

Central Bank of Ireland Publishes Consultation on Guidance for Money Market Fund Weekly Liquid Assets

June 2026

What has the Central Bank published?

On 8 June 2026, the Central Bank of Ireland (**Central Bank**) published a **consultation paper** titled “Guidance on Money Market Fund Weekly Liquid Assets levels” (**CP168**).

CP168 contains the Central Bank’s draft guidance setting out its expectations for money market funds (**MMFs**) to align their liquidity risk framework and weekly liquid assets (**WLA**) with the market resilience levels outlined therein.

It also outlines the proposed enhanced supervisory engagement which may be initiated when the liquidity of an MMF falls below those market resilience levels.

The objective of these measures is to increase the overall liquidity maintained by MMFs that is available to be used in times of liquidity stress so that severe redemption shocks can be absorbed without the need to sell assets.

What are the market resilience levels proposed by the Central Bank?

The market resilience levels proposed by the Central Bank in CP168 are consistent with those proposed by the European Commission in its recent **report** on the adequacy of the MMFR¹ and related **FAQ** on the interpretation and implementation of certain legal provisions of the MMFR (**Commission Report and FAQ**)².

These are detailed in the table below.

Type of MMF	Minimum WLA levels imposed under the MMFR	Suggested WLA resilience levels proposed under CP168
Public Debt Constant Net Asset Value (CNAVs)	30%	40%
Low Volatility Net Asset Value (LVNAVs)	30%	40%
Variable Net Asset Value (VNAVs)	15%	20%

Similar to the approach adopted by the European Commission, the Central Bank has not proposed any market resilience daily liquid assets levels.

1. Regulation (EU) 2017/1131

2. For a detailed overview of the Commission Report and FAQ, please access our recent **briefing** on the topic.

What action has the Central Bank proposed be taken by MMF managers to ensure continued resilience of their MMFs?

The draft guidance proposed by the Central Bank in CP168 suggests that:

- (i) Liquidity stress testing procedures implemented by MMF managers should account for the WLA resilience levels outlined above when assessing the resilience of the MMF in stressed market conditions;
- (ii) MMF managers should exercise enhanced vigilance where WLA levels approach or fall below those WLA resilience levels, including timely escalation and reinforced internal decision-making processes;
- (iii) If the WLA held by an MMF falls below applicable WLA resilience levels for a period exceeding 10 business days/where the MMF manager expects a prolonged and/or substantial deviation, they should notify the Central Bank providing relevant explanations and justifications.

Does the Central Bank outline what action it proposes to take if the WLA of an MMF falls below applicable resilience levels?

Yes. Consistent with the recommendations put forward by the European Commission in its report, the Central Bank indicates that it will initiate “increased supervisory scrutiny and engagement with the relevant MMF managers” where WLA fall below the resilience levels outlined above.

Separately, the Central Bank has also indicated that where stressed market conditions affecting MMFs emerge, it will undertake enhanced supervisory engagement with MMF managers which may involve requesting daily reporting on key data points. It also proposes reserving the right to require other ad-hoc data on a periodic basis.

Are the Central Bank’s proposals aligned with the approach being adopted by other regulators?

Yes. As noted above, the WLA proposed by the Central Bank aligns with the recommendations put forward by the European Commission in the Commission Report and FAQ published last month.

The French AMF and the Luxembourg CSSF are also consulting on national guidance for MMFs which align with the proposals put forward by the Central Bank in CP168.

Separately, on 8 June 2026 the FCA **confirmed** that it plans to issue new guidance outlining its supervisory expectation that MMFs maintain the same WLA levels as those proposed by the European Commission and the Central Bank.

Will changes be required to fund documentation if the draft guidance is implemented as proposed by the Central Bank in CP 168?

We do not expect that MMF prospectuses will need to be updated to disclose the WLA resilience levels set down in the finalised guidance. However managers of MMFs will need to update internal liquidity management procedures to incorporate those WLA resilience levels into their risk management frameworks.

Next steps:

Interested stakeholders should respond to CP 168 no later than 3 August 2026 via to fundspolicy@centralbank.ie

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