

Question for written answer E-000874/2017
to the Commission
Rule 130
Beatrix von Storch (EFDD)

Subject: ECB Target2 system's compliance with Union law

The Target2 system, created by the ECB via a legislative act for processing payments within the euro area, must comply with Union law, in particular with Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems.

There have been numerous calls from the academic sphere and sporadic political voices expressing the need to periodically settle and/or hedge Target2 balances generated by transactions between Member States. This approach is based on the US Federal Reserve System.

The balances, however, are neither being hedged nor periodically settled. In fact, balances are amended by sheer chance.

1. Is the fact that Target2 accounts are effectively infinite, and the fact that periodic settlements are not possible, generally compatible with the aforementioned directive and EU legislation?
2. Is the fact that it is not possible to request that the central banks involved settle these Target2 accounts (even if a deadline is set) generally compatible with the aforementioned directive and EU legislation?
3. Is the fact that Target2 balances are not being hedged (via the deposit of securities or gold, for instance), and the fact that the ECB/national central banks cannot request hedging, generally compatible with the aforementioned directive and EU legislation?