EUROPEAN PARLIAMENT 2014 - 2019

Committee on Economic and Monetary Affairs

09/01/2015

AMENDMENTS 1 - 72

Neena Gill
Money market funds

Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

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EUROPEAN PARLIAMENT

Committee on Economic and Monetary Affairs

09/01/2015

Neena Gill
Money market funds

Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 1
Petr Ježek

Proposal for a regulation
Recital 10

Text proposed by the Commission	*Amendment*
(10) In the absence of a Regulation setting out rules on MMFs, diverging measures might continue to be adopted at national level, which would continue to cause significant distortions of competition resulting from important differences in essential investment protection standards. Diverging requirements on portfolio composition, eligible assets, their maturity, liquidity and diversification, as well as on credit quality of issuers of money market instruments lead to different levels of investor protection because of the different levels of risk attached to the investment proposition associated with a money market fund. ***The failure to adopt strict common rules applicable to MMFs in the internal market prevents*** uniform ***investor protection and gives investors different incentives to redeem their investments and thereby trigger a run. It is therefore essential*** to avoid contagion into the short term funding market and to the sponsors of the MMF which would largely put at risk	(10) In the absence of a Regulation setting out rules on MMFs, diverging measures might continue to be adopted at national level, which would continue to cause significant distortions of competition resulting from important differences in essential investment protection standards. Diverging requirements on portfolio composition, eligible assets, their maturity, liquidity and diversification, as well as on credit quality of issuers of money market instruments lead to different levels of investor protection because of the different levels of risk attached to the investment proposition associated with a money market fund. ***It is therefore essential to adopt a*** uniform ***set of rules in order*** to avoid contagion into the short term funding market and to the sponsors of the MMF which would largely put at risk the stability of the Union's financial market***. In order to mitigate systemic risk, CNAV MMF may maintain a constant price per unit or share only if they establish a mechanism***

the stability of the Union's financial market ***by adopting a uniform set of rules***.

which reflects increases and decreases in the net asset value of an investor's portfolio.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 2
Petr Ježek, Philippe De Backer

Proposal for a regulation
Recital 23

Text proposed by the Commission	*Amendment*
(23) Asset Backed Commercial Papers (ABCPs) should be considered eligible money market instruments to the extent that they respect additional requirements. Due to the fact that during the crisis certain securitisations were particularly unstable, it is necessary to impose maturity limits and quality criteria on the underlying assets***.*** Not all categories of underlying assets ***should be eligible because some were more confronted to instability than others***. For this reason the underlying assets should be exclusively composed of short-term debt instruments that have been issued by corporates in the course of their business activity, such as trade receivables. Instruments such as auto loans and leases, equipment leases, ***consumer loans,*** residential mortgage loans, credit card receivables or any other type of instrument linked to the acquisition or financing of services or goods by consumers should ***not be eligible. ESMA*** should be entrusted with drafting regulatory technical standards	(23) Asset Backed Commercial Papers (ABCPs) should be considered eligible money market instruments to the extent that they respect additional requirements. Due to the fact that during the crisis certain securitisations were particularly unstable, it is necessary to impose maturity limits and quality criteria on the underlying assets ***and also to ensure that the pool of exposures is sufficiently diversified. Yet*** not all categories of underlying assets ***have proved to be unstable, and in particular those securitizations where the underlying assets were associated with supporting the working capital of manufacturers and the sales of real economy goods and servcies. These securitizations have performed well and should be eligible***. For this reason the underlying assets should be exclusively composed of short-term ***and liquid*** debt instruments that have been issued by corporates in the course of their business activity, such as trade receivables. Instruments such as auto loans and leases,

to be submitted for endorsement by the Commission with regard to the conditions and circumstances under which the underlying exposure or pool of exposures is considered to exclusively consist of corporate debt and the conditions ***and*** numerical thresholds determining when corporate debt is of high credit quality and liquid.	equipment leases, residential mortgage loans, credit card receivables or any other type of instrument linked to the acquisition or financing of services or goods by consumers should ***undergo a thorough examination. ESMA, in close cooperation with the EBA,*** should be entrusted with drafting regulatory technical standards to be submitted for endorsement by the Commission with regard to the conditions and circumstances under which the underlying exposure or pool of exposures is considered to exclusively consist of corporate debt and the conditions***, whether it is sufficiently diversified, as well as the*** numerical thresholds determining when corporate debt is of high credit quality and liquid. ***In order to assess the eligibility of certain instruments and their underlying assets, ESMA shall develop, in close cooperation with EBA, a set of criteria to define " high quality securitization". These criteria should take into consideration the need for more standardisation and transparency to avoir securitisation of high complexity.***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 3
Petr Ježek, Philippe De Backer

Proposal for a regulation
Recital 29

Text proposed by the Commission	*Amendment*
(29) The MMF should have a responsibility to invest in high quality eligible assets. Therefore, a MMF should have a prudent and rigorous ***internal*** assessment procedure for determining the credit quality of the money market instruments in which it intends to invest. In accordance with Union legislation limiting over-reliance on credit ratings, it is important that MMFs avoid ***any mechanistic reliance*** on ratings issued by rating agencies when assessing the quality of eligible assets. ***For this purpose the MMF should establish an internal rating system based on a harmonised rating scale and an internal assessment procedure.***	(29) The MMF should have a responsibility to invest in high quality eligible assets. Therefore, a MMF should have a prudent and rigorous ***credit*** assessment procedure for determining the credit quality of the money market instruments in which it intends to invest. In accordance with Union legislation limiting over-reliance on credit ratings, it is important that MMFs avoid ***over-reliance*** on ratings issued by rating agencies when assessing the quality of eligible assets.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 4
Petr Ježek, Philippe De Backer

