



HRVATSKA NARODNA BANKA

## **Changes in monetary and financial statistics resulting from the application of Money Market Fund Regulation (EU 2017/1131) and their impact on the compilation of monetary and financial statistics**

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Due to the application of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, the release of monetary and financial institutions statistics (Statistical Survey, tables A1 to D12 and E) as at 31 March 2019 is changed in such a manner that money market funds that have not aligned with the stated Regulation (i.e. no longer comply with the definition of a money market fund) are reclassified from the monetary financial institutions sector to the non-money market investment funds sector.

Regulation EU 2017/1131, which began to be applied in July 2018, has brought upon significant changes in the operation of money market investment funds, prescribing additional and stricter conditions for these funds, especially with regard to investment policies and asset valuation, liquidity and investment diversification.

In accordance with Regulation of the European Central Bank ECB/2013/33 concerning the balance sheet of the monetary financial institutions, money market funds in the Republic of Croatia are part of the reporting population of other monetary financial institutions and management companies were given two possibilities for money market funds to comply with the Regulation: 1) that their operation be brought in compliance with the Regulation and that they continue operating as money market funds, or 2) that they continue operating as bond funds.

Companies that wished to avail of any of the two possibilities had to obtain appropriate authorisation from HANFA. Only one management company obtained HANFA's authorisation for continuing the operation of a fund in the money market funds category. Money market funds (S.123) that had not continued operation as money market funds were reclassified into the non-money market investment funds sector (S.124).

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