



EUROPEAN CENTRAL BANK
EUROSYSTEM

ECB-PUBLIC

COURTESY TRANSLATION

Mario DRAGHI
President

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Members of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 6 July 2016

L/MD/16/338

Re: Your letter (QZ-064)

Honourable Members of the European Parliament,

In your letter, which was passed on by Mr Roberto Gualtieri, Chair of the European Parliament's Committee on Economic and Monetary Affairs, to Ms Danièle Nouy, Chair of the ECB Supervisory Board, with a cover letter dated 7 June 2016, you raised an issue relating to the implementation of monetary policy. Ms Nouy has therefore forwarded this question to me.

As I had the opportunity to explain to your MEP colleagues, Mr Melo and Mr Fernandes, who posed questions similar to yours, the ECB generally does not comment on individual counterparties. I can, however, confirm that the Banco de Portugal proposed to the Governing Council to take a decision affecting the counterparty status of Banco Internacional do Funchal S.A. (BANIF), on the grounds of prudence. In putting forward such a proposal, the Banco de Portugal fulfilled its obligations within the Eurosystem, as per the rules established in the General Documentation on the implementation of the Eurosystem's monetary policy and in the

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procedures to be applied by national central banks regarding counterparty issues.¹ The decision of the Governing Council of 17 December 2015 consisted of freezing BANIF's level of Eurosystem liquidity-providing reverse transactions on the grounds of prudence. For further information on the case, I kindly refer you to my letters of reply to Mr Melo and Mr Fernandes, MEPs, which are available on the ECB's website.²

Yours sincerely,

[signed]

Mario Draghi

¹ For more information, please see <https://www.ecb.europa.eu/ecb/legal/1002/1014/html/index-tabs.en.html> and <https://www.ecb.europa.eu/ecb/legal/pdf/gendoc201102en.pdf>

² See http://www.ecb.europa.eu/pub/pdf/other/160531letter_melo.en.pdf and http://www.ecb.europa.eu/pub/pdf/other/160531letter_fernandes.en.pdf

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