

ANNEXE 16

Provision of US dollar liquidity to market counterparties

Article 1

Procedure for allocating the available US dollar liquidity

1. Following a decision by the Governing Council to initiate a US dollar liquidity-providing operation, the BCL shall provide US dollar liquidity to market counterparties by means of collateralised transactions with such market counterparties in accordance with the tender procedures laid down in the tender announcement which shall be communicated to the latter.
2. Procedures applying to open market operations shall apply to the operations contemplated in this annex, except if otherwise provided for in the tender announcement.
3. The market counterparties that fulfil the necessary technical prerequisites laid down in the tender announcement for collateralised transactions with market counterparties may submit requests for US dollar liquidity.
4. Following the announcement of the tender procedure, market counterparties wishing to participate in the relevant Term Auction Facility are required to provide, before bidding, to the BCL a Statement of Acknowledgement. In such Statement of Acknowledgement market counterparties are required to explicitly acknowledge – as a condition of participation in the tender –
 - that they are bound by the conditions of the tender communicated in the tender announcement and
 - the applicability of existing legal documentation, as amended, between the counterparty and the BCL to the operation in question.

The Statement of Acknowledgement may be communicated via SWIFT or by letter with authorised signatures to be delivered by hand.

5. The BCL is entitled to provide the ECB with the identity of the market counterparties and the amounts of their individual tender bids for the collateralised transactions.
6. There is no guarantee that US dollar liquidity shall be made available under the procedures laid down in the tender announcement and there shall be no obligation whatsoever for the ECB or the BCL to provide US dollar liquidity.
7. The ECB shall take a decision, in line with the procedures laid down in the tender announcement, on the allocation of the available US dollar liquidity in relation to tender bids submitted by market counterparties.

Article 2

Provision of US dollar liquidity via collateralised transactions with market counterparties

1. The BCL shall provide US dollar liquidity to market counterparties on a fully collateralised basis. For such transactions the BCL shall only accept collateral that is eligible for Eurosystem monetary policy operations as set out in the tender announcement.
2. The BCL shall apply specific risk control measures in respect of the collateralised transactions with market counterparties. Such control measures shall be set out in the tender announcement.