



**EUROPEAN CENTRAL BANK**  
**EUROSYSTEM**

*COURTESY TRANSLATION*

Mario DRAGHI  
President

Mr Jonás Fernández  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

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L/MD/15/328

**Re: Your letter (QZ-60)**

Honourable Member of the European Parliament, dear Mr Fernández,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 7 April 2015.

The Governing Council has control over all the design features of the public sector purchase programme (PSPP), including the definition of its specific risk-sharing arrangement. This takes into account the unique institutional structure of the euro area, in which a common currency and a single monetary policy coexist alongside 19 national fiscal policies.

The decentralised implementation of the PSPP is a common feature of our monetary policy, in line with the guiding principles of our operational framework. This framework also applies to the regular refinancing operations that the Eurosystem conducts with euro area banks: these operations are coordinated by the European Central Bank, which decides on the instrument and the terms and conditions, and they are executed in a decentralised manner by the individual national central banks.

Finally, let me stress that monetary financing is forbidden by the Treaty on the Functioning of the European Union (Article 123). Therefore, purchases of public sector bonds in the context of the PSPP, whether risk-shared or not, take place only in secondary sovereign debt markets.

Yours sincerely,

[signed]

Mario Draghi

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