EUROPEAN CENTRAL BANK

EUROSYSTEM

COURTESY TRANSLATION

Mario DRAGHI
President

Mr Bernd Lucke
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 19 May 2015

L/MD/15/327

Re: Your letter (QZ-57)

Honourable Member of the European Parliament, dear Mr Lucke,

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 basic legal framework for the establishment and implementation of the public sector purchase programme (PSPP) has already been established by the Governing Council through a public ECB Decision (Decision ECB/2015/10 of 4 March 2015 on a secondary markets public sector asset purchase programme[1]).

The Governing Council has also decided that risk-sharing in cases of hypothetical losses under the PSPP is limited to the purchases by national central banks of securities issued by eligible international organisations and multilateral development banks (equal to 12% of the additional asset purchases) and to the purchases by the European Central Bank of securities issued by eligible central governments and recognised agencies (equal to 8% of the additional asset purchases).[2] In this context there is no specific legal act laying down the decision to limit the overall risk-sharing to 20% of the purchases under the PSPP.

Yours sincerely,
[signed]

Mario Draghi

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[1] Available on the ECB's website at https://www.ecb.europa.eu/ecb/legal/pdf/en_dec_ecb_2015_10_f_.sign.pdf

[2] This limit is set out in the press release dated 22 January 2015 available on the ECB's website at http://www.ecb.europa.eu/press/pr/date/2015/html/pr150122_1.en.html