



EUROPEAN CENTRAL BANK

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Mario DRAGHI
President

Mr Notis Marias
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 17 February 2016

L/MD/16/85

Re: Your letter (QZ-002)

Honourable Member of the European Parliament, dear Mr Marias,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 15 January 2016.

Let me first of all firmly reject your assertion that the ECB is acting “unlawfully”. The modalities of the various asset purchase programmes undertaken as part of the ECB’s monetary policy have been decided by the Governing Council of the ECB, acting within the monetary policy mandate of the ECB, and do not violate the monetary financing prohibition of Article 123 of the Treaty on the Functioning of the European Union. As you will be aware, this was recently confirmed by the Court of Justice of the European Union in Case C-62/14, with regard to the OMT purchase programme.

Turning to your specific questions, I confirm that, up to 4 December 2015, the purchases conducted by the Bank of Greece – as part of the Eurosystem’s expanded asset purchase programme – amounted to €12.5 billion under the public sector purchase programme (PSPP) and €3.8 billion under the third covered bond purchase programme (CBPP3).

Greek government bonds are currently not eligible for purchases under the PSPP. I recently had the opportunity to discuss the criteria in place for bonds issued by a government to be eligible for purchases

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under the PSPP in a letter that I sent to your colleagues Messrs Papadimoulis and Kouloglou on 12 January 2016.¹

Therefore, as part of the PSPP, the Bank of Greece is currently purchasing substitute assets. None of these assets are bonds issued by other countries, but all of them are bonds issued by international or supranational institutions located in the euro area (Council of Europe Development Bank, European Financial Stability Facility, European Investment Bank, European Stability Mechanism and European Union).

Please note that the ECB does not provide a further breakdown of purchases by the Bank of Greece or any other national central bank for any monetary policy portfolio. Such information is not necessary for monetary policy analysis, but could, if made public, lead to distortions in the markets for individual securities and hamper the smooth and effective implementation of the ECB purchase programmes.

Yours sincerely,

[signed]

Mario Draghi

¹ The letter is available on the ECB's website at:

http://www.ecb.europa.eu/pub/pdf/other/160112letter_papadimoulis_kouloglou.en.pdf

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