

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 II

Provisions on investment policies

Article 17

Diversification

- 1 An MMF shall invest no more than:
- a 5 % of its assets in money market instruments, securitisations and ABCPs issued by the same body;
 - b 10 % of its assets in deposits made with the same credit institution, unless the structure of the banking sector in the Member State in which the MMF is domiciled is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the MMF to make deposits in another Member State, in which case up to 15 % of its assets may be deposited with the same credit institution.

2 By way of derogation from point (a) of paragraph 1, a VNAV MMF may invest up to 10 % of its assets in money market instruments, securitisations and ABCPs issued by the same body provided that the total value of such money market instruments, securitisations and ABCPs held by the VNAV MMF in each issuing body in which it invests more than 5 % of its assets does not exceed 40 % of the value of its assets.

3 Until the date of application of the delegated act referred to in Article 11(4), the aggregate of all of an MMF's exposures to securitisations and ABCPs shall not exceed 15 % of the assets of the MMF.

As from the date of application of the delegated act referred to in Article 11(4), the aggregate of all of an MMF's exposures to securitisations and ABCPs shall not exceed 20 % of the assets of the MMF, whereby up to 15 % of the assets of the MMF may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of STS securitisations and ABCPs.

4 The aggregate risk exposure to the same counterparty of an MMF stemming from OTC derivative transactions which fulfil the conditions set out in Article 13 shall not exceed 5 % of the assets of the MMF.

5 The aggregate amount of cash provided to the same counterparty of an MMF in reverse repurchase agreements shall not exceed 15 % of the assets of the MMF.

Changes to legislation: There are outstanding changes not yet made to Regulation (EU) 2017/1131 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

6 Notwithstanding the individual limits laid down in paragraphs 1 and 4, an MMF shall not combine, where to do so would result in an investment of more than 15 % of its assets in a single body, any of the following:

- a investments in money market instruments, securitisations and ABCPs issued by that body;
- b deposits made with that body;
- c OTC financial derivative instruments giving counterparty risk exposure to that body.

By way of derogation from the diversification requirement provided for in the first subparagraph, where the structure of the financial market in the Member State in which the MMF is domiciled is such that there are insufficient viable financial institutions to meet that diversification requirement and it is not economically feasible for the MMF to use financial institutions in another Member State, the MMF may combine the types of investments referred to in points (a) to (c) up to a maximum investment of 20 % of its assets in a single body.

7 By way of derogation from point (a) of paragraph 1, the competent authority of an MMF may authorise an MMF to invest, in accordance with the principle of risk-spreading, up to 100 % of its assets in different money market instruments issued or guaranteed separately or jointly by the Union, the national, regional and local administrations of the Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States belong.

The first subparagraph shall only apply where all of the following requirements are met:

- a the MMF holds money market instruments from at least six different issues by the issuer;
- b the MMF limits the investment in money market instruments from the same issue to a maximum of 30 % of its assets;
- c the MMF makes express reference, in its fund rules or instruments of incorporation, to all administrations, institutions or organisations referred to in the first subparagraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5 % of its assets;
- d the MMF includes a prominent statement in its prospectus and marketing communications drawing attention to the use of the derogation and indicating all administrations, institutions or organisations referred to in the first subparagraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5 % of its assets.

8 Notwithstanding the individual limits laid down in paragraph 1, an MMF may invest no more than 10 % of its assets in bonds issued by a single credit institution that has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

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Where an MMF invests more than 5 % of its assets in the bonds referred to in the first subparagraph issued by a single issuer, the total value of those investments shall not exceed 40 % of the value of the assets of the MMF.

9 Notwithstanding the individual limits laid down in paragraph 1, an MMF may invest no more than 20 % of its assets in bonds issued by a single credit institution where the requirements set out in point (f) of Article 10(1) or point (c) of Article 11(1) of Delegated Regulation (EU) 2015/61 are met, including any possible investment in assets referred to in paragraph 8 of this Article.

Where an MMF invests more than 5 % of its assets in the bonds referred to in the first subparagraph issued by a single issuer, the total value of those investments shall not exceed 60 % of the value of the assets of the MMF, including any possible investment in assets referred to in paragraph 8, respecting the limits set out therein.

10 Companies which are included in the same group for the purposes of consolidated accounts under Directive 2013/34/EU of the European Parliament and of the Council⁽¹⁾ or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits referred to in paragraphs 1 to 6 of this Article.

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- (1) Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC ([OJ L 182, 29.6.2013, p. 19](#)).

