹

It follows that such publication could introduce unwanted volatility and distortions in the market, which could undermine the protection of the public interest as regards the monetary policy of the European Union, including the transmission of monetary policy impulses.

⁶ Available at <http://www.ecb.europa.eu/press/pr/date/2016/html/pr161215.en.html>.

⁷ See Annual Accounts of the ECB 2017 <https://www.ecb.europa.eu/pub/pdf/annrep/ecb.annualaccounts2017.en.pdf>.

⁸ See *Thesing and Bloomberg Finance v ECB*, T-590/10, ECLI:EU:T:2012:635, paragraphs 52, 57 and 63.

⁹ See *Versorgungswerk v ECB*, T-376/13, ECLI:EU:T:2015:361, paragraph 80.

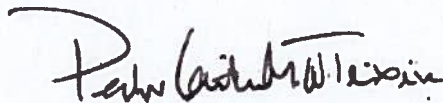
Second, the disclosure of detailed, broken down data on the securities held under the ABSPP and the CBPP3 in a centralised and complete manner by the ECB could undermine the purpose of these programmes. These programmes are aimed at encouraging market participants to invest in a category of assets, possibly even before the ECB and the Eurosystem NCBs purchase any, in order to take advantage of the price trends triggered by those purchases. They are liable to have a positive effect on all of the assets in the category targeted. Since market participants are not familiar with the individual assets preferred by the ECB and the Eurosystem NCBs, they will tend to invest broadly in the entire category 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.

It should also be noted that the distribution of purchases across issuers/originators largely reflects market conditions at the time of the purchases and the intention to maximise the impact of interventions on the monetary policy stance and general credit conditions, while minimising distortions in market prices. It follows that disclosure of such data may lead to market fragmentation and undermine the level playing field on which issuers and originators operate, thereby jeopardizing the ECB's aim of minimising the impact of the implementation of the purchase programmes on the functioning of the relevant markets.

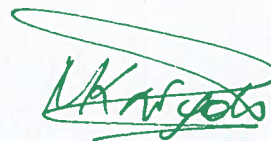
Taking into account the points made above, the ECB has concluded that the requested data cannot be disclosed.

For the sake of good order, we would like to inform you that, under Article 7(2) of Decision ECB/2004/3, *"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,



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Director General Secretariat



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