Proposal for a regulation
Recital 30

Text proposed by the Commission	*Amendment*
(30) For the purpose of avoiding that MMF managers use different assessment criteria for evaluating the credit risk of a money market instrument and thus attribute different risk characteristics to the same instrument, it is essential that managers rely on the same criteria. To this effect the ***rating*** criteria should be precisely defined and harmonized. Examples of ***internal rating*** criteria are quantitative measures on the issuer of the instrument, such as financial ratios, balance sheet dynamics, profitability guidelines, which are evaluated and compared to those of industry peers and groups; qualitative measures on the issuer of the instrument, such as management effectiveness, corporate strategy, which are analysed with a view to determining that the issuer's overall strategy does not impede on its future credit quality. The highest ***internal*** ratings should reflect the fact that the creditworthiness of the issuer of the instruments is maintained at all times at the	(30) For the purpose of avoiding that MMF managers use different assessment criteria for evaluating the credit risk of a money market instrument and thus attribute different risk characteristics to the same instrument, it is essential that managers rely on the same criteria. To this effect the ***credit assessment*** criteria should be precisely defined and harmonized. Examples of ***credit assessment*** criteria are quantitative measures on the issuer of the instrument, such as financial ratios, balance sheet dynamics, profitability guidelines, which are evaluated and compared to those of industry peers and groups; qualitative measures on the issuer of the instrument, such as management effectiveness, corporate strategy, which are analysed with a view to determining that the issuer's overall strategy does not impede on its future credit quality. The highest ratings should reflect the fact that the creditworthiness of the issuer of the instruments is maintained at all times at the

highest possible levels.	highest possible levels.

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 5
Petr Ježek, Philippe De Backer

Proposal for a regulation
Recital 31

Text proposed by the Commission	*Amendment*
(31) In order to develop a transparent and coherent ***internal rating system***, the manager should document the procedures used for the ***internal*** assessment. This should ensure that the procedure follows a clear set of rules that can be monitored and that the methodologies employed are communicated upon request to the interested stakeholders.	(31) In order to develop a transparent and coherent ***credit assessment procedure***, the manager should document the procedures used for the ***credit*** assessment. This should ensure that the procedure follows a clear set of rules that can be monitored and that the methodologies employed are communicated upon request to the interested stakeholders.

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 6
Petr Ježek, Philippe De Backer

Proposal for a regulation
Recital 39

Text proposed by the Commission	*Amendment*
(39) ***It is important that the risk management of MMFs not be biased by short-term decisions influenced by the possible*** rating ***of the MMF. Therefore, it is necessary to prohibit a MMF or its manager from requesting that the MMF is rated by a credit rating agency*** in order to ***avoid that this external rating is used for marketing purposes. The MMF or its manager should also refrain from using alternative methods for obtaining a rating of the MMF. Should the MMF be awarded an external rating, either on the own initiative of the*** credit ***rating agency or following request by a third party that is independent of the MMF or the manager and does not act on behalf of any of them, the MMF manager should refrain from relying on criteria that would be attached to that external rating***. For ensuring appropriate liquidity management it is necessary that the MMFs establish sound policies and procedures to know their investors. The policies that the	(39) ***An effect of the financial crisis has been an over-reliance by investors, UCITS and AIFs on credit*** rating ***agencies in assessing the credit worthiness of potential investments. In order to improve the quality of the investments made by MMFs, and thereby UCITS and AIFs, and*** in order to ***protect investors of those funds, it is appropriate to require MMF managers and investors to avoid relying solely or mechanically on credit ratings or using them as the only parameter when assessing the risk involved in the investments made by MMFs. The general principle against over-reliance on*** credit ***ratings should therefore be integrated into the risk-management processes and systems of MMFs and adapted to their specificities***.

manager has to put in place should help understanding the MMF's investor base, to the extent that large redemptions could be anticipated. In order to avoid that the MMF faces sudden massive redemptions, particular attention should be paid to large investors representing a substantial portion of the MMF's assets, as with one investor representing more than the proportion of daily maturing assets. In this case the MMF should increase its proportion of daily maturing assets to the proportion of that investor. The manager should whenever possible look at the identity of the investors, even if they are represented by nominee accounts, portals or any other indirect buyer.

For ensuring appropriate liquidity management it is necessary that the MMFs establish sound policies and procedures to know their investors. The policies that the manager has to put in place should help understanding the MMF's investor base, to the extent that large redemptions could be anticipated. In order to avoid that the MMF faces sudden massive redemptions, particular attention should be paid to large investors representing a substantial portion of the MMF's assets, as with one investor representing more than the proportion of daily maturing assets. In this case the MMF should increase its proportion of daily maturing assets to the proportion of that investor. The manager should whenever possible look at the identity of the investors, even if they are represented by nominee accounts, portals or any other indirect buyer.

In order to specify further the general principle against over-reliance on credit ratings, as introduced in this Regulation, ESMA should develop draft regulatory technical standards to ensure that MMF managers and investors consult other sources, such as internal assessment results, and do not rely solely

on credit ratings when assessing the creditworthiness of the assets held. It is appropriate in this regard for ESMA to develop draft regulatory technical standards in respect of the general provisions regarding risk-management processes and systems employed by MMF managers and investors. The Commission should adopt those draft regulatory technical standards in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

Or. en

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Money market funds

Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 7
Petr Ježek

Proposal for a regulation
Recital 40

Text proposed by the Commission	*Amendment*
(40) As part of a prudent risk management, MMFs should ***periodically*** conduct stress testing. The managers of MMFs are expected to act in order to strengthen the MMF's robustness whenever the results of stress testing point to vulnerabilities.	(40) As part of a prudent risk management, MMFs should***, at least quaterly,*** conduct stress testing. The managers of MMFs are expected to act in order to strengthen the MMF's robustness whenever the results of stress testing point to vulnerabilities.

