

Official Journal of the European Union

L 95



English edition

Legislation

Volume 61

13 April 2018

Contents

II *Non-legislative acts*

REGULATIONS

- ★ **Council Implementing Regulation (EU) 2018/565 of 12 April 2018 implementing Regulation (EU) No 359/2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran** 1
- ★ **Council Implementing Regulation (EU) 2018/566 of 12 April 2018 implementing Article 9 of Regulation (EC) No 1183/2005 imposing certain specific restrictive measures directed against persons acting in violation of the arms embargo with regard to the Democratic Republic of the Congo** 9
- ★ **Commission Implementing Regulation (EU) 2018/567 of 12 April 2018 opening and providing for the administration of import tariff quotas of sausages and pig meat originating in Iceland ⁽¹⁾** 11

DECISIONS

- ★ **Council Decision (CFSP) 2018/568 of 12 April 2018 amending Decision 2011/235/CFSP concerning restrictive measures directed against certain persons and entities in view of the situation in Iran** 14
- ★ **Council Implementing Decision (CFSP) 2018/569 of 12 April 2018 implementing Decision 2010/788/CFSP concerning restrictive measures against the Democratic Republic of the Congo** 21

GUIDELINES

- ★ **Guideline (EU) 2018/570 of the European Central Bank of 7 February 2018 amending Guideline (EU) 2015/510 on the implementation of the Eurosystem monetary policy framework (ECB/2018/3)** 23

⁽¹⁾ Text with EEA relevance.

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

★ Guideline (EU) 2018/571 of the European Central Bank of 7 February 2018 amending Guideline (EU) 2016/65 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework (ECB/2018/4)	45
★ Guideline (EU) 2018/572 of the European Central Bank of 7 February 2018 amending Guideline ECB/2014/31 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (ECB/2018/5)	49

II

(Non-legislative acts)

REGULATIONS

COUNCIL IMPLEMENTING REGULATION (EU) 2018/565

of 12 April 2018

implementing Regulation (EU) No 359/2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 359/2011 of 12 April 2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran ⁽¹⁾, and in particular Article 12(1) thereof,

Having regard to the proposal of the High Representative of the Union for Foreign Affairs and Security Policy,

Whereas:

- (1) On 12 April 2011 the Council adopted Regulation (EU) No 359/2011.
- (2) On the basis of a review of Council Decision 2011/235/CFSP ⁽²⁾, the Council has decided that the restrictive measures set out therein should be renewed until 13 April 2019.
- (3) The Council has also concluded that the entries concerning 29 persons and one entity included in Annex I to Regulation (EU) No 359/2011 should be updated.
- (4) Annex I to Regulation (EU) No 359/2011 should be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Annex I to Regulation (EU) No 359/2011 is amended as set out in the Annex to this Regulation.

*Article 2*This Regulation shall enter into force on the date of its publication in the *Official Journal of the European Union*.⁽¹⁾ OJ L 100, 14.4.2011, p. 1.⁽²⁾ Council Decision 2011/235/CFSP of 12 April 2011 concerning restrictive measures directed against certain persons and entities in view of the situation in Iran (OJ L 100, 14.4.2011, p. 51).

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 12 April 2018.

For the Council

The President

T. DONCHEV

ANNEX

The following entries replace the corresponding entries in the list of natural and legal persons, entities and bodies set out in Annex I to Regulation (EU) No 359/2011:

Persons

	Name	Identifying information	Reasons	Date of listing
1.	AHMADI-MOQADDAM Esmail	POB: Tehran (Iran) DOB: 1961	Former Senior Advisor for Security Affairs to the Chief of the Armed Forces General Staff. Former Chief of Iran's National Police from 2005 until early 2015. Forces under his command led brutal attacks on peaceful protests, and a violent night time attack on the dormitories of Tehran University on 15 June 2009. Currently head of Iran's Headquarters in support of the Yemeni People.	12.4.2011
3.	ARAGHI (ERAGHI) Abdollah		Former Deputy Head of IRGC's Ground Forces. He had a direct and personal responsibility in the crackdown of protests all through the summer of 2009.	12.4.2011
9.	NAQDI Mohammad-Reza	POB: Najaf (Iraq) DOB: Circa 1952	Deputy Chief of the IRGC for cultural and social affairs. Former Commander of the Basij. As commander of the IRGC's Basij Forces, Naqdi was responsible for or complicit in Basij abuses occurring in late 2009, including the violent response to the December 2009 Ashura Day protests, which resulted in up to 15 deaths and the arrests of hundreds of protesters. Prior to his appointment as commander of the Basij in October 2009, Naqdi was the head of the intelligence unit of the Basij responsible for interrogating those arrested during the post-election crackdown.	12.4.2011
10.	RADAN Ahmad-Reza	POB: Isfahan (Iran) DOB: 1963	Formerly in charge of the Centre for Strategic Studies of the Iranian Law Enforcement Force, a body linked to the National Police. Former Head of the Police Strategic Studies Centre, former Deputy Chief of Iran's National Police until June 2014. As Deputy Chief of National Police from 2008, Radan was responsible for beatings, murder, and arbitrary arrests and detentions against protestors that were committed by the police forces. Currently IRGC commander in charge of training Iraqi 'anti-terrorist' forces.	12.4.2011
11.	RAJABZADEH Azizollah		Former Head of Tehran Disaster Mitigation Organisation (TDMO). Former Head of Tehran Police (until January 2010). As Commander of the Law Enforcement Forces in the Greater Tehran, Azizollah Rajabzadeh is the highest ranking accused in the case of abuses in Kahrizak Detention Centre.	12.4.2011
12.	SAJEDI-NIA Hossein		Police Operations Deputy Commander. Former head of Tehran Police, former Deputy Chief of Iran's National Police responsible for Police Operations. He is in charge of coordinating, for the Ministry of Interior, repression operations in the Iranian capital.	12.4.2011

	Name	Identifying information	Reasons	Date of listing
13.	TAEB Hossein	POB: Tehran DOB: 1963	Head of IRGC Intelligence. Former Deputy IRGC commander for intelligence. Former Commander of the Basij until October 2009. Forces under his command participated in mass beatings, murders, detentions and tortures of peaceful protestors.	12.4.2011
16.	HADDAD Hassan (alias Hassan ZAREH DEHNAVI)		Former Deputy Safety Officer of Teheran Revolutionary Court. Former Judge, Tehran Revolutionary Court, branch 26. He was in charge of the detainee cases related to the post-election crises and regularly threatened families of detainees in order to silence them. He has been instrumental in issuing detention orders to the Kahrizak Detention Centre. In November 2014, his role in the deaths of detainees was officially recognised by the Iranian authorities.	12.4.2011
21.	MOHSENI-EJEI Gholam-Hossein	POB: Ejiyeh DOB: circa 1956	Member of the Expediency Council. Prosecutor General of Iran since September 2009 and Deputy Head and spokesman of the Judiciary. Former Intelligence minister during the 2009 elections. While he was Intelligence minister during the 2009 election, intelligence agents under his command were responsible for detention, torture and extraction of false confessions under pressure from hundreds of activists, journalists, dissidents, and reformist politicians. In addition, political figures were coerced into making false confessions under unbearable interrogations, which included torture, abuse, blackmail, and the threatening of family members.	12.4.2011
26.	SHARIFI Malek Adjar (aka: SHARIFI Malek Ajdar)		Judge at the Supreme Court, head of the 43rd section. Former Head of East Azerbaijan Judiciary. He was responsible for Sakineh Mohammadi-Ashtiani's trial.	12.4.2011
28.	YASAGHI Ali-Akbar		Judge of the Supreme Court, head of the 44th section. Deputy Chief Executive Officer of Setad-e Dieh Foundation. Former Chief Judge, Mashhad Revolutionary Court. Trials under his jurisdiction have been conducted summarily and inside closed session, without adherence to basic rights of the accused. As execution rulings were issued en masse, death sentences were issued without proper observance of fair hearing procedures.	12.4.2011
32.	ZANJIREI Mohammad-Ali		Senior advisor to Head, and former Deputy Head of Iran's Prisons Organisation, responsible for abuses and deprivation of rights in detention centre. He ordered the transfer of many inmates into solitary confinement.	12.4.2011
33.	ABBASZADEH- MESHKINI Mahmoud		Advisor to the Human Right Council. Former secretary of the Human Right Council. Former governor of Ilam Province. Former Interior Ministry's political director. As Head of the Article 10 Committee of the Law on Activities of Political Parties and Groups he was in charge of authorising demonstrations and other public events and registering political parties.	10.10.2011

	Name	Identifying information	Reasons	Date of listing
			In 2010, he suspended the activities of two reformist political parties linked to Mousavi — the Islamic Iran Participation Front and the Islamic Revolution Mujahedeen Organisation. From 2009 onwards he has consistently and continuously prohibited all non-governmental gatherings, therefore denying a constitutional right to protest and leading to many arrests of peaceful demonstrators in contravention of the right to freedom of assembly. He also denied in 2009 the opposition a permit for a ceremony to mourn people killed in protests over the Presidential elections.	
34.	AKBARSHAHI Ali-Reza		Former Director-General of Iran's Drug Control Headquarters (aka: Anti-Narcotics Headquarters). Former Commander of Tehran Police. Under his leadership, the police force was responsible for the use of extrajudicial force on suspects during arrest and pre-trial detention. The Tehran police were also implicated in raids on Tehran university dorms in June 2009, when according to an Iranian Majlis commission, more than 100 students were injured by the police and Basiji. Currently head of the railway police.	10.10.2011
36.	AVAEE Seyyed Ali-Reza (aka: AVAEE Seyyed Alireza)		Minister of Justice. Former Director of the special investigations office. Until July 2016 deputy Minister of Interior and head of the Public register. Advisor to the Disciplinary Court for Judges since April 2014. Former President of the Tehran Judiciary. As President of the Tehran Judiciary he has been responsible for human rights violations, arbitrary arrests, denials of prisoners' rights and an increase in executions.	10.10.2011
40.	HABIBI Mohammad Reza		Head of the Ministry of Justice office in Yazd. Former Deputy Prosecutor of Isfahan. Complicit in proceedings denying defendants a fair trial — such as Abdollah Fathi, executed in May 2011 after his right to be heard and mental health issues were ignored by Habibi during his trial in March 2010. He is, therefore, complicit in a grave violation of the right to due process, contributing to the excessive and increasing use of the death penalty and a sharp increase in executions since the beginning of 2011.	10.10.2011
45.	JOKAR Mohammad Saleh		Deputy for Parliamentary Affairs of the Revolutionary Guards. From 2011 until 2016 parliamentary deputy for Yazd Province and Member of the parliamentary Committee for National Security and Foreign Policy. Former Commander of Student Basij Forces. In the capacity of Commander of Student Basij Forces he was actively involved in suppressing protests in schools and universities and extra-judicial detention of activists and journalists.	10.10.2011

	Name	Identifying information	Reasons	Date of listing
48.	MAHSOULI Sadeq (aka: MAHSULI Sadeq)	POB: Oroumieh (Iran) DOB: 1959/60	Advisor to Former President Mahmoud Ahmadinejad and current member of the Expediency Council and Deputy Chief of the Perseverance Front. Minister of Welfare and Social Security between 2009 and 2011. Minister of the Interior until August 2009. As Interior Minister, Mahsouli had authority over all police forces, interior ministry security agents, and plainclothes agents. The forces under his direction were responsible for attacks on the dormitories of Tehran University on 14 June 2009 and the torture of students in the basement of the Ministry (the notorious basement level 4). Other protestors were severely abused at the Kahrizak Detention Centre, which was operated by police under Mahsouli's control.	10.10.2011
50.	OMIDI Mehrdad (aka: Reza; OMIDI Reza)		Head of section VI of the police, investigation department. Former Head of the Intelligence Services within the Iranian Police. Former Head of the Computer Crimes Unit of the Iranian Police. He is responsible for thousands of investigations and indictments of reformists and political opponents using the Internet. He is thus responsible for grave human rights violations in the repression of persons who speak out in defence of their legitimate rights, including freedom of expression.	10.10.2011
51.	SALARKIA Mahmoud	Former director of Tehran Football Club 'Persepolis'	Former Head of the Petrol and Transport commission of the City of Tehran. Deputy to the Prosecutor-General of Tehran for Prison Affairs during the crackdown of 2009. As Deputy to the Prosecutor-General of Tehran for Prison Affairs he was directly responsible for many of the arrest warrants against innocent, peaceful protesters and activists. Many reports from human rights defenders show that virtually all those arrested are, on his instruction, held incommunicado without access to their lawyer or families, and without charge, for varying lengths of time, often in conditions amounting to enforced disappearance. Their families are often not notified of the arrest.	10.10.2011
53.	TALA Hossein (aka: TALA Hosseyn)		Mayor of Eslamshahr. Former Iranian MP. Former Governor-General ('Farmandar') of Tehran Province until September 2010, he was responsible for the intervention of police forces and therefore for the repression of demonstrations. He received a prize in December 2010 for his role in the post-election repression.	10.10.2011
54.	TAMADDON Morteza (aka: TAMADON Morteza)	POB: Shahr Kord-Isfahan DOB: 1959	Former Head of Tehran provincial Public Security Council. Former IRGC Governor-General of Tehran Province. In his capacity as governor and head of Tehran provincial Public Security Council, he bears overall responsibility for all repressive activities undertaken by the IRGC in Tehran province, including cracking down on political protests since June 2009. Currently board member at Khajeh Nasireddin Tusi University of Technology.	10.10.2011

