

Regulation (EU) 2017/1131 of the European Parliament and of the Council  
of 14 June 2017 on money market funds (Text with EEA relevance)

*CHAPTER II*

***Obligations concerning the investment policies of MMFs***

*Section I*

***General rules and eligible assets***

*Article 15*

**Eligible reverse repurchase agreements**

1 A reverse repurchase agreement shall be eligible to be entered into by an MMF provided that all of the following conditions are fulfilled:

- a the MMF has the right to terminate the agreement at any time upon giving prior notice of no more than two working days;
- b the market value of the assets received as part of the reverse repurchase agreement is at all times at least equal to the value of the cash paid out.

2 The assets received by an MMF as part of a reverse repurchase agreement shall be money market instruments that fulfil the requirements set out in Article 10.

The assets received by an MMF as part of a reverse repurchase agreement shall not be sold, reinvested, pledged or otherwise transferred.

3 Securitisations and ABCPs shall not be received by an MMF as part of a reverse repurchase agreement.

4 The assets received by an MMF as part of a reverse repurchase agreement shall be sufficiently diversified with a maximum exposure to a given issuer of 15 % of the MMF's NAV, except where those assets take the form of money market instruments that fulfil the requirements of Article 17(7). In addition, the assets received by an MMF as part of a reverse repurchase agreement shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

5 An MMF that enters into a reverse repurchase agreement shall ensure that it is able to recall the full amount of cash at any time on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the calculation of the NAV of the MMF.

6 By way of derogation from paragraph 2 of this Article, an MMF may receive as part of a reverse repurchase agreement liquid transferable securities or money market instruments other than those that fulfil the requirements set out in Article 10 provided that those assets comply with one of the following conditions:

- a they are issued or guaranteed by the [<sup>F1</sup>European] Union, a central authority or central bank of [<sup>F2</sup>the United Kingdom or] a Member State, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European

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**Changes to legislation:** Regulation (EU) 2017/1131 of the European Parliament and of the Council, Article 15 is up to date with all changes known to be in force on or before 30 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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Financial Stability Facility provided that a favourable assessment has been received pursuant to Articles 19 to 22;

- b they are issued or guaranteed by a central authority or central bank of a [<sup>F3</sup>country other than the United Kingdom or a Member State], provided that a favourable assessment has been received pursuant to Articles 19 to 22.

The assets received as part of a reverse repurchase agreement in accordance with the first subparagraph of this paragraph shall be disclosed to MMF investors,

- (a) [<sup>F4</sup>for UCITS, in the half-yearly and annual reports referred to in Section 4.5 of the Collective Investment Schemes sourcebook; and.
- (b) for AIFs, the annual report referred to in Section 3.3 of the Investment Fund sourcebook.]

The assets received as part of a reverse repurchase agreement in accordance with the first subparagraph of this paragraph shall fulfil the requirements of Article 17(7).

7 The [<sup>F5</sup>Treasury may by Regulations specify] quantitative and qualitative liquidity requirements applicable to assets referred to in paragraph 6 and quantitative and qualitative credit quality requirements applicable to assets referred to in point (a) of paragraph 6 of this Article.

F6 ...

#### Textual Amendments

- F1** Word in Art. 15(6)(a) inserted (31.12.2020) by [The Money Market Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/394\)](#), regs. 1(3), **10(8)(a)(i)(aa)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F2** Words in Art. 15(6)(a) inserted (31.12.2020) by [The Money Market Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/394\)](#), regs. 1(3), **10(8)(a)(i)(bb)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F3** Words in Art. 15(6)(b) substituted (31.12.2020) by [The Money Market Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/394\)](#), regs. 1(3), **10(8)(a)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F4** Words in Art. 15(6) substituted (31.12.2020) by [The Money Market Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/394\)](#), regs. 1(3), **10(8)(a)(iii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F5** Words in Art. 15(7) substituted (31.12.2020) by [The Money Market Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/394\)](#), regs. 1(3), **10(8)(b)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F6** Words in Art. 15(7) omitted (31.12.2020) by virtue of [The Money Market Funds \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/394\)](#), regs. 1(3), **10(8)(b)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

**Changes to legislation:**

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**Changes and effects yet to be applied to :**

- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 1](#)