



EUROPEAN CENTRAL BANK

EUROSYSTEM

Christine LAGARDE

President

Mr Gunnar Beck

Member of the European Parliament

European Parliament

60, rue Wiertz

B-1047 Brussels

Frankfurt am Main, 17 September 2021

L/CL/21/190

**Re: Your letter (QZ-040)**

Honourable Member of the European Parliament, dear Mr Beck,

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 26 July 2021.

EU institutions, as referred to in my reply to your previous letter<sup>1</sup>, are institutions that have been classified as such by the ECB for the purpose of the public sector purchase programme (PSPP). Article 3(1) of Decision (EU) 2020/188 of the European Central Bank<sup>2</sup> refers, among other things, to international organisations located in the euro area and multilateral development banks located in the euro area. An international organisation is defined as an entity within the meaning of Article 118 of Regulation (EU) No 575/2013 of the European Parliament and of the Council<sup>3</sup>, which includes the European Stability Mechanism.<sup>4</sup> A multilateral development bank is defined as an entity within the meaning of Article 117(2) of Regulation (EU) No 575/2013, which includes the European Investment Bank.<sup>5</sup> As mentioned in my reply to your previous letter, the Eurosystem central

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<sup>1</sup> 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](https://www.ecb.europa.eu/pub/pdf/other/ecb_mepletter210528_Beck_1~a295231952.en.pdf).

<sup>2</sup> 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) (recast) (OJ L 39, 12.2.2020, p. 12), available at: <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32020D0188>.

<sup>3</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1), available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R0575>.

<sup>4</sup> Article 2(3) of Decision (EU) 2020/188.

<sup>5</sup> Article 2(4) of Decision (EU) 2020/188.

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banks do not buy bonds issued by any of these institutions on the primary market in view of the monetary financing prohibition laid down in Article 123(1) of the Treaty on the Functioning of the European Union (TFEU).

Regarding your questions on the European Commission's letter of formal notice to Germany in relation to the Federal Constitutional Court's judgment of 5 May 2020, The Deutsche Bundesbank's continued participation in the PSPP is not dependent on this procedure.

Yours sincerely,

[signed]

Christine Lagarde

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