	Name	Identifying information	Reasons	Date of listing
55.	ZEBHI Hossein		Judge of the Supreme Court. Former Deputy to the Prosecutor-General of Iran. He is in charge of several judicial cases linked to the post-election protests.	10.10.2011
59.	BAKHTIARI Seyyed Morteza	POB: Mashad (Iran) DOB: 1952	Deputy custodian of Imam Reza shrine. Former Official of the Special Clerical Tribunal. Former Minister of Justice from 2009 to 2013. During his time as Minister of Justice, prison conditions within Iran fell well below accepted international standards, and there was widespread mistreatment of prisoners. In addition, he played a key role in threatening and harassing the Iranian diaspora by announcing the establishment of a special court to deal specifically with Iranians who live outside the country. He also oversaw a sharp increase in the number of executions in Iran, including secret executions not announced by the government, and executions for drug-related offences.	10.10.2011
60.	HOSSEINI Dr Mohammad (aka: HOSSEYNI Dr Seyyed Mohammad; Seyyed, Sayyed and Sayyid)	POB: Rafsanjan, Kerman DOB: 1961	Advisor to Former President Mahmoud Ahmadinejad and spokesperson for YEKTA hardline political faction. Former Minister of Culture and Islamic Guidance (2009-2013). Ex-IRGC, he was complicit in the repression of journalists.	10.10.2011
69.	MORTAZAVI Seyyed Solat	POB: Farsan, Tchar Mahal-o-Bakhtiari (South) - (Iran) DOB: 1967	Former mayor of the second largest city of Iran, Mashad, where public executions regularly happen. Former Deputy Interior Minister for Political Affairs. He was responsible for directing repression of persons who spoke up in defence of their legitimate rights, including freedom of expression. Later appointed as Head of the Iranian Election Committee for the parliamentary elections in 2012 and for the presidential elections in 2013.	23.3.2012
73.	FAHRADI Ali		Deputy head of Inspectorate of Legal Affairs and Public Inspection of the Ministry of Justice of Tehran. Former prosecutor of Karaj. Responsible for grave violations of human rights, including prosecuting trials in which the death penalty is passed. There have been a high number of executions in Karaj region during his time as prosecutor.	23.3.2012
75.	RAMEZANI Gholamhossein		Since 2011 Chief of the Intelligence of the Ministry of Defence; from November 2009 to March 2011: Commander of Intelligence of the Pasdaran; from March 2008 to November 2009: Deputy Commander of Intelligence of the Pasdaran; from April 2006 to March 2008: Head of Protection and Intelligence of the Pasdaran. Involved in the suppression of freedom of expression, including by being associated with those responsible for the arrests of bloggers/journalists in 2004, and reported to have had a role in the suppression of the post-election protests in 2009.	23.3.2012

	Name	Identifying information	Reasons	Date of listing
82.	SARAFRAZ Mohammad (Dr) (aka: Haj-agma Sarafraz)	POB: Tehran DOB: appr. 1963 Place of Residence: Tehran Place of Work: IRIB and PressTV HQ, Tehran	Former member of the Supreme Council of Cyber Space. Former President of the Islamic Republic of Iran Broadcasting (IRIB). Former Head of IRIB World Service and Press TV, responsible for all programming decisions. Closely associated with the state security apparatus. Under his direction Press TV, along with IRIB, has worked with the Iranian security services and prosecutors to broadcast forced confessions of detainees, including that of Iranian-Canadian journalist and filmmaker Maziar Bahari, in the weekly programme 'Iran Today'. Independent broadcast regulator OFCOM fined Press TV in the UK GBP 100 000 for broadcasting Bahari's confession in 2011, which was filmed in prison whilst Bahari was under duress. Sarafraz therefore is associated with violating the right to due process and fair trial.	12.3.2013

Entities

	Name	Identifying information	Reasons	Date of listing
1.	Cyber Police	Location: Tehran, Iran Website: http://www.cyberpolice.ir	The Iranian Cyber Police, founded in January 2011, is a unit of the Islamic Republic of Iran Police, which at that time until early 2015 was headed by Esmail Ahmadi-Moqaddam (listed). Ahmadi-Moqaddam underlined that the Cyber Police would take on anti-revolutionary and dissident groups who used internet-based social networks in 2009 to trigger protests against the re-election of President Mahmoud Ahmadinejad. In January 2012, the Cyber Police issued new guidelines for internet cafés, requiring users to provide personal information that would be kept by café owners for six months, as well as a record of the websites they visited. The rules also require café owners to install closed-circuit television cameras and maintain the recordings for six months. These new rules may create a logbook that authorities can use to track down activists or whoever is deemed a threat to national security. In June 2012, Iranian media reported that the Cyber Police would be launching a crackdown on virtual private networks (VPNs). On 30 October 2012, the Cyber Police arrested the blogger Sattar Beheshti without a warrant for 'actions against national security on social networks and Facebook'. Beheshti had criticised the Iranian government in his blog. Beheshti was found dead in his prison cell on 3 November 2012, and is believed to have been tortured to death by the Cyber Police authorities.	12.3.2013'

COUNCIL IMPLEMENTING REGULATION (EU) 2018/566**of 12 April 2018****implementing Article 9 of Regulation (EC) No 1183/2005 imposing certain specific restrictive measures directed against persons acting in violation of the arms embargo with regard to the Democratic Republic of the Congo**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 1183/2005 of 18 July 2005 imposing certain specific restrictive measures directed against persons acting in violation of the arms embargo with regard to the Democratic Republic of the Congo ⁽¹⁾, and in particular Article 9 thereof,

Having regard to the proposal from the High Representative of the Union for Foreign Affairs and Security Policy,

Whereas:

- (1) On 18 July 2005, the Council adopted Regulation (EC) No 1183/2005.
- (2) Further to the review of the autonomous restrictive measures laid down in Article 2b of Regulation (EC) No 1183/2005, statements of reasons relating to two persons should be amended.
- (3) Annex Ia to Regulation (EC) No 1183/2005 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Annex Ia to Regulation (EC) No 1183/2005 is hereby amended as set out in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 12 April 2018.

For the Council
The President
T. DONCHEV

⁽¹⁾ OJ L 193, 23.7.2005, p. 1.

ANNEX

The entries concerning the persons listed below are replaced by the following entries:

'10.	Alex Kande Mupompa, Former Governor of Kasai Central	a.k.a Alexandre Kande Mupomba; Kande-Mupompa. DOB: 23.9.1950. POB: Kananga (DRC). DRC passport number: OP 0024910 (valid: 21.3.2016 — expiry: 20.3.2021). Address: Messidorlaan 217/25, 1180 Uccle, Belgium DRC and Belgian nationalities.	As Governor of Kasai Central until October 2017, Alex Kande Mupompa has been responsible for the disproportionate use of force, violent repression and extrajudicial killings committed by security forces and the PNC in Kasai Central from August 2016, including killings on the territory of Dibaya in February 2017. Alex Kande Mupompa was therefore involved in planning, directing, or committing acts that constitute serious human rights violations in DRC.	29.5.2017
12.	Lambert Mende, Minister of Communications and Media, and spokesperson of the Government	a.k.a Lambert Mende Omalanga. DOB: 11.2.1953. POB: Okolo (DRC). Diplomatic passport number: DB0001939 (issued: 4.5.2017 — expiring: 3.5.2022). DRC nationality.	As Communications and Media Minister since 2008, Lambert Mende is responsible for the repressive media policy applied in DRC, which breaches the right to freedom of expression and information and undermines a consensual and peaceful solution towards elections in DRC. On 12 November 2016, he adopted a decree limiting the possibility for foreign media outlets to broadcast in the DRC. In breach of the political agreement settled on 31 December 2016 between the presidential majority and opposition parties, broadcasts of a number of media outlets remained cut off for several months. In his capacity as Communications and Media Minister, Lambert Mende is therefore responsible for obstructing a consensual and peaceful solution towards elections in DRC, including by acts of violence, repression or inciting violence, or by undermining the rule of law.	29.5.2017'

COMMISSION IMPLEMENTING REGULATION (EU) 2018/567**of 12 April 2018****opening and providing for the administration of import tariff quotas of sausages and pig meat originating in Iceland****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 ⁽¹⁾, and in particular points (a) and (b) of Article 187 thereof,

Whereas:

- (1) Commission Regulation (EC) No 759/2007 ⁽²⁾ provides for the opening by the European Union of an annual tariff quota of 100 tons of sausages originating in Iceland as set out in the Agreement in the form of an Exchange of Letters between the European Union and the Iceland, approved by Council Decision 2007/138/EC ⁽³⁾.
- (2) The European Union and Iceland signed an Agreement in the form of an Exchange of Letters (hereafter 'the new Agreement') concerning additional trade preferences in agricultural products on 23 March 2017. The signature of the new Agreement on behalf of the European Union was authorised by Council Decision (EU) 2016/2087 ⁽⁴⁾ and its conclusion by Council Decision (EU) 2017/1913 ⁽⁵⁾.
- (3) In accordance with Annex V to the new Agreement the European Union is to open a new annual duty-free quota for the import of 500 tons of pig meat originating in Iceland.
- (4) Given that certain provisions of Regulation (EC) No 759/2007 should be updated, it is appropriate to replace that Regulation by a new one which should also provide for the opening and the administration of the new quota of 500 tons of pig meat.
- (5) According to both Agreements the tariff quotas are to be opened annually and imports should therefore be managed on a calendar-year basis.
- (6) The tariff quotas should be managed by the Commission on the basis of the chronological order of dates of acceptance of customs declarations for release for free circulation in accordance with the rules on the management of tariff quotas laid down in Commission Implementing Regulation (EU) 2015/2447 ⁽⁶⁾.
- (7) The new Agreement sets that products benefitting from the tariff quota are to comply *mutatis mutandis* with the provisions set out in its Protocol 3 concerning the definition of 'originating products' and methods of administrative cooperation, as amended by Decision No 2/2005 of the EC-Iceland Joint Committee ⁽⁷⁾.
- (8) The new Agreement provides for entry into force on 1 May 2018. Therefore, this Regulation should apply from the same date.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671.

⁽²⁾ Commission Regulation (EC) No 759/2007 of 29 June 2007 opening and providing for the administration of an import tariff quota of sausages originating in Iceland (OJ L 172, 30.6.2007, p. 48).

⁽³⁾ Council Decision 2007/138/EC of 22 February 2007 concerning the conclusion of the Agreement in the form of an Exchange of Letters between the European Community and the Republic of Iceland concerning additional trade preferences in agricultural products undertaken on the basis of Article 19 of the Agreement on the European Economic Area (OJ L 61, 28.2.2007, p. 28).

⁽⁴⁾ Council Decision (EU) 2016/2087 of 14 November 2016 on the signing, on behalf of the European Union, of the Agreement in the form of an Exchange of Letters between the European Union and Iceland concerning additional trade preferences in agricultural products (OJ L 324, 30.11.2016, p. 1).

⁽⁵⁾ Council Decision (EU) 2017/1913 of 9 October 2017 on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and Iceland concerning additional trade preferences in agricultural products (OJ L 274, 24.10.2017, p. 57).

⁽⁶⁾ Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 343, 29.12.2015, p. 558).

⁽⁷⁾ Decision No 2/2005 of the EC-Iceland Joint Committee of 22 December 2005 amending Protocol 3 to the Agreement, concerning the definition of the concept of 'originating products' and methods of administrative cooperation (OJ L 131, 18.5.2006, p. 1).

- (9) For 2018, the new quota for pig meat, to be made available pursuant to the new Agreement, should be calculated on a *pro rata* basis, taking into account its date of entry into force.
- (10) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Common Organisation of the Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Union tariff quotas are hereby opened for pig meat falling within CN code 0203 and sausages falling within CN code ex 1601 originating in Iceland (hereinafter 'the tariff quotas'), as set out in the Annex to this Regulation.

The tariff quotas shall be opened for the period from 1 January to 31 December.

Article 2

The tariff quotas set out in the Annex to this Regulation shall be managed in accordance with Articles 49 to 54 of Implementing Regulation (EU) 2015/2447.

Article 3

Protocol 3 to the Agreement between the European Economic Community and Iceland, concerning the definition of the concept of 'originating products' and methods of administrative cooperation, as amended by Decision No 2/2005 of the EC-Iceland Joint Committee, shall apply *mutatis mutandis* to products listed in the Annex to this Regulation.

Article 4

Regulation (EC) No 759/2007 is repealed.

Article 5

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 May 2018.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 April 2018.

For the Commission
The President
Jean-Claude JUNCKER

ANNEX

Order Number	CN codes	Description	Annual quantity (in tons net weight)	Rate of quota duty
09.0832	ex 1601 00 10 1601 00 91 ex 1601 00 99	Sausages	100	0
09.0831	0203	Meat of swine, fresh, chilled or frozen	From 1.5.2018 to 31.12.2018: 167 For each calendar year from 1.1.2019: 500	0

DECISIONS

COUNCIL DECISION (CFSP) 2018/568

of 12 April 2018

amending Decision 2011/235/CFSP concerning restrictive measures directed against certain persons and entities in view of the situation in Iran

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 29 thereof,

Having regard to the proposal of the High Representative of the Union for Foreign Affairs and Security Policy,

Whereas:

- (1) On 12 April 2011 the Council adopted Decision 2011/235/CFSP ⁽¹⁾.
- (2) On the basis of a review of Decision 2011/235/CFSP, the Council has decided that the restrictive measures set out therein should be renewed until 13 April 2019.
- (3) The Council has also concluded that the entries concerning 29 persons and one entity included in the Annex to Decision 2011/235/CFSP should be updated.
- (4) Decision 2011/235/CFSP should be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Decision 2011/235/CFSP is amended as follows:

- (1) in Article 6, paragraph 2 is replaced by the following:
‘2. This Decision shall apply until 13 April 2019. It shall be kept under constant review. It shall be renewed, or amended as appropriate, if the Council deems that its objectives have not been met.’.
- (2) the Annex is amended as set out in the Annex to this Decision.

Article 2

This Decision shall enter into force on the date of its publication in the *Official Journal of the European Union*.

Done at Luxembourg, 12 April 2018.

For the Council
The President
T. DONCHEV

⁽¹⁾ Council Decision 2011/235/CFSP of 12 April 2011 concerning restrictive measures directed against certain persons and entities in view of the situation in Iran (OJ L 100, 14.4.2011, p. 51).

