



EUROPEAN CENTRAL BANK
EUROSYSTEM

COURTESY TRANSLATION

Christine LAGARDE
President

Mr Valentino Grant
Mr Antonio Maria Rinaldi
Mr Marco Zanni
Members of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 11 March 2022

L/CL/22/64

Re: Your letter (QZ-001)

Honourable Members of the European Parliament, dear Mr Zanni, Mr Grant and Mr Rinaldi,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 24 January 2022.

As I mentioned in a reply to your honourable colleague,¹ the Eurosystem purchases debt securities issued by public and private entities as part of its monetary policy measures to support the monetary policy transmission mechanism and to provide the policy stimulus needed to safeguard medium-term price stability. In the context of the public sector purchase programme (PSPP) and the pandemic emergency purchase programme (PEPP), it also purchases bonds issued by EU institutions and bodies in the secondary market,² subject to the rules and conditions set out in the applicable legal framework.

To answer your question on hypothetical purchases by the Eurosystem of bonds issued by a newly created European debt management agency, such purchases would be subject to the same rules and conditions as purchases of bonds issued by other EU institutions or bodies. The eligibility criteria for secondary market

¹ See *Letter from the ECB President to Mr Gunnar Beck, MEP, on monetary policy*, ECB, 28 May 2021, available at: https://www.ecb.europa.eu/pub/pdf/other/ecb.mepletter210528_Beck_1~a295231952.en.pdf.

² For the list of international and supranational institutions located in the euro area whose securities are eligible for the PSPP and PEPP, see <https://www.ecb.europa.eu/mopo/implement/omt/html/pspp.en.html>.

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purchases under the PSPP and the PEPP are laid down in Article 3 of the PSPP Decision³ and Articles 1 to 3 of the PEPP Decision⁴. Moreover, any purchases would have to comply with the relevant EU treaties, including Article 123 of the Treaty on the Functioning of the European Union⁵ which you mention in your letter.

Yours sincerely,

[signed]

Christine Lagarde

³ Decision (EU) 2020/188 of the European Central Bank of 3 February 2020 on a secondary markets public sector asset purchase programme (ECB/2020/9) (OJ L 39, 12.2.2020, p. 12), available at: <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32020D0188>.

⁴ Decision (EU) 2020/440 of the European Central Bank of 24 March 2020 on a temporary pandemic emergency purchase programme (ECB/2020/17) (OJ L 91, 25.3.2020, p. 1), available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020D0440>.

⁵ See <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12008E123:EN:HTML>.

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