



EUROPEAN CENTRAL BANK
EUROSYSTEM

Directorate General Secretariat

ECB-UNRESTRICTED

Mr Ranjan Kumaran

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Dear Mr Kumaran,

Request for public access to ECB documents

On 13 December 2014 the European Central Bank (ECB) received your request to *"release a country by country, bank by bank, and product by product breakdown of the (ABSPP and CBPP3) ECB purchase programme expenditure to date including prices paid for securities, quantities purchased, brokerage and / or clearing house arrangements including fees, and the relevant ISIN codes"*.

We confirm that such data is available in an internal database used for the production of confidential internal reports. However, following a thorough assessment of your request in line with the requirements of the Decision of the European Central Bank of 4 March 2004 on public access to European Central Bank documents¹ (Decision ECB/2004/3), the ECB considers that the specific data you are interested in cannot be disclosed as it is protected under the provisions of the second indent of Article 4(1)(a) (*"the financial, monetary or economic policy of the Union or a Member State"*) and the first indent of Article 4(2) (*"the commercial interests of a natural or legal person, including intellectual property"*) of Decision ECB/2004/3.

First, we should like to recall that the aim of the Asset-Backed Securities Purchase Programme (ABSPP) and Covered Bond Purchase Programme 3 (CBPP3) is to *"further enhance the transmission of monetary policy, facilitate credit provision to the euro area economy, generate positive spill-overs to other markets and, as a result, ease the ECB's monetary policy stance, and contribute to a return of inflation rates to levels closer to 2%"*². As such, these two programmes are part of the non-standard monetary policy measures the ECB has established in recent years.

As regards the financial instruments i.e., the securities which have been purchased to date (including the country by country, bank by bank, and product by product breakdown of quantities, ISIN codes, brokerage or clearing house arrangements, including fees), the ECB holds the view that the disclosure of detailed

¹ Official Journal of the European Union L 80/42, 18 March 2004, as amended by Decision ECB/2011/6 of 9 May 2011, Official Journal of the European Union L 158/37, 16 June 2011.

² Please refer to ECB Decision ECB/2014/45 of 19 November 2014 on the implementation of the asset-backed securities purchase programme, Official Journal of the European Union L 1/4, 6 January 2015 (ABSPP) and to Decision ECB/2014/40 of 15 October 2014 on the implementation of the third covered bond purchase programme, Official Journal of the European Union L 335/22, 22 November 2014 (CBPP3).

information on individual holdings would reveal which financial instruments have been bought and which not, as well as the issuers involved. While the distribution of purchases across issuers, types of financial instruments and other dimensions in fact merely reflects the market conditions at the time of the purchases and the intention to maximise the impact of interventions on the stance and general credit conditions, while minimising distortions in market prices, information on such distribution may lead to market fragmentation and undermine the level playing field among issuers and originators, thereby contrasting the ECB's intention of supporting the functioning of the relevant markets. For example, the disclosure of the names of issuers of covered bonds and originators of asset-backed securities effectively bought is very likely to cause an increased differentiation in spreads in favour of those issuers/originators whose financial instruments have been purchased by the Eurosystem. This, in turn, would undermine the financing efforts of the issuers whose financial instruments have not been purchased. Furthermore, the disclosure of these names may be perceived by the market as indicating a differentiation between financially sound and weak issuers and originators. This would undermine the Eurosystem's efforts to restore confidence in the financial markets and to enhance the transmission of monetary policy impulses.

Similarly, in the light of the fact that some countries' markets in these assets are quite small, country-level disclosure could also reveal information on instrument or issuer level, which would be unwarranted for the reasons explained above. Thus, the ECB is of the opinion that a disclosure of the requested data pertaining to active programmes would challenge the efficiency of these programmes and the effectiveness of the non-standard monetary policy operations initiated by its Governing Council.

Second, the disclosure of the data which you have requested would undermine the protection of the commercial interests of the ECB's counterparties, including those of the four executing asset managers (hereinafter "Managers") appointed contractually under the ABSPP. In keeping with the standard practice for conducting monetary policy operations, the Eurosystem considers it important to protect the confidentiality of individual transaction data with and relating to its counterparties, as the disclosure of such information may be harmful to their commercial interests (as mentioned above). Furthermore, the disclosure of the contractual arrangements with the Managers or the clearing company, including their respective fees, would undermine the protection of their commercial interests. In this respect, there are no special clearing arrangements for the bonds and asset-backed securities covered by the two programmes and standard market practices and procedures are followed in each case.

There is also no overriding public interest in this disclosure.

In addition, in relation to brokerage and / or clearing house arrangements including fees, the appointment of the Managers for the ABSPP followed a competitive negotiated tender procedure. Moreover, the purchasing transactions of the Eurosystem and the Managers (on the ECB's instruction), are executed and settled in accordance with a dealing and best execution policy that is based on applicable EU regulatory standards and obligations for market participants.

We should like to inform you that, with a view to further increasing the level of transparency regarding the programmes, the ECB provides on a weekly basis details on securities holdings at amortised cost. This information is published in the consolidated weekly financial statement of the Eurosystem and on the open market operations webpage. In addition, information on the weighted average remaining maturity by issuer is released on a monthly basis.

The above-mentioned information is available on the ECB's website via the links below:

<https://www.ecb.europa.eu/mopo/implement/omo/> (Open market operations page)

<https://www.ecb.europa.eu/mopo/liq/html/index.en.html#portfolios> (Liquidity analysis page)

<https://www.ecb.europa.eu/press/pr/wfs/2015/html/index.en.html> (Weekly financial statements page)

http://www.ecb.europa.eu/press/pr/date/2014/html/pr141030_1.en.html (Press release on the Managers)

Moreover, the list of financial instruments eligible for purchase by the Eurosystem is a subset of financial instruments eligible for monetary policy operations – information on these is published on the ECB's website and updated on a daily basis. This is line with the decision of the Governing Council (see Article 2 of Decision ECB/2014/40 of 15 October 2014 and Article 2 of Decision ECB/2014/45 of 19 November 2014), according to which financial instruments purchased under the programmes need to be eligible for monetary policy operations (as defined in Guideline ECB/2011/14 (as amended by Guideline ECB/2012/25 and Guideline/2014/10) and Decision ECB/2013/35 of 26 September 2013).

For the sake of good order, please note that 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,



Pierre van der Haegen
Director General



Roman Schremser
Senior Adviser