

CESR

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Re: **CESR - Consultation Money Market Funds**

The Bank and Insurance Division of the Austrian Federal Economic Chamber representing the entire Austrian Banking and Insurance Industry welcomes CESR's intention to enforce a common definition of money market funds across Europe which will contribute to reduce investor confusion about the risk characteristics of money market funds. Moreover, it will achieve a more integrated and transparent European market for money market funds.

Notwithstanding the recent market events during the global financial crises the level I and level II regulations regarding money market instruments should be kept in mind. According to Article 1 (9) of Directive 85/611/EC and Article 3 of Directive 2007/16/EC the definition of money market instruments addresses only the interest rate risk. No reference is made to the credit spread risk which should not be overstretched.

In this context and underlining the valuable work carried out by the industry in this regard, we would like to emphasize that the EFAMA and IMMFA recommendation for a European Classification and Definition of Money Market Funds creates a well-balanced approach between the interest rate risk and the credit spread risk. Consequently, we are of the opinion that this appropriate approach should be used by CESR as guidelines for the fund industry.

Yours sincerely,

Dr. Herbert Pichler
Managing Director
Division Bank & Insurance
Austrian Federal Economic Chamber