Targeted consultation on the functioning of the Money Market Fund Regulation

Fields marked with * are mandatory.

Introduction

The money market funds Regulation, fully applicable since January 2019, aims at preserving the integrity and stability of the internal market, by addressing credit and liquidity risks challenges experienced by MMFs during the 2008 crisis, increasing the protection of MMFs investors and enhancing the supervision of MMFs.

The MMF Regulation (EU Regulation 2017/1131) requires the Commission to submit a report to the co-legislators assessing the adequacy of this Regulation from a prudential and economic point of view by summer 2022. This should be based on a robust and comprehensive evaluation of current rules. The following questionnaire aims at complementing the information collected by other initiatives and work (ESMA, ESRB/ECB, FSB) on the functioning of the existing rules on money market funds.

Please note: In order to ensure a fair and transparent consultation process only responses received through our online questionnaire will be taken into account and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-money-market-funds@ec.europa.eu.

More information on

- this consultation
- the consultation document
- the abbreviations used in this consultation
- money market funds
- the protection of personal data regime for this consultation

About you
Language of my contribution
- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

I am giving my contribution as
- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
• Public authority  
• Trade union  
• Other

• First name
  katie

• Surname
  KELLY

• Email (this won't be published)
  katie.kelly@icmagroup.org

• Organisation name
  255 character(s) maximum
  International Capital Market Association

• Organisation size
  • Micro (1 to 9 employees)
  • Small (10 to 49 employees)
  • Medium (50 to 249 employees)
  • Large (250 or more)

Transparency register number
  255 character(s) maximum
  Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making.
  0223480577-59

• What type of entity are you?
  • Financial entity  
  • Non-financial corporate  
  • Institutional investor  
  • Other

• What type of financial entity are you?
Please describe your entity, including elements with regard to its size (if applicable):

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

ICMA has around 600 members active in all segments of international debt capital markets in 64 jurisdictions globally. Among our members are asset and fund managers, private and public sector issuers, banks and securities dealers, insurance companies, law firms, capital market infrastructure providers and central banks.

Country of origin
Please add your country of origin, or that of your organisation.
<table>
<thead>
<tr>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbados</td>
</tr>
<tr>
<td>Belarus</td>
</tr>
<tr>
<td>Belgium</td>
</tr>
<tr>
<td>Belize</td>
</tr>
<tr>
<td>Benin</td>
</tr>
<tr>
<td>Bermuda</td>
</tr>
<tr>
<td>Bhutan</td>
</tr>
<tr>
<td>Bolivia</td>
</tr>
<tr>
<td>Bonaire Saint Eustatius and Saba</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
</tr>
<tr>
<td>Botswana</td>
</tr>
<tr>
<td>Bouvet Island</td>
</tr>
<tr>
<td>Brazil</td>
</tr>
<tr>
<td>British Indian Ocean Territory</td>
</tr>
<tr>
<td>British Virgin Islands</td>
</tr>
<tr>
<td>Brunei</td>
</tr>
<tr>
<td>Bulgaria</td>
</tr>
<tr>
<td>Burkina Faso</td>
</tr>
<tr>
<td>Burundi</td>
</tr>
<tr>
<td>Cambodia</td>
</tr>
<tr>
<td>Cameroon</td>
</tr>
<tr>
<td>Canada</td>
</tr>
<tr>
<td>Cape Verde</td>
</tr>
<tr>
<td>Cayman Islands</td>
</tr>
<tr>
<td>Central African Republic</td>
</tr>
<tr>
<td>Chad</td>
</tr>
<tr>
<td>Chile</td>
</tr>
<tr>
<td>China</td>
</tr>
<tr>
<td>Christmas Island</td>
</tr>
<tr>
<td>Clipperton</td>
</tr>
<tr>
<td>Cocos (Keeling) Islands</td>
</tr>
<tr>
<td>Colombia</td>
</tr>
<tr>
<td>Comoros</td>
</tr>
<tr>
<td>Congo</td>
</tr>
</tbody>
</table>
Cook Islands
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Curaçao
Cyprus
Czechia
Democratic Republic of the Congo
Denmark
Djibouti
Dominica
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Eritrea
Estonia
Eswatini
Ethiopia
Falkland Islands
Faroe Islands
Fiji
Finland
France
French Guiana
French Polynesia
French Southern and Antarctic Lands
Gabon
Georgia
Germany
Ghana
Gibraltar
Greece
Greenland
Grenada
Guadeloupe
Guam
Guatemala
Guernsey
Guinea
Guinea-Bissau
Guyana
Haiti
Heard Island and McDonald Islands
Honduras
Hong Kong
Hungary
Iceland
India
Indonesia
Iran
Iraq
Ireland
Isle of Man
Isle of Man
Israel
Italy
Jamaica
Japan
Jersey
Jordan
Kazakhstan
Kenya
Kiribati
Kosovo
Kosovo
Kuwait
Kuwait
Kyrgyzstan
Netherlands
New Caledonia
New Zealand
Nicaragua
Niger
Nigeria
Niue
Norfolk Island
Northern Mariana Islands
North Korea
North Macedonia
Norway
Oman
Pakistan
Palau
Palestine
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Pitcairn Islands
Poland
Portugal
Puerto Rico
Qatar
Réunion
Romania
Russia
Rwanda
Saint Barthélemy
Saint Helena Ascension and Tristan da Cunha
Saint Kitts and Nevis
Saint Lucia
Saint Martin
Saint Pierre and Miquelon
Saint Vincent and the Grenadines
Samoa
San Marino
São Tomé and Príncipe
Saudi Arabia
Senegal
Serbia
Seychelles
Sierra Leone
Singapore
Sint Maarten
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
South Georgia and the South Sandwich Islands
South Korea
South Sudan
Spain
Sri Lanka
Sudan
Suriname
Svalbard and Jan Mayen
Sweden
Switzerland
Syria
Taiwan
Tajikistan
Tanzania
Thailand
The Gambia
Timor-Leste
Togo
Tokelau
Tonga
Trinidad and Tobago
Tunisia
Turkey
Turkmenistan
Turks and Caicos Islands
Tuvalu
Uganda
Ukraine
United Arab Emirates
United Kingdom
United States
United States Minor Outlying Islands
Uruguay
US Virgin Islands
Uzbekistan
Vanuatu
Vatican City
Venezuela
Vietnam
Wallis and Futuna
Western Sahara
Yemen
Zambia
Zimbabwe

