

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 IV*

**Valuation rules**

*Article 29*

**Valuation of MMFs**

- 1 The assets of an MMF shall be valued on at least a daily basis.
- 2 The assets of an MMF shall be valued by using mark-to-market whenever possible.
- 3 When using mark- to-market:
  - a the asset of an MMF shall be valued at the more prudent side of bid and offer unless the asset can be closed out at mid-market;
  - b only good quality market data shall be used; such data shall be assessed on the basis of all of the following factors:
    - (i) the number and quality of the counterparties;
    - (ii) the volume and turnover in the market of the asset of the MMF;
    - (iii) the issue size and the portion of the issue that the MMF plans to buy or sell.
- 4 Where use of mark-to-market is not possible or the market data is not of sufficient quality, an asset of an MMF shall be valued conservatively by using mark-to-model.

The model shall accurately estimate the intrinsic value of the asset of an MMF, based on all of the following up-to-date key factors:

- a the volume and turnover in the market of that asset;
- b the issue size and the portion of the issue that the MMF plans to buy or sell;
- c market risk, interest rate risk, credit risk attached to the asset.

When using mark-to-model, the amortised cost method shall not be used.

5 A valuation carried out in accordance with paragraphs 2, 3, 4, 6 and 7 shall be communicated to the competent authorities.

6 Notwithstanding paragraphs 2, 3 and 4, the assets of public debt CNAV MMFs may additionally be valued by using the amortised cost method.

7 By way of derogation from paragraphs 2 and 4, in addition to the mark-to-market referred to in paragraphs 2 and 3 and the mark-to-model referred to in paragraph 4, the assets of LVNAV MMFs that have a residual maturity of up to 75 days may be valued by using the amortised cost method.

The amortised cost method shall only be used for valuing an asset of a LVNAV MMF in circumstances where the price of that asset calculated in accordance with paragraphs 2, 3 and 4 does not deviate from the price of that asset calculated in accordance with the first subparagraph of this paragraph by more than 10 basis points. In the event of such

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a deviation, the price of that asset shall be calculated in accordance with paragraphs 2, 3 and 4.

#### *Article 30*

##### **Calculation of NAV per unit or share**

1 An MMF shall calculate a NAV per unit or share as the difference between the sum of all assets of the MMF and the sum of all liabilities of the MMF valued in accordance with mark-to-market or mark-to-model, or both, divided by the number of outstanding units or shares of the MMF.

2 The NAV per unit or share shall be rounded to the nearest basis point or its equivalent when the NAV is published in a currency unit.

3 The NAV per unit or share of an MMF shall be calculated and published at least daily on the public section of the website of the MMF.

#### *Article 31*

##### **Calculation of the constant NAV per unit or share of public debt CNAV MMFs**

1 A public debt CNAV MMF shall calculate a constant NAV per unit or share as the difference between the sum of all of its assets valued in accordance with the amortised cost method, as provided for in Article 29(6), and the sum of all of its liabilities, divided by the number of its outstanding units or shares.

2 The constant NAV per unit or share of a public debt CNAV MMF shall be rounded to the nearest percentage point or its equivalent when the constant NAV is published in a currency unit.

3 The constant NAV per unit or share of a public debt CNAV MMF shall be calculated at least daily.

4 The difference between the constant NAV per unit or share and the NAV per unit or share calculated in accordance with Article 30 shall be monitored and published daily on the public section of the website of the MMF.

#### *Article 32*

##### **Calculation of the constant NAV per unit or share of LVNAV MMFs**

1 A LVNAV MMF shall calculate a constant NAV per unit or share as the difference between the sum of all of its assets valued in accordance with the amortised cost method as specified in Article 29(7), and the sum of all its liabilities, divided by the number of its outstanding units or shares.

2 The constant NAV per unit or share of a LVNAV MMF shall be rounded to the nearest percentage point or its equivalent when the constant NAV is published in a currency unit.

3 The constant NAV per unit or share of a LVNAV MMF shall be calculated at least daily.

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4 The difference between the constant NAV per unit or share and the NAV per unit or share calculated in accordance with Article 30 shall be monitored and published daily on the public section of the website of the MMF.

### Article 33

#### Issue and redemption price

1 The units or shares of an MMF shall be issued or redeemed at a price that is equal to the MMF's NAV per unit or share, notwithstanding permitted fees or charges as specified in the prospectus of the MMF.

2 By way of derogation from paragraph 1:

- a the units or shares of a public debt CNAV MMF may be issued or redeemed at a price that is equal to that MMF's constant NAV per unit or share;
- b the units or shares of a LVNAV MMF may be issued or redeemed at a price that is equal to that MMF's constant NAV per unit or share, but only where the constant NAV per unit or share calculated in accordance with Article 32(1), (2) and (3) does not deviate from the NAV per unit or share calculated in accordance with Article 30 by more than 20 basis points.

In relation to point (b), when the constant NAV per unit or share calculated in accordance with Article 32(1), (2) and (3) deviates from the NAV per unit or share calculated in accordance with Article 30 by more than 20 basis points, the following redemption or subscription shall be undertaken at a price that is equal to the NAV per unit or share calculated in accordance with Article 30.

Potential investors shall, prior to the conclusion of the contract, be clearly warned in writing by the manager of an MMF of the circumstances in which the LVNAV MMF will no longer redeem or subscribe at a constant NAV per unit or share.

**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](#)

**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\(1\)\(f\)](#)