



EUROPEAN CENTRAL BANK
EUROSYSTEM

ECB-PUBLIC

COURTESY TRANSLATION

Mario DRAGHI
President

Mr Jonás Fernández
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 16 November 2015

L/MD/15/634

Re: Your letter (QZ-152)

Honourable Member of the European Parliament, dear Mr Fernández,

In your letter passed on by Mr Roberto Gualtieri, Chair of the European Parliament's Committee on Economic and Monetary Affairs, to Ms Danièle Nouy, Chair of the ECB's Supervisory Board, with a cover letter dated 22 October 2015, you raised a question on the issue of public debt securities as risk-free assets, and its implications for monetary policy and financial stability. Ms Nouy has therefore forwarded this question to me.

I can confirm that a review of the current regulatory framework for sovereign exposures is underway at the Basel Committee, in which the ECB participates. Well-functioning sovereign bond markets are essential for the functioning of financial markets, the transmission of monetary policy and the pricing of risk. The discussion around possible regulatory changes therefore follows a careful, gradual and holistic approach. Possible measures should be carefully reviewed, assessed and coordinated at a global level. Tackling this issue from a global perspective is particularly important given the widespread reach and impact of any policy action and the need for an international level playing field. This is a global issue that warrants a global solution.

Yours sincerely,
[signed]

Mario Draghi

Address
European Central Bank
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

Postal Address
European Central Bank
60640 Frankfurt am Main
Germany

Tel. +49-69-1344-0
Fax: +49-69-1344-7305
Website: www.ecb.europa.eu