ANNEX

The following entries replace the corresponding entries in the list of persons and entities set out in the Annex to Decision 2011/235/CFSP:

Persons

	Name	Identifying information	Reasons	Date of listing
1.	AHMADI-MOQADDAM Esmail	POB: Tehran (Iran) DOB: 1961	Former Senior Advisor for Security Affairs to the Chief of the Armed Forces General Staff. Former Chief of Iran's National Police from 2005 until early 2015. Forces under his command led brutal attacks on peaceful protests, and a violent night time attack on the dormitories of Tehran University on 15 June 2009. Currently head of Iran's Headquarters in support of the Yemeni People.	12.4.2011
3.	ARAGHI (ERAGHI) Abdollah		Former Deputy Head of IRGC's Ground Forces. He had a direct and personal responsibility in the crackdown of protests all through the summer of 2009.	12.4.2011
9.	NAQDI Mohammad-Reza	POB: Najaf (Iraq) DOB: Circa 1952	Deputy Chief of the IRGC for cultural and social affairs. Former Commander of the Basij. As commander of the IRGC's Basij Forces, Naqdi was responsible for or complicit in Basij abuses occurring in late 2009, including the violent response to the December 2009 Ashura Day protests, which resulted in up to 15 deaths and the arrests of hundreds of protesters. Prior to his appointment as commander of the Basij in October 2009, Naqdi was the head of the intelligence unit of the Basij responsible for interrogating those arrested during the post-election crackdown.	12.4.2011
10.	RADAN Ahmad-Reza	POB: Isfahan (Iran) DOB: 1963	Formerly in charge of the Centre for Strategic Studies of the Iranian Law Enforcement Force, a body linked to the National Police. Former Head of the Police Strategic Studies Centre, former Deputy Chief of Iran's National Police until June 2014. As Deputy Chief of National Police from 2008, Radan was responsible for beatings, murder, and arbitrary arrests and detentions against protestors that were committed by the police forces. Currently IRGC commander in charge of training Iraqi 'anti-terrorist' forces.	12.4.2011
11.	RAJABZADEH Azizollah		Former Head of Tehran Disaster Mitigation Organisation (TDMO). Former Head of Tehran Police (until January 2010). As Commander of the Law Enforcement Forces in the Greater Tehran, Azizollah Rajabzadeh is the highest ranking accused in the case of abuses in Kahrizak Detention Centre.	12.4.2011
12.	SAJEDI-NIA Hossein		Police Operations Deputy Commander. Former head of Tehran Police, former Deputy Chief of Iran's National Police responsible for Police Operations. He is in charge of coordinating, for the Ministry of Interior, repression operations in the Iranian capital.	12.4.2011

	Name	Identifying information	Reasons	Date of listing
13.	TAEB Hossein	POB: Tehran DOB: 1963	Head of IRGC Intelligence. Former Deputy IRGC commander for intelligence. Former Commander of the Basij until October 2009. Forces under his command participated in mass beatings, murders, detentions and tortures of peaceful protestors.	12.4.2011
16.	HADDAD Hassan (alias Hassan ZAREH DEHNAVI)		Former Deputy Safety Officer of Teheran Revolutionary Court. Former Judge, Tehran Revolutionary Court, branch 26. He was in charge of the detainee cases related to the post-election crises and regularly threatened families of detainees in order to silence them. He has been instrumental in issuing detention orders to the Kahrizak Detention Centre. In November 2014, his role in the deaths of detainees was officially recognised by the Iranian authorities.	12.4.2011
21.	MOHSENI-EJEI Gholam-Hossein	POB: Ejiyeh DOB: circa 1956	Member of the Expediency Council. Prosecutor General of Iran since September 2009 and Deputy Head and spokesman of the Judiciary. Former Intelligence minister during the 2009 elections. While he was Intelligence minister during the 2009 election, intelligence agents under his command were responsible for detention, torture and extraction of false confessions under pressure from hundreds of activists, journalists, dissidents, and reformist politicians. In addition, political figures were coerced into making false confessions under unbearable interrogations, which included torture, abuse, blackmail, and the threatening of family members.	12.4.2011
26.	SHARIFI Malek Adjar (aka: SHARIFI Malek Ajdar)		Judge at the Supreme Court, head of the 43rd section. Former Head of East Azerbaijan Judiciary. He was responsible for Sakineh Mohammadi-Ashtiani's trial.	12.4.2011
28.	YASAGHI Ali-Akbar		Judge of the Supreme Court, head of the 44th section. Deputy Chief Executive Officer of Setad-e Dieh Foundation. Former Chief Judge, Mashhad Revolutionary Court. Trials under his jurisdiction have been conducted summarily and inside closed session, without adherence to basic rights of the accused. As execution rulings were issued en masse, death sentences were issued without proper observance of fair hearing procedures.	12.4.2011
32.	ZANJIREI Mohammad-Ali		Senior advisor to Head, and former Deputy Head of Iran's Prisons Organisation, responsible for abuses and deprivation of rights in detention centre. He ordered the transfer of many inmates into solitary confinement.	12.4.2011
33.	ABBASZADEH- MESHKINI Mahmoud		Advisor to the Human Right Council. Former secretary of the Human Right Council. Former governor of Ilam Province. Former Interior Ministry's political director. As Head of the Article 10 Committee of the Law on Activities of Political Parties and Groups he was in charge of authorising demonstrations and other public events and registering political parties.	10.10.2011

	Name	Identifying information	Reasons	Date of listing
			In 2010, he suspended the activities of two reformist political parties linked to Mousavi — the Islamic Iran Participation Front and the Islamic Revolution Mujahedeen Organisation. From 2009 onwards he has consistently and continuously prohibited all non-governmental gatherings, therefore denying a constitutional right to protest and leading to many arrests of peaceful demonstrators in contravention of the right to freedom of assembly. He also denied in 2009 the opposition a permit for a ceremony to mourn people killed in protests over the Presidential elections.	
34.	AKBARSHAHI Ali-Reza		Former Director-General of Iran's Drug Control Headquarters (aka: Anti-Narcotics Headquarters). Former Commander of Tehran Police. Under his leadership, the police force was responsible for the use of extrajudicial force on suspects during arrest and pre-trial detention. The Tehran police were also implicated in raids on Tehran university dorms in June 2009, when according to an Iranian Majlis commission, more than 100 students were injured by the police and Basiji. Currently head of the railway police.	10.10.2011
36.	AVAEE Seyyed Ali-Reza (aka: AVAEE Seyyed Alireza)		Minister of Justice. Former Director of the special investigations office. Until July 2016 deputy Minister of Interior and head of the Public register. Advisor to the Disciplinary Court for Judges since April 2014. Former President of the Tehran Judiciary. As President of the Tehran Judiciary he has been responsible for human rights violations, arbitrary arrests, denials of prisoners' rights and an increase in executions.	10.10.2011
40.	HABIBI Mohammad Reza		Head of the Ministry of Justice office in Yazd. Former Deputy Prosecutor of Isfahan. Complicit in proceedings denying defendants a fair trial — such as Abdollah Fathi, executed in May 2011 after his right to be heard and mental health issues were ignored by Habibi during his trial in March 2010. He is, therefore, complicit in a grave violation of the right to due process, contributing to the excessive and increasing use of the death penalty and a sharp increase in executions since the beginning of 2011.	10.10.2011
45.	JOKAR Mohammad Saleh		Deputy for Parliamentary Affairs of the Revolutionary Guards. From 2011 until 2016 parliamentary deputy for Yazd Province and Member of the parliamentary Committee for National Security and Foreign Policy. Former Commander of Student Basij Forces. In the capacity of Commander of Student Basij Forces he was actively involved in suppressing protests in schools and universities and extra-judicial detention of activists and journalists.	10.10.2011

	Name	Identifying information	Reasons	Date of listing
48.	MAHSOULI Sadeq (aka: MAHSULI Sadeq)	POB: Oroumieh (Iran) DOB: 1959/60	Advisor to Former President Mahmoud Ahmadinejad and current member of the Expediency Council and Deputy Chief of the Perseverance Front. Minister of Welfare and Social Security between 2009 and 2011. Minister of the Interior until August 2009. As Interior Minister, Mahsouli had authority over all police forces, interior ministry security agents, and plainclothes agents. The forces under his direction were responsible for attacks on the dormitories of Tehran University on 14 June 2009 and the torture of students in the basement of the Ministry (the notorious basement level 4). Other protestors were severely abused at the Kahrizak Detention Centre, which was operated by police under Mahsouli's control.	10.10.2011
50.	OMIDI Mehrdad (aka: Reza; OMIDI Reza)		Head of section VI of the police, investigation department. Former Head of the Intelligence Services within the Iranian Police. Former Head of the Computer Crimes Unit of the Iranian Police. He is responsible for thousands of investigations and indictments of reformists and political opponents using the Internet. He is thus responsible for grave human rights violations in the repression of persons who speak out in defence of their legitimate rights, including freedom of expression.	10.10.2011
51.	SALARKIA Mahmoud	Former director of Tehran Football Club 'Persepolis'	Former Head of the Petrol and Transport commission of the City of Tehran. Deputy to the Prosecutor-General of Tehran for Prison Affairs during the crackdown of 2009. As Deputy to the Prosecutor-General of Tehran for Prison Affairs he was directly responsible for many of the arrest warrants against innocent, peaceful protesters and activists. Many reports from human rights defenders show that virtually all those arrested are, on his instruction, held incommunicado without access to their lawyer or families, and without charge, for varying lengths of time, often in conditions amounting to enforced disappearance. Their families are often not notified of the arrest.	10.10.2011
53.	TALA Hossein (aka: TALA Hosseyn)		Mayor of Eslamshahr. Former Iranian MP. Former Governor-General ('Farmandar') of Tehran Province until September 2010, he was responsible for the intervention of police forces and therefore for the repression of demonstrations. He received a prize in December 2010 for his role in the post-election repression.	10.10.2011
54.	TAMADDON Morteza (aka: TAMADON Morteza)	POB: Shahr Kord-Isfahan DOB: 1959	Former Head of Tehran provincial Public Security Council. Former IRGC Governor-General of Tehran Province. In his capacity as governor and head of Tehran provincial Public Security Council, he bears overall responsibility for all repressive activities undertaken by the IRGC in Tehran province, including cracking down on political protests since June 2009. Currently board member at Khajeh Nasireddin Tusi University of Technology.	10.10.2011

	Name	Identifying information	Reasons	Date of listing
55.	ZEBHI Hossein		Judge of the Supreme Court. Former Deputy to the Prosecutor-General of Iran. He is in charge of several judicial cases linked to the post-election protests.	10.10.2011
59.	BAKHTIARI Seyyed Morteza	POB: Mashad (Iran) DOB: 1952	Deputy custodian of Imam Reza shrine. Former Official of the Special Clerical Tribunal. Former Minister of Justice from 2009 to 2013. During his time as Minister of Justice, prison conditions within Iran fell well below accepted international standards, and there was widespread mistreatment of prisoners. In addition, he played a key role in threatening and harassing the Iranian diaspora by announcing the establishment of a special court to deal specifically with Iranians who live outside the country. He also oversaw a sharp increase in the number of executions in Iran, including secret executions not announced by the government, and executions for drug-related offences.	10.10.2011
60.	HOSSEINI Dr Mohammad (aka: HOSSEYNI Dr Seyyed Mohammad; Seyyed, Sayyed and Sayyid)	POB: Rafsanjan, Kerman DOB: 1961	Advisor to Former President Mahmoud Ahmadinejad and spokesperson for YEKTA hardline political faction. Former Minister of Culture and Islamic Guidance (2009-2013). Ex-IRGC, he was complicit in the repression of journalists.	10.10.2011
69.	MORTAZAVI Seyyed Solat	POB: Farsan, Tchar Mahal-o-Bakhtiari (South) - (Iran) DOB: 1967	Former mayor of the second largest city of Iran, Mashad, where public executions regularly happen. Former Deputy Interior Minister for Political Affairs. He was responsible for directing repression of persons who spoke up in defence of their legitimate rights, including freedom of expression. Later appointed as Head of the Iranian Election Committee for the parliamentary elections in 2012 and for the presidential elections in 2013.	23.3.2012
73.	FAHRADI Ali		Deputy head of Inspectorate of Legal Affairs and Public Inspection of the Ministry of Justice of Tehran. Former prosecutor of Karaj. Responsible for grave violations of human rights, including prosecuting trials in which the death penalty is passed. There have been a high number of executions in Karaj region during his time as prosecutor.	23.3.2012
75.	RAMEZANI Gholamhossein		Since 2011 Chief of the Intelligence of the Ministry of Defence; from November 2009 to March 2011: Commander of Intelligence of the Pasdaran; from March 2008 to November 2009: Deputy Commander of Intelligence of the Pasdaran; from April 2006 to March 2008: Head of Protection and Intelligence of the Pasdaran. Involved in the suppression of freedom of expression, including by being associated with those responsible for the arrests of bloggers/journalists in 2004, and reported to have had a role in the suppression of the post-election protests in 2009.	23.3.2012

	Name	Identifying information	Reasons	Date of listing
82.	SARAFRAZ Mohammad (Dr) (aka: Haj-agma Sarafraz)	POB: Tehran DOB: appr. 1963 Place of Residence: Tehran Place of Work: IRIB and PressTV HQ, Tehran	Former member of the Supreme Council of Cyber Space. Former President of the Islamic Republic of Iran Broadcasting (IRIB). Former Head of IRIB World Service and Press TV, responsible for all programming decisions. Closely associated with the state security apparatus. Under his direction Press TV, along with IRIB, has worked with the Iranian security services and prosecutors to broadcast forced confessions of detainees, including that of Iranian-Canadian journalist and filmmaker Maziar Bahari, in the weekly programme 'Iran Today'. Independent broadcast regulator OFCOM fined Press TV in the UK GBP 100 000 for broadcasting Bahari's confession in 2011, which was filmed in prison whilst Bahari was under duress. Sarafraz therefore is associated with violating the right to due process and fair trial.	12.3.2013

Entities

	Name	Identifying information	Reasons	Date of listing
1.	Cyber Police	Location: Tehran, Iran Website: http://www.cyberpolice.ir	The Iranian Cyber Police, founded in January 2011, is a unit of the Islamic Republic of Iran Police, which at that time until early 2015 was headed by Esmail Ahmadi-Moqaddam (listed). Ahmadi-Moqaddam underlined that the Cyber Police would take on anti-revolutionary and dissident groups who used internet-based social networks in 2009 to trigger protests against the re-election of President Mahmoud Ahmadinejad. In January 2012, the Cyber Police issued new guidelines for internet cafés, requiring users to provide personal information that would be kept by café owners for six months, as well as a record of the websites they visited. The rules also require café owners to install closed-circuit television cameras and maintain the recordings for six months. These new rules may create a logbook that authorities can use to track down activists or whoever is deemed a threat to national security. In June 2012, Iranian media reported that the Cyber Police would be launching a crackdown on virtual private networks (VPNs). On 30 October 2012, the Cyber Police arrested the blogger Sattar Beheshti without a warrant for 'actions against national security on social networks and Facebook'. Beheshti had criticised the Iranian government in his blog. Beheshti was found dead in his prison cell on 3 November 2012, and is believed to have been tortured to death by the Cyber Police authorities.	12.3.2013'

COUNCIL IMPLEMENTING DECISION (CFSP) 2018/569
of 12 April 2018
implementing Decision 2010/788/CFSP concerning restrictive measures against the Democratic Republic of the Congo

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 31(2) thereof,

Having regard to Council Decision 2010/788/CFSP of 20 December 2010 concerning restrictive measures against the Democratic Republic of the Congo and repealing Common Position 2008/369/CFSP ⁽¹⁾, and in particular Article 6 thereof,

Having regard to the proposal from the High Representative of the Union for Foreign Affairs and Security Policy,

Whereas:

- (1) On 20 December 2010, the Council adopted Decision 2010/788/CFSP.
- (2) Further to the review of the autonomous restrictive measures laid down in Article 3(2) of Decision 2010/788/CFSP, statements of reasons relating to two persons should be amended.
- (3) Annex II to Decision 2010/788/CFSP should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Annex II to Decision 2010/788/CFSP is hereby amended as set out in the Annex to this Decision.