Changes to legislation:

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Changes and effects yet to be applied to :

- Regulation power to modify conferred by [2023 c. 29 s. 3Sch. 1 Pt. 1](#)
- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 1](#)
- Art. 17(6) words substituted by [S.I. 2019/394 reg. 11\(1\)\(a\)\(i\)](#)
- Art. 17(6) words substituted by [S.I. 2019/394 reg. 11\(1\)\(a\)\(ii\)](#)
- Art. 17(7) word inserted by [S.I. 2019/394 reg. 11\(1\)\(b\)\(ii\)](#)
- Art. 17(7) word substituted by [S.I. 2019/394 reg. 11\(1\)\(b\)\(i\)](#)
- Art. 17(7) words inserted by [S.I. 2019/394 reg. 11\(1\)\(b\)\(iii\)](#)
- Art. 17(7) words inserted by [S.I. 2019/394 reg. 11\(1\)\(b\)\(v\)](#)
- Art. 17(7) words substituted by [S.I. 2019/394 reg. 11\(1\)\(b\)\(iv\)](#)
- Art. 17(8) words inserted by [S.I. 2019/394 reg. 11\(1\)\(c\)](#)
- Art. 17(9) words substituted by [S.I. 2021/1376 reg. 29\(4\)](#)
- Art. 17(10) words substituted by [S.I. 2019/394 reg. 11\(1\)\(d\)](#)

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Sch. 1 inserted by [S.I. 2019/394 reg. 18\(5\)](#)
- Signature words omitted by [S.I. 2019/394 reg. 18\(4\)](#)
- Art. 1(1)(a) substituted by [S.I. 2019/394 reg. 4\(a\)\(ii\)](#)
- Art. 2(2) substituted by [S.I. 2019/394 reg. 5\(1\)\(a\)](#)
- Art. 2(3) substituted by [S.I. 2019/394 reg. 5\(1\)\(b\)](#)
- Art. 2(17)(a) word substituted by [S.I. 2019/394 reg. 5\(1\)\(c\)\(i\)](#)
- Art. 2(17)(b) words substituted by [S.I. 2019/394 reg. 5\(1\)\(c\)\(ii\)](#)
- Art. 2(17)(c) words substituted by [S.I. 2019/394 reg. 5\(1\)\(c\)\(iii\)](#)
- Art. 2(23) substituted by [S.I. 2019/394 reg. 5\(1\)\(d\)](#)
- Art. 2(24)-(40) inserted by [S.I. 2019/394 reg. 5\(1\)\(e\)](#)
- Art. 2(24)-(40) words substituted in earlier amending provision [S.I. 2019/394, reg. 5\(1\)\(e\)](#) by [S.I. 2020/1301 reg. 3Sch. para. 25\(a\)\(i\)](#)
- Art. 2a inserted by [S.I. 2019/394 reg. 5\(2\)](#)
- Art. 2a words substituted in earlier amending provision [S.I. 2019/394, reg. 5\(2\)](#) by [S.I. 2020/1301 reg. 3Sch. para. 25\(a\)\(ii\)](#)
- Art. 4(1)(aa) inserted by [2021 c. 22 s. 26\(2\)\(a\)](#)
- Art. 4(1A)-(1C) inserted by [S.I. 2019/394 reg. 6\(a\)\(iii\)](#)
- Art. 4(1B) word substituted by [S.I. 2019/394, reg. 6\(a\)\(iii\)](#) (as amended) by [S.I. 2019/1390 reg. 10\(2\)](#)
- Art. 4(1C) words substituted in earlier amending provision [S.I. 2019/394, reg. 6\(a\)\(iii\)](#) by [S.I. 2020/1301 reg. 3Sch. para. 25\(b\)](#)
- Art. 4(1ZA)-(1ZC) inserted by [2021 c. 22 s. 26\(2\)\(b\)](#)
- Art. 4(2)-(2B) substituted for Art. 4(2) by [S.I. 2019/394 reg. 6\(b\)](#)
- Art. 4(5)(f) word substituted by [S.I. 2019/394 reg. 6\(d\)\(ii\)](#)
- Art. 4A inserted by [2021 c. 22 s. 26\(3\)](#)
- Art. 5(4)(b) words substituted by [S.I. 2019/394 reg. 7\(d\)\(i\)\(aa\)](#)
- Art. 5(4)(c) words substituted by [S.I. 2019/394 reg. 7\(d\)\(i\)\(bb\)](#)
- Art. 5(8) inserted by [S.I. 2019/394 reg. 7\(g\)](#)
- Art. 5(8) words substituted in earlier amending provision [S.I. 2019/394, reg. 7\(g\)](#) by [S.I. 2020/1301 reg. 3Sch. para. 25\(c\)](#)
- Art. 6(1)(aa) inserted by [2021 c. 22 s. 26\(4\)](#)
- Art. 6(3) inserted by [S.I. 2019/394, reg. 8\(c\)](#) (as inserted) by [S.I. 2019/1390 reg. 10\(3\)\(b\)](#)