* In which jurisdiction are you domiciled?

- an EU or an EEA Member State
- United States of America
- United Kingdom
- Other
Field of activity or sector (if applicable)

☐ Accounting
☐ Auditing
☑ Banking
☐ Credit rating agencies
☐ Insurance
☐ Pension provision
☐ Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
☐ Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
☐ Social entrepreneurship
☐ Other
☐ Not applicable

The Commission will publish all contributions to this targeted consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. For the purpose of transparency, the type of respondent (for example, ‘business association, ‘consumer association’, ‘EU citizen’) is always published. Your e-mail address will never be published. Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected.

Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

☐ Anonymous

Only the organisation type is published: The type of respondent that you responded to this consultation as, your field of activity and your contribution will be published as received. The name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

☐ Public

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

☑ I agree with the personal data protection provisions
1. Questions addressed to all

Question 1. In your view, what is the impact of the MMFR on the MMF industry in the EU?
a) Effectiveness: Has the Regulation been overall effective in delivering on its objective in terms of

<table>
<thead>
<tr>
<th>Aspect</th>
<th>1 (least effective)</th>
<th>2 (rather not effective)</th>
<th>3 (neutral)</th>
<th>4 (rather effective)</th>
<th>5 (most effective)</th>
<th>Don't know - No opinion - Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring the liquidity of the fund is adequate to face redemption requests</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Preventing risk of contagion</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Enhancing the financial stability of the internal market</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Increasing MMF investor protection</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Reducing first mover advantage incentives in times of stress</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Transparency</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Supervision</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Other aspects</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
Please explain your answer to question 1 a), providing quantitative information to the extent possible:

3000 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

What factors have reduced the effectiveness / rendered the framework less effective than anticipated? Which rules have proven less effective than anticipated?

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

ICMA would suggest that a shift of focus away from individual MMF structures towards the efficiency and resilience of the underlying market would be more appropriate. Significant amendments to the MMFR may be unnecessary – for instance, cessation of LVNAVs or CNAVs, the purpose and operation of which are clear, with good structural transparency – and may cast doubt over the integrity of the regulation, and of LVNAV and CNAV MMFs.