Or. en

Justification

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Neena Gill
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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 8
Petr Ježek

Proposal for a regulation
Recital 43

Text proposed by the Commission	*Amendment*
(43) To allow for the specificities of CNAV MMFs it is necessary that CNAV MMFs be permitted to use also the amortised cost accounting method for the purpose of determining the constant net asset value (NAV) per unit or share. This notwithstanding, for the purpose of ensuring at all times the monitoring of the difference between the constant NAV per unit or share and the NAV per unit or share, a CNAV MMF should also calculate the value of its assets on the basis of the marking to market or marking to model methods.	***deleted***

Or. en

Justification

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Neena Gill
Money market funds

Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 9
Petr Ježek

Proposal for a regulation
Recital 45

Text proposed by the Commission	*Amendment*
(45) In order to be able to ***absorb*** day-to-day fluctuations in the value of a CNAV MMF's assets and allow it to offer a constant NAV per unit or share, the CNAV MMF should ***have at all times a NAV buffer amounting to at least 3% of its assets. The NAV buffer should serve as an absorbing mechanism for maintaining the constant NAV. All differences between the constant NAV per unit or share and the NAV per unit or share should be neutralized by using*** the NAV ***buffer. During stressed market situations, when the differences can rapidly increase, a procedure should ensure that the whole chain of management is involved. This escalation procedure should permit the senior management to take rapid remedy actions***.	(45) In order to be able to ***reflect*** day-to-day fluctuations in the value of a CNAV MMF's assets and allow it to offer a constant NAV per unit or share, the CNAV MMF should ***establish a mechanism which reflects increases and decreases in the net asset value of an investor´s portfolio. The operating principle of this mechanism shall be that an amount representing a decrease of*** the NAV ***of an investor´s portfolio will result in a decrease of a corresponding number of shares in this investor´s portfolio (variable shares mechanism)***.

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Money market funds

Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 10
Petr Ježek, Philippe De Backer

Proposal for a regulation
Recital 46

Text proposed by the Commission	*Amendment*
(46) As a CNAV MMF that does not maintain the NAV buffer at the required level is not capable of sustaining a constant NAV per unit or share, it should be required to fluctuate the NAV and cease to be a CNAV MMF. Therefore, where despite the use of the escalation procedure the amount of the NAV buffer remains for one month below the required 3% by 10 basis points, the CNAV MMF should automatically convert into a MMF that is not allowed to use amortised cost accounting or rounding to the nearest percentage point. If before the end of the one month allowed for the replenishment a competent authority has justifiable reasons demonstrating the incapacity of the CNAV MMF to replenish the buffer, it should have the power to convert the CNAV MMF into a MMF other than a CNAV MMF. The NAV buffer is the only vehicle through which external support to a CNAV MMF can be provided.	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 11
Petr Ježek

Proposal for a regulation
Recital 47

Text proposed by the Commission	*Amendment*
(47) External support provided to a MMF ***other than a CNAV MMF*** with the intention of ensuring either liquidity or stability of the MMF or de facto having such effects increases the contagion risk between the MMF sector and the rest of the financial sector. Third parties providing such support have an interest in doing so, either because they have an economic interest in the management company managing the MMF or because they want to avoid any reputational damage should their name be associated with the failure of a MMF. Because these third parties do not commit explicitly to providing or guaranteeing the support, there is uncertainty whether such support will be granted when the MMF needs it. In these circumstances, the discretionary nature of sponsor support contributes to uncertainty among market participants about who will bear losses of the MMF when they do occur. This uncertainty likely makes MMFs even more vulnerable to runs	(47) External support provided to a MMF with the intention of ensuring either liquidity or stability of the MMF or de facto having such effects increases the contagion risk between the MMF sector and the rest of the financial sector. Third parties providing such support have an interest in doing so, either because they have an economic interest in the management company managing the MMF or because they want to avoid any reputational damage should their name be associated with the failure of a MMF. Because these third parties do not commit explicitly to providing or guaranteeing the support, there is uncertainty whether such support will be granted when the MMF needs it. In these circumstances, the discretionary nature of sponsor support contributes to uncertainty among market participants about who will bear losses of the MMF when they do occur. This uncertainty likely makes MMFs even more vulnerable to runs during periods of

during periods of financial instability, when broader financial risks are most pronounced and when concerns arise about the health of the sponsors and their ability to provide support to affiliated MMFs. For these reasons, MMFs should not rely on external support in order to maintain their liquidity and the stability of their NAV per unit or share unless the competent authority of the MMF has specifically allowed the external support in order to maintain stability of financial markets.	financial instability, when broader financial risks are most pronounced and when concerns arise about the health of the sponsors and their ability to provide support to affiliated MMFs. For these reasons, MMFs should not rely on external support in order to maintain their liquidity and the stability of their NAV per unit or share unless the competent authority of the MMF has specifically allowed the external support in order to maintain stability of financial markets.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 12
Petr Ježek

Proposal for a regulation
Recital 48

Text proposed by the Commission	*Amendment*
(48) Investors should be clearly informed, before they invest in a MMF, if the MMF is of a short-term nature or of a standard nature and if the MMF is of a CNAV type or not. In order to avoid misplaced expectations from the investor it must also be clearly stated in any marketing document that MMFs are not a guaranteed investment vehicle. CNAV MMFs should clearly explain to investors ***the buffer*** mechanism they are applying to maintain the constant NAV per unit or share.	(48) Investors should be clearly informed, before they invest in a MMF, if the MMF is of a short-term nature or of a standard nature and if the MMF is of a CNAV type or not. In order to avoid misplaced expectations from the investor it must also be clearly stated in any marketing document that MMFs are not a guaranteed investment vehicle ***and that they do not benefit from any explicit or implicit sponsor support as defined in point (22 b) of Article 2, unless the procedure under Article 35 is respected***. CNAV MMFs should clearly explain to investors ***the variable shares*** mechanism they are applying to maintain the constant NAV per unit or share. ***Investors should clearly acknowledge their understanding of the risk of this investment product.***

Or. en

Justification

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Neena Gill
Money market funds

Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 13
Petr Ježek

Proposal for a regulation
Recital 48 a (new)

Text proposed by the Commission	*Amendment*
	(48 a) Investors shall be also informed of where they can access information on the portfolio of investment and the fund's levels of liquidity.

