

Irish Funds Response to The Central Bank of Ireland Consultation Paper 168 -

Guidance on Money Market Fund Weekly Liquid Asset Levels

July 2026

INTRODUCTION

The Irish Funds Industry Association (“**Irish Funds**”) is the voice of the funds and asset management industry in Ireland. Our members include fund managers, fund administrators, transfer agents, depositaries, professional advisory firms, and other specialist and technology firms involved in the international funds and asset management industry in Ireland. By enabling global investment managers to deploy capital around the world for the benefit of internationally based investors, we support saving and investing across economies. Ireland is a leading location in Europe and globally for the domiciling and administration of investment funds. The funds industry directly employs over 19,519 professionals across Ireland, with over 37,468 of a total employment impact nation-wide¹ and provides services to over 9,000 Irish regulated investment funds with assets of just over EUR 5.7 trillion². Irish Funds welcomes the opportunity to respond to Consultation Paper 168 - Guidance on Money Market Fund Weekly Liquid Asset levels (the “paper”).

The funds industry in Ireland has shown consistent resiliency and has supported high value employment over the last three decades, particularly between 2019 and 2025 during a period of geopolitical uncertainty, financial shocks, and the pandemic³. The resilience of the money market fund (MMF) sector has been clearly evidenced by both historical performance and recent regulatory analysis. In particular, the European Commission’s 2023⁴ and 2026⁵ reports found that EU MMFs performed effectively during periods of severe market stress, including the COVID-19 “dash for cash”, with existing safeguards largely preventing systemic disruption.

Irish Funds welcomes the European Commission’s 2026 report and its evidence-based approach to identifying “market resilience levels” of liquidity. The report provides a useful analytical benchmark for risk management and supervisory dialogue, while also recognising the strong baseline resilience already embedded in the MMF sector.

In this context, it is important that any national guidance builds on this framework in a proportionate and risk-based manner, preserving the operational flexibility of MMFs while supporting financial stability objectives.

Do you agree with the proposed Guidance on liquidity risk management?

We broadly agree with the proposed Guidance on liquidity risk management set out in Part 1 and in particular welcome the alignment of the Central Bank of Ireland’s (Central Bank) proposed expectations with the coordinated approach being taken by the Central Bank alongside the Autorité des marchés financiers (AMF) in France and the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg. We do, however, wish to raise the following specific points for clarification and to ensure that the final Guidance is as clear and effective as possible and is as consistent across jurisdictions as possible.

¹Assessment of the impact of the Funds & Asset Management Industry on the Irish Economy, Indecon, 2024

²Central Bank of Ireland, March 2026.

³Irish Funds Facts and Figures [Irish Domiciled Money Market Funds | Irish Funds Industry Association | International Investments](#)

⁴European Commission (2023), *Report from the Commission to the European Parliament and the Council on the adequacy of Regulation (EU) 2017/1131 on money market funds*, COM (2023) 452 final, July 2023.

⁵European Commission (2026), *Report from the Commission to the European Parliament and the Council on the adequacy of Regulation (EU) 2017/1131 on money market funds from a prudential and economic point of view*, COM (2026) 350 final, 11 May 2026.

Use of the Liquidity Buffer in Stress

We support the principle that the liquidity buffer should be available to be used during periods of unanticipated redemptions or market stress. Liquidity requirements are intended to ensure that MMFs maintain a minimum level of highly liquid assets that can be converted into cash to satisfy redemption requests. A liquidity buffer that is not usable during periods of outflows undermines this objective and offers limited practical resilience.

Timing of the Notification Obligation

The Guidance provides that where an MMF falls below the market resilience levels for a period exceeding 10 business days, the MMF manager shall notify the Central Bank of Ireland together with relevant explanations and justifications. We ask the Central Bank to confirm, for the avoidance of doubt, that the notification obligation is triggered only after the 10 business day period has been exceeded — that is, the obligation arises from business day 11 onward. No notification obligation should arise during the 10 business day period itself.

De-linking of WLA from Redemption Gates and Fees

We would welcome reference in the Guidance to the de-linking of WLA levels from the automatic imposition of redemption gates or liquidity fees. The utility of the WLA buffer is significantly diminished if market participants anticipate that approaching or breaching the 30% threshold will mechanically trigger redemption restrictions, as this can itself accelerate redemptions and exacerbate stress. We note that the Commission addressed this point in its Q&A accompanying the report and we would welcome the Central Bank including a similar confirmation in its Guidance.