ICMA recently released a White Paper on The European Commercial Paper and Certificates of Deposit Market (submitted alongside this response), which describes how the commercial paper (CP) market performed during the Covid-related turmoil of March-April 2020 and after, by reference to market participants’ experiences. It addresses potential vulnerabilities in the CP market, and proposes initiatives and recommendations that could support the development of market structure and enhance resilience, particularly in the event of future shocks. ICMA would be happy to discuss the contents of the White Paper further.

b) Efficiency: Has the framework been cost efficient?

- 1 - Least efficient
- 2 - Rather not efficient
- 3 - Neutral
- 4 - Rather efficient
- 5 - Most efficient
- Don’t know / no opinion / not applicable
Please explain your answer to question 1 b), providing quantitative information to the extent possible:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Is there any undue burden created by the MMFR? What scope is there to realise cost efficiencies via further simplification?

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Should enforcement of the rules and supervision be strengthened?

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

c) Relevance: Is the framework overall relevant (in terms of evolving objectives and needs, has the market significantly evolved compared to when the MMFR was designed?)?

- 1 - Least relevant
- 2 - Rather not relevant
- 3 - Neutral
- 4 - Rather relevant
- 5 - Most relevant
- Don’t know / no opinion / not applicable
Please explain your answer to question 1 c), providing quantitative information to the extent possible:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

How relevant is it, or what needs to change, in light of market developments?

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

ICMA would suggest that a shift of focus away from individual MMF structures towards the efficiency and resilience of the underlying market would be more appropriate. Significant amendments to the MMFR may be unnecessary – for instance, cessation of LVNAV or CNAV, the purpose and operation of which are clear, with good structural transparency – and may cast doubt over the integrity of the regulation, and of LVNAV and CNAV MMFs.

ICMA recently released a White Paper on The European Commercial Paper and Certificates of Deposit Market (attached with this submission), which describes how the commercial paper (CP) market performed during the Covid-related turmoil of March-April 2020 and after, by reference to market participants’ experiences. It addresses potential vulnerabilities in the CP market, and proposes initiatives and recommendations that could support the development of market structure and enhance resilience, particularly in the event of future shocks. ICMA would be happy to discuss the contents of the White Paper further.
### d) Coherence

<table>
<thead>
<tr>
<th></th>
<th>1 (least coherent)</th>
<th>2 (rather not coherent)</th>
<th>3 (neutral)</th>
<th>4 (rather coherent)</th>
<th>5 (most coherent)</th>
<th>Don't know - No opinion - Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Is the legislative framework coherent with other related frameworks, at EU level?</strong></td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td><strong>Are existing EU provisions coherent with each other?</strong></td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
Please explain your answers to question 1 d), providing quantitative information to the extent possible:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

---

e) EU value-added: Has intervention at EU level been justified, and does it continue to be justified?

- 1 - Least successful
- 2 - Rather not successful
- 3 - Neutral
- 4 - Rather successful
- 5 - Most successful
- Don’t know / no opinion / not applicable

Please explain your answer to question 1 e), providing quantitative information to the extent possible:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

---

What has been the value-added compared to national frameworks?

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.
Question 2. a) To what extent has MMFR made MMFs more resilient during March 2020 and compared to 2007 (i.e. considering equivalents to MMFs at that time)?

☐ 1 - Least successful
☐ 2 - Rather not successful
☐ 3 - Neutral
☐ 4 - Rather successful
☐ 5 - Most successful
☐ Don’t know / no opinion / not applicable

Please explain your answers to question 2 a), in case you have the experience /information to make such a comparison:

1500 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.
**Question 2. b) Through which channels has MMFR made MMFs more resilient during March 2020 and compared to 2007?**

<table>
<thead>
<tr>
<th>1 (least successful)</th>
<th>2 (rather not successful)</th>
<th>3 (neutral)</th>
<th>4 (rather successful)</th>
<th>5 (most successful)</th>
<th>Don't know - No opinion - Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMFR rules on credit risk</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td>MMFs asset composition</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td>Definition of liquidity</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
</tr>
<tr>
<td>Other</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
<td>★</td>
</tr>
</tbody>
</table>
Please explain your answers to question 2 b), in case you have the experience/information to make such a comparison:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 3. If LVNAV were not available anymore, what impacts would you expect on you, and other relevant stakeholders? Please explain:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Borrowers would lose the benefits of MMFs-cost savings, diversification & flexibility of funding, access to currencies-and the availability of short-term funding would be constrained.

