

3 August 2026

Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin
Ireland

Submitted via email.

RE: CP168 – Consultation on Guidance on Money Market Fund Weekly Liquid Asset levels

BlackRock¹ is pleased to have the opportunity to respond to the consultation paper on the Central Bank of Ireland’s (“the Central Bank”) Guidance on Money Market Fund (MMF) Weekly Liquid Asset (WLA) levels.

MMFs play an extremely important role in liquidity management for a wide range of companies and market participants, including many corporates, charities, pension funds and insurance companies. Their utility and resilience play an important role in the functioning of the overall financial system and support short-term cash management and liquidity needs across the economy.

We have long underlined that the primary factor in supporting MMFs’ resilience – that is, their ability to fund redemptions even in times of market stress – is the quantity and quality of liquid assets in MMF portfolios.

In this context we are broadly supportive of the Central Bank’s proposed Guidance, which we believe strikes an appropriate balance of raising liquidity provisioning, while retaining sufficient flexibility – grounded in supervisory dialogue – to manage to changing market conditions.

We welcome the opportunity to comment on the issues raised by this consultation and would be pleased to continue to contribute to the Central Bank’s consideration of issues that may assist in finalising the supervisory framework.

We remain at your disposal should you wish to discuss any aspect of our response further.

Yours faithfully,

Beccy Milchem
Managing Director
Head of International Cash
Management
beccy.milchem@blackrock.com

Carey Evans
Managing Director
Co-Head of EMEA Government
Affairs and Public Policy
carey.evans@blackrock.com

¹ BlackRock is one of the world’s leading asset management firms. We manage assets on behalf of institutional and individual clients worldwide, across equity, fixed income, liquidity, real estate, alternatives, and multi-asset strategies. Our client base includes pension plans, endowments, foundations, charities, official institutions, insurers, and other financial institutions, as well as individuals around the world.

Question 1: Do you agree with the proposed Guidance on liquidity risk management set out in Part 1 of the attached guidance document? Please explain your response.

BlackRock is strongly supportive of the Central Bank's proposed Guidance, complementing the European Commission's FAQ, which we believe enhances the interpretation, use and application of the existing MMFR liquidity requirements. More broadly, we believe that resilient MMFs are best supported through a combination of prudent liquidity management, effective risk governance, and supervisory frameworks that enable liquidity buffers to be used as intended during periods of market stress.

Liquidity buffers play a central role in MMFs' ability to meet redemptions and therefore, to withstand periods of market stress. We see the proposed Guidance as enhancing overall market resilience in that regard, provided it is implemented in a manner that preserves the ability of MMF managers to use liquidity as intended during periods of stress. We therefore support the approach that the enhanced liquidity levels are framed as supervisory reference points, while preserving managers' ability to exercise judgement in responding to changing market conditions and investor needs.

We agree that MMF managers should maintain sufficient daily and weekly liquidity buffers and ensure alignment between the funds' overall investment strategy, liquidity profile and redemption requirements. This is consistent with our long-standing view that robust liquidity provisioning is central to MMF resilience, and that funds should be positioned to meet redemptions through cash at hand and pre-built liquidity buffers as opposed to reactive security sales.

We also note and agree with the role that Article 27 'know your customer' requirements and the outcomes of Article 28 'stress testing' of the MMFR play in informing appropriate levels of liquidity for each fund type, as outlined in the European Commission's FAQs. We support the integration of the market resilience levels into MMF managers' internal stress testing frameworks.

We consider the proposed levels, 40% WLA for Public Debt Constant-NAV (CNAV) and Low Volatility NAV (LVNAV) MMFs and 20% for Variable-NAV (VNAV) MMFs to be broadly achievable under normal market conditions, whilst preserving flexibility for prudent portfolio management. Nevertheless, there may be events or specific market conditions that mean prudent positioning of an MMF's portfolio – in line with the best interests of the fund's investors – could warrant WLA levels below these enhanced baselines.

We read the intent of the Guidance to be clear that temporary movement below these levels, where appropriately monitored and explained, should not in itself be interpreted as evidence of weak liquidity management. The pragmatic nature of this approach is welcomed. In line with this approach, we welcome the proposal that notification to the Central Bank be expected only where WLA levels remain below the market resilience levels for a period exceeding 10 business days, or where a prolonged or substantial deviation is anticipated. This provides an appropriate window within which temporary movements can be addressed through ordinary portfolio management without triggering supervisory escalation.

We also agree with the distinction made in the proposed Guidance between CNAV and LVNAV MMFs and VNAV MMFs, given the differences in settlement cycles, valuation methodology, liquidity minima, and in the case of CNAVs, eligible asset universe.

Notwithstanding our general support, the difference between Short-Term and Standard VNAV funds should be noted by the Central Bank, given the Guidance does not make a distinction. Short-Term VNAV funds liquidity and portfolio positioning is often more akin to LVNAV products, despite their less stringent liquidity requirements. In practice, rated Short-Term VNAV MMFs are managed to daily and weekly liquid asset levels consistent with the relevant rating agency criteria, which are set at levels equivalent to the regulatory minima applicable to CNAV and LVNAV MMFs rather than the lower statutory minima applicable to VNAV MMFs. Maintenance of these MMF structures provide critical utility and choice to investors; higher WLA levels are in line with how we manage Short-Term VNAV MMFs today.

We note that this consultation forms part of a joint initiative with the French AMF and Luxembourg CSSF, and in that context we consider it important that the resulting Guidance is applied consistently across all jurisdictions so as to preserve a level playing field for fund managers operating across the EU.

Question 2: Do you agree with the proposed Guidance on increased supervisory scrutiny and engagement set out in Part 2 of the attached guidance document? Please explain your response

BlackRock supports a proportionate and risk-based approach to supervisory engagement, particularly where liquidity levels decline or market stresses emerge. Liquidity management and resilience are enhanced through ongoing monitoring, transparency, and engagement, rather than purely mechanistic triggers. We read the proposed Guidance as framing the market resilience levels serve as supervisory benchmarks warranting further discussion and engagement, rather than bright-line regulatory thresholds that automatically trigger enforcement action.

The experience of MMFs in March 2020 (the COVID-related market disruption) underlined that linkages between liquidity thresholds and required actions can create procyclical effects that encourage funds to increase liquidity defensively rather than using buffers dynamically. Thus, the escalation frameworks should avoid reinforcing thresholds as hard triggers that create incentives for overly conservative positioning.

We would therefore encourage the Central Bank to ensure that any enhanced engagement is clearly distinguished from formal remediation or enforcement action, particularly where a manager has a credible explanation for the liquidity profile and a governance process in place to monitor the position.

The intensity of supervisory engagement should be context-based, including duration and scale of liquidity changes, underlying market conditions, and fund-specific investor behaviour. Where engagement is required, a framework that combines quantitative data and qualitative manager engagement is viewed as most appropriate. This supervisory engagement should support and inform decision-making, while remaining appropriately cognisant of existing fund governance frameworks and recognising that the appropriate response may differ across fund types and market environments.

Finally, we note that the Central Bank already has a sophisticated framework for monitoring Irish-domiciled MMFs on a daily basis and that MMF managers already have reporting obligations under Article 28(4) and (5) of the MMFR where stress tests reveal vulnerabilities. We expect that the Central Bank's supervisory approach to the proposed Guidance will utilise this existing framework of reporting and supervisory engagement, rather than add another layer on top of it, per se.