



## **ESMA Public Consultation on highly liquid financial instruments with regards to the investment policy of central counterparties (EMIR Article 85(3a(e)))**

**[Link to the paper: Consultation Paper on highly liquid financial instruments with regards to the investment policy of central counterparties \(EMIR Article 85\(3a\(e\)\)\)](#)**

### **1.- Target participants**

The consultation paper is primarily of interest to central counterparties (CCPs), clearing members, direct or indirect clearing clients, money market funds managers, UCITS managers, trade associations and the market community more generally.

### **2.- Information Note**

ESMA was originally mandated to submit a report to the European Commission (EC) by 18 May 2020 on whether the list of financial instruments that are considered highly liquid with minimal market and credit risk, in accordance with Article 47 of EMIR, could be extended and whether that list could include one or more money market funds authorised in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council.

Following the market turmoil in March and April 2020 due to the COVID-19 pandemic, ESMA had decided to pause its work in order to better analyse the sources of the liquidity strains observed in the short-term funding market. Based on the lessons learned from the crisis, ESMA decided to resume its work and issues a consultation paper in order to receive additional feedback on the implications of potential changes to investment policies for CCPs and the broader market.

The main content of the consultation paper is split into different sections:

- **Section 3** provides background on the current regulatory framework and investment practices of CCPs.
- **Section 4** explores the benefits and disadvantages of a potential extension of the list of highly liquid financial instruments.
- **Section 5** focuses on the appropriateness of including money market funds in the list of allowed investments for CCPs.

### **3.- Submission of comments**

The deadline for submitting comments is 24 January 2022.

Respondents may send their comments through ESMA's website: [www.esma.europa.eu](http://www.esma.europa.eu). The paper of this consultation (ESMA91-372-1593) and the Response Form are available in the section [Consultation](#).

Likewise, please send a copy of your answers to the CNMV to the following email address: [documentosinternacional@cnmv.es](mailto:documentosinternacional@cnmv.es)

**International Affairs Department**

**CNMV**

**c/ Edison 4**

**28006 Madrid**