MMFs have more diversified credit risk exposures than uninsured bank deposits/direct investment in MMIs. LVNAV 20bp collar reflects low tolerance to volatility in the underlying market, giving investors more protection than in other products. Cessation of LVNAV MMFs could encourage investors to move to bank products which may be riskier, less transparent or are outside the EU-regulated financial market. And borrowers would have to look elsewhere for another investor base.

Cessation of LVNAV MMFs could significantly increase activity in VNAV MMFs, which, compounded with volatile pricing and deteriorating liquidity conditions around stress events, could adversely affect the ability to accurately determine mark to market values in VNAV MMFs.

Asset managers would have to close or transform their LVNAV MMFs, the costs of which could be significant, particularly for small MMFs and for investors who need to conduct diligence, implement new operating procedures, etc.

LVNAV MMFs & VNAV MMFs are more vulnerable to liquidity shocks than CNAVs, as they invest in non-public assets. Strengthening LVNAVs liquidity requirements/permitting the use of LMTs would ensure they can meet redemptions, maintain the availability of short-term funding for borrowers, and offer a stable NAV for investors.

Question 4. If Public Debt CNAV MMFs were not available anymore, what impacts would you expect on you, and other relevant stakeholders? Please explain:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.
This response assumes that LVNAV MMFs remain available and would be capable of using a rounded NAV, subject to the current constraints of a 20bp collar.

Cessation of CNAV MMFs would constrain the availability of short-term funding for public borrowers.

Cessation of CNAV MMFs could significantly increase activity in VNAV MMFs, which could adversely affect the ability to accurately determine mark to market values in VNAV MMFs. It is likely that there would not be such impact if activity were increased in LVNAV MMFs, and LVNAVs were able to use the amortised costs method.

Asset managers would have to close down their CNAV MMFs, or transform them into VNAV MMFs, LVNAV MMFs or other funds. The costs of ceasing or remodelling CNAV MMFs could be significant, particularly for small MMFs and for investors who need to conduct diligence, implement new operating procedures, etc.

Cessation of CNAV MMFs could encourage investors to move activities to other bank products, which may be riskier, less transparent or are outside the EU regulated financial market.

---

**Question 5. What elements of the MMFR could in your view be improved?**

Please select as many answers as you like

- [ ] Know your customer policy
- [ ] Disclosure / transparency
- [ ] Role of credit rating
- [ ] Limitations on the use of amortised cost method
- [ ] Regulatory triggers for LMTs
- [ ] Data sharing
- [ ] Scope
- [ ] Other

**Question 6. What regulatory developments at international level should be taken into account in the MMFR and why? Please explain:**

*1500 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.
Question 7. Would the proposal on Liquidity Management Tools under the AIFMD/UCITS review contribute to strengthen the liquidity risk management in MMFs?

- Yes
- Partially
- No
- Other
- Don’t know / no opinion / not applicable

Please explain your answer to question 7:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes. LMTs would address first-mover advantage for redeeming investors in a stress event and thus mitigate MMFs (particularly non-public debt funds) against runs, protect and reassure remaining investors against the impact of large redemptions and allow MMFs to reflect in their prices the costs arising from redemptions. But MMF managers and boards should have discretion over how and when to deploy LMTs, which should not be mandatory. Any proposed LMTs could create significant operational challenges, and could adversely affect investor behaviours and reactions to liquidity fees. LMTs would require very careful design - not all LMTs are suitable for all MMFs (as to which, see further ICMA’s response to the ESMA CP on MMFR Review).

Question 8 a) Do you have any comment on the impact of the MMFR on the functioning of short-term markets (via investments in short-term instruments issued by banks, insurances, non-financial corporates, etc.), both in terms of costs/convenience, but also in terms of financial stability/contagion in times of crisis?

Please explain further and provide quantitative information if possible:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 8 b) In your view, is there sufficient transparency both in terms of issuance, underlying collateral and rates of short-term money market instruments in the EU insofar as covered by the MMFR?

