

Submission Date

01/10/2016

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Additional Information

Level 1 Regulation

Undertakings for Collective Investment in Transferable Securities Directive (UCITS) Directive 2009/65/EC

Topic

MMF

Subject Matter

KIID Collateral management - short-term MMF

Question

When a UCITS reinvests cash collateral in short-term money market funds pursuant to paragraph 43 (j) of the guidelines, should the short-term money market funds comply with the requirements of Article 50(1)(e)(iv) of the UCITS Directive (i.e. the short-term money market funds should not invest more than 10% of their assets in aggregate in other money market

funds)?

ESMA Answer

01-10-2016

Original language

[ESMA 34-43-392 UCITS Q&A, section 3, Q&A 6n]

Yes, the requirement of Article 50(1)(e)(iv) of the UCITS Directive also applies to short-term money market funds in which UCITS may reinvest cash collateral.