

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

**Circular addressed to the Maltese investment fund industry
regarding CESR's consultation paper on a common
definition of European money market funds**

11th November 2009

On the 20th October 2009, the Committee of European Securities Regulators ('CESR') issued a consultation paper on a common definition of European money market funds. The main objective behind a harmonised definition of '*money market fund*' is that of enhancing investor protection. In addition, this common definition will also facilitate a more detailed understanding of the differences between funds which operate in a very restricted manner and those which adopt a wider approach. The purpose of CESR's consultation document is that of giving the European investment fund industry the opportunity to express its views on the proposed CESR definition of money market funds.

Once adopted by CESR, the definition of money market funds will take the form of Level III CESR Guidelines. As agreed by CESR Members (including the MFSA), any fund labelling or marketing itself as a money market fund authorised after the introduction of these guidelines must comply with the agreed definition. All existing European money market funds (including money market funds licensed in Malta) will have a transitional period of 12 months after the introduction of the guidelines to comply with the criteria set out in the agreed definition.

MFSA encourages members of the Maltese investment funds industry to participate in the CESR consultation process by considering the questions set out in this document and sending their responses, by not later than the 31st December, 2009 via CESR's website (www.cesr.eu) under the section "Consultations". A copy of the CESR consultation document is available on the MFSA's web-page dedicated to '*Securities*' in the section entitled '*UCITS IV*'.

Contacts

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