- Yes
Please explain your answer to question 8 b):

1500 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

MMF participants are directly regulated and subject to their own transparency requirements. But in terms of underlying collateral, as there is no obligation to report money market instruments (such as commercial paper) to securities regulators, transparency in the European CP market is fragmented, and it is very difficult to have a clear, definitive, holistic overview of pre and post-trade data, as well as statistics on issuance, outstanding amounts, and market structure. According to an AMF report, activity on the secondary market in short term debt securities is almost entirely unknown, average rates at issuance are only disclosed on some segments, and credit ratings and CRAs’ market shares on the short-term debt segment have not yet been assessed. Fully consolidated, publicly available information could play a role in supporting greater confidence for market participants and help with price formation, particularly in the secondary market. As described in the White Paper referred to in 1(c), feedback from the ICMA CP and Certificates of Deposit Committee suggests that this is worth exploring further. A consolidated tape for short-term markets, similar to those proposed for corporate bonds and equities, is a possible consideration. Notwithstanding the above, implementation of any solution could be potentially complex, requiring a careful balance to be struck between minimising costs for participants and end users and ensuring that the data is useful.

2. Questions addressed to investors in MMFs
Question 9. In which type(s) of EU MMFs do you invest?

Please indicate in the respective cell, approximately, the total amount of your holdings in EU MMF converted in EUR:

<table>
<thead>
<tr>
<th>Public debt CVNAV</th>
<th>LVNAV</th>
<th>Standard VNAV</th>
<th>Short-term VNAV</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount in EUR as of 31/12/2021</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Question 10. Which currency do you mostly invest in and for what reasons?

Please indicate the percentage share of your holdings at the end of 2021:

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
<th>GPB</th>
<th>US Dollars</th>
<th>Other currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>In LVNAV</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In public debt CNAV</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In VNAV</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Please explain your answer to question 10:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 11. a) What are the reasons/needs for investing in public debt CNAV?

Please select as many answers as you like

- [ ] Short-term investment: optimise returns while preserving liquidity
- [ ] Margin call management
- [ ] Operational use (payment of invoices and bills, etc.)
- [ ] Other cash management reasons
- [ ] As part of investment products offered to retail investors (life insurance product, pensions products, fund of funds – please specify which one(s) and why
- [ ] Regulatory incentives, please specify which one(s) and why
- [ ] Tax reasons, please specify which one(s) and why
- [ ] Accounting reasons (e.g. Classification in “cash and cash equivalents” investment, others.)
- [ ] Other

Question 11. b) What are the reasons/needs for investing in LVNAV?

Please select as many answers as you like

- [ ] Short-term investment: optimise returns while preserving liquidity
- [ ] Margin call management
- [ ] Operational use (payment of invoices and bills, etc.)
- [ ] Other cash management reasons
- [ ] As part of investment products offered to retail investors (life insurance product, pensions products, fund of funds – please specify which one(s) and why
Question 11. c) What are the reasons/needs for investing in **standard VNAV**?
Please select as many answers as you like

- [ ] Short-term investment: optimise returns while preserving liquidity
- [ ] Margin call management
- [ ] Operational use (payment of invoices and bills, etc.)
- [ ] Other cash management reasons
- [ ] As part of investment products offered to retail investors (life insurance product, pensions products, fund of funds – please specify which one(s) and why
- [ ] Regulatory incentives, please specify which one(s) and why
- [ ] Tax reasons, please specify which one(s) and why
- [ ] Accounting reasons (e.g. Classification in “cash and cash equivalents” investment, others.)
- [ ] Other

Question 11. d) What are the reasons/needs for investing in **short-term VNAV**?
Please select as many answers as you like

- [ ] Short-term investment: optimise returns while preserving liquidity
- [ ] Margin call management
- [ ] Operational use (payment of invoices and bills, etc.)
- [ ] Other cash management reasons
- [ ] As part of investment products offered to retail investors (life insurance product, pensions products, fund of funds – please specify which one(s) and why
- [ ] Regulatory incentives, please specify which one(s) and why
- [ ] Tax reasons, please specify which one(s) and why
Accounting reasons (e.g. Classification in “cash and cash equivalents” investment, others.)

Other
Question 12. What is your investment horizon when investing in these MMFs?

Please specify time frame and please indicate “on demand” when you invest in MMF due to keeping a liquid cash balance:

<table>
<thead>
<tr>
<th>Investment horizon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public debt CVNAV</td>
</tr>
<tr>
<td>LVNAV</td>
</tr>
<tr>
<td>Standard VNAV</td>
</tr>
<tr>
<td>Short-term VNAV</td>
</tr>
</tbody>
</table>
Question 13. Do the levels of DLA and WLA profile published by MMFs play a role in your investment/disinvestment decision?