Article 2

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Done at Luxembourg, 12 April 2018.

For the Council
The President
T. DONCHEV

⁽¹⁾ OJ L 336, 21.12.2010, p. 30.

ANNEX

The entries concerning the persons listed below are replaced by the following entries:

'10.	Alex Kande Mupompa, Former Governor of Kasai Central	a.k.a Alexandre Kande Mupomba; Kande-Mupompa. DOB: 23.9.1950. POB: Kananga (DRC). DRC passport number: OP 0024910 (valid: 21.3.2016 — expiry: 20.3.2021). Address: Messidorlaan 217/25, 1180 Uccle, Belgium DRC and Belgian nationalities.	As Governor of Kasai Central until October 2017, Alex Kande Mupompa has been responsible for the disproportionate use of force, violent repression and extrajudicial killings committed by security forces and the PNC in Kasai Central from August 2016, including killings on the territory of Dibaya in February 2017. Alex Kande Mupompa was therefore involved in planning, directing, or committing acts that constitute serious human rights violations in DRC.	29.5.2017
12.	Lambert Mende, Minister of Communications and Media, and spokesperson of the Government	a.k.a Lambert Mende Omalanga. DOB: 11.2.1953. POB: Okolo (DRC). Diplomatic passport number: DB0001939 (issued: 4.5.2017 — expiring: 3.5.2022). DRC nationality.	As Communications and Media Minister since 2008, Lambert Mende is responsible for the repressive media policy applied in DRC, which breaches the right to freedom of expression and information and undermines a consensual and peaceful solution towards elections in DRC. On 12 November 2016, he adopted a decree limiting the possibility for foreign media outlets to broadcast in the DRC. In breach of the political agreement settled on 31 December 2016 between the presidential majority and opposition parties, broadcasts of a number of media outlets remained cut off for several months. In his capacity as Communications and Media Minister, Lambert Mende is therefore responsible for obstructing a consensual and peaceful solution towards elections in DRC, including by acts of violence, repression or inciting violence, or by undermining the rule of law.	29.5.2017'

GUIDELINES

GUIDELINE (EU) 2018/570 OF THE EUROPEAN CENTRAL BANK

of 7 February 2018

amending Guideline (EU) 2015/510 on the implementation of the Eurosystem monetary policy framework (ECB/2018/3)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first indent of Article 127(2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular the first indent of Article 3.1, Articles 9.2, 12.1, 14.3 and 18.2 and the first paragraph of Article 20 thereof,

Whereas:

- (1) Achieving a single monetary policy entails defining the tools, instruments and procedures to be used by the Eurosystem in order to implement such a policy in a uniform manner throughout the Member States whose currency is the euro.
- (2) With respect to monetary policy operations, Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60) ⁽¹⁾ should be amended to incorporate some necessary technical and editorial refinements relating to operational aspects.
- (3) Some technical and editorial refinements relating to the counterparty framework need to be made. In addition, the Governing Council considers it necessary to introduce an automatic limitation of counterparties' access to monetary policy operations following a determination by a competent authority that they are 'failing or likely to fail'.
- (4) The Eurosystem has developed a single framework for assets eligible as collateral so that all Eurosystem credit operations are carried out in a harmonised manner by means of the implementation of Guideline (EU) 2015/510 (ECB/2014/60) in all Member States whose currency is the euro. The Governing Council considers it necessary to introduce some changes to the Eurosystem's collateral framework including excluding investment funds as eligible issuers or guarantors due to specific risks arising from the instability of investment fund's financing arrangements, and changing the rules on exceptions to the prohibition of own-use of eligible assets, on the use of guaranteed unsecured debt instruments issued by a counterparty or a closely-linked entity, on the use of guaranteed unsecured debt instruments issued by a credit institution or a closely-linked entity and on the covered bond rating transparency requirements.
- (5) Commercial mortgage-backed securities (CMBS) should be made ineligible as collateral under the Eurosystem collateral framework as the risks and complexity of CMBS are substantially different, both in terms of underlying assets and structural features, from other asset-backed securities (ABS) accepted by the Eurosystem as collateral.
- (6) The Eurosystem requires the provision of comprehensive and standardised loan-level data on the pool of cash-flow generating assets backing ABS. Loan-level data must be submitted by the relevant parties to a loan-level data repository designated by the Eurosystem. Eurosystem requirements for designating loan-level data repositories, as well as the actual designation process, need to be further clarified in the interest of transparency.
- (7) Eligible assets are required to meet the Eurosystem's credit quality requirements specified in the Eurosystem credit assessment framework (ECAF), which lays down the procedures, rules and techniques to ensure that the Eurosystem's requirement for high credit standards for eligible assets is maintained. Some necessary technical and editorial refinements relating to the ECAF need to be made.

⁽¹⁾ Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (OJ L 91, 2.4.2015, p. 3).

- (8) The rules on penalties to be applied by the Eurosystem in the case of breaches of counterparties' obligations need to be clarified.
- (9) Eurosystem counterparties make use of securities settlement systems (SSSs) and links between SSSs operated by central securities depositories (CSDs) in order to mobilise adequate collateral for Eurosystem credit operations.
- (10) Under Article 18.2 of the Statute of the European System of Central Banks and of the European Central Bank, the European Central Bank (ECB) must establish general principles for open market and credit operations carried out by the ECB or by the national central banks (NCBs), including for the announcement of the conditions under which they stand ready to enter into such transactions.
- (11) The Eurosystem has developed a single framework for marketable and non-marketable assets eligible as collateral, which may be mobilised on a domestic or cross-border basis. For mobilising marketable assets within the Eurosystem, SSSs and links between SSSs may only be used if they are assessed as eligible by the Eurosystem.
- (12) Since 1998 the Eurosystem has applied user standards for assessing SSSs and links between SSSs to determine their eligibility for use in Eurosystem credit operations.
- (13) With the adoption of Regulation (EU) No 909/2014 of the European Parliament and of the Council ⁽¹⁾ and related technical standards comprising regulatory technical standards and implementing technical standards, and given the substantial overlap between the requirements of Regulation (EU) No 909/2014 and the Eurosystem user standards, the Eurosystem has decided to streamline the procedure for assessing SSSs and links between SSSs.
- (14) The requirements specific to the Eurosystem not covered by the requirements laid down in Regulation (EU) No 909/2014 in respect of CSDs should be defined.
- (15) The Eurosystem has developed standards for the use of tri-party agents (TPAs) in Eurosystem credit operations. All TPAs, offering either cross-border or domestic services, should be subject to similar assessment processes.
- (16) Several amendments need to be made to reflect the changes decided upon by the Governing Council with respect to the collateral eligibility criteria applicable to unsecured bank bonds for Eurosystem credit operations.
- (17) Several minor technical amendments need to be made in the interests of clarity, including with regard to multi-issuer securities, the implicit credit assessment rule and the non-compliance framework.
- (18) Therefore, Guideline (EU) 2015/510 (ECB/2014/60) should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

Article 1

Amendments

Guideline (EU) 2015/510 (ECB/2014/60) is amended as follows:

- (1) Article 2 is amended as follows:

- (a) point (7) is replaced by the following:

‘(7) “central securities depository” (CSD) means a central securities depository as defined in point (1) of Article 2(1) of Regulation (EU) No 909/2014 of the European Parliament and of the Council ^(*);

^(*) Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1).’;

⁽¹⁾ Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1).

(b) the following point (22a) is inserted:

‘(22a) “direct link” means an arrangement between two SSSs operated by CSDs, whereby one CSD becomes a direct participant in the SSS operated by the other CSD by opening a securities account, in order to allow the transfer of securities through a book-entry process;’

(c) the following points (25a) and (25b) are inserted:

‘(25a) “eligible link” means a direct or relayed link that the Eurosystem has assessed as compliant with the eligibility criteria laid down in Annex VIa for use in Eurosystem credit operations and is published on the Eurosystem list of eligible links on the ECB’s website. An eligible relayed link is composed of underlying eligible direct links;

(25b) “eligible SSS” means an SSS operated by a CSD that the Eurosystem has assessed as compliant with the eligibility criteria laid down in Annex VIa for use in Eurosystem credit operations and is published on the Eurosystem list of eligible SSSs on the ECB’s website;’

(d) point (33) is deleted;

(e) point (35) is replaced by the following:

‘(35) “financial corporation” means a financial corporation as defined in Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council (*);

(*) Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (ESA 2010) (OJ L 174, 26.6.2013, p. 1).;’

(f) point (46) is replaced by the following:

‘(46) “intraday credit” means intraday credit as defined in point (26) of Article 2 of Guideline ECB/2012/27 (*);

(*) Guideline ECB/2012/27 of 5 December 2012 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) (OJ L 30, 30.1.2013, p. 1).;’

(g) the following point (46b) is inserted:

‘(46b) “investment fund” means money market funds (MMFs) or non-money market funds (non-MMFs) as defined in Annex A to Regulation (EU) No 549/2013;’

(h) the following point (76a) is inserted:

‘(76a) “relayed link” means a link established between SSSs operated by two different CSDs which exchange securities transactions or transfers through a third SSS operated by a CSD acting as an intermediary or, in the case of SSSs operated by CSDs participating in TARGET2-Securities, through several SSSs operated by CSDs acting as intermediaries;’

(i) point (82) is replaced by the following:

‘(82) “securities settlement system” (SSS) means a securities settlement system as defined in point (10) of Article 2(1) of Regulation (EU) No 909/2014, which allows the transfer of securities, either free of payment (FOP), or against payment (delivery versus payment (DVP));’

(j) point (95) is replaced by the following:

‘(95) “tri-party agent” (TPA) means a CSD operating an eligible SSS that has entered into a contract with an NCB whereby such CSD is to provide certain collateral management services as an agent of that NCB;’

(2) in Article 4, Table 1 is replaced by the following:

‘Table 1

Overview of characteristics of the Eurosystem monetary policy operations

Categories of the monetary policy operations		Types of instruments		Maturity	Frequency	Procedure
		Provision of liquidity	Absorption of liquidity			
Open market operations	Main refinancing operations	Reverse transactions	—	One week	Weekly	Standard tender procedures
	Longer-term refinancing operations	Reverse transactions	—	Three months (*)	Monthly (*)	Standard tender procedures
	Fine-tuning operations	Reverse transactions	Reverse transactions	Non-standardised	Non-standardised	Tender procedures Bilateral procedures (**)
		Foreign exchange swaps	Foreign exchange swaps			
		—	Collection of fixed-term deposits			
	Structural operations	Reverse transactions	Reverse transactions	Non-standardised	Non-standardised	Standard tender procedures (***)
		—	Issuance of ECB debt certificates	Less than 12 months		
		Outright purchases	Outright sales	—		Bilateral procedures Tender procedures (****)
	Marginal lending facility	Reverse transactions	—	Overnight	Access at the discretion of counterparties	
	Deposit facility	—	Deposits	Overnight	Access at the discretion of counterparties	

(*) Pursuant to Article 7(2)(b), Article 7(2)(c), Article 7(3) and Article 7(4).

(**) Pursuant to Article 8(2)(c), Article 10(4)(c), Article 11(5)(c) and Article 12(6)(c).

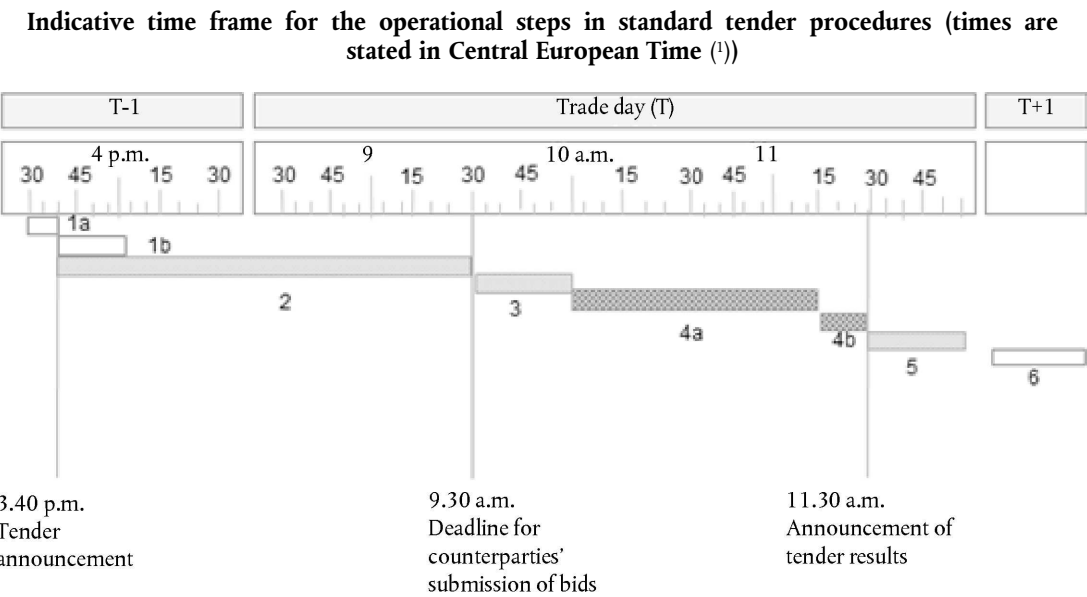
(***) Pursuant to Article 9(2)(c), Article 10(4)(c) and Article 13(5)(d).

