

ORAL QUESTION H-0378/08
for Question Time at the part-session in June 2008
pursuant to Rule 109 of the Rules of Procedure
by Jacky Hénin
to the Council

Subject: Problems of the system of refinancing of banks by the ECB

On 15 May 2008, the President of the Luxembourg Central Bank stated that the quality of the guarantees provided by the commercial banks to the ECB's refinancing service had sharply deteriorated. This implies that there are suspicions concerning the nature of the links between the ECB and the commercial banks affected by the financial crisis. These banks are preparing securities consisting of low-rated debts with a view to exchanging them for higher-quality treasury loans with the ECB. Long-term refinancing operations carried out by the banks with the ECB on the basis of such securities of dubious value have considerably increased in the last months, and one may quite justifiably be highly disturbed by this state of affairs.

In view of the ECB's unwillingness to provide information on the matter, can the Council inform Parliament concerning the real nature of the problems affecting the system of refinancing of banks by the ECB and their consequences for the Union?

Tabled: 20.05.2008
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