- Yes
- Partially
- No
- Don’t know / no opinion / not applicable

Please explain your answer to question 13:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 14. Except for immediate cash needs, what are the most typical reasons why you would divest from a given MMF?

a) Drift of risk indicators (WAM, WAL, DLA, WLA)

- 1 - Not important
- 2 - Rather not important
- 3 - Neutral
- 4 - Rather important
- 5 - Very important
- Don’t know / no opinion / not applicable

Please explain your answer to question 14 a):

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.
b) Fund’s recent performance

Volatility of the NAV and MTM (shadow) NAV

- 1 - Not important
- 2 - Rather not important
- 3 - Neutral
- 4 - Rather important
- 5 - Very important
- Don’t know / no opinion / not applicable

Please explain your answer to question 14 b) on volatility of the NAV and MTM (shadow) NAV:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Difference between constant NAV and MTM (shadow) NAV that widens (question relevant for LVNAV and Public Debt CNAV)

- 1 - Not important
- 2 - Rather not important
- 3 - Neutral
- 4 - Rather important
- 5 - Very important
- Don’t know / no opinion / not applicable

Please explain your answer to question 14 b) on the difference between constant NAV and MTM (shadow) NAV that widens (question relevant for LVNAV and Public Debt CNAV):

1500 character(s) maximum
c) By anticipation due to the market context

Risk of non-accessibility or partial access to the cash in case of LMTs being triggered (e.g. suspension, gates)

- 1 - Not important
- 2 - Rather not important
- 3 - Neutral
- 4 - Rather important
- 5 - Very important
- Don’t know / no opinion / not applicable

Please explain your answer to question 14 c) on risk of non-accessibility or partial access to the cash in case of LMTs being triggered (e.g. suspension, gates):

1500 character(s) maximum

Emerging risks, anticipation of further markets deterioration that may affect the MMF’s performance

- 1 - Not important
- 2 - Rather not important
- 3 - Neutral
- 4 - Rather important
- 5 - Very important
- Don’t know / no opinion / not applicable
Please explain your answer to question 14 c) on emerging risks, anticipation of further markets deterioration that may affect the MMF’s performance:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 15. Would the mandatory availability of LMTs to pass on the cost of liquidity to redeeming investors be a reassurance to the remaining investors?

- Yes
- Partially
- No
- Don’t know / no opinion / not applicable

Please explain your answer to question 15:

1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 16. If LVNAV were not available anymore, or not available in your preferred currency, what alternative investment(s) would correspond to your needs?

Please select as many answers as you like

- Bank deposits
- Short-term VNAV
- Standard VNAV
- Public debt CNAV
- EU investment funds other than MMFs
- Non-EU MMFs
☐ Non-EU investment funds other than MMFs
☐ Direct investments in money market instruments (such as short-term treasury bills, etc.)
☐ Other financial instruments
☐ Other

Please further explain your answers to question 16 if necessary:
1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

---

Question 17. If Public Debt CNAV MMFs were not available anymore, or not available in your preferred currency, what alternative investment(s) would correspond to your needs?
Please select as many answers as you like

☐ Bank deposits
☐ Short-term VNAV
☐ Standard VNAV
☐ EU investment funds other than MMFs
☐ Non-EU MMFs
☐ Non-EU investment funds other than MMFs
☐ Direct investments in money market instruments (such as short-term treasury bills, etc.)
☐ Other financial instruments
☐ Other

Please further explain your answers to question 17 if necessary:
1500 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.
Question 18. Do you already invest in these alternative investments? If so, in which ones?

<table>
<thead>
<tr>
<th></th>
<th>Percentage share invested (end 2021)</th>
<th>Further comment if necessary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-EU MMFs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-EU investment funds other than MMFs (please specify which ones)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct investments in money market instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial instruments (please specify which ones)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify which ones)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Question 18 a) Would it be feasible for you to transfer all your MMF holdings into these instruments?

- Yes
- No
- Don’t know / no opinion / not applicable

3. Questions addressed to MMFs asset managers
Question 19. Which type(s) of MMFs do you manage, in which currency and for which amount (end of 2021 position converted in EUR)?