(****) Pursuant to Article 9(2)(c) and Article 14(3)(c).;

- (3) in Article 6(2), point (f) is replaced by the following:
- ‘(f) are subject to the eligibility criteria laid down in Part Three, which must be fulfilled by all counterparties submitting bids for such operations;’;
- (4) in Article 7(2), point (f) is replaced by the following:
- ‘(f) are subject to the eligibility criteria as laid down in Part Three, which must be fulfilled by all counterparties submitting bids for such operations;’;
- (5) in Article 8(2), point (e) is replaced by the following:
- ‘(e) are subject to the eligibility criteria for counterparties as laid down in Part Three, depending on:
- (i) the specific type of instrument for conducting fine-tuning operations; and
- (ii) the applicable procedure for that specific type of instrument;’;
- (6) in Article 9(2), point (e) is replaced by the following:
- ‘(e) are subject to the eligibility criteria for counterparties as laid down in Part Three, depending on: (i) the specific type of instrument for conducting structural operations; and (ii) the applicable procedure for that specific type of instrument;’;
- (7) In Article 10, paragraph 4 is replaced by the following:
- ‘4. As regards their operational features, reverse transactions for monetary policy purposes:
- (a) may be conducted either as liquidity-providing or liquidity-absorbing operations;
- (b) have a frequency and maturity that depends on the category of open market operation for which they are used;
- (c) that fall into the category open market operations are executed by means of standard tender procedures, with the exception of fine-tuning operations, where they are executed by means of tender or bilateral procedures;
- (d) that fall into the category marginal lending facility are executed as described in Article 18;
- (e) are executed in a decentralised manner by the NCBs, without prejudice to Article 45(3).’;
- (8) in Article 11, paragraph 6 is replaced by the following:
- ‘6. Counterparties participating in foreign exchange swaps for monetary policy purposes shall be subject to the eligibility criteria as laid down in Part Three, depending on the applicable procedure for the relevant operation.’;
- (9) in Article 12, paragraph 7 is replaced by the following:
- ‘7. Counterparties participating in the collection of fixed term deposits shall be subject to the eligibility criteria as laid down in Part Three, depending on the applicable procedure for the relevant operation.’;
- (10) in Article 13, paragraph 6 is replaced by the following:
- ‘6. Counterparties participating in the standard tender procedure for the issuance of ECB debt certificates shall be subject to the eligibility criteria as laid down in Part Three.’;
- (11) in Article 14, paragraph 4 is replaced by the following:
- ‘4. Counterparties participating in outright transactions shall be subject to the eligibility criteria as laid down in Part Three.’;

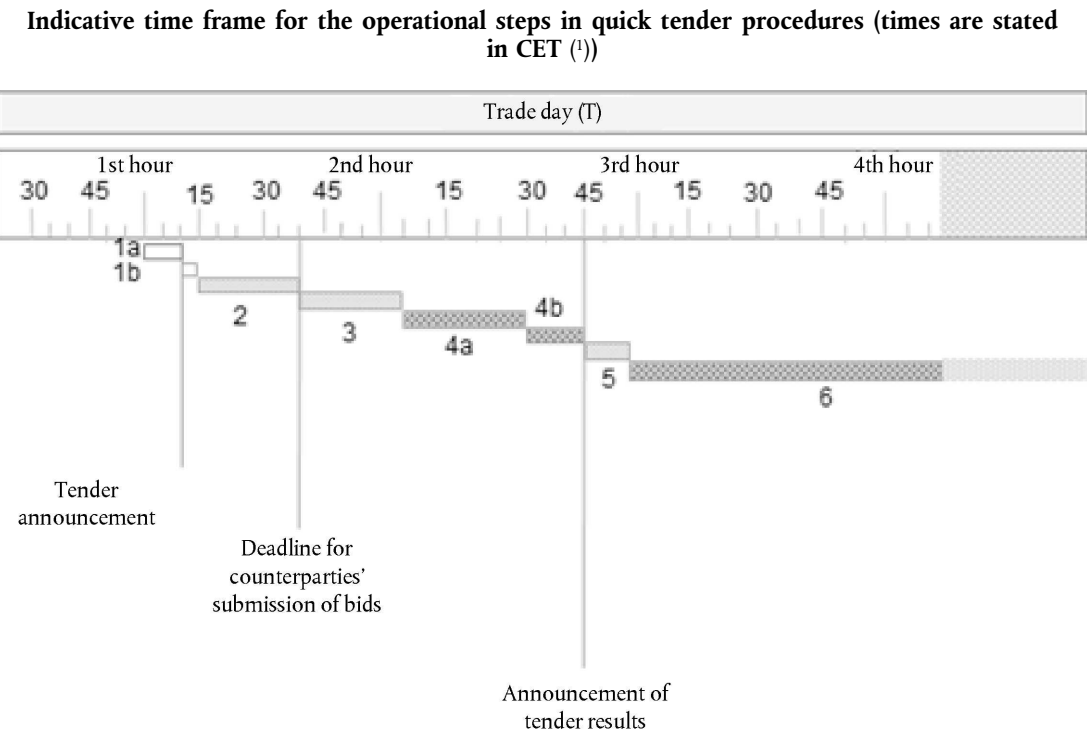
(12) in Article 25(2), Tables 5 and 6 are replaced by the following:

Table 5



⁽¹⁾ Central European Time (CET) takes account of the change to Central European Summer Time.

Table 6



⁽¹⁾ Central European Time (CET) takes account of the change to Central European Summer Time.;

(13) Article 55 is replaced by the following:

Article 55

Eligibility criteria for participation in Eurosystem monetary policy operations

With regard to Eurosystem monetary policy operations, subject to Article 57, the Eurosystem shall only allow participation by institutions that fulfil the following criteria:

- (a) they shall be subject to the Eurosystem's minimum reserve system pursuant to Article 19.1 of the Statute of the ESCB and shall not have been granted an exemption from their obligations under the Eurosystem's minimum reserve system pursuant to Regulation (EC) No 2531/98 and Regulation (EC) No 1745/2003 (ECB/2003/9);

- (b) they shall be one of the following:
 - (i) subject to at least one form of harmonised Union/EEA supervision by competent authorities in accordance with Directive 2013/36/EU and Regulation (EU) No 575/2013;
 - (ii) publicly owned credit institutions, within the meaning of Article 123(2) of the Treaty, subject to supervision of a standard comparable to supervision by competent authorities under Directive 2013/36/EU and Regulation (EU) No 575/2013;
 - (iii) institutions subject to non-harmonised supervision by competent authorities of a standard comparable to harmonised Union/EEA supervision by competent authorities under Directive 2013/36/EU and Regulation (EU) No 575/2013, e.g. branches established in Member States whose currency is the euro of institutions incorporated outside the EEA. For the purpose of assessing an institution's eligibility to participate in Eurosystem monetary policy operations, as a rule, non-harmonised supervision shall be considered to be of a standard comparable to harmonised Union/EEA supervision by competent authorities under Directive 2013/36/EU and Regulation (EU) No 575/2013, if the relevant Basel III standards adopted by the Basel Committee on Banking Supervision are considered to have been implemented in the supervisory regime of a given jurisdiction;
 - (c) they must be financially sound within the meaning of Article 55a;
 - (d) they shall fulfil all operational requirements specified in the contractual or regulatory arrangements applied by the home NCB or ECB with respect to the specific instrument or operation.;
- (14) in Article 61, paragraph 1 is replaced by the following:
- '1. The ECB shall publish an updated list of eligible marketable assets on its website, in accordance with the methodologies indicated on its website and shall update it every day on which TARGET2 is operational. Marketable assets included on the list of eligible marketable assets become eligible for use in Eurosystem credit operations upon their publication on the list. As an exception to this rule, in the specific case of debt instruments with same-day value settlement, the Eurosystem may grant eligibility from the date of issue. Assets assessed in accordance with Article 87(3) shall not be published on this list of eligible marketable assets.;
- (15) Article 66 is amended as follows:
- (a) paragraph 1 is replaced by the following:

'1. Subject to paragraph 2, in order to be eligible, debt instruments shall be issued in the EEA with a central bank or with an eligible SSS.;
 - (b) paragraph 3 is replaced by the following:

'3. International debt instruments issued through the ICSDs shall comply with the following criteria, as applicable.

 - (a) International debt instruments issued in global bearer form shall be issued in the form of new global notes (NGNs) and shall be deposited with a common safekeeper which is an ICSD or a CSD that operates an eligible SSS. This requirement shall not apply to international debt instruments issued in global bearer form issued in the form of classical global notes prior to 1 January 2007 and fungible tap issuances of such notes issued under the same ISIN irrespective of the date of the tap-issuance.
 - (b) International debt instruments issued in global registered form shall be issued under the new safekeeping structure for international debt instruments. By way of derogation, this shall not apply to international debt instruments issued in global registered form prior to 1 October 2010.
 - (c) International debt instruments in individual note form shall not be eligible unless they were issued in individual note form prior to 1 October 2010.;
- (16) Article 67 is amended as follows:
- (a) paragraph 1 is replaced by the following:

'1. In order to be eligible, debt instruments shall be transferable in book-entry form and shall be held and settled in Member States whose currency is the euro through an account with an NCB or with an eligible SSS, so that the perfection and realisation of collateral is subject to the law of a Member State whose currency is the euro.;

(b) the following paragraph 1a is inserted:

‘1a. In addition, where the use of such debt instruments involves tri-party collateral management services, on a domestic and/or cross-border basis, those services shall be provided by a tri-party agent that has been positively assessed pursuant to the ‘Eurosystem standards for the use of triparty agents (TPAs) in Eurosystem credit operations’, which are published on the ECB’s website.’;

(c) paragraph 2 is replaced by the following:

‘2. If the CSD where the asset is issued and the CSD where the asset is held are not identical, the SSSs operated by these two CSDs must be connected by an eligible link in accordance with Article 150.’;

(17) Article 69 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. In order to be eligible, debt instruments shall be issued or guaranteed by central banks of Member States, public sector entities, agencies, credit institutions, financial corporations other than credit institutions, non-financial corporations, multilateral development banks or international organisations. For marketable assets with more than one issuer, this requirement shall apply to each issuer.’;

(b) the following paragraph 3 is added:

‘3. Debt instruments issued or guaranteed by investment funds shall be ineligible.’;

(18) in Article 70, paragraph 1 is replaced by the following:

‘1. In order to be eligible, debt instruments shall be issued by an issuer established in the EEA or in a non-EEA G10 country, subject to the exceptions in paragraphs 3 to 6 of this Article and in paragraph 4 of Article 81a. For marketable assets with more than one issuer, this requirement shall apply to each issuer.’;

(19) Article 73(1)(b) is deleted;

(20) Article 73(6) is deleted;

(21) Article 81a is replaced by the following:

‘Article 81a

Eligibility criteria for certain unsecured debt instruments issued by credit institutions or investment firms, or by their closely linked entities

1. By derogation from Article 64 and provided that they fulfil all other eligibility criteria, the following subordinated unsecured debt instruments issued by credit institutions or investment firms, or by their closely linked entities as referred to in Article 141(3), shall be eligible until maturity, provided that they are issued before 31 December 2018 and their subordination results neither from contractual subordination as defined in paragraph 2 nor from structural subordination pursuant to paragraph 3:

— debt instruments issued by recognised agencies as defined in Article 2 of Decision (EU) 2015/774 of the European Central Bank (ECB/2015/10) (*),

— debt instruments guaranteed by a Union public sector entity which has the right to levy taxes by way of a guarantee that complies with the features laid down in Article 114(1) to (4) and Article 115.

2. For the purposes of paragraph 1, contractual subordination means subordination based on the terms and conditions of an unsecured debt instrument, irrespective of whether such subordination is statutorily recognised.

3. Unsecured debt instruments issued by holding companies, including any intermediate holding companies, subject to national legislation implementing Directive 2014/59/EU or to similar recovery and resolution frameworks, shall be ineligible.

4. For unsecured debt instruments issued by credit institutions or investment firms, or by their closely linked entities as referred to in Article 141(3), other than unsecured debt instruments issued by multilateral development banks or international organisations as referred to in Article 70(4), the issuer shall be established in the Union.

5. Unsecured debt instruments which were eligible before 16 April 2018 but do not comply with the eligibility requirements set out in this Article shall remain eligible until 31 December 2018, provided that they fulfil all of the other eligibility criteria for marketable assets.

(*) Decision (EU) 2015/774 of the European Central Bank of 4 March 2015 on a secondary markets public sector asset purchase programme (OJ L 121, 14.5.2015, p. 20).;

(22) in Article 84(a), point (iii) is replaced by the following:

‘(iii) In the absence of any ECAI issue rating or, in the case of covered bonds, in the absence of an issue rating fulfilling the requirements of Annex IXb, an ECAI issuer or ECAI guarantor rating may be considered by the Eurosystem. If multiple ECAI issuer and/or ECAI guarantor ratings are available for the same issue, then the first-best of those ratings shall be taken into account by the Eurosystem.’;

(23) Article 87 is amended as follows:

(a) paragraph 2 is replaced by the following:

‘2. If the debt instruments are issued or guaranteed by a regional government or a local authority or a ‘public sector entity’ as defined in point 8 of Article 4(1) of Regulation (EU) No 575/2013 (hereinafter a ‘CRR public sector entity’) established in a Member State whose currency is the euro, the credit assessment shall be performed by the Eurosystem in accordance with the following rules.

