

MEMO# 25459

September 1, 2011

ESMA Issues Questions and Answers Regarding European Money Market Funds

[25459]

September 1, 2011

TO: INTERNATIONAL COMMITTEE No. 24-11
MONEY MARKET FUNDS ADVISORY COMMITTEE No. 51-11
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 43-11
SEC RULES COMMITTEE No. 74-11 RE: ESMA ISSUES QUESTIONS AND ANSWERS
REGARDING EUROPEAN MONEY MARKET FUNDS

The European Securities and Markets Authority (ESMA) recently issued a series of questions and answers regarding the application of the guidelines issued by ESMA's predecessor (CESR) regarding a common definition of European money market funds. [*] The questions and corresponding answers cover a variety of topics. Of particular interest may be those concerning the calculation of a fund's weighted average maturity, weighted average life, and the maturity of individual securities.

The document notes that ESMA intends to continually edit and update the document when new questions are received. Additional questions may be sent to ESMA at moneymarketfunds@esma.europa.eu.

Jane G. Heinrichs
Senior Associate Counsel

endnotes

[*] European Securities and Markets Authority, Questions and Answers: A Common Definition of European Money Market Funds (ESMA/2011/273) August 2011, available at <http://www.esma.europa.eu/popup2.php?id=7717>. On May 19, 2010, the Committee of European Securities Regulators (CESR) issued guidelines for a common definition of European money market funds setting forth two classifications: (1) short-term money

market funds and (2) money market funds. Committee of European Securities Regulators, CESR's Guidelines on a Common Definition of European Money Market Funds (CESR/10-049) May 19, 2010, available at <http://www.cesr.eu/popup2.php?id=6638>. For a summary of these guidelines, see ICI Memorandum No. [24412](#), July 8, 2010.

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.