**COM(2013) 615**

On 16 October 2013, the European Union Policies Committee issued a favourable opinion, noting that a transition from CNAV to VNAV money market funds would be advisable. In default of that, appropriate NAV buffers should be built up, to guarantee solvency and the existence of a cash reserve. Stricter rules on liquidity risk management are also desirable.

On 4 December 2013, the Senate Standing Committee on Finance and Treasury passed a favourable resolution, inviting however the Commission to assess the following:

1. reducing the scope and subject matter of the proposed regulation, and specify that it applies to funds investing exclusively in short term assets and having the objective of offering returns in line with money market rates and of preserving the value of the investment;
2. introducing in Art. 8 the possibility for a market fund to borrow money, limited to 10% of such fund's assets, in order to offset temporary cash flow imbalances;
3. Article 13 should not apply to reverse repurchase agreements shorter than 7 days;
4. funds should be equipped with an internal procedure to assess the quality of securities, rather than automatically relying on the assessment of rating agencies;
5. enabling funds to invest in other funds of the same type, also in order to diversify the modes of temporary indebtedness.