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#### 'I' ITEM NOTE

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From: General Secretariat of the Council  
To: Permanent Representatives Committee

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Subject: Proposal for a regulation of the European Parliament and of the Council on Money Market Funds [first reading]  
*- Confirmation of the final compromise text with a view to agreement*

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#### INTRODUCTION

1. On 5 September 2013, the Commission transmitted to the Council its proposal for a Regulation of the European Parliament and of the Council on Money Market Funds.
2. MMFs are an important source of short-term financing for financial institutions, corporates and governments. The aim of the Regulation is to create a regulatory framework which will make those funds safer and more resilient to possible future financial shocks, while securing their financing role for the economy and preserving the integrity and stability of the internal market.

3. The ECON Committee of the European Parliament adopted its report on 4 March 2015. The European Economic and Social Committee and the European Central Bank<sup>1</sup> delivered their opinions on 10 December 2013 and 22 May 2014 respectively.

## II. STATE OF PLAY

4. The Council agreed on a negotiating mandate on the above mentioned proposal at the level of Coreper on 15 June 2016. On that basis, the Slovakian Presidency has conducted negotiations with the European Parliament and the Commission with a view to a first reading agreement.
5. On 14 November 2016, and following the technical work thereafter, a provisional agreement was reached which resulted in the final compromise text as set out in document 14939/16.
6. The Luxembourg delegation maintains a reservation on the provisional agreement.

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<sup>1</sup> Doc. 12713/14

### III. CONCLUSION

7. Against this background, the Permanent Representatives Committee is invited to:
- (a) approve the final compromise text regarding the Regulation of the European Parliament and of the Council on Money Market Funds, as set out in document 14939/16, and
  - (b) confirm that the Presidency can indicate to the European Parliament that, should the European Parliament adopt its position at first reading as regards the Regulation of the European Parliament and of the Council on Money Market Funds, as set out in document 14939/16, subject, if necessary, to revision of that text by the legal linguists of both institutions, the Council would approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position.
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