Or. en

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Neena Gill
Money market funds

Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 14
Petr Ježek, Philippe De Backer

Proposal for a regulation
Recital 54

Text proposed by the Commission	*Amendment*
(54) ***It is essential to carry out a review of this Regulation in order to assess the appropriateness of exempting certain CNAV MMFs that concentrate their investment portfolios on debt issued by the Member States from the requirement to establish a capital buffer that amounts to at least 3 % of the total value of the CNAV MMF's assets. Therefore,*** during the three years after the entry into force of this Regulation, the Commission ***should analyse*** the experience acquired in applying this Regulation and the impacts on the different economic aspects attached to the MMFs. ***The debt issued or guaranteed by the Member States represents a distinct category of investment displaying specific credit and liquidity traits. In addition, sovereign debt plays a vital role in financing the Member States. The Commission should evaluate the evolution*** of the ***market for sovereign debt issued or guaranteed by the Member States and the possibility to create a***	(54) During the three years after the entry into force of this Regulation, ***it is essential that*** the Commission ***analyses*** the experience acquired in applying this Regulation and the impacts on the different economic aspects attached to the MMFs. ***This review should focus on the effect on the real economy and financial stability*** of the ***changes required by this Regulation***.

***special framework for MMF that concentrate their investment policy on that type of debt*.**

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 15
Petr Ježek, Sylvie Goulard, Philippe De Backer

Proposal for a regulation
Article 2 – paragraph 1 – point 8

Text proposed by the Commission	*Amendment*
(8) ‘corporate debt’ means debt instruments issued by an undertakings which is effectively engaged in producing ***or*** trading ***in*** goods ***or*** non-financial services***;***	(8) ‘corporate debt’ means debt instruments issued by an undertakings which is effectively engaged in producing ***and/or financing the manufacturing,*** trading ***or providing of*** goods ***and*** non-financial services ***to the market. For the purpose of this definition, it should be understood, that debt instrument such as trade receivables, auto loans and leases, equipment loans and leases, SME loans of such undertakings are eligible provided they otherwise comply with the conditions set out in this Regulation.***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 16
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 8 – paragraph 1 – point d

Text proposed by the Commission	*Amendment*
(d) reverse repurchase agreements;	(d) reverse repurchase ***and repurschase*** agreements ***provided that the cash received is not reinvested and the aggregate exposure to repurchase agreements does not exceed 10% of the assets of a MMF***;

Or. en

Justification

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 17
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 8 – paragraph 1 – point d a (new)

Text proposed by the Commission	*Amendment*
	(d a) Units or shares of other MMFs;

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 18
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 8 – paragraph 2 – point d

Text proposed by the Commission	*Amendment*
(d) entering into securities lending agreements or securities borrowing agreements, ***and repurchase agreements,*** or any other agreement that would encumber the assets of the MMF***;***	(d) entering into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the MMF

Or. en

Justification

idea is to allow repurchase agreements

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 19
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 9 – paragraph 2

Text proposed by the Commission	*Amendment*
2. Standard MMFs shall be allowed to invest in a money market instrument ***that undergoes regular yield adjustments in line with money market conditions every*** 397 days ***or on a more frequent basis while not having a residual maturity exceeding 2 years***.	2. Standard MMFs shall be allowed to invest in a money market instrument ***with a residual maturity until the legal redemption date not exceeding 2 years provided that the time remaining until the next interest rate reset date is less or equal to*** 397 days***. This feature corresponds either to a two-year floating rate security or to a two-year fixed rate security coupled with an interest rate hedging arrangement that reset to a money market rate (or index)***.

Or. en

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Money market funds

Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 20
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 13 – paragraph 5 a (new)

Text proposed by the Commission	*Amendment*
	5 a. A MMF may borrow or enter into repurschase agreements, provided that all of the following conditions are met:
	(a) the repurchase agreement is used on a temporary basis, for a maximum of 7 business days, and not for investment purposes;
	(b) the sum of repurchase agreements shall not exceed 10%;
	(c) cash collateral received should only be:
	- placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive;
	- invested in high-quality government bonds;
	- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on accrued basis;

- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

The prospectus should clearly inform investors of the collateral policy of the UCITS, including, in the case of cash collateral, re-investment policy (including the risks arising from the re-investment policy).

Or. en

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Money market funds

Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 21
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 13 a (new)

Text proposed by the Commission	*Amendment*
	Article 13 a
	Eligible MMFs
	1. A MMF may acquire the units of other MMFs provided that no more than 10 % of the assets of the MMF whose acquisition is contemplated, can, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other MMFs;
	2. A MMF may acquire the units of other MMFs, provided that no more than 10 % of its assets are invested in units of a single MMF. Member States may raise that limit to a maximum of 20 %. This restriction does not apply to non-UCITS MMFs marketed solely through employee savings schemes and to a specific category of investor that is subject to divestment restrictions.
	3. Member States may, where a MMF has acquired units of another MMF, provide that the assets of the respective MMF are

not required to be combined for the purposes of the diversification limits laid down in Article 14, 21 and 22.

4. Where a MMF invests in the units of other MMF that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company shall not charge subscription or redemption fees on account of the MMFs' investment in the units of such other MMF.

5. A MMF that invests a substantial proportion of its assets in other MMFs shall disclose in its prospectus the maximum level of the management fees that may be charged both to the MMF itself and to the other MMFs in which it intends to invest. It shall indicate in its annual report the maximum proportion of management fees charged both to the MMF itself and to the other MMFs in which it invests.