- (a) If the issuers or guarantors are regional governments, local authorities or CRR public sector entities, which are treated for capital requirements purposes pursuant to Articles 115(2) or 116(4) of Regulation (EU) No 575/2013 equally to the central government in whose jurisdiction they are established, the debt instruments issued or guaranteed by these entities shall be allocated the credit quality step corresponding to the best credit rating provided by an accepted ECAI to the central government in whose jurisdiction these entities are established.
- (b) If the issuers or guarantors are regional governments, local authorities and CRR public sector entities which are not referred to in point (a) the debt instruments issued or guaranteed by these entities shall be allocated the credit step corresponding to one credit quality step below the best credit rating provided by an accepted ECAI to the central government in which jurisdiction these entities are established.
- (c) If the issuers or guarantors are ‘public sector entities’ as defined in point (75) of Article 2 and that are not referred to in points (a) and (b), no implicit credit assessment is derived and the debt instruments issued or guaranteed by these entities shall be treated equally to debt instruments issued or guaranteed by private sector entities.’;

(b) Table 9 is replaced by the following:

‘Table 9

Implicit credit quality assessments for issuers or guarantors without an ECAI credit quality assessment

	Allocation of issuers or guarantors under Regulation (EU) No 575/2013 (CRR (*))	ECAF derivation of the implicit credit quality assessment of the issuer or guarantor belonging to the corresponding class
Class 1	Regional governments, local authorities and CRR public sector entities (CRR PSEs) that are treated by the competent authorities in the same manner as the central government for capital requirements purposes pursuant to Articles 115(2) and 116(4) of Regulation (EU) No 575/2013	Allocated the ECAI credit quality assessment of the central government in whose jurisdiction the entity is established

	Allocation of issuers or guarantors under Regulation (EU) No 575/2013 (CRR (*))	ECAF derivation of the implicit credit quality assessment of the issuer or guarantor belonging to the corresponding class
Class 2	Other regional governments, local authorities and CRR PSEs	Allocated a credit quality assessment one credit quality step (**) below the ECAI credit quality assessment of the central government in whose jurisdiction the entity is established
Class 3	Public sector entities as defined in point (75) of Article 2 that are not CRR PSEs	Treated like private sector issuers or debtors

(*) Regulation (EU) No 575/2013, also referred to as the CRR for the purposes of this table.

(**) Information on the credit quality steps is published on the ECB's website.;

(24) Article 90 is replaced by the following:

'Article 90

Principal amount and coupons of credit claims

In order to be eligible, credit claims shall comply, until final redemption, with the following requirements:

- (a) a fixed, unconditional principal amount; and
- (b) an interest rate that cannot result in a negative cash flow, whereby the interest rate shall be one of the following:
 - (i) a 'zero coupon';
 - (ii) fixed;
 - (iii) floating, i.e. linked to a reference interest rate and with the following structure: coupon rate = reference rate $\pm$ x, with $f \leq$ coupon rate $\leq$ c, where:
 - the reference rate is only one of the following at a single point in time:
 - a euro money market rate, e.g. Euribor, LIBOR or similar indices;
 - a constant maturity swap rate, e.g. CMS, EIISDA, EUSA;
 - the yield of one or an index of several euro area government bonds that have a maturity of one year or less;
 - f (floor) and c (ceiling) are, if present, numbers that are either pre-defined at issuance, or may change over time only according to a path pre-defined at issuance. The margin, x, may vary over the life of the credit claim.'

(25) in Article 138, paragraph 3 is amended as follows:

- (a) point (c) is replaced by the following:

'(c) non-marketable RMBDs';

- (b) the following point (d) is added:

'(d) *multi-cédulas* issued before 1 May 2015 where the underlying *cédulas* comply with the criteria set out in Article 129(1) to (3) and (6) of Regulation (EU) No 575/2013.;

(26) in Article 139, the following paragraphs 3 and 4 are added:

'3. If compliance with paragraph 1(b) needs to be verified, that is, for covered bonds, where the applicable legislation or prospectus do not exclude debt instruments referred to in paragraph 1(b) as cover pool assets and where the issuer or an entity closely linked to the issuer has issued such debt instruments NCBs may take all or some of the following measures to conduct ad hoc checks of compliance with paragraph 1(b).

- (a) NCBs may obtain regular surveillance reports providing an overview of assets in the cover pool of covered bonds;

- (b) If surveillance reports do not provide sufficient information for verification purposes, NCBs may obtain a self-certification and undertaking of the counterparty mobilising a covered bond potentially in breach of paragraph 1(b) by which the counterparty shall confirm that the cover pool of covered bonds does not include unsecured bank bonds benefiting from a government guarantee issued by the counterparty, or a closely linked entity thereof, that is mobilising the covered bond in breach of paragraph 1(b). The counterparty's self-certification must be signed by the counterparty's CEO, CFO or a manager of similar seniority, or by an authorised signatory on their behalf.
 - (c) On an annual basis, NCBs may obtain from the counterparty mobilising a covered bond potentially in breach of paragraph 1(b) an *ex post* confirmation by external auditors or cover pool monitors that the cover pool of covered bonds does not include unsecured bank bonds benefiting from a government guarantee issued by the counterparty, or a closely linked entity thereof, that is mobilising the covered bond in breach of paragraph 1(b).
4. If the counterparty does not provide the self-certification and confirmation in accordance with paragraph 3 upon request from the NCB, the covered bond shall not be mobilised as collateral by that counterparty, in accordance with paragraph 1.;

(27) Article 141 is replaced by the following:

'Article 141

Limits with respect to unsecured debt instruments issued by credit institutions and their closely linked entities

1. A counterparty shall not submit or use as collateral unsecured debt instruments issued by a credit institution or by any other entity with which that credit institution has close links, to the extent that the value of such collateral issued by that credit institution or other entity with which it has close links taken together exceeds 2,5 % of the total value of the assets used as collateral by that counterparty after the applicable haircut. This threshold shall not apply in the following cases:

- (a) if the value of such assets does not exceed EUR 50 million after any applicable haircut;
- (b) if such assets are guaranteed by a public sector entity which has the right to levy taxes by way of a guarantee that complies with the features laid down in Article 114; or
- (c) if such assets are issued by an agency (as defined in point 2 of Article 2), a multilateral development bank or an international organisation.

2. If a close link is established or a merger takes place between two or more issuers of unsecured debt instruments, the threshold in paragraph 1 shall apply from six months after the date on which the close link is established or the merger becomes effective.

3. For the purposes of this Article, 'close links' between an issuing entity and another entity has the same meaning as 'close links' between a counterparty and another entity, as referred to in Article 138.;

(28) Article 148 is amended as follows:

- (a) in paragraph 2, point (a) is replaced by the following:

'(a) marketable assets shall be mobilised via one of the following: (i) eligible links; (ii) applicable CCBM procedures; (iii) eligible links in combination with the CCBM; and';

- (b) paragraph 5 is replaced by the following:

'5. Counterparties shall execute the transfer of eligible assets via their securities settlement accounts with an eligible SSS.;

- (c) paragraph 6 is replaced by the following:

'6. A counterparty that does not have a safe custody account with an NCB or a securities settlement account with an eligible SSS may settle transactions through the securities settlement account or the safe custody account of a correspondent credit institution.;

(29) Article 150 is replaced by the following:

'Article 150

Eligible links between SSSs

1. In addition to the CCBM, counterparties may use eligible links for the cross-border transfer of marketable assets. The ECB shall publish the list of eligible links on its website.
2. Assets held through an eligible link may be used for Eurosystem credit operations, as well as for any other purpose selected by the counterparty.
3. The rules on the use of eligible links are set out in Annex VI.;

(30) Article 151 is replaced by the following:

'Article 151

CCBM in combination with eligible links

1. Counterparties may use eligible links in combination with the CCBM to mobilise eligible marketable assets on a cross-border basis.
2. When using eligible links between SSSs in combination with the CCBM, counterparties shall hold the assets issued in the issuer SSS in an account with an investor SSS directly or via a custodian
3. Assets mobilised under paragraph 2 may be issued in a non-euro area EEA SSS that the Eurosystem has assessed as compliant with the eligibility criteria laid down in Annex VIa, provided that there is an eligible link between the issuer SSS and the investor SSS.
4. The rules on the use of the CCBM in combination with eligible links are set out in Annex VI.;

(31) in Article 152, paragraph 2 is replaced by the following:

'2. The CCBM (including the CCBM in combination with eligible links) may be used as a basis for the cross-border use of tri-party collateral management services. Cross-border use of tri-party collateral management services shall involve an NCB, where tri-party collateral management services are offered for cross-border Eurosystem use, acting as a correspondent for NCBs whose counterparties have requested to use such tri-party collateral management services on a cross-border basis for the purposes of Eurosystem credit operations.

In order to provide its tri-party collateral management services for cross-border use by the Eurosystem in accordance with the first subparagraph, the relevant TPA shall comply with the set of additional functional requirements laid down by the Eurosystem, as referred to in the 'Correspondent central banking model (CCBM) – Procedures for Eurosystem counterparties' (Section 2.1.3, second paragraph).;

(32) in Article 156, paragraph 4 is replaced by the following:

'4. If a counterparty fails to comply with an obligation referred to in Article 154(1)(c) on more than two occasions in a 12-month period and in respect of each failure:

- (a) a financial penalty was imposed;
- (b) each decision to impose a financial penalty was notified to the counterparty;
- (c) each occasion of non-compliance relates to the same type of non-compliance,

the Eurosystem shall, on the occasion of the third failure to comply, suspend the counterparty from the first liquidity-providing open market operation within the reserve maintenance period following the notification of the suspension.

If subsequently the counterparty again fails to comply, it shall be suspended from the first liquidity-providing open market operation within the reserve maintenance period following notification of suspension until a 12-month period lapses without any further such failure on the part of the counterparty.

Each 12-month period shall be calculated from the date of the notification of a sanction for failure to comply with an obligation referred to in Article 154(1)(c). Second and third breaches committed within 12 months from that notification will be taken into account.'

(33) Article 158 is amended as follows

(a) paragraph 3a is replaced by the following:

‘3a. The Eurosystem may suspend, limit or exclude, on the grounds of prudence, access to monetary policy operations by counterparties that channel Eurosystem liquidity to another entity that belongs to the same banking ‘group’ (as defined in point (26) of Article 2(1) of Directive 2014/59/EU and point (11) of Article 2 of Directive 2013/34/EU of the European Parliament and of the Council (*)) where the entity receiving such liquidity is (i) a non-eligible wind-down entity or (ii) subject to a discretionary measure on the grounds of prudence.

(*) Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).’;

(b) paragraph 4 is replaced by the following:

‘4. Without prejudice to any other discretionary measures, the Eurosystem shall, on the grounds of prudence, limit access to Eurosystem monetary policy operations by counterparties deemed to be ‘failing or likely to fail’ by the relevant authorities based on the conditions laid down in Article 18(4)(a) to (d) of Regulation (EU) No 806/2014 or laid down in national legislation implementing Article 32(4)(a) to (d) of Directive 2014/59/EU. The limitation shall correspond to the level of access to Eurosystem monetary policy operations prevailing at the time when such counterparties are deemed to be ‘failing or likely to fail’. The NCBs shall ensure by means of their contractual or regulatory arrangements that the limitation of access is automatic vis-à-vis the relevant counterparty, without necessitating a specific decision, and that the limitation of access is effective on the day following the day on which the relevant authorities deemed the relevant counterparty ‘failing or likely to fail’. This limitation is without prejudice to any further discretionary measures that the Eurosystem may take.’;

(34) in Article 159, paragraph 4 is replaced by the following:

‘4. The Eurosystem may exclude the following assets from the list of eligible marketable assets:

- (a) assets issued, co-issued, serviced or guaranteed by counterparties, or entities closely linked to counterparties subject to freezing of funds and/or other measures imposed by the Union under Article 75 of the Treaty or by a Member State restricting the use of funds; and/or
- (b) assets issued, co-issued, serviced or guaranteed by counterparties, or entities closely linked to counterparties in respect of which the ECB’s Governing Council has issued a decision suspending, limiting or excluding their access to Eurosystem open market operations or standing facilities.’;

(35) in Article 166, paragraph 4a is replaced by the following:

‘4a. Each NCB shall apply contractual or regulatory arrangements which ensure that, at all times, the home NCB is in a legal position to impose a financial penalty for a failure of a counterparty to reimburse or pay, in full or in part, any amount of the credit or of the repurchase price, or to deliver the purchased assets, at maturity or when otherwise due, in the event that no remedy is available to it pursuant to Article 166(2). The financial penalty shall be calculated in accordance with Annex VII, Section III, taking into account the amount of cash that the counterparty could not pay or reimburse, or the assets the counterparty could not deliver, and the number of calendar days during which the counterparty did not pay, reimburse or deliver.’;

(36) a new Annex VIa is inserted and Annexes VII, VIII and IXa are amended in accordance with the Annex to this Guideline.

Article 2

Taking effect and implementation

1. This Guideline shall take effect on the day of its notification to the NCBs of the Member States whose currency is the euro.

2. The NCBs of the Member States whose currency is the euro shall take the necessary measures to comply with this Guideline and apply them from 16 April 2018, except for point 24 of Article 1 in respect of which they shall take the necessary measures and apply them from 1 October 2018. They shall notify the ECB of the texts and means relating to those measures by 16 March 2018, except for the texts and means relating to the measures in respect of point 24 of Article 1 which they shall notify by 3 September 2018.

Article 3

Addressees

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 7 February 2018.

For the Governing Council of the ECB

The President of the ECB

Mario DRAGHI

ANNEX

1. The following Annex VIa is inserted:

'ANNEX VIa

ELIGIBILITY CRITERIA FOR THE USE OF SECURITIES SETTLEMENT SYSTEMS AND LINKS BETWEEN SECURITIES SETTLEMENT SYSTEMS IN EUROSISTEM CREDIT OPERATIONS**I. ELIGIBILITY CRITERIA FOR SECURITIES SETTLEMENT SYSTEMS (SSSS) AND LINKS BETWEEN SSSS**

1. The Eurosystem determines the eligibility of an SSS operated by a central securities depository (CSD) established in a Member State whose currency is the euro or a national central bank (NCB) or a public body as specified in Article 1(4) of Regulation (EU) No 909/2014 of the European Parliament and of the Council ⁽¹⁾ of a Member State whose currency is the euro (hereinafter an 'SSS operator' or an 'operator of an SSS') on the basis of the following criteria:

- (a) the euro area SSS operator complies with the requirements for authorisation as a CSD laid down in Regulation (EU) No 909/2014; and
- (b) the NCB of the Member State in which the respective SSS operates has set up and maintains appropriate contractual or other arrangements with the euro area SSS operator, which include the Eurosystem requirements laid down in Section II.

