

## Information on changes to the Eurosystem risk control framework for eligible collateral that enter into force on 29 June 2023

We are writing to draw your attention to the following changes to the rules governing the Eurosystem risk control framework for eligible collateral. Published by the ECB Governing Council on 20 December 2022<sup>1</sup>, these changes enter into force on 29 June 2023. The changes were implemented by means of the following guidelines:

- [Guideline \(EU\) 2023/832 amending Guideline \(EU\) 2016/65 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework \(ECB/2022/49\)](#)
- [Guideline \(EU\) 2023/833 amending Guideline ECB/2014/31 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral \(ECB/2022/50\)](#)
- [Guideline \(EU\) 2023/831 amending Guideline \(EU\) 2015/510 on the implementation of the Eurosystem monetary policy framework \(ECB/2022/48\)](#)

This information is intended to enable you to adjust your collateral holdings smoothly.

Below you will find a list of the main changes implemented by means of the above guidelines:

1. The temporary valuation haircut reduction adopted on 17 April 2020 will be fully phased out with effect from 29 June 2023 together with a general recalibration of the valuation haircuts.
2. All legislative covered bonds and *multi-cédulas* will be re-assigned from haircut category III to haircut category II – i.e. to the same category as for jumbo covered bonds.
3. Debt instruments issued by the European Union will be re-assigned from haircut category II to haircut category I.
4. The category with the longest residual maturity at present (i.e. more than ten years ([10, ∞)) will be split into three new categories: ten to 15 years ([10, 15)), 15 to 30 years ([15, 30)) and 30 years or more ([30, ∞)).

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<sup>1</sup> [ECB reviews its risk control framework for credit operations](#)

5. As the last residual maturity category ( $[10, \infty)$ ) will be split into three new categories, it will be necessary to further specify and adjust the definition of the residual maturity for own-use covered bonds, distinguishing between those with a soft bullet structure and those with a conditional pass-through structure. In the case of own-use covered bonds with a soft bullet structure, the residual maturity will be assumed to be the maximum length to which the maturity may be extended as reflected in the terms and conditions for the specific covered bond. In the case of own-use covered bonds with a conditional pass-through structure, the residual maturity assumed will always be the  $[10, 15)$  year category.
6. The current flat 4,5% theoretical valuation markdown applicable to marketable assets will be replaced with a maturity-graduated markdown schedule, for all theoretically valued marketable assets except those falling under haircut category I.
7. The haircut classification of marketable assets with a fixed coupon and those with a floating coupon will be aligned.

The corresponding amendments to the General Terms and Conditions of the Deutsche Bundesbank will be published shortly on the website of the Deutsche Bundesbank. Please take into account these adjustments when managing your collateral pool.

Precautionary, we would like to point out that pursuant to section V number 3 of the General Terms and Conditions of the Deutsche Bundesbank, open market loans and overnight credit must always be backed by sufficient collateral. If and when necessary, you are obliged to immediately post additional collateral. If the required additional collateral is not submitted, the Deutsche Bundesbank may call in credit for full or partial repayment.

We would remind you that, in the event of any infringements of the rules for the use of eligible collateral, sanctions may be imposed in the form of contractual penalties and/or, in the event of repeated infringements, an exclusion from access to monetary policy operations (section V subsection 3(7) in conjunction with section V subsection 1(2) of the General Terms and Conditions of the Deutsche Bundesbank).

If you have any questions about the changes to the rules, please do not hesitate to contact our staff by calling the collateral hotline on +49 (0)69 9566 32599 or by email at [sicherheitenliste@bundesbank.de](mailto:sicherheitenliste@bundesbank.de). Please note that no individual impact analyses will be carried out by the Deutsche Bundesbank.