

THE SPANISH OFFICIAL STATE GAZETTE PUBLISHES A CNMV CIRCULAR ON THE CATEGORISATION OF COLLECTIVE INVESTMENT SCHEMES ACCORDING TO THEIR INVESTMENT OBJECTIVE

8 April 2019

- The Circular contains new definitions for money market funds adapted to the new EU rules on this subject (Regulation (EU) 2017/1131)
- Management companies must adapt the information on the objective of the funds to the new categorisation
- It shall enter into force on 9 April 2019

The Spanish Official State Gazette (BOE) has today published [CNMV Circular 1/2019, of 28 March](#), amending Circular 1/2009, of 4 February, on the categorisation of collective investment schemes (CIS) according to their investment objective.

The main purpose of the new Circular is to adapt the regulation to the European provisions on money market funds, contained in Regulation (EU) 2017/1131, which lays down uniform rules to avoid different levels of investor protection and to prevent and mitigate any potential contagion risks resulting from possible sudden and massive redemptions of money market funds.

This Regulation is directly applicable in all Member States and regulates in detail the characteristics and requirements of the various types of money market funds.

The new features of the Circular include, most notably, the following:

- The current definitions of short-term money market funds and money market funds are replaced by the ones laid down in the new Regulation:
 - Public debt constant net asset value short-term money market funds (MMFs)
 - Low volatility net asset value short-term MMFs
 - Variable net asset value short-term MMFs
 - Variable net asset value standard MMFs

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- Bearing in mind the large volume, assets and diversity according to the duration of the fund's portfolio of the funds categorised as "Euro fixed-income", a new CIS category has been created, by breaking down this category into two sub-categories: Short-term Euro fixed income and Euro fixed income.
- Likewise, the category "Passive management CIS" is broken down into two sub-categories:
 - Index-tracking CIS (which replaces the current category "Passive management CIS")
 - Non-guaranteed specific return target CIS

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