<table>
<thead>
<tr>
<th>Currency Type</th>
<th>CNAV - Total NAV EUR</th>
<th>LVNAV - Total NAV in EUR</th>
<th>Standard VNAV - Total NAV in EUR</th>
<th>Short-term VNAV - Total NAV in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-denominated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USD-denominated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBP-denominated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other currencies (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Question 20. Do the MMFs you manage invest in debt issued or guaranteed by public authorities or institutions?

Please select as many answers as you like

- Debt issued or guaranteed by EU public issuers
- Debt issued or guaranteed by non-EU public issuers
Question 21. When monitoring the evolution of the difference between the constant NAV and MTM (shadow) NAV, on a regular basis or during the March 2020 crisis, what actions were/are taken to maintain this difference below the threshold mentioned in Article 33(2)(b) of Regulation 2017/1131 for LVNAV or to maintain a constant NAV for public debt CNAV?

<table>
<thead>
<tr>
<th></th>
<th>Action taken on a day to day basis</th>
<th>Specific actions taken during the March 2020 crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public debt CNAV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LVNAV</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Question 22. Can you explain the direct and indirect impacts (on the type of MMF and on the broader markets) of the central banks’ intervention since March 2020 up to now?
a) CNAV:

<table>
<thead>
<tr>
<th>Impact of outright purchases of CP by central banks on cumulative MMFs outflows/inflows</th>
<th>1 (low impact)</th>
<th>2 (rather low impact)</th>
<th>3 (neutral)</th>
<th>4 (rather high impact)</th>
<th>5 (very high impact)</th>
<th>Don't know - No opinion - Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>On prices of short-term financial instruments bought by the ECB /BoE/FED</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
</tr>
<tr>
<td>Impact on market confidence -decreasing outflows (EUR)</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
</tr>
<tr>
<td>Other impact(s)</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
<td>〇</td>
</tr>
</tbody>
</table>
Please specify the central bank your answer to question 22 a) refers to (ECB, BoE, FED):

5000 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.
### B) LVNAV:

<table>
<thead>
<tr>
<th></th>
<th>1 (low impact)</th>
<th>2 (rather low impact)</th>
<th>3 (neutral)</th>
<th>4 (rather high impact)</th>
<th>5 (very high impact)</th>
<th>Don't know - No opinion - Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of outright purchases of CP by central banks on cumulative MMFs outflows/inflows</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>On prices of short-term financial instruments bought by the ECB /BoE/FED</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Impact on market confidence - decreasing outflows (EUR)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Other impact(s)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
Please specify the central bank your answer to question 22 b) refers to (ECB, BoE, FED):

5000 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.
C) VNAV:

<table>
<thead>
<tr>
<th>Impact of outright purchases of CP by central banks on cumulative MMFs outflows/inflows</th>
<th>1 (low impact)</th>
<th>2 (rather low impact)</th>
<th>3 (neutral)</th>
<th>4 (rather high impact)</th>
<th>5 (very high impact)</th>
<th>Don't know - No opinion - Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>On prices of short-term financial instruments bought by the ECB/BoE/FED</th>
<th>1 (low impact)</th>
<th>2 (rather low impact)</th>
<th>3 (neutral)</th>
<th>4 (rather high impact)</th>
<th>5 (very high impact)</th>
<th>Don't know - No opinion - Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact on market confidence - decreasing outflows (EUR)</th>
<th>1 (low impact)</th>
<th>2 (rather low impact)</th>
<th>3 (neutral)</th>
<th>4 (rather high impact)</th>
<th>5 (very high impact)</th>
<th>Don't know - No opinion - Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other impact(s)</th>
<th>1 (low impact)</th>
<th>2 (rather low impact)</th>
<th>3 (neutral)</th>
<th>4 (rather high impact)</th>
<th>5 (very high impact)</th>
<th>Don't know - No opinion - Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Please specify the central bank your answer to question 22 c) refers to (ECB, BoE, FED):

5000 character(s) maximum
including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) below. Please make sure you do not include any personal data in the file you upload if you want to remain anonymous.

The maximum file size is 1 MB.
You can upload several files.
Only files of the type pdf, txt, doc, docx, odt, rtf are allowed

Useful links

Abbreviations (https://ec.europa.eu/info/files/2022-money-market-funds-abbreviations_en)

Contact

fisma-money-market-funds@ec.europa.eu