

Report on the meeting of the European Ombudsman's inquiry team with ECB representatives

Correspondence - 18/11/2020

Case 1874/2020/MAS - **Opened on** 05/11/2020 - **Decision on** 09/03/2021 - **Institution concerned** European Central Bank (No maladministration found) |

COMPLAINT 1874/2020/MAS

Case title : The European Central Bank's (ECB) refusal to grant public access to documents containing the separate bond value of the assets held by the ECB and the Eurosystem under the Corporate Sector Purchase Programme (CSPP) and the Pandemic Emergency Purchase Programme (PEPP)

Date : Wednesday, 18 November 2020

Remote meeting via WebEx

Present

European Central Bank (ECB)

Chief Compliance and Governance Officer, DG Secretariat

Head of the Compliance and Governance Division, DG Secretariat

Principal Compliance Officer, CGO Division, DG Secretariat

Compliance Officer, CGO Division, DG Secretariat

Head of Bond Markets & International Operations Division, DG Market Operations

Team Lead Market Operations, Euro area bond markets Section, Bond Markets & International Operations Division, DG Market Operations

Lead Legal Counsel, Market Operations Law Section, Financial Law Division, DG Legal



Services

European Ombudsman

Ms Rosita Hickey, Director of Inquiries

Mr Fergal O'Regan, Chief Legal Expert

Mr Markus Spoerer, Inquiries Officer

Ms Oana Marin, Inquiries Officer

Purpose of the meeting

The meeting was held in the context of an inquiry into a complaint that the ECB did not authorise public access to documents showing the separate bond value of assets held under the Corporate Sector Purchase Programme (CSPP) and the Pandemic Emergency Purchase Programme (PEPP). The ECB argued that disclosure would undermine the protection of public interest as regards the financial, monetary or economic policy of the Union. The purpose of the meeting was to understand which documents the ECB holds that correspond to the complainant's request and to obtain further information on the ECB's refusal to provide public access to these documents.

Introduction and procedural information

The meeting took place remotely via Webex on 18 November 2020 from 10:00h to 11:00h.

The Ombudsman's inquiry team thanked the ECB's representatives for attending the meeting and outlined the legal framework applicable to meetings and inspections held by the Ombudsman.

The Ombudsman's inquiry team explained that a report on the meeting would be drawn up and that the ECB would have the opportunity to review the report before it would be sent to the complainant for comments. The Ombudsman's inquiry team informed the ECB representatives that they should signal any confidential information disclosed during the meeting and that such information would not be shared with the complainant without prior agreement of the ECB.

Information exchanged

1. Background of the complaint



The ECB representatives explained that they had received several applications for access to documents from the complainant. In these applications, the complainant requested specific information on assets held by the ECB and access to documents which contain the specific set of ESG (environmental, social and governance), sustainable or climate related criteria used to invest the ECB's own funds, and/or the detailed SRI (sustainable responsible investment) strategy and principles of the ECB on its own funds.

Regarding the case at hand, the ECB representatives explained that the ECB Executive Board had sent a comprehensive confirmatory reply to the complainant explaining why the ECB could not provide public access to the requested documents and containing further information on the topic in which the complainant was interested.

2. Information on purchase programmes

The ECB representatives gave general information on its purchase programmes such as the CSPP and the PEPP. The ECB representatives explained that the implementation of these programmes is underpinned by market neutrality, and purchases under these programmes are meant to reflect the market value of all eligible bonds with a view to avoid as much as possible pricing distortions in the market.

The ECB publishes certain information on the assets it holds under these programmes on its [website \[Link\]](#), including:

- 1) The book value of securities held under the PEPP on a weekly basis (on an aggregate level, across all asset categories purchased under the PEPP) as well as a list of corporate bond securities held under the CSPP/PEPP, also on a weekly basis. The list contains information on the National Central Bank that holds the security, the ISIN, the issuer name, the maturity date and the coupon rate.
- 2) The PEPP cumulative net purchases are published on a monthly basis and the ECB also started publishing PEPP breakdowns by asset category, country, and market type on a bi-monthly basis.
- 3) Information on CSPP-related corporate bond holdings is published on a weekly, monthly and semi-annual basis depending on the type of publication. Aggregate holdings and a breakdown of primary and secondary market purchases are published on a weekly and monthly basis, respectively, while a breakdown of holdings by rating, country and sector is published semi-annually. This information is made available in the context of the APP so that observers can gain an insight into the Eurosystem's overall purchases.
- 4) In the context of the Eurosystem's securities lending facilities under PEPP and the APP the ECB publishes aggregate monthly average on-loan balance of public sector securities for the Eurosystem and the daily on-loan balances, together with breakdowns by collateral type (securities or cash). The data is published every third Monday of the month for the previous



month.

The ECB considers that it provides as much information as possible, while allowing for an effective implementation of the programmes. The ECB notes that other major central banks holding similar policy portfolios such as the Bank of England provide broadly the same level of information, excluding the publication of holdings per security/ISIN.

3. Possible effects of the disclosure of the information requested by the complainant

The complainant asked to see the specific amount of holdings of bonds and their value per bond. The ECB representatives explained that this information is not public and is stored in an internal confidential ECB database. The ECB representatives showed the Ombudsman's inquiry team the structure and content of that database.

The ECB representatives provided further explanations on why they believe that no public access should be given to the information contained in that database. According to their explanation, if the information is made public, market participants could anticipate ECB purchases and could adjust their own behaviour, leading to market distortions. The ECB representatives explained that the release of both current and historic information contained in the database could have negative effects. The latter could allow market participants to predict the ECB's future purchasing strategy by identifying purchasing or selling patterns. Therefore, the particular information requested by the complainant could not be released, not even after the particular purchase programme is closed.

The ECB representatives agreed it might be possible to share more detailed information on the possible effects of disclosure without disclosing confidential information as such. To that regard, the ECB will draw up a document containing more details on the mechanism of purchase programmes and the risks associated with the disclosure of the information in question. The ECB will share this document with the Ombudsman's inquiry team, and it could be shared with the complainant.

4. Release of information on green assets held by the ECB

When asked about the possibility of releasing more information on the amount of "green" bonds held by the ECB, the ECB representatives replied that ECB representatives regularly provide updates on this type of information, for example in speeches. An example is "[Never waste a crisis: COVID-19, climate change and monetary policy \[Link\]](#)", a speech by Isabel Schnabel, member of the Executive Board of the ECB, held at a virtual roundtable on "Sustainable Crisis Responses in Europe" organised by the INSPIRE research network, 17 July 2020. In addition, the ECB representatives at the meeting referred to the ECB's on-going strategy review in which the issue of climate change and the role and responsibilities of the central bank will be reflected upon.



5. Documents provided to the Ombudsman's inquiry team

The ECB had shared the following documents with Mr Spoerer and Ms Marin of the Ombudsman's inquiry team on 16 November 2020 (and subsequently with Ms Hickey):

- ECB initial reply to the complainant
- ECB reply to the confirmatory application of the complainant
- Cover e-mail to the confirmatory reply with additional information

Conclusion of the inspection of documents / meeting

The Ombudsman's inquiry team thanked the ECB representatives for their time and the explanations provided, as well as the documents provided ahead of the meeting. The ECB will inform the Ombudsman's inquiry team by when and in which form the document mentioned under point 3 would be drawn up.

Brussels, 18 November 2020

Rosita Hickey Markus Spoerer

Director of Inquiries Inquiries Officer