



2025/1734

13.8.2025

DECISION (EU) 2025/1734 OF THE EUROPEAN CENTRAL BANK

of 31 July 2025

on safeguards in relation to access by central counterparties to Eurosystem overnight credit in TARGET (ECB/2025/29)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 127(2), the first and fourth indents, and Article 127(5) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 3.1 and Articles 17, 18 and 22 thereof,

Whereas:

- (1) Under Guideline (EU) 2022/912 of the European Central Bank (ECB/2022/8) ⁽¹⁾, national central banks of Member States whose currency is the euro (hereinafter 'euro area NCBs') may provide overnight credit through a dedicated crisis facility to central counterparties (CCPs) (hereinafter the 'CCP credit facility'). Such CCPs must be established in the euro area and meet the requirements set out in Guideline (EU) 2022/912 (ECB/2022/8) (hereinafter 'eligible CCPs'). In cases where eligible CCPs have not reimbursed intraday credit at the end of a day, they may access the CCP credit facility by automatically rolling over the outstanding intraday credit without the need to request the prior approval of the Governing Council.
- (2) With respect to the euro as a currency, the Eurosystem central banks collectively exercise the central bank of issue function in relation to CCPs. In view of this function, requirements relating to safeguards on financial soundness and sound liquidity risk management that need to be complied with by eligible CCPs as well as the method of assessment of compliance with these requirements are put in place.
- (3) Safeguards in relation to the CCP credit facility are necessary to ensure that only eligible CCPs that are financially sound and have in place sound liquidity risk management may access the CCP credit facility. Sound liquidity risk management ensures that eligible CCPs have adequate liquidity risk controls in place, including for crisis scenarios under which eligible CCPs are not expected to resort to the CCP credit facility, or – where such access is available to CCPs authorised as credit institutions under Regulation (EU) No 575/2013 of the European Parliament and of the Council ⁽²⁾ – to Eurosystem monetary policy operations. Safeguards on financial soundness and sound liquidity risk management should apply to all eligible CCPs, including those that are authorised as credit institutions under Regulation (EU) No 575/2013.
- (4) Eligible CCPs' compliance with the requirements relating to the safeguards on financial soundness and sound liquidity risk management should be assessed by Eurosystem central banks in a forward-looking manner. Therefore, eligible CCPs need to comply – on a continuous basis and without any doubt as regards their ongoing and future compliance – with these requirements. Compliance with the regulatory requirements established under Regulation (EU) No 648/2012 of the European Parliament and of the Council ⁽³⁾ in relation to capital, margin, default fund, other financial resources and liquidity risk controls constitutes a necessary but not sufficient condition for assessing financial soundness and sound liquidity risk management by Eurosystem central banks in relation to granting access to the CCP credit facility.

⁽¹⁾ Guideline (EU) 2022/912 of the European Central Bank of 24 February 2022 on a new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET) and repealing Guideline ECB/2012/27 (ECB/2022/8) (OJ L 163, 17.6.2022, p. 84, ELI: <http://data.europa.eu/eli/guideline/2022/912/oj>).

⁽²⁾ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/575/oj>).

⁽³⁾ Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1, ELI: <http://data.europa.eu/eli/reg/2012/648/oj>).

- (5) For the purpose of ensuring compliance with the provisions set out in this Decision, it is necessary to specify the Governing Council's powers to decide on discretionary measures in cases where an eligible CCP does not comply with the requirements relating to the safeguards on financial soundness and sound liquidity risk management. It is also necessary to specify the penalties applicable for cases where a CCP's access to the CCP credit facility has been limited and the CCP exceeds the restricted level of access, or resorts to the CCP credit facility in breach of relevant requirements relating to liquidity risk controls. With respect to the penalties, there should be sufficient communication between the operators of TARGET component systems and the central bank of issue function of the Eurosystem central banks to ensure compliance with the principle of *ne bis in idem*.
- (6) Where relevant, the requirements relating to the safeguards on financial soundness and sound liquidity risk management, including the related discretionary measures and applicable penalties, should be reflected in the contractual arrangements concluded between the eligible CCPs and the euro area NCBs in relation to the CCP credit facility.
- (7) For legal certainty, the date of application of this Decision should be aligned with the date of application of the amendments to Guideline (EU) 2022/912 (ECB/2022/8) relating to the CCP credit facility, which is 6 October 2025,

