



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

Christine Lagarde

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European Parliament

60, rue Wiertz

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Frankfurt am Main, 2 September 2020

L/CL/20/237

Re: Your letter (QZ-041)

Honourable Members of the European Parliament,

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 29 June 2020.

Outright purchases of eligible marketable debt instruments by the Eurosystem under the public sector purchase programme (PSPP) – and the pandemic emergency purchase programme (PEPP) – are conducted in a decentralised manner. The purchases are made by national central banks (NCBs) under a specialisation scheme and are coordinated by the ECB, thereby safeguarding the singleness of the Eurosystem's monetary policy. In addition, the ECB conducts some purchases in a subset of the eligible securities under the PSPP – and the PEPP – up to a level of 10% of monthly PSPP purchases. The decentralisation principle was established in 2015¹ and all NCBs – including the Deutsche Bundesbank mentioned in your letter – currently conduct outright purchases accordingly. I will not speculate about hypothetical scenarios entailing changes to this principle.

Yours sincerely,

[signed]

Christine Lagarde

¹ See [Decision \(EU\) 2015/774 of the European Central Bank of 4 March 2015 on a secondary markets public sector asset purchase programme \(ECB/2015/10\)](#) and amending Decisions.

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