6. Short-term MMFs may only invest in units of other short-term MMFs and Standard MMFs may invest in units of both short-term MMFs and Standard MMFs; UCITS MMFs may only invest in units of other UCITS MMFs and AIF MMFs may invest in both UCITS and AIF MMFs.

7. A MMF that invests exclusively its assets in one or several other MMFs authorised under this Regulation is assumed to be in compliance with the provisions laid down in this Regulation.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 22
Petr Ježek, Philippe De Backer, Sylvie Goulard

Proposal for a regulation
Article 14 – paragraph 1 – introductory part

Text proposed by the Commission	*Amendment*
1. A MMF shall invest no more than ***5%*** of its assets in any of the following:	1. A MMF shall invest no more than ***10%*** of its assets in any of the following:

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 23
Petr Ježek, Philippe De Backer, Sylvie Goulard

Proposal for a regulation
Article 14 – paragraph 5 – introductory part

Text proposed by the Commission	*Amendment*
5. Notwithstanding the individual limits laid down in paragraphs 1 and 3, a MMF shall not combine, where this would lead to investment of more than ***10%*** of its assets in a single body, any of the following***:***	5. Notwithstanding the individual limits laid down in paragraphs 1 and 3, a MMF shall not combine, where this would lead to investment of more than ***15%*** of its assets in a single body, any of the following**.**

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 24
Petr Ježek, Philippe De Backer

Proposal for a regulation
Article 16 – paragraph 3 – point c

Text proposed by the Commission	*Amendment*
(c) a manager of a MMF shall monitor its ***assignments of*** internal ***ratings*** on an ongoing basis and review all ***assignments of internal rating at least annually***. That manager shall ***review the assignment*** every time there is a material change that could have an impact on ***an internal*** credit ***rating***. The manager shall establish internal arrangements to monitor the impact on its internal ***credit ratings*** of changes in macroeconomic, financial market or issuer specific conditions;	(c) a manager of a MMF shall monitor its internal ***assessment procedure*** on an ongoing basis and review all ***credit assessments every 6 months***. That manager shall ***reconsider its internal assessment*** every time there is a material change that could have an impact on ***the*** credit ***assessment***. The manager shall establish internal arrangements to monitor the impact on its internal ***assessment*** of changes in macroeconomic, financial market or issuer specific conditions;

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 25
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 21 – paragraph 1 – introductory part

Text proposed by the Commission	*Amendment*
A short-term MMF shall comply ***at all times*** with all of the following portfolio requirements:	A short-term MMF shall comply with all of the following portfolio requirements:

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 26
Petr Ježek, Sylvie Goulard, Philippe De Backer

Proposal for a regulation
Article 21 – paragraph 1 – point d

Text proposed by the Commission	*Amendment*
(d) at least 20% of its assets shall be comprised of weekly maturing assets. A short-term MMF shall not acquire any asset other than a weekly maturing asset when such acquisition would result in the short-term MMF investing less than 20% of its portfolio in weekly maturing assets.	(d) at least 20% of its assets shall be comprised of ***up to*** weekly maturing assets. A short-term MMF shall not acquire any asset other than a weekly maturing asset when such acquisition would result in the short-term MMF investing less than 20% of its portfolio in weekly maturing assets.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 27
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 21 – paragraph 1 – point d a (new)

Text proposed by the Commission	*Amendment*
	(d a) investment in units of other short-term MMFs may be included in the daily or weekly maturing assets up to a maximum of 5%.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 28
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 21 – paragraph 1 a (new)

Text proposed by the Commission	*Amendment*
	If the limits are temporarily not reached for reasons beyond the control of a MMF or as a result of the exercise of redemption rights, that MMF shall adopt as a priority objective for its acquiring transactions the remedying of that situation, taking due account of the interests of its unit-holders;

Or. en

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Amendment 29
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 22 – paragraph 1 – introductory part

Text proposed by the Commission	*Amendment*
1. A standard MMF shall comply ***at all times*** with all of the following requirements:	1. A standard MMF shall comply with all of the following requirements:

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 30
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 22 – paragraph 1 – introductory part

Text proposed by the Commission	*Amendment*
1. A standard MMF shall comply ***at all times*** with all of the following requirements:	1. A standard MMF shall comply with all of the following requirements:

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 31
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 22 – paragraph 1 – point a

Text proposed by the Commission	*Amendment*
(a) its portfolio shall have ***at all times*** a WAM of no more than 6 months;	(a) its portfolio shall have a WAM of no more than 6 months;

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 32
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 22 – paragraph 1 – point b

Text proposed by the Commission	*Amendment*
(b) its portfolio shall have ***at all times*** a WAL of no more than 12 month;	(b) its portfolio shall have a WAL of no more than 12 month;

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 33
Petr Ježek, Sylvie Goulard, Philippe De Backer

Proposal for a regulation
Article 22 – paragraph 1 – point d

Text proposed by the Commission	*Amendment*
(d) at least ***20%*** of its assets shall be comprised of weekly maturing assets. A standard MMF shall not acquire any asset other than a weekly maturing asset when such acquisition would result in the standard MMF investing less than ***20%*** of its portfolio in weekly maturing assets..	(d) at least ***15%*** of its assets shall be comprised of ***up to*** weekly maturing assets. A standard MMF shall not acquire any asset other than a weekly maturing asset when such acquisition would result in the standard MMF investing less than ***15%*** of its portfolio in weekly maturing assets..