HAS ADOPTED THIS DECISION:

Article 1

Definitions

For the purposes of this Decision, the following definitions apply:

- (1) 'central counterparty' or 'CCP' means a central counterparty that is authorised under Regulation (EU) No 648/2012;
- (2) 'eligible CCP' means an eligible CCP as defined in Article 2, point (26a), of Guideline (EU) 2022/912 (ECB/2022/8);
- (3) 'CCP credit facility' means the CCP credit facility as defined in Article 2, point (18a), of Guideline (EU) 2022/912 (ECB/2022/8);
- (4) 'euro area NCB' means euro area NCB as defined in Article 2, point (27), of Guideline (EU) 2022/912 (ECB/2022/8);
- (5) 'Eurosystem central bank' means the European Central Bank (ECB) or a euro area NCB;
- (6) 'private funding arrangement' means a funding arrangement other than a borrowing facility that may be accessible through a euro area NCB;
- (7) 'private liquidity provider' means a liquidity provider other than a euro area NCB.

Article 2

Requirements relating to safeguards on financial soundness

1. In order to safeguard their financial soundness, eligible CCPs shall meet the following requirements on an ongoing basis:
 - (a) the capital requirements pursuant to Article 16 of Regulation (EU) No 648/2012;
 - (b) the margin requirements pursuant to Article 41 of Regulation (EU) No 648/2012;
 - (c) the requirements in relation to pre-funded financial resources pursuant to Articles 42 and 43 of Regulation (EU) No 648/2012.

2. In the event of a default of a clearing member of a CCP where the CCP conducts its default management process in accordance with Articles 45 and 48 of Regulation (EU) No 648/2012 and as a result uses the margins posted by the defaulted clearing member and the pre-funded financial resources referred to in Articles 42 and 43 of Regulation (EU) No 648/2012, the following shall apply:

- (a) the CCP shall have sufficient pre-funded financial resources, including the margins posted by the defaulted clearing member and the pre-funded financial resources, as set out in Articles 42 and 43 of Regulation (EU) No 648/2012, to cover credit losses incurred as a result of the default management process;
- (b) on the basis of the assessment conducted in accordance with Article 4, the Eurosystem central banks may decide to temporarily waive the requirement set out in paragraph 1, point (c), where the CCP presents a plan to replenish pre-funded financial resources as set out in Articles 42 and 43 of Regulation (EU) No 648/2012 in a credible and timely manner.

3. No CCP deemed to be failing or likely to fail as determined under Article 22 of Regulation (EU) 2021/23 of the European Parliament and of the Council (*) shall be considered financially sound.

Article 3

Requirements relating to safeguards on sound liquidity risk management

1. In order to safeguard their sound liquidity risk management with respect to the euro, eligible CCPs shall meet the following requirements on an ongoing basis:

- (a) have liquidity risk controls in place to ensure that access to the CCP credit facility or – where such access is available to CCPs authorised as credit institutions under Regulation (EU) No 575/2013 – to Eurosystem monetary policy operations, shall:
 - (i) be a last resort;
 - (ii) be limited to scenarios which due to their severity may present considerable challenges for the liquidity management of the CCP ('crisis scenarios');
 - (iii) constitute a temporary funding source on the basis of a credible plan to reimburse the amount used under the CCP credit facility or – where such access is available to CCPs authorised as credit institutions under Regulation (EU) No 575/2013 – under Eurosystem monetary policy operations as soon as possible;
 - (iv) not be for the purpose of meeting payment obligations in relation to currencies other than the euro;
- (b) meet the requirements in relation to liquidity risk controls in accordance with Article 44 of Regulation (EU) No 648/2012.

