



Council of the
European Union

Brussels, 12 May 2017
(OR. en)

**Interinstitutional File:
2013/0306 (COD)**

8714/1/17
REV 1 ADD 1

CODEC 702
EF 87
ECOFIN 323

'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Draft Regulation of the European Parliament and of the Council on money market funds (**First reading**)
- Adoption of the legislative act
= Statement

Statement by Luxembourg

Luxembourg supports the overall objective of the money market funds regulation to make all categories of MMFs safer and more robust, given the key role MMFs play in the financing of the real economy.

The situation of MMFs that are exclusively distributed to investors outside of the EU and of MMFs that are structured as master-feeders is not properly addressed by the regulation.

A quota of EU-debt for public debt CNAV MMFs as referred to in the review clause is legally disputable, sets a questionable precedent and will ultimately hinder the development of this new category of MMFs. Such an EU-centered approach ignores that the success story of the EU asset management industry is largely due to its global perspective.

The regulation is likely to jeopardize the viability of some categories of MMFs in the long run, and hence bears the risk of making valuable market-based sources of financing disappear. This runs counter the objectives of the Capital Markets Union.

In light of the above, Luxembourg votes against the regulation on money market funds.