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 34
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 22 – paragraph 1 a (new)

Text proposed by the Commission	*Amendment*
	1 a. If the limits are temporarily not reached for reasons beyond the control of a MMF or as a result of the exercise of redemption rights, that MMF shall adopt as a priority objective for its acquiring transactions the remedying of that situation, taking due account of the interests of its unit-holders.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 35
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 22 – paragraph 2

Text proposed by the Commission	*Amendment*
2. A standard MMF may invest up to 10% of its assets in money market instruments issued by a single body.	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 36
Petr Ježek, Philippe De Backer

Proposal for a regulation
Article 23 – paragraph 1

Text proposed by the Commission	*Amendment*
The ***MMF or the manager*** of the MMF shall ***not solicit or finance a*** credit rating agency ***for rating the MMF***.	The ***risk management of MMF may not be affected by short-term decisions influenced by the possible rating*** of the MMF***. Where a MMF seeks an external rating, this*** shall ***be subject to, and carried out in accordance with, the requirements of the national competent authority of the*** credit rating agency***. A MMF manager shall not rely on the criteria attached to the external credit rating***.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 37
Petr Ježek

Proposal for a regulation
Article 25 – paragraph 1 – subparagraph 1

Text proposed by the Commission	*Amendment*
For each MMF there shall be in place sound stress testing processes that allow identifying possible events or future changes in economic conditions that could have unfavourable effects on the MMF. The manager of a MMF shall ***regularly*** conduct stress testing and develop action plans for different possible scenarios.	For each MMF there shall be in place sound stress testing processes that allow identifying possible events or future changes in economic conditions that could have unfavourable effects on the MMF. The manager of a MMF shall conduct stress testing ***at least every three months*** and develop action plans for different possible scenarios.

Or. en

Justification

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 38
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 25 – paragraph 2

Text proposed by the Commission	*Amendment*
2. In addition, in the case of CNAV MMFs, the stress tests shall estimate for different scenarios the difference between the constant NAV per unit or share and the NAV per unit or share***, including the impact of the difference on the NAV buffer***.	2. In addition, in the case of CNAV MMFs, the stress tests shall estimate for different scenarios the difference between the constant NAV per unit or share and the NAV per unit or share.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 39
Petr Ježek

Proposal for a regulation
Article 25 – paragraph 7

Text proposed by the Commission	*Amendment*
7. ESMA shall ***issue guidelines with a view to establishing*** common reference parameters of the stress test scenarios to be included in the stress tests taking into account the factors ***specified in*** paragraph 1. The ***guidelines*** shall be updated at least every year taking into account the latest market developments.	7. ***7.*** ESMA shall ***develop draft regulatory technical standards after consultation with the European Systemic Risk Board (ESRB) specifying the economic scenarios, including baseline, adverse, and severely adverse scenarios, that are to be used in MMF stress testing and other*** common reference parameters of the stress test scenarios to be included in the stress tests taking into account the factors ***referred to in*** paragraph 1. The ***regulatory technical standards*** shall be ***reviewed and if required*** updated at least every year taking into account the latest market ***and macro financial*** developments. ***ESMA shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by [...].*** ***Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 40
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 26 – paragraph 5

Text proposed by the Commission	*Amendment*
5. In addition to the marking to market method referred to in paragraphs 2 and 3 and marking to model method referred to in paragraph 4, the assets of a CNAV MMF may also be valued by using the amortised cost method.	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 41
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 27 – title

Text proposed by the Commission	*Amendment*
Calculation of NAV ***per unit or share***	Calculation of NAV

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 42
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 27 – paragraph 1 – subparagraph 1

Text proposed by the Commission	*Amendment*
The ***'***Net Asset Value (NAV) ***per unit or share'*** shall be calculated as the difference between the sum of all assets of a MMF and the sum of all liabilities of the MMF valued in accordance with the mark to market and mark to model methods***, divided by the number of outstanding units or shares of the MMF***.	***1.***The Net Asset Value (NAV) shall be calculated as the difference between the sum of all assets of a MMF and the sum of all liabilities of the MMF valued in accordance with the mark to market and mark to model methods.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 43
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 27 – paragraph 1 – subparagraph 2

Text proposed by the Commission	*Amendment*
The NAV per unit or share shall be calculated for each MMF, irrespective of whether it is a CNAV MMF or not.	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 44
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 27 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The NAV ***per unit or share*** shall be ***rounded to the nearest basis point or its equivalent when the NAV is published in a currency unit***.	2. The NAV ***of a MMF*** shall be ***calculated at least daily***.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 45
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 27 – paragraph 3

Text proposed by the Commission	*Amendment*
3. The NAV per unit or share of a MMF shall be calculated at least daily.	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 46
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 27 – paragraph 4

Text proposed by the Commission	*Amendment*
4. The 'constant NAV per unit or share' shall be calculated as the difference between the sum of all assets of a CNAV MMF and the sum of all liabilities of a CNAV MMF valued in accordance with the amortised cost method, divided by the number of outstanding units or shares of the CNAV MMF.	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 47
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 27 – paragraph 6

Text proposed by the Commission	*Amendment*
6. The difference between the constant NAV per unit or share and NAV per unit or share of a CNAV MMF shall be continuously monitored.	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 48
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 27 a (new)

Text proposed by the Commission	*Amendment*
	Article 27 a
	Calculation of NAV per share or unit
	1. The 'Net Asset Value (NAV) per unit or share' shall be calculated as the NAV divided by the number of outstanding units or shares of the MMF. The NAV per unit or share shall be calculated for each MMF
	2. The NAV per unit or share shall be rounded to the nearest basis point or its equivalent when the NAV is published in a currency unit.
	3. The NAV per unit or share of a MMF shall be calculated at least daily.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 49
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 27 b (new)

Text proposed by the Commission	Amendment
	Article 27 b
	Calculation of adjusted number of units or shares
	1.Notwithstanding article 27a, CNAV MMFs are allowed to display a constant NAV per unit or share, provided the number of outstanding investor units or shares is adjusted in line with the development of the NAV after each calculation.
	2.Any decrease of the NAV calculated in accordance with article 27 should be reflected by a proportional decrease of the number of units or shares in each investor's portfolio. Adjustments of the number of units or shares shall apply on the same day than the calculation of the NAV.
	3.A decrease of an investor's number of shares shall mean the redemption of units or shares for the benefit of the MMF.
	4.The number of units or shares in an

investor's portfolio shall be rounded to the nearest basis point.

