



EUROPEAN CENTRAL BANK

13 June 2006

***Transmission embargo until  
3 p.m. ECB time (C.E.T.) on Tuesday, 13 June 2006***

## **PRESS RELEASE**

# **ASSESSMENT OF THE NEW GLOBAL NOTE ARRANGEMENT FOR INTERNATIONAL DEBT SECURITIES**

The Governing Council of the European Central Bank (ECB) has confirmed yesterday that the so-called New Global Note (NGN) arrangement for international debt securities is in compliance with the Eurosystem's "Standards for the use of EU securities settlement systems in ESCB credit operations" (<http://www.ecb.int/paym/coll/standards/>), provided that the respective NGN is held for safekeeping by an institution that has been positively assessed against these standards by the Eurosystem.

The NGN arrangement, designed by the two international central securities depositories (ICSDs) – Euroclear Bank (Belgium) and Clearstream Banking Luxembourg – together with other market participants, will be offered by the ICSDs as of 30 June 2006. It can be used for issues of international debt securities in global bearer note form. Under this new structure, a securities issue will be represented by a new form of global bearer certificate: the NGN. Under the terms of the NGN, the legally relevant record of the indebtedness of the issuer will be maintained by the ICSDs. The ICSDs will enter into a direct contractual relationship with each issuer. In order to be eligible as collateral for Eurosystem operations, an NGN will have to be held for safekeeping by one of the ICSDs, i.e. an entity that has been positively assessed by the Eurosystem. Further information about the NGN arrangement can be obtained from the websites of the ICSDs.

International debt securities in global bearer form issued through the ICSDs after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used. It is confirmed that securities issued before or on that date will be "grandfathered", i.e. they will continue to be eligible for use as collateral throughout their lifetime.

It is noted that the documentation upon which the Governing Council assessment of the NGN arrangement was based is still partly in draft form and some documents were not available in time for this assessment. Acceptance will be confirmed when the final documentation will be made available.

**European Central Bank**

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