2. In the event of the default of a clearing member where the CCP conducts its default management process in accordance with Articles 45 and 48 of Regulation (EU) No 648/2012 and as a result uses the liquid resources referred to in Article 44 of Regulation (EU) No 648/2012, the following shall apply:

- (a) with respect to the requirement set out in paragraph 1, point (a), the assessment conducted in accordance with Article 4 may be conducted after the CCP has completed the default management process;
- (b) on the basis of the assessment conducted in accordance with Article 4, the Eurosystem central banks may decide to temporarily waive the requirement set out in paragraph 1, point (b), where the CCP presents a plan to replenish the liquid resources as referred to in Article 44 of Regulation (EU) No 648/2012 in a credible and timely manner.

(*) Regulation (EU) 2021/23 of the European Parliament and of the Council of 16 December 2020 on a framework for the recovery and resolution of central counterparties and amending Regulations (EU) No 1095/2010, (EU) No 648/2012, (EU) No 600/2014, (EU) No 806/2014 and (EU) 2015/2365 and Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 (OJ L 22, 22.1.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/23/oj>).

3. For the purpose of assessing a CCP's compliance with paragraph 1, point (a), the following may be taken into account:
 - (a) the liquidity risk due to overreliance on a single type of private funding arrangement;
 - (b) the liquidity risk due to overreliance on too few private liquidity providers;
 - (c) the liquidity risk due to the low number of private liquidity providers of the CCP that have access to the Eurosystem's monetary policy operations.
4. With respect to paragraph 1, point (b), the Eurosystem central banks may take the following into account for the purpose of assessing the extent to which the private funding arrangements are pre-arranged and highly reliable, including under stressed market conditions:
 - (a) the scope and degree of the due diligence to which private funding arrangements are subjected by the CCP;
 - (b) the comprehensiveness and frequency of the testing of access to private funding arrangements, and the methodology and stress scenario context utilised for this purpose;
 - (c) the validation of the test results, in particular in relation to the estimated amounts of liquidity provision on the basis of the private funding arrangements.

Article 4

Assessment of safeguards

1. The Eurosystem central banks shall carry out assessments of compliance by eligible CCPs with the requirements relating to safeguards on financial soundness and sound liquidity risk management provided for in Articles 2 and 3 on a quarterly basis and in a forward-looking manner.
2. If an event occurs between the quarterly assessments provided for in paragraph 1 that could raise concerns in relation to an eligible CCP's financial soundness and liquidity risk management, the Eurosystem central banks shall also carry out occasional assessments of the compliance by an eligible CCP with the requirements on financial soundness and sound liquidity risk management provided for in Articles 2 and 3, including by way of ad hoc intensified monitoring and in a forward-looking manner.
3. For the purpose of the assessments provided for in paragraphs 1 and 2, the following information may be taken into account:
 - (a) quantitative information on capital, margin, default fund, other financial resources and liquidity risk controls reported within the context of Regulation (EU) No 648/2012;
 - (b) any additional information on capital, margin, default fund, other financial resources and liquidity risk controls;
 - (c) information on elements listed in Article 3(1), point (a), with respect to a CCP's liquidity risk controls regarding stress situations;
 - (d) any other information that is considered relevant, in particular if it raises substantial concerns about a CCP's financial soundness, sound liquidity risk management, general risk management framework and governance.
4. The eligible CCP shall provide the information referred to in paragraph 3, if requested to do so by the relevant euro area NCB.

Article 5

Discretionary measures

1. The Governing Council may decide to adopt, revise or remove discretionary measures with respect to the CCP credit facility on the grounds of prudence. These measures shall be applied by the respective euro area NCB and shall include:
 - (a) rejecting, limiting the use of or applying supplementary valuation haircuts to the assets mobilised as collateral for the purposes of the CCP credit facility;
 - (b) limiting, suspending or terminating access to the CCP credit facility as further specified in paragraphs 3 to 7.

