

August 3, 2026

Commission de Surveillance du Secteur Financier
283, route d'Arlon
L-1150 Luxembourg

Submitted via email: opc_prud_risk@cssf.lu

Re: Consultation Paper – Guidance on Money Market Fund Weekly Liquid Assets levels

Dear Sir, Madam

State Street welcomes the opportunity to respond to the Commission de Surveillance du Secteur Financier's (the "CSSF") Consultation Paper ("CP") on Guidance relating to Weekly Liquid Assets ("WLAs") in Money Market Funds ("MMFs") alongside the Autorité des marchés financiers ("AMF") and the Central Bank of Ireland ("CBI").

State Street is one of the world's leading providers of financial services to institutional investors including investment servicing, investment management and investment research and trading. With \$57.9 trillion in assets under custody and/or administration and \$6.3 trillion in assets under management as of June 30, 2026, State Street operates globally in more than 100 geographic markets and employs approximately 51,000 worldwide.

This response represents the view of State Street Investment Management, one of the world's largest asset managers. Our Irish-domiciled Management Company, State Street Global Advisors Europe Limited, has been operating in Ireland since 1987 and ranks as a major investment manager with total AuM of approximately €362bn as of end 2025. With a diverse client base including pension funds, insurance companies, official institutions, foundations, charities, local authorities, corporations, family offices and intermediaries, State Street Global Advisors Europe Ltd employs over 285 professionals who manage our UCITS, AIFs and ETFs fund ranges. Our cash offering in EMEA comprises Irish-domiciled MMFs, a combination of PDCNAV, VNAVs and LVNAV structures denominated in GBP, USD and EUR.

State Street Investment Management strongly supports the CSSF's overarching policy objectives of enhancing the resilience of MMFs, while ensuring the continued ability of these products to meet investor needs and support short-term funding markets. We also appreciate the CSSF's engagement with industry participants and its willingness to provide additional clarity in this important area.

We have consistently engaged on MMFs reform over the past decade and particularly after the March 2020 stress that led to the Financial Stability Board ("FSB") Policy Proposals to enhance MMF resilience. Over the years, we have stressed the important role that MMFs play in the financial ecosystem, and we remained supportive of calibrated efforts by policymakers to improve resilience by pointing to the need for increased usability of liquidity requirements and for regulatory convergence across jurisdictions, notably the EU and UK.

In this context, we welcome the European Commission's report on the adequacy of the MMF Regulation¹ and the accompanying FAQs document² published in May 2026 which crystallized a non-legislative approach to amending the MMF regulatory framework. These publications confirm that MMFs have generally maintained liquidity above regulatory minima and identify "market resilience" levels of 20% WLA for VNAV MMFs and 40% for Public Debt CNAV and LVNAV MMFs as appropriate supervisory benchmarks.

This approach is aligned with our views that much higher WLAs would be difficult for the market to absorb and operationally challenging for the sector to manage in all market conditions. The EU Commission also helpfully clarifies that a fall below regulatory requirements does not automatically trigger the use of Liquidity Management Tools ("LMTs") and that managers may use the liquidity buffers without any stigma attached and to prevent any fire-sales of the MMF assets.

All this considered, we support the use of the new WLA levels and the principles-based approach as presented in the EU Commission's documents. It is important that any additional NCA's guidance builds on this framework and preserves operational flexibility while ensuring high standards and a level playing field for funds' managers. We share our views on the CSSF's Guidance in the questions below with the aim of ensuring as much clarity and consistency as possible.

Finally, we want to welcome once again the important coordination that took place between EU and national authorities, including UK authorities, to ensure that there is a high degree of cross-jurisdictional alignment. Taken together, the existing MMFR framework, the European Commission's

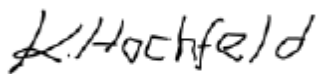
¹ EU Commission's ["Report on the on the adequacy of MMF Regulation from a prudential and economic point of view"](#), 11 May 2026.

² EU Commission's ["Notice on the interpretation and implementation of certain legal provisions of the MMF Regulation"](#), 11 May 2026.

May 2026 package and related supervisory initiatives position the EU framework to be broadly aligned with the FSB's 