

04 May 2020

Updated Investment Services Rules applicable to Fund Managers and Collective Investment Schemes licensed as Money Market Funds in view of Regulation (EU) 2017/1131 of the European Parliament and of the Council (“the MMF Regulation”)

1. Introduction

On 23 July 2019 the MFSA issued a circular on the European Securities and Markets Authority (ESMA)’s guidelines on: (a) [Stress testing of money market funds](#) [ESMA 34-49-172] (“the **MMF Stress Testing Guidelines**”); and (b) [reporting by Investment Managers on money market funds to National Competent Authorities \(NCAs\)](#) [ESMA34-49-168] (“the **MMF Reporting Guidelines**”).

In view of the above, the Malta Financial Services Authority (“the **Authority**”) has updated the Rulebooks applicable to Fund Managers managing Money Market Funds (“**MMFs**”) and Collective Investment Schemes licensed as MMFs (“the **Rulebooks**”).

The MMF Stress Testing Guidelines provide common reference parameters of the stress test scenarios to be included in the stress tests that Fund Managers managing MMFs and self-managed MMFs are required to conduct.

In terms of Article 37 of the MMF Regulation, Fund Managers managing MMFs (including self-managed MMFs) are required to report information to the MFSA on the activities undertaken by MMFs. The information to be reported to NCAs is stipulated in the Commission Implementing Regulation [\(EU\) 2018/708](#). The MMF Reporting Guidelines cover the general principles regarding the reporting and the reporting periods as well as specifications on how to complete the reporting template. Until further notice MMF Reports should be submitted through the LH Portal under the section ‘Fund Manager Reporting’ for Fund Managers and ‘Collective Investment Schemes and Recognised Persons reporting’ for self-managed MMFs.

2. Update to the Rulebooks

The Authority has recently revised sections in the Rulebooks applicable to Collective Investment Schemes and Fund Managers as set out below:

a) **Part BIII of the Investment Services Rules for ISPs which qualify as Alternative Investment Fund Managers**

A new Section 13, entitled Supplementary Licence conditions applicable to AIFMs managing MMFs has been introduced to make reference to the above developments.

b) **Part BII of the Investment Services Rules for Investment Services Providers which qualify as UCITS Management Companies**

A new Section 7 entitled Supplementary Licence conditions applicable to UCITS Managers managing MMFs has been introduced in relation to MMF Stress Testing Guidelines and MMF Reporting Guidelines.

c) **Part B of the Investment Services Rules for Alternative Investor Funds**

Similarly to the Rules applicable to Investment Services Providers, SLC 8.41 and SLC 8.42 have been introduced to capture the applicability of the MMF Stress Testing Guidelines and MMF Reporting Guidelines.

d) **Part BII of the Investment Services Rules for Retail Collective Investment Schemes**

In view of the above developments, two additional rules, namely SLC 25.2 and SLC 25.3 have been introduced in Section 25 of the Rulebook.

Any queries or requests for clarifications on the contents of this Circular should be addressed to the Securities and Market Supervision on funds@mfsa.com.mt.