- Art. 6(3) words substituted in earlier amending provision S.I. 2019/394, reg. 8(c) (as amended by S.I. 2019/1390, reg. 10(3)(b)) by [S.I. 2020/1301 reg. 3Sch. para. 49\(a\)](#)
- Art. 7(1)-(3A) substituted for Art. 7(1)-(3) by [S.I. 2019/394 reg. 9\(a\)](#)
- Art. 7(6) inserted by [S.I. 2019/394 reg. 9\(b\)](#)
- Art. 7(6) words substituted in earlier amending provision S.I. 2019/394, reg. 9(b) by [S.I. 2020/1301 reg. 3Sch. para. 25\(d\)](#)
- Art. 8(3) inserted by [S.I. 2019/394 reg. 10\(1\)\(d\)](#)
- Art. 8(3) words substituted in earlier amending provision S.I. 2019/394, reg. 10(1)(d) by [S.I. 2020/1301 reg. 3Sch. para. 25\(e\)\(i\)](#)
- Art. 9(1)(a) word inserted by [S.I. 2019/394 reg. 10\(2\)\(a\)\(i\)\(aa\)](#)
- Art. 9(1)(a) words inserted by [S.I. 2019/394 reg. 10\(2\)\(a\)\(i\)\(bb\)](#)
- Art. 9(1)(a) words inserted by [S.I. 2019/394 reg. 10\(2\)\(a\)\(i\)\(dd\)](#)
- Art. 9(1)(a) words substituted by [S.I. 2019/394 reg. 10\(2\)\(a\)\(i\)\(cc\)](#)
- Art. 9(1)(g) words inserted by [S.I. 2019/394 reg. 10\(2\)\(a\)\(ii\)](#)
- Art. 10(1)(a) words substituted by [S.I. 2019/394 reg. 10\(3\)\(a\)](#)
- Art. 11(1)(a) words substituted by [S.I. 2021/1376 reg. 29\(3\)](#)
- Art. 11(1)(d) inserted by [2023 c. 29 Sch. 2 para. 40](#)
- Art. 12(c) substituted by [S.I. 2019/394 reg. 10\(5\)](#)
- Art. 12(c) words substituted in earlier amending provision S.I. 2019/394, reg. 10(5) by [S.I. 2020/1301 reg. 3Sch. para. 25\(e\)\(ii\)](#)
- Art. 13(c) word substituted by [S.I. 2019/394 reg. 10\(6\)\(b\)](#)
- Art. 14(c)(i) substituted by [S.I. 2019/394 reg. 10\(7\)](#)
- Art. 15(6)(a) word inserted by [S.I. 2019/394 reg. 10\(8\)\(a\)\(i\)\(aa\)](#)
- Art. 15(6)(a) words inserted by [S.I. 2019/394 reg. 10\(8\)\(a\)\(i\)\(bb\)](#)
- Art. 15(6)(b) words substituted by [S.I. 2019/394 reg. 10\(8\)\(a\)\(ii\)](#)
- Art. 16(4)(a) words inserted by [S.I. 2019/394 reg. 10\(9\)\(d\)\(ii\)](#)
- Art. 16(4)(c) words inserted by [S.I. 2019/394 reg. 10\(9\)\(d\)\(iii\)](#)
- Art. 16(4)(c)(i) words substituted by [S.I. 2019/394 reg. 10\(9\)\(d\)\(iv\)](#)
- Art. 16(4)(c)(ii) words substituted by [S.I. 2019/394 reg. 10\(9\)\(d\)\(iv\)](#)
- Art. 17(1)(b) words substituted by [S.I. 2019/394 reg. 11\(1\)\(a\)\(i\)](#)
- Art. 17(1)(b) words substituted by [S.I. 2019/394 reg. 11\(1\)\(a\)\(ii\)](#)
- Art. 19(4)(e) word substituted by [S.I. 2019/394 reg. 12\(1\)](#)
- Art. 21(1)(a) words substituted by [S.I. 2019/394 reg. 12\(2\)\(a\)](#)
- Art. 38(6) inserted by [S.I. 2019/394 reg. 17\(1\)\(f\)](#)