

# European Money Market Fund (MMF) Reform on its way...

The detail of the regulation of the European Parliament and the Council on MMF has been eventually approved by the key European policy makers (i.e. COREPER, ECON, EU Parliament). While a legal review of the text is still to occur, the details have been set and will pave the way for final approval of the new rules during the first quarter of 2017. This regulation provides treasurers with a pretty high degree of optionality for investing Short-Term cash excess, providing for 2 types of MMF's (i.e. short term and standard) with 3 structural options (i.e. Public debt CNAV, Low Volatility NAV LVNAV and variable NAV). We will have an 18 month period for implementation. We can expect to get the regulation to become effective in second half of 2018. The main issues for asset managers will be the liquidity fees and redemption gates. The aims are portfolio diversification, transparency, stress testing and better client information. The rating will not be prohibited as initially thought. ATEL will continue to follow the impacts of this major and long-awaited reform of MMF's.



François Masquelier