

Luxembourg, 25 January 2017

Summary of decisions

Board of Governors

Vote without meeting

Concluded on 20 January 2017

ESM short-term debt measures for Greece approved

The Board of Governors approved the ESM short-term debt measures to reduce interest rate risk for Greece.

These measures consist of i) an exchange of bonds; ii) derivative transactions hedging interest rate risk; and iii) the isolated (silo-based) issuance of funding instruments for future disbursements that closely match Greek loan maturities.

The Board of Governors also set up the '[Greek Compartment](#)', which will contain the proceeds from the operations conducted in the context of the short-term measures. This compartment enables the ESM to isolate any costs relating to the ESM short-term debt measures and pass them on to Greece. This also ensures that other ESM Members will not incur additional costs from these measures.

Finally, the Board of Governors authorised the Board of Directors to specify the various components of the ESM short-term debt measures, and entrusted their implementation to the Managing Director.

Background

In its statement of 25 May 2016, the Euro Group mandated the ESM to work on a first set of debt relief measures aimed at Greece, referred to as short-term debt measures. On 5 December 2016, the ESM presented detailed plans for the short-term debt measures.

Following the Board of Governors' approval of the ESM short-term debt measures, the [Board of Directors specified the rules](#) necessary for the implementation of these measures.

Further information may be found in the [Explainer on ESM short-term debt relief measures for Greece](#).

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Member of the Management Board
Secretary General