If the authorisation procedure laid down in Title III of Regulation (EU) No 909/2014 in respect of a euro area CSD has not been completed, points (a) and (b) do not apply. In this situation, the SSS operated by this CSD must instead be positively assessed under the 'Framework for the assessment of securities settlement systems and links to determine their eligibility for use in Eurosystem credit operations', January 2014, which is published on the ECB's website.

2. The Eurosystem determines the eligibility of a direct link or a relayed link on the basis of the following criteria:

- (a) the direct link or, in the case of a relayed link, each of the underlying direct links, complies with the requirements laid down in Regulation (EU) No 909/2014;
- (b) the NCBs of the Member States in which the investor SSS, any intermediary SSS and the issuer SSS are established have set up and maintain appropriate contractual or other arrangements with the euro area SSS operators, which include the Eurosystem requirements laid down in Section II;
- (c) the investor SSS, any intermediary SSS and the issuer SSS involved in the link are all considered eligible by the Eurosystem.

If the authorisation procedure laid down in Title III of Regulation (EU) No 909/2014 in respect of any CSD operating an SSS involved in a link has not been completed, points (a) to (c) do not apply. In this situation, links involving an SSS operated by such a CSD must instead be positively assessed under the 'Framework for the assessment of securities settlement systems and links to determine their eligibility for use in Eurosystem credit operations', January 2014.

3. Before determining the eligibility of a direct link or relayed link involving one or more SSSs operated by CSDs established in a European Economic Area (EEA) State whose currency is not the euro or NCBs or public

⁽¹⁾ Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1).

bodies of an EEA State whose currency is not the euro (hereinafter a 'non-euro area EEA SSS' operated by a 'non-euro area EEA SSS operator'), the Eurosystem carries out a business case analysis which takes into account, inter alia, the value of the eligible assets issued by or held in those SSSs.

4. Subject to the business case analysis having a positive outcome, the Eurosystem determines the eligibility of a link involving non-euro area EEA SSSs on the basis of the following criteria.
 - (a) The non-euro area EEA operators of the SSSs involved in the link and the link itself comply with the requirements laid down in Regulation (EU) No 909/2014.
 - (b) For direct links, the NCB of the Member State in which the investor SSS operates has set up and maintains appropriate contractual or other arrangements with the euro area operator of the investor SSS. These contractual or other arrangements must stipulate the obligation of the euro area SSS operator to implement the provisions laid down in Section II in its legal arrangements with the non-euro area EEA operator of the issuer SSS.

For relayed links, each of the underlying direct links in which a non-euro area EEA SSS acts as issuer SSS must fulfil the criterion in the first paragraph of point (b). In a relayed link where both the intermediary SSS and the issuer SSS are non-euro area EEA SSSs, the NCB of the Member State in which the investor SSS operates must set up and maintain appropriate contractual or other arrangements with the euro area operator of the investor SSS. These contractual or other arrangements must stipulate not only the obligation of the euro area SSS operator to implement the provisions laid down in Section II in its legal arrangements with the non-euro area EEA operator of the intermediary SSS, but also the obligation of the non-euro area EEA operator of the intermediary SSS to implement the legal provisions laid down in Section II in its contractual or other arrangements with the non-euro area EEA operator of the issuer SSS.

- (c) All euro area SSSs involved in the link are considered eligible by the Eurosystem.
 - (d) The NCB of the non-euro area EEA State in which the investor SSS operates has committed to reporting information on the eligible assets traded on domestic acceptable markets in a manner determined by the Eurosystem.

If the authorisation procedure laid down in Title III of Regulation (EU) No 909/2014 in respect of any CSD operating the investor SSS, intermediary SSS or issuer SSS involved in a link has not been completed, points (a) to (d) do not apply. In this situation, links involving an SSS operated by such a CSD must instead be positively assessed under the 'Framework for the assessment of securities settlement systems and links to determine their eligibility for use in Eurosystem credit operations', January 2014.

II. EUROSISTEM REQUIREMENTS

1. In order to ensure legal soundness, an SSS operator must satisfy the NCB of the Member State in which the respective SSS operates, by reference to binding legal documentation, whether in the form of a duly executed contract or by reference to the mandatory terms and conditions of the relevant SSS operator or otherwise, that:
 - (a) the entitlement to securities held in an SSS operated by that SSS operator, including to securities held through the links operated by the SSS operator (held in accounts maintained by the linked SSS operators), is governed by the law of an EEA State;

- (b) the entitlement of the participants in the SSS to securities held in that SSS is clear, unambiguous and ensures that the participants in the SSS are not exposed to the insolvency of that SSS operator;
 - (c) where the SSS acts in the capacity of an issuer SSS, the entitlement of the linked investor SSS to securities held in the issuer SSS is clear, unambiguous and ensures that the investor SSS and its participants are not exposed to the insolvency of the issuer SSS operator;
 - (d) where the SSS acts in the capacity of an investor SSS, the entitlement of that SSS to the securities held in the linked issuer SSS is clear, unambiguous and ensures that the investor SSS and its participants are not exposed to the insolvency of the issuer SSS operator;
 - (e) no lien or similar mechanism provided for under applicable law or contractual arrangements will have a negative impact on the NCB's entitlement to the securities held in the SSS;
 - (f) the procedure for allocating any shortfall of securities held in the SSS, in particular in the event of the insolvency of: (i) the SSS operator; (ii) any third party involved in safekeeping the securities; or (iii) any linked issuer SSS, is clear and unambiguous;
 - (g) the procedures to be followed in order to claim securities under the legal framework of the SSS are clear and unambiguous, including, where the SSS acts as an investor SSS, any formalities to be fulfilled towards the linked issuer SSS.
2. An SSS operator must ensure that when the SSS it operates acts as an investor SSS, securities transfers made via links will be final within the meaning of Directive 98/26/EC of the European Parliament and of the Council ⁽¹⁾, i.e. it is not possible to revoke, unwind, rescind or otherwise undo such securities transfers.
 3. When the SSS that it operates acts as an issuer SSS, an SSS operator must ensure that it does not make use of a third-party institution, such as a bank or any party other than the SSS acting as intermediary between the issuer and the issuer SSS, or the SSS operator must ensure that its SSS has a direct or relayed link with an SSS which has this (unique and direct) relationship.
 4. In order to utilise the links between SSSs used to settle central bank transactions, facilities must be in place to allow either intraday delivery-versus-payment settlement in central bank money or intraday free of payment (FOP) settlement, which may take the form of real-time gross settlement or a series of batch processes with intraday finality. Owing to the settlement features of TARGET2-Securities, this requirement is considered as already fulfilled for direct and relayed links in which all SSSs involved in the link are integrated in TARGET2-Securities.
 5. With regard to operating hours and opening days:
 - (a) an SSS and its links must provide settlement services on all TARGET2 business days;
 - (b) an SSS must operate during daytime processing as referred to in Appendix V of Annex II to Guideline ECB/2012/27 ⁽²⁾;

⁽¹⁾ Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (OJ L 166, 11.6.1998, p. 45).

⁽²⁾ Guideline ECB/2012/27 of 5 December 2012 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) (OJ L 30, 30.1.2013, p. 1).

- (c) SSSs involved in direct links or relayed links must enable their participants to submit instructions for same-day delivery-versus-payment settlement via the issuer and/or the intermediary SSS (as applicable) to the investor SSS until at least 3.30 p.m. Central European Time (CET) ⁽¹⁾;
- (d) SSSs involved in direct links or relayed links must enable their participants to submit instructions for same-day FOP settlement via the issuer or intermediary SSS (as applicable) to the investor SSS until at least 4 p.m. CET;
- (e) SSSs must have measures in place to ensure that the operating times specified in points (b) to (d) above are extended in the event of emergency.

Owing to the settlement features of TARGET2-Securities, these requirements are considered as already fulfilled for SSSs integrated in TARGET-2 Securities, and for direct and relayed links in which all SSSs involved in the link are integrated in TARGET2-Securities.

III. APPLICATION PROCEDURE

1. Euro area SSS operators that intend for their services to be used in Eurosystem credit operations should submit an application for an assessment of eligibility to the NCB of the Member State in which the SSS is established.
 2. For links, including those involving a non-euro area EEA SSS, the operator of the investor SSS should submit the application for an assessment of eligibility to the NCB of the Member State in which the investor SSS operates.
 3. The Eurosystem may reject an application or, where the SSS or link is already eligible, it may suspend or withdraw eligibility if:
 - (a) one or more of the eligibility criteria provided for in Section I are not met;
 - (b) the use of the SSS or link could affect the safety and efficiency of Eurosystem credit operations and expose the Eurosystem to the risk of financial losses, or is otherwise deemed, on the grounds of prudence, to pose a risk.
 4. The Eurosystem decision on the eligibility of an SSS or link is notified to the SSS operator which submitted the application for an assessment of eligibility. The Eurosystem will provide reasons for any negative decision.
 5. The SSS or link may be used for Eurosystem credit operations once it has been published in the Eurosystem lists of eligible SSSs and eligible links on the ECB's website.;
2. The title of Annex VII is replaced by the following:

**'CALCULATION OF SANCTIONS TO BE APPLIED IN ACCORDANCE WITH PART FIVE AND
FINANCIAL PENALTIES TO BE APPLIED IN ACCORDANCE WITH PART SEVEN'.**

3. The title of Section I of Annex VII is replaced by the following:

'I. CALCULATION OF FINANCIAL PENALTIES TO BE APPLIED IN ACCORDANCE WITH PART FIVE'.

4. The title of Section II of Annex VII is replaced by the following:

'II. CALCULATION OF NON-FINANCIAL PENALTIES TO BE APPLIED IN ACCORDANCE WITH PART FIVE'.

⁽¹⁾ CET takes account of the change to Central European Summer Time.

5. The following Section III is added to Annex VII:

‘III. CALCULATION OF FINANCIAL PENALTIES TO BE APPLIED IN ACCORDANCE WITH PART SEVEN

1. NCBs calculate the financial penalty pursuant to Article 166(4a) in accordance with the following:

- (a) For failure to comply with an obligation referred to in Article 166(4a), the financial penalty is calculated using the marginal lending facility rate that applied on the day when the non-compliance began plus 2,5 percentage points.
- (b) The financial penalty is calculated by applying the penalty rate, in accordance with paragraph (a), to the amount of cash that the counterparty could not reimburse or pay, or to the value of the assets which were not delivered, multiplied by the coefficient $X/360$, where X is the number of calendar days, with a maximum of seven, during which the counterparty was unable to: (i) reimburse any amount of the credit, pay the repurchase price or the cash otherwise due; or (ii) deliver the assets at maturity or when otherwise due according to the contractual or regulatory arrangements.

2. The following formula shall be used for the calculation of the financial penalty in accordance with paragraph 1(a) and (b) above:

[EUR [amount of cash that the counterparty could not reimburse or pay, or value of assets that the counterparty could not deliver] * (the applicable marginal lending facility rate on the day when the non-compliance began plus 2,5 percentage points) * $X/360$ (where X is the number of calendar days during which the counterparty did not pay, reimburse or deliver) = EUR [...]].’

6. In Annex VIII, Section II, paragraph 3, is replaced by the following:

- ‘3. To capture non-available fields, a set of six ‘no data’ (ND) options are included in the loan-level data templates and must be filled in whenever particular data cannot be submitted in accordance with the loan-level data template.

Table 1

Explanation of the ND options

‘no data’ options	Explanation
ND1	Data not collected as not required by the underwriting criteria
ND2	Data collected on application but not loaded into the reporting system on completion
ND3	Data collected on application but loaded it on a separate system from the reporting one
ND4	Data collected but will only be available from MM-YYYY
ND5	Not relevant
ND6	Not applicable for the jurisdiction’

7. In Annex VIII, Section III, point (a) of paragraph 1, replace ‘ND1 to ND7’ by ‘ND1 to ND6.’

8. In Annex VIII, Section III, paragraph 3, replace ‘ND5, ND6 and ND7’ by ‘ND5 and ND6’.

9. In Annex VIII, Section IV.I, point (a) of paragraph 3 is replaced by the following:

- ‘(a) must establish and maintain robust technology systems and operational controls to enable it to process loan-level data in a manner that supports the Eurosystem’s requirements for submission of and access to loan-level data in relation to eligible assets subject to loan-level data disclosure requirements, as specified both in Article 78 and in this Annex.

In particular, the loan-level data repository’s technology system must allow data users to extract loan-level data, loan-level data scores and the timestamp of data submissions, through both manual and automatic processes that cover all loan-level data submissions of all ABS transactions which have been submitted through that loan-level data repository and an extraction of multiple loan-level data files if required in one download request.’

10. In Annex VIII, Section IV.II, paragraph 4 is replaced by the following:

- ‘4. The Eurosystem will, within a reasonable time frame (aiming for 60 working days of the notification referred to in paragraph 3), examine an application for designation made by a loan-level data repository based on the compliance of the loan-level data repository with the requirements set out in this Guideline. As part of its examination, the Eurosystem may require the loan-level data repository to conduct one or more live interactive demonstrations with Eurosystem staff, to illustrate the loan-level data repository’s technical capabilities in relation to the requirements set out in Section IV.I, paragraphs 2 and 3 of this Annex. If such a demonstration is required, it shall be considered a mandatory requirement of the application process. The demonstration may also include the use of test files.’