Or. en

Justification

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 50
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 28 – paragraph 2

Text proposed by the Commission	*Amendment*
2. By way of derogation from paragraph 1, the units or shares of a CNAV MMF shall be issued or redeemed at a price that is equal to the MMF's constant NAV per unit or share.	2. By way of derogation from paragraph 1, the units or shares of a CNAV MMF shall be issued or redeemed at a price that is equal to the MMF's constant NAV per unit or share ***provided the number of outstanding investor units or shares is adjusted as described in article 27b***.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 51
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 29 – title

Text proposed by the Commission	*Amendment*
Additional requirements for CNAV MMFs	***Specific*** requirements for CNAV MMFs

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 52
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 29 – paragraph 1

Text proposed by the Commission	*Amendment*
1. A MMF shall not use the amortised cost method for valuation, or advertise a constant NAV per unit or share, or round the constant NAV per unit or share to the nearest percentage point or its equivalent when the NAV is published in a currency unit unless it has been explicitly authorised as a CNAV MMF.	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 53
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 29 – paragraph 2 – introductory part

Text proposed by the Commission	*Amendment*
2. A CNAV MMF shall satisfy ***all*** the following ***additional*** requirements:	2. A CNAV MMF shall satisfy the following ***specific*** requirements:

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 54
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 29 – paragraph 2 – point a

Text proposed by the Commission	*Amendment*
(a) ***it has established a NAV buffer in accordance with the requirements in Article 30;***	(a) ***CNAV MMFs shall fulfil disclosure requirements towards investors including key investor information, prospectus and marketing materials explaining in a clear, concise and understandable way the functioning of the product.***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 55
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 29 – paragraph 2 – point b

Text proposed by the Commission	*Amendment*
(b) ***the competent authority of the CNAV MMF is satisfied with a detailed plan by the CNAV MMF specifying the modalities of the use of the buffer in accordance with Article 31;***	(b) ***CNAV MMFs shall communicate to each investor the number of outstanding units or shares held and the corresponding monetary amount on a daily basis.***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 56
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 29 – paragraph 2 – point c

Text proposed by the Commission	*Amendment*
(c) ***the competent authority of the CNAV MMF is satisfied with the CNAV MMF's arrangements to replenish the buffer and with the financial strength of the entity expected to fund the replenishment***;	(c) ***CNAV MMFs may only take the form of Short Term MMFs***;

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 57
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 29 – paragraph 2 – point d

Text proposed by the Commission	*Amendment*
(d) the rules or instruments of incorporation of the CNAV ***MMF provide clear procedures for the conversion of*** the CNAV MMF ***into a MMF that is not allowed to use the amortised cost accounting or the rounding methods;***	(d) The rules or instruments of incorporation of the CNAV ***MMFs should state clearly that*** the CNAV MMF ***cannot receive external support.***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 58
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 29 – paragraph 2 – point f

Text proposed by the Commission	*Amendment*
(f) the CNAV MMF has established clear and effective communication tools towards investors that ensure prompt information in relation to any use or replenishment of the NAV buffer and the conversion of the CNAV MMF;	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 59
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 29 – paragraph 2 – point g

Text proposed by the Commission	*Amendment*
(g) the rules or instruments of incorporation of the CNAV MMF state clearly that the CNAV MMF cannot receive external support other than through the NAV buffer.	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 60
Petr Ježek, Sylvie Goulard, Philippe De Backer

Proposal for a regulation
Article 30

Text proposed by the Commission	*Amendment*
[...]	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 61
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 30 a (new)

Text proposed by the Commission	*Amendment*
	Article 30 a
	Variable Shares
	In order for variable shares to comply with this Regulation, all investors to whom variable shares apply must be made aware that:
	(a) the number of shares they hold and the total monetary value of their holdings may fluctuate;
	(b) the total value of their holding will decrease if a number of shares are redeemed or cancelled for the benefit of the MMF;
	(c) variable shares may result in losses to the investors at the time of redemption.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 62
Petr Ježek, Sylvie Goulard, Philippe De Backer

Proposal for a regulation
Article 31

Text proposed by the Commission	*Amendment*
Article 31	***deleted***
Use of the NAV buffer	
1. The NAV buffer shall only be used in case of subscriptions and redemptions to equalise the difference between the constant NAV per unit or share and the NAV per unit or share.	
2. For the purposes of paragraph 1, in case of subscriptions:	
(a) where the constant NAV at which a unit or share is subscribed is higher than the NAV per unit or share, the positive difference shall be credited to the reserve account;	
(b) where the constant NAV at which a unit or share is subscribed is lower than the NAV, the negative difference shall be debited from the reserve account.	
3. For the purposes of paragraph 1, in case of redemptions:	
(a) where the constant NAV at which a	

unit or share is redeemed is higher than the NAV per unit or share, the negative difference shall be debited from the reserve account;

(b) where the constant NAV at which a unit or share is redeemed is lower than the NAV per unit or share, the positive difference shall be credited to the reserve account.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 63
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 32

Text proposed by the Commission	*Amendment*
Article 32	***deleted***
Escalation procedure	
1. A CNAV MMF shall establish and implement an escalation procedure that ensures that the negative difference between the constant NAV per unit or share and the NAV per unit or share is considered by persons competent to act for the fund in a timely manner.	
2. The escalation procedure shall require that:	
(a) where the negative difference reaches 10 basis points or its equivalent when the NAV is published in a currency unit, the senior management of the manager of the CNAV MMF be informed;	
(b) where the negative difference reaches 15 basis points or its equivalent when the NAV is published in a currency unit, the board of directors of the manager of the CNAV MMF, the competent authorities of the CNAV MMF and ESMA be informed;	

(c) the competent persons assess the cause of the negative difference and take appropriate action to reduce the negative effects.

