

Luxembourg, 22 July 2009

To all money market funds

## **CIRCULAR BCL 2009/227**

### **Modification of the statistical data collection for money market funds**

Ladies and Gentlemen,

On 19 December 2008 the Governing Council of the European central bank (ECB) adopted regulation ECB/2008/32 concerning the consolidated balance sheet of the monetary financial institutions sector. This regulation completes the existing framework of the ECB's statistical activities that are necessary to allow the European system of central banks (ESCB) to carry out its functions by defining the physical and moral persons subject to reporting obligations, the regime of confidentiality and the necessary execution and sanctioning provisions, according to article 5.4 of the statute of the European system of central banks and the European central bank.

In this context, it is important to recall that the statistical data collection for undertakings for collective investment (UCIs) is subject to two ECB regulations, namely:

- regulation ECB/2008/32 concerning the consolidated balance sheet of monetary financial institutions that defines the statistical reporting of money market funds
- regulation ECB/2007/8 concerning the statistics on the assets and liabilities of investment funds that defines the statistical reporting of investment funds (IFs)

The statistical information subject to reporting according to the requirements of the ECB and the minimal norms to be respected are detailed within the aforementioned ECB regulations. According to these texts, the National Central Banks (NCBs) must submit monthly and quarterly information referring to:

- stocks of assets and liabilities of money market funds and investment funds
- transactions made by money market funds and investment funds on assets and liabilities

Finally, one should recall that when implementing regulation ECB/2007/8 concerning the statistics on the assets and liabilities of investment funds in October 2007, the BCL opted – for reasons of minimising the burden of data collection – for the introduction of a new unique quarterly statistical report for money market funds and investment funds. However, since the revision of regulation ECB/2001/13, that is the basis for the statistical reporting of money market funds, had not yet been finalised in October 2007, the BCL preferred to leave report S 1.3 «Monthly statistical balance sheet of MMFs» unchanged in order to avoid two successive revisions within two years.

Since the revision of regulation ECB/2001/13 has been finalised by the end of 2008 and that the aforementioned regulation has been repealed and replaced by regulation ECB/2008/32 that foresees the entry into force of a revised data collection in June 2010, the revision of report S 1.3 «Monthly statistical balance sheet of MMFs» can now be undertaken. Hence, on the basis of the aforementioned ECB regulation, the BCL has modified the statistical data collection system of money market funds whose characteristics are detailed in the present circular.

## 1 Objectives

On the basis of regulations BCE/2007/8 and BCE/2008/32, the BCL has developed a data collection system that is supposed to obey the following objectives.

- complete coverage of the foreseeable requirements of the European central bank in the field of monetary and financial statistics
- minimisation of the workload for reporting agents
- consistency with data collected for supervisory purpose

This consistency, that is not possible for all the information which will be collected, allows the use of supervisory data within the compilation process of the data to be submitted to the ECB and contributes to the quality checking of the data that is collected.

- comparability with the standard ESA 95 (European System of National Accounts 1995)  
The compliance of the collected data with ESA 95 facilitates its use in the fields of national accounts and balance of payments and should allow avoiding additional inquiries

## 2 Principal innovations

Compared to the current statistical data collection, the innovations concern the reporting population as well as the existing monthly statistical of money market funds:

- the principal innovation consists of the modification of report S 1.3 «Monthly statistical balance sheet of MMFs»

Indeed, the consequence of having simultaneously the reports S 1.3 «Monthly statistical balance sheet of MMFs» and S 2.13 «Quarterly statistical balance sheet of UCIs» means that the fund administrations that establish statistical reporting for UCIs must establish two different variants of the security by security reporting since the lines of the latter must refer to the lines of report S 1.3 for MMFs and S 2.13 for IFs.

Furthermore, although report S 2.13 «Quarterly statistical balance sheet of UCIs» has to be submitted only on a quarterly basis, the majority of the money market funds establish that report on a monthly basis in order to compile S 1.3 «Monthly statistical balance sheet of MMFs» since the latter consists of a summary of information stemming from report S 2.13.

Thus, in order to minimise the reporting burden, report S 1.3 will be modified in order to contain the same information than report S 2.13 which mean that money market funds will *de facto* submit report S 2.13 with a monthly frequency using the denomination S 1.3.

- however, the modified report S 1.3 and the security by security reporting must be reported within 10 working days in order to allow the BCL to satisfy to its obligations *vis-à-vis* the European Central Bank
- in addition, the UCIs and/or compartments of UCIs of small size will be exempted from the BCL's statistical data collection as long as they submit the supervisory report O 1.1 to the BCL within 10 working days following the end of the month to which it refers.

### **3 The statistical reporting of money market funds**

The money market funds and/or compartments of money market funds must provide the following monthly statistical reports as from January 2010:

- 1 report S 1.3 «Monthly statistical balance sheet of MMFs» as modified
- 2 security by security reporting

These two reports must be provided to the BCL only by the money market funds that do not benefit from the exemption foreseen under point 2 "Principal innovations".

Finally, it should be mentioned that the whole set of instructions for establishing the statistical reporting is published and may be downloaded from the BCL's website using the following links:

<http://www.bcl.lu/fr/reporting/OPC/index.html>

[http://www.bcl.lu/en/reporting/monetary\\_UCIT/index.html](http://www.bcl.lu/en/reporting/monetary_UCIT/index.html)

## **4 Entities subject to reporting**

The Banque centrale du Luxembourg provides a list containing the names of the money market funds and/or compartments of money market funds that are subject to reporting requirements.

## **5 Quality of the data transmitted**

We should like to stress the importance of the quality of the data transmitted to the BCL and the necessity to submit the data to the verification rules detailed in the technical documentation. Only a rigorous control undertaken during data production will allow to respect the quality requirements as well as the reporting delays. This point is all the more important since the data collected will be checked by the ECB before aggregating it with the data of the other Member states. Any error or important negligence will have harmful repercussions on the reputation of the whole community of the Luxembourg monetary financial institutions.

## **6 Respect of the reporting deadlines**

The BCL established publishes on its website a list of the exact reporting dates at which the monthly statistical returns must be submitted to BCL. Money market funds are reminded that BCL must transmit monthly statistics to the ECB within 15 working days following the end of the period which data relates to. Therefore, it is absolutely necessary that reporting agents scrupulously respect the reporting deadlines defined in the present circular in order to allow the BCL to respect its engagements in the framework of the ESCB.

## **7 Setting up of the new data collection**

The transmission of this information is mandatory from December 2009.

The statistical report S 1.3 «Monthly statistical balance sheet of MMFs» as modified and the security by security reporting must be provided on 15 January 2010 at the latest.

Yours sincerely,

BANQUE CENTRALE DU LUXEMBOURG  
La direction

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