

### **Circular addressed to the Malta Funds Industry on the harmonised definition of European Money Market Funds**

**20<sup>th</sup> May, 2010**

On the 19<sup>th</sup> May, 2010 the Committee of European Securities Regulators [‘CESR’] issued the following documents relating to European Money Market Funds:

**[A] CESR’s Guidelines on common definition of European money market funds– (CESR 10-049)** – This document outlines CESR’s guidelines on a common definition of European money market funds. The main purpose behind the harmonized definition is improved investor protection and reflects the fact that investors expect the capital value of their investment to be maintained while still having the ability to withdraw their capital on a daily basis. Moreover, the guidelines provide for a two tiered approach when defining European money market funds: Short term Money Market Funds and Money Market Funds.

These guidelines, which will enter into force on the 1<sup>st</sup> July, 2011, apply to collective investment undertaking that are authorised under the UCITS Directive and collective investment undertakings regulated under the national law of a Member State and which are subject to supervision and comply with risk-spreading rules. Money market funds that existed before 1<sup>st</sup> July, 2011 are allowed a 6-month transitional period to comply with these guidelines with respect to all investments acquired prior to that date.

The MFSA intends to implement the standards set in the CESR Guidelines within the local regulatory framework applicable to collective investment schemes.

**[B] Feedback Statement - CESR’s Guidelines on a common definition of European money market funds.** This document gives feedback on the responses received in the consultation on the common definition of European money market funds (Ref. CESR/09-850).

A copy of the above-mentioned CESR documents is available on the MFSA’s website ([www.mfsa.com.mt](http://www.mfsa.com.mt)) under the section ‘*Securities – UCITS IV*’.

## **Contacts**

Should you have any queries regarding the above, please do not hesitate to contact:

**Christopher P. Buttigieg**  
Senior Manager  
2548 5229  
[cbuttigieg@mfsa.com.mt](mailto:cbuttigieg@mfsa.com.mt)

**Antonella Mercieca**  
Manager  
2548 5452  
[amercieca@mfsa.com.mt](mailto:amercieca@mfsa.com.mt)