Or. en

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Amendment 64
Petr Ježek, Sylvie Goulard, Philippe De Backer

Proposal for a regulation
Article 33

Text proposed by the Commission	*Amendment*
Article 33	***deleted***
Replenishment of the NAV buffer	
1. Whenever the amount of the NAV buffer falls below 3% it shall be replenished.	
2.	
When the NAV buffer has not been replenished and for one month the amount of the NAV buffer stays below the 3% referred to in Article 30(1) by 10 basis points the MMF shall automatically cease to be a CNAV MMF and be prohibited from using the amortised cost or rounding methods.	
The CNAV MMF shall inform immediately each investor thereof in writing and in a clear and comprehensible way.	

Or. en

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Amendment 65
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Proposal for a regulation
Article 34

Text proposed by the Commission	*Amendment*
Article 34	***deleted***
Powers of the competent authority concerning the NAV buffer	
1. The competent authority of the CNAV MMF shall be immediately notified of any decrease below 3% in the amount of the NAV buffer.	
2. The competent authority of the CNAV MMF and ESMA shall be immediately notified when the amount of the NAV buffer decreases by 10 basis points below the 3% referred to in Article 30(1).	
3. Following the notification referred to in paragraph 1, the competent authority shall closely monitor the CNAV MMF.	
4. Following the notification in paragraph 2, the competent authority shall control that the NAV buffer has been replenished or the MMF has ceased to hold itself as a CNAV MMF and informed accordingly its investors.	

Or. en

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Amendment 66
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 37 – paragraph 5

Text proposed by the Commission	*Amendment*
5. In addition to the information to be provided in accordance with paragraphs 1 to 4, a CNAV MMF shall explain clearly to investors and potential investors the ***use of the amortised cost*** method and***/or of rounding. A CNAV MMF shall indicate the amount of its NAV buffer,*** the procedure to ***equalise the constant NAV per unit or share and the NAV per unit or share and shall state clearly the role of the buffer and the risks related to it. The CNAV MMF shall clearly indicate the modalities of replenishing*** the NAV ***buffer and the entity expected to fund the replenishment. It shall make available to investors all information concerning compliance with the conditions set out in Article 29(2)(a) to (g)***.	5. In addition to the information to be provided in accordance with paragraphs 1 to 4, a CNAV MMF shall explain clearly to investors and potential investors the ***valuation*** method and the procedure to ***adjust the number of units or shares in line with the fluctuations of*** the NAV.

Or. en

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Amendment 67
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 38 – paragraph 1

Text proposed by the Commission	*Amendment*
1. For each MMF managed, the manager of the MMF shall report information to the competent authority of the MMF, at least on a ***quarterly*** basis. The manager shall upon request provide the information also to the competent authority of the manager if different from the competent authority of the MMF.	1. For each MMF managed, the manager of the MMF shall report information to the competent authority of the MMF, at least on a ***monthly*** basis. The manager shall upon request provide the information also to the competent authority of the manager if different from the competent authority of the MMF.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 68
Petr Ježek, Sylvie Goulard, Philippe De Backer

Proposal for a regulation
Article 38 – paragraph 2 – subparagraph 1 – point c

Text proposed by the Commission	*Amendment*
(c) the size and the evolution of the NAV buffer;	***deleted***

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 69
Petr Ježek, Sylvie Goulard

Proposal for a regulation
Article 43 – paragraph 1

Text proposed by the Commission	*Amendment*
1. Within the ***six*** months following the date of entry into force of this Regulation, an existing UCITS or AIF that invests in short term assets and has as distinct or cumulative objectives offering returns in line with money market rates or preserving the value of the investment shall submit an application to its competent authority together with all documents and evidence necessary to demonstrate the compliance with this Regulation.	1. Within the ***eighteen*** months following the date of entry into force of this Regulation, an existing UCITS or AIF that invests in short term assets and has as distinct or cumulative objectives offering returns in line with money market rates or preserving the value of the investment shall submit an application to its competent authority together with all documents and evidence necessary to demonstrate the compliance with this Regulation.

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 70
Petr Ježek, Sylvie Goulard, Philippe De Backer

Proposal for a regulation
Article 43 – paragraph 3

Text proposed by the Commission	*Amendment*
3. By way of derogation from the first sentence of Article 30(1), an existing UCITS or AIF that meets the criteria for the definition of a CNAV MMF set out in Article 2(10) shall establish a NAV buffer of at least	***deleted***
(a) 1% of the total value of the CNAV MMF's assets, within one year from the entry into force of this Regulation;	
(b) 2% of the total value of the CNAV MMF's assets, within two years from the entry into force of this Regulation;	
(c) 3% of the total value of the CNAV MMF's assets, within three years from the date of entry into force of this Regulation	

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 71
Petr Ježek, Sylvie Goulard, Philippe De Backer

Proposal for a regulation
Article 45 – paragraph 1 – introductory part

Text proposed by the Commission	*Amendment*
By three years after the entry into force of this Regulation, the Commission shall review the adequacy of this Regulation from a prudential and economic point of view. ***In particular the review shall consider the operation of the CNAV buffer and the operation of the CNAV buffer to those CNAV MMFs that, in future, might concentrate their portfolios on debt issued or guaranteed by the Member States.*** The review shall:	By three years after the entry into force of this Regulation, the Commission shall review the adequacy of this Regulation from a prudential and economic point of view. The review shall:

Or. en

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Proposal for a regulation COM(2013)0615 - C7-0263/2013 – 2013/0306(COD)

Amendment 72
Petr Ježek, Sylvie Goulard, Philippe De Backer

Proposal for a regulation
Article 45 – paragraph 1 – point e a (new)

Text proposed by the Commission	*Amendment*
	(e a) Analyse the impact on the real economy and financial stability of the changes required by this Regulation.

Or. en