Consistency with other NCAs

The European Commission recommended that NCAs could use market resilience levels as early warning indicators for supervisory engagement when MMFs persistently hold WLA below the market resilience levels. The intensity of supervisory engagement will depend, in part, on the explanations and justifications provided by the MMF manager. In this context, we consider that consistency across NCAs — the Central Bank, AMF and CSSF — as to what constitutes a "justified" deviation below the 40% threshold is critically important. The potential for divergence in supervisory standards between jurisdictions on this point would create significant uncertainty for managers with funds domiciled in multiple jurisdictions. We urge the Central Bank to work closely with its counterparts to agree clear, common standards for what justifications will be regarded as sufficient, and to publish those standards so that industry participants can manage their funds accordingly.

A point to note

The consultation references average liquid asset levels of at least 36% DLA and 54% WLA for PDCNAV MMFs and LVNAV MMFs combined. We note that the presentation of combined average statistics for PDCNAV MMFs and LVNAV MMFs together can be misleading, given that these fund types have meaningfully different investor bases, redemption profiles, and liquidity characteristics. In particular, public debt CNAV MMFs typically invest predominantly in sovereign and other public-sector securities, which generally results in higher levels of daily and weekly liquid assets than those maintained by LVNAV MMFs. Accordingly, the reported average liquid asset levels of at least 36%

DLA and 54% WLA for PDCNAV MMFs and LVNAV MMFs combined are likely influenced by the higher liquidity holdings of public debt MMFs. We would encourage the Central Bank — and the coordinating NCAs — to present data for these two MMF categories separately where possible, in order to give a more accurate picture of liquidity levels and to assist in calibrating supervisory expectations appropriately. To be clear, although we support the 40% WLA threshold, we specifically do not find that historic combined PDCNAV / LVNAV WLA levels are useful reference points.

Do you agree with the proposed Guidance on increased supervisory scrutiny and engagement?

We agree that it is sensible and proportionate to increase both manager-level and regulatory focus where an MMF remains below the market resilience level for a prolonged period. The proposed Part 2 Guidance on enhanced supervisory engagement sets out a range of potential NCA actions that may be taken during supervisory engagement with MMF managers, and we broadly support this framework as a proportionate response. However, we have the following specific points for the Central Bank's consideration.

No Further Action Where Deviation is Justified

The Guidance provides that in the event an MMF's WLA level falls below the market resilience level for 10 business days and this level is not justified by the MMF manager's liquidity risk management processes and systems; the Central Bank shall review the information at its disposal. We read this as implying — and seek confirmation — that where a deviation below the market resilience level is justified by the manager's liquidity risk management framework and the explanations and justifications provided to the Central Bank are accepted, no further action or escalation by the Central Bank should be required. The Guidance should make this explicit. Where a manager has provided adequate justification and the Central Bank is satisfied with those explanations, the matter should be regarded as resolved without further supervisory consequence, so as to avoid uncertainty and to ensure that the supervisory engagement process remains proportionate and purposeful.

Overlap with Existing Daily Reporting Requirements

At the onset of stressed market conditions, the Guidance provides that the Central Bank may request more frequent data including NAV, net subscriptions, WAM, WAL, daily and weekly liquidity buffers, and the difference in basis points between constant NAV and shadow NAV. We note that these data points significantly overlap with data that managers are already required to provide to the Central Bank on a daily basis under existing reporting arrangements. We seek clarification from the Central Bank as to whether the existing daily reporting regime will be removed or modified in light of the new stressed-conditions reporting requirement. Duplication of reporting obligations would impose unnecessary operational burden on managers without corresponding supervisory benefit, and we would welcome a clear commitment that the two regimes will be rationalised.

Alignment Across NCAs on Reporting Requirements

We emphasise strongly that alignment with other NCAs — particularly the AMF and CSSF — on the form, content and timing of any stressed-conditions reporting is essential. The Central Bank, the French AMF and Luxembourg CSSF are consulting on national guidance in close coordination. Since the MMFR is an EU regulation applicable uniformly across Member States, any divergence in

national supervisory reporting requirements risks creating an uneven playing field and additional operational complexity for managers with funds across multiple jurisdictions. We urge the Central Bank to ensure that the final Guidance, and in particular any stressed-conditions reporting requirements, are fully aligned with the parallel guidance being issued by the AMF and CSSF.