

Réf.: ST.21-0041
Circular letter

Luxembourg, 2 February 2021

To all credit institutions

Concerns: Update of the ECB Regulation on minimum reserves

Ladies and gentlemen,

The amendment of the above-mentioned regulation was necessary to take into account the extension of the definition of credit institution in Article 4(1)(1) in the amendments to the Capital Requirements Regulation¹ to include systemically oriented investment firms as of 26 June 2021.

Thus, to the extent that the latter are to be considered as credit institutions, they will be subject to the Eurosystem's minimum reserves and will therefore be included in the official list of institutions subject to minimum reserves, which is published on the website of the European Central Bank.

It follows that the deposits that these institutions have placed with credit institutions may be deducted from the reserve base. For this purpose, these amounts are to be entered in the lines «MRR001» and «MRR002» so that they can be deducted from the reserve base for the calculation of the line «2-ERO-XX-XXX-90000» which gives information on the net reserve requirement of a bank.

This measure will take effect with the June 2021 reporting.

¹ Regulation (EU) No 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013,

In this context, we would also like to inform you that the European supranational bodies (ECB and EUROSTAT) have decided to change the statistical classification of the European Financial Stability Facility (EFSF) and the European Stability Mechanism (ESM). Indeed, in order to align the statistical treatment of the EFSF with that of the ESM, the EFSF is now to be considered as a supranational body and no longer as a Luxembourg resident company. Moreover, in order to ensure appropriate treatment in macroeconomic statistics, we have adjusted the definitions and concepts for the statistical reporting of credit institutions so that the EFSF and ESM are now to be reported with the sector code «11000» and no longer with the sector code «42900».

This measure is effective immediately.

Yours sincerely,

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