11. In Annex VIII, Section IV, the following Subsection IIa is added:

IIa. Minimum information required for an application for designation to be deemed complete

1. As regards the Eurosystem requirements of open access, non-discrimination, and transparency, applicants must provide information on the following:
 - (a) detailed access criteria and any access restrictions to loan-level data for data users, and details of and reasons for any variations in such access criteria and access restrictions for data users;
 - (b) policy statements or other written description of the process and criteria applied for granting a data user access to a specific loan-level data file, as well as further details, whether in such policy statements or other written description, of any technical or procedural safeguards that exist to ensure non-discrimination.
2. As regards the Eurosystem requirement of coverage, applicants must provide information on the following.
 - (a) The number of staff employed by the applicant in the area of loan-level data repository services, the technical background of the staff employed in and/or other resources dedicated to this area, and how the applicant manages and retains the technical know-how of such staff and/or other resources to ensure technical and operational continuity on a daily basis despite any changes to staff or resources.
 - (b) Up-to-date coverage statistics, including how many outstanding ABSs eligible for Eurosystem collateral operations are currently hosted by the applicant, including a breakdown of such ABSs based on geographical location of the debtors of the cash-flow generating assets and the type of cash-flow generating asset classes specified in Article 73(1). In the event that any asset class is not currently hosted by the applicant, information must be provided on the applicant’s plans and the technical feasibility to cover such asset class in the future.
 - (c) The technical operation of the applicant’s loan-level data repository system, including a written description of:
 - (i) the user guide to its user interface, explaining how to access, extract and submit loan-level data, from both a data user perspective and a data provider perspective;
 - (ii) the current technical and operational capacity of the applicant’s repository system, such as how many ABS transactions can be stored in the system (and whether the system can easily be upscaled), how loan-level data regarding historical ABS transactions are stored and accessed by data users and data providers and any maximum limits for the number of loans that can be uploaded by a data provider in one ABS transaction;
 - (iii) the applicant’s current technical and operational capabilities regarding the submission of data by data providers, i.e. the technical process by which the data provider can submit loan-level data and whether this is a manual or automatic process; and

- (iv) the applicant's current technical and operational capabilities regarding the extraction of data by data users, i.e. the technical process by which the data user can extract loan-level data, whether this is a manual or automatic process.
- (d) A technical description of:
 - (i) the file formats submitted by data providers and accepted by the applicant for the submission of loan-level data (Excel template file, XML schemas, etc.), including an electronic soft copy of each such file format, and an indication of whether the applicant provides tools for data providers to convert loan-level data into the file formats accepted by the applicant;
 - (ii) the applicant's current technical and operational capabilities regarding the testing and validation documentation for the applicant's system, including the calculation of the loan-level data compliance score;
 - (iii) the frequency of updates and new releases of its system, and the maintenance policy and testing policy;
 - (iv) the applicant's technical and operational capabilities to adapt to future Eurosystem loan-level data template updates, such as changes in current fields, and the addition or deletion of fields;
 - (v) the applicant's technical capabilities regarding disaster recovery and business continuity, specifically with regard to the degree of redundancy of individual storage and backup solutions in its data centre and server architecture;
 - (vi) a description of the applicant's current technical capabilities regarding its internal control architecture in relation to loan-level data, including information system controls and data integrity.
- 3. As regards the Eurosystem requirement of an appropriate governance structure, applicants must provide the following:
 - (a) details of its corporate status, i.e. its statute or articles of association, and its shareholder structure;
 - (b) information on the applicant's internal audit procedures (if any), including the identity of those responsible for conducting such audits, whether audits are externally verified and, if audits are conducted internally, what arrangements are taken to prevent or manage any conflicts of interest;
 - (c) information on how the applicant's governance arrangements serve the interests of ABS market stakeholders, in particular whether its pricing policy is considered in the context of this requirement;
 - (d) written confirmation that the Eurosystem will have access, on an ongoing basis, to the documentation necessary for it to monitor the continued appropriateness of the applicant's governance structure and compliance with the governance requirements in paragraph 4 of Section IV.I.
- 4. The applicant must provide a description of the following:
 - (a) how the applicant calculates the data quality score, and how the score is published in the applicant's repository system and thereby made available to data users;
 - (b) the data quality checks carried out by the applicant, including the process, the number of checks and the list of fields checked;
 - (c) the applicant's current capabilities regarding the reporting of consistency and accuracy checks, i.e. how existing reports are produced by the applicant for data providers and data users, the ability of the applicant's platform to build automated and custom reports according to data users' requests, and the ability of the applicant's platform to automatically send notifications to data users and data providers (for example, notifications of loan-level data having been uploaded for a particular transaction).'

12. In Annex IXa, the first subparagraph of Section 1 is replaced by the following:

‘Concerning current coverage, in each of at least three out of the four asset classes (a) unsecured bank bonds, (b) corporate bonds, (c) covered bonds and (d) ABS, the CRA must provide a minimum coverage of:’

GUIDELINE (EU) 2018/571 OF THE EUROPEAN CENTRAL BANK**of 7 February 2018****amending Guideline (EU) 2016/65 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework (ECB/2018/4)**

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first indent of Article 127(2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular the first indent of Article 3.1, Articles 9.2, 12.1, 14.3, 18.2 and the first paragraph of Article 20 thereof,

Whereas:

- (1) All eligible assets for Eurosystem credit operations are subject to specific risk control measures in order to protect the Eurosystem against financial losses in circumstances where its collateral has to be realised due to an event of default of a counterparty. As a result of the regular review of the Eurosystem risk control framework, several adjustments must be made in order to ensure adequate protection.
- (2) Therefore, Guideline (EU) 2016/65 of the European Central Bank (ECB/2015/35) ⁽¹⁾ should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

*Article 1***Amendments**

Guideline (EU) 2016/65 (ECB/2015/35) is amended as follows:

1. Article 3 is amended as follows:

(a) paragraph 2 is replaced by the following:

‘2. For marketable assets allocated to haircut categories I to IV, the applicable valuation haircut shall depend on the residual maturity and coupon structure of the asset (fixed, zero, floating) as determined based on Table 2 in the Annex to this Guideline. The relevant maturity for determining the valuation haircut to be applied shall be the residual maturity of the asset, irrespective of the type of coupon structure. The following provisions shall apply with respect to the coupon structure:

- (a) floating coupons with a resetting period longer than 1 year shall be treated as fixed rate coupons;
- (b) floating coupons that have a euro area inflation index as a reference rate shall be treated as fixed rate coupons;
- (c) floating coupons with a floor that does not equal zero and/or floating coupons with a ceiling shall be treated as fixed rate coupons;
- (d) the valuation haircut applied to assets that have more than one type of coupon structure shall solely depend on the coupon structure in place during the remaining life of the asset and shall equal the highest haircut applicable to a marketable asset with the same residual maturity and credit quality step. Any type of coupon structure in place during the remaining life of the asset may be considered for this purpose.’;

(b) the following paragraph 2a is inserted:

‘2a. The residual maturity for own-use covered bonds shall be defined as the maximum legal maturity, taking into account any extension rights for principal repayments contained in their terms and conditions. For the purposes of this paragraph, “own-use” shall mean the submission or use by a counterparty of covered bonds that are issued or guaranteed by the counterparty itself or by any other entity with which that counterparty has close links as determined in accordance with Article 138 of Guideline (EU) 2015/510 (ECB/2014/60).’;

⁽¹⁾ Guideline (EU) 2016/65 of the European Central Bank of 18 November 2015 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework (ECB/2015/35) (OJ L 14, 21.1.2016, p. 30).

2. in Article 4, point (c) is replaced by the following:

‘(c) for the purposes of paragraph (b), “own-use” shall have the same meaning as defined in Article 3(2a).’;

3. Article 5 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. Individual credit claims shall be subject to specific valuation haircuts determined according to the residual maturity, the credit quality step, the coupon structure and the valuation methodology applied by the NCB, as laid down in Table 3 in the Annex to this Guideline.’;

(b) paragraph 2 is replaced by the following:

‘2. An interest payment shall be treated as a variable rate payment if it is linked to a reference interest rate and the resetting period corresponding to this payment is no longer than one year. Interest payments for which the resetting period is longer than one year shall be treated as fixed rate payments, with the relevant maturity for the haircut being the residual maturity of the credit claim.’;

(c) the following subparagraph is added to paragraph 2:

‘A credit claim shall be treated as a fixed rate credit claim, for the purposes of the application of valuation haircuts, whenever there is a possibility that the credit claim will pay a fixed interest rate, contingent on the value of an eligible reference interest rate listed in Article 90(b)(iii) of Guideline (EU) 2015/510 (ECB/2014/60), in particular where the coupon has an explicit ceiling or non-zero floor.’;

(d) paragraph 5 is replaced by the following:

‘5. Non-marketable retail mortgage-backed debt instruments shall be subject to a valuation haircut of 31,5 %.’;

4. the Annex is amended in accordance with the Annex to this Guideline.

Article 2

Taking effect and implementation

1. This Guideline shall take effect on the day of its notification to the national central banks of the Member States whose currency is the euro.

2. The national central banks of the Member States whose currency is the euro shall take the necessary measures to comply with this Guideline and apply them from 16 April 2018 except for point 3(c) of Article 1 in respect of which they shall take the necessary measures and apply them from 1 October 2018. They shall notify the ECB of the texts and means relating to those measures by 16 March 2018, except for the texts and means relating to the measures in respect of point 3(c) of Article 1 which they shall notify by 3 September 2018.

Article 3

Addressees

This Guideline is addressed to the national central banks of the Member States whose currency is the euro.

Done at Frankfurt am Main, 7 February 2018.

For the Governing Council of the ECB
The President of the ECB
Mario DRAGHI

The Annex to Guideline (EU) 2016/65 (ECB/2015/35) is amended as follows:

1. Table 2 is replaced by the following:

'Table 2

Valuation haircut levels applied to eligible marketable assets in haircut categories I to IV

		Haircut categories											
Credit quality	Residual maturity (years) (*)	Category I			Category II			Category III			Category IV		
		fixed coupon	zero coupon	floating coupon	fixed coupon	zero coupon	floating coupon	fixed coupon	zero coupon	floating coupon	fixed coupon	zero coupon	floating coupon
Steps 1 and 2	0-1	0,5	0,5	0,5	1,0	1,0	1,0	1,0	1,0	1,0	7,5	7,5	7,5
	1-3	1,0	2,0	0,5	1,5	2,5	1,0	2,0	3,0	1,0	10,0	10,5	7,5
	3-5	1,5	2,5	0,5	2,5	3,5	1,0	3,0	4,5	1,0	13,0	13,5	7,5
	5-7	2,0	3,0	1,0	3,5	4,5	1,5	4,5	6,0	2,0	14,5	15,5	10,0
	7-10	3,0	4,0	1,5	4,5	6,5	2,5	6,0	8,0	3,0	16,5	18,0	13,0
	> 10	5,0	7,0	2,0	8,0	10,5	3,5	9,0	13,0	4,5	20,0	25,5	14,5
		Haircut categories											
Credit quality	Residual maturity (years) (*)	Category I			Category II			Category III			Category IV		
		fixed coupon	zero coupon	floating coupon	fixed coupon	zero coupon	floating coupon	fixed coupon	zero coupon	floating coupon	fixed coupon	zero coupon	floating coupon
Step 3	0-1	6,0	6,0	6,0	7,0	7,0	7,0	8,0	8,0	8,0	13,0	13,0	13,0
	1-3	7,0	8,0	6,0	9,5	13,5	7,0	12,0	15,0	8,0	22,5	25,0	13,0
	3-5	9,0	10,0	6,0	13,5	18,5	7,0	16,5	22,0	8,0	28,0	32,5	13,0
	5-7	10,0	11,5	7,0	14,0	20,0	9,5	18,5	26,0	12,0	30,5	35,0	22,5
	7-10	11,5	13,0	9,0	16,0	24,5	13,5	19,0	28,0	16,5	31,0	37,0	28,0
	> 10	13,0	16,0	10,0	19,0	29,5	14,0	19,5	30,0	18,5	31,5	38,0	30,5

(*) i.e. [0-1) residual maturity less than 1 year, [1-3) residual maturity equal to or greater than 1 year and less than 3 years, etc.'.

2. Table 3 is replaced by the following:

‘Table 3

Valuation haircut levels applied to eligible credit claims with fixed or floating interest payments

		Valuation methodology			
Credit quality	Residual maturity (years) (*)	Fixed interest payment and a valuation based on a theoretical price assigned by the NCB	Variable interest payment and a valuation based on a theoretical price assigned by the NCB	Fixed interest payment and a valuation according to the outstanding amount assigned by the NCB	Variable interest payment and a valuation according to the outstanding amount assigned by the NCB
Steps 1 and 2 (AAA to A-)	0-1	10,0	10,0	12,0	12,0
	1-3	12,0	10,0	16,0	12,0
	3-5	14,0	10,0	21,0	12,0
	5-7	17,0	12,0	27,0	16,0
	7-10	22,0	14,0	35,0	21,0
	> 10	30,0	17,0	45,0	27,0
		Valuation methodology			
Credit quality	Residual maturity (years) (*)	Fixed interest payment and a valuation based on a theoretical price assigned by the NCB	Variable interest payment and a valuation based on a theoretical price assigned by the NCB	Fixed interest payment and a valuation according to the outstanding amount assigned by the NCB	Variable interest payment and a valuation according to the outstanding amount assigned by the NCB
Step 3 (BBB+ to BBB-)	0-1	17,0	17,0	19,0	19,0
	1-3	28,5	17,0	33,5	19,0
	3-5	36,0	17,0	45,0	19,0
	5-7	37,5	28,5	50,5	33,5
	7-10	38,5	36,0	56,5	45,0
	> 10	40,0	37,5	63,0	50,5

(*) i.e. [0-1) residual maturity less than 1 year, [1-3) residual maturity equal to or greater than 1 year and less than 3 years, etc.’.

GUIDELINE (EU) 2018/572 OF THE EUROPEAN CENTRAL BANK**of 7 February 2018****amending Guideline ECB/2014/31 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral (ECB/2018/5)**

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first indent of Article 127(2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular the first indent of Article 3.1, and Articles 5.1, 12.1, 14.3 and 18.2 thereof,

Whereas:

- (1) The Governing Council of the European Central Bank (ECB) has decided that commercial mortgage-backed securities (CMBSS) should be made ineligible as collateral under the Eurosystem collateral framework as the risks and complexity of CMBSS are substantially different, both in terms of underlying assets and structural features, from other asset-backed securities accepted by the Eurosystem as collateral.
- (2) Therefore, Guideline ECB/2014/31 ⁽¹⁾ should be amended accordingly,

HAS ADOPTED THIS GUIDELINE:

*Article 1***Amendment**

In Article 3(1)(a) of Guideline ECB/2014/31, point (iii) is deleted.

*Article 2***Taking effect**

1. This Guideline shall take effect on the day of its notification to the national central banks of the Member States whose currency is the euro.
2. The national central banks of the Member States whose currency is the euro shall take the necessary measures to comply with this Guideline and apply them from 16 April 2018. They shall notify the ECB of the texts and means relating to those measures by 16 March 2018 at the latest.

*Article 3***Addressees**

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 7 February 2018.

For the Governing Council of the ECB

The President of the ECB

Mario DRAGHI

⁽¹⁾ Guideline ECB/2014/31 of 9 July 2014 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (OJ L 240, 13.8.2014, p. 28).

