

**Brussels, 5 November 2008****European banks welcome ECB move to further integrate STEP market**

The European Banking Federation (EBF) welcomes the decision of the European Central Bank (ECB) to expand the list of assets<sup>1</sup> eligible for collateral in Eurosystem credit operations to include STEP<sup>2</sup> labeled papers issued by banks.

“We are delighted that our long-standing plea for such a move has been heard, declared Guido Ravoet, Secretary General of EBF. The creation of STEP was already a landmark in the integration of European markets. Since then, the EBF and STEP Market Committee<sup>3</sup> members have invested a lot of effort towards this new development for the last two years. For us, this move is a positive step in the direction of further integration of the European Short-Term Papers market.”

In order to be eligible as collateral for Eurosystem credit operations, marketable assets must comply with the eligibility criteria, namely debt instruments issued by credit institutions and traded on accepted markets that are mentioned on the ECB website.

This measure implies inter alia that certificates of deposits (CDs) will also be eligible for collateral when traded on one of these widely accepted commercial paper markets. ECB also announced that all such debt instruments covering the eligibility criteria will be subject to a 5% haircut add-on, in other words a 5% increase in the difference between the actual market value of a security and the value assessed by the lending side of a transaction.

---

<sup>1</sup> <http://www.ecb.int/paym/coll/standards/marketable/html/index.en.html>

<sup>2</sup> STEP = Short Term European Paper [www.stepmarket.org](http://www.stepmarket.org)

<sup>3</sup> The STEP Market Committee is composed of high level professionals from European banks, the European Investment Bank, the EBF. The ECB has an observer status.

**Contacts**

European Banking Federation  
Fédération Bancaire Européenne (aisbl)  
10 rue Montoyer B- 1000 Brussels

**Note to the Editor**

Set up in 1960, the European Banking Federation is the voice of the European banking sector, with over 30 000 billion EUR assets and 2.4 million employees in 31 EU and EFTA countries. The EBF represents the interests of some 5000 European banks: large and small, wholesale and retail, local and cross-border financial institutions

Guido Ravoet, Secretary General  
+32 (0)2 508 37 26  
Florence Ranson, Communications Adviser  
+32 (0)2 508 37 34 [f.ranson@ebf-fbe.eu](mailto:f.ranson@ebf-fbe.eu)

---