2. The Governing Council shall ensure that the measures referred to in paragraph 1 are taken in a proportionate and non-discriminatory manner and are duly justified.
3. Unless decided otherwise by the Governing Council, a CCP which does not comply with the requirements set out in Articles 2 and 3 shall have its access to the CCP credit facility automatically limited on the grounds of prudence. If compliance has not been restored through adequate and timely measures at the latest within 16 weeks from the date of the determination of non-compliance with the requirements set out in Articles 2 and 3 on the basis of the assessments provided for in Article 4, the CCP's access to the CCP credit facility shall be suspended on the grounds of prudence. Such measures shall be applied by the respective euro area NCB.
4. Without prejudice to the measures referred to under paragraph 3, access to the CCP credit facility may be limited or suspended on the grounds of prudence for an eligible CCP for which information necessary for the purpose of the assessments provided for under Article 4 is incomplete or is not made available to the Eurosystem central banks. Access shall be restored once the relevant information becomes available to the Eurosystem central banks and the CCP has been assessed as meeting the requirements of Articles 2 and 3.
5. Upon the limitation of access to the CCP credit facility provided for in this Article, the relevant eligible CCP may maintain a restricted level of access to the CCP credit facility. Unless decided otherwise by the Governing Council, that restricted level of access shall correspond to the level of the usage of the CCP credit facility at the time when the Eurosystem central banks become aware of:
 - (a) in the case set out in paragraph 3, the relevant eligible CCP's non-compliance with the requirements set out in Articles 2 and 3;
 - (b) in the case set out in paragraph 4, the incompleteness or unavailability of information necessary for the purpose of the assessments provided for under Article 4.
6. In the event of a suspension of access to the CCP credit facility provided for in this Article, any outstanding credit shall immediately become repayable in full.
7. In the event of a termination of access to the CCP credit facility provided for in this Article, any outstanding credit shall immediately become repayable in full and the CCP subject to such termination shall immediately cease to be eligible for access to the CCP credit facility.

Article 6

Penalties in relation to safeguards and discretionary measures

1. Unless decided otherwise by the Governing Council, the respective euro area NCB shall apply penalties in the following cases:
 - (a) where a CCP's access to the CCP credit facility is limited in accordance with Article 5 and the CCP exceeds the restricted level of access; or
 - (b) where a CCP resorts to the CCP credit facility in breach of Article 3(1), point (a).
2. The penalties referred to in paragraph 1 shall take the form of penalty interest rates, which shall be calculated in line with:
 - (a) Annex I, Part II, Article 12a(3), point (a), to Guideline (EU) 2022/912 (ECB/2022/8), if the case set out in paragraph 1, point (a) or point (b), occurs for the first time within any 12-month period;
 - (b) Annex I, Part II, Article 12a(3), point (b), to Guideline (EU) 2022/912 (ECB/2022/8), if the case set out in paragraph 1, point (a) or point (b), occurs for at least the second time within the same 12-month period.
3. The penalty interest rates referred to in paragraph 2 shall be applied to:
 - (a) in the case set out in paragraph 1, point (a), the amount used under the CCP credit facility in excess of the restricted level of access set as a permitted limit; or
 - (b) in the case set out in paragraph 1, point (b), the full amount used under the CCP credit facility.

*Article 7***Implementation through contractual arrangements**

Euro area NCBs shall take the necessary measures to implement Articles 2 to 6 through contractual arrangements with eligible CCPs where relevant, by the date referred to in Article 8(2).

*Article 8***Entry into force**

1. This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.
2. It shall apply from 6 October 2025.

Done at Frankfurt am Main, 31 July 2025.

The President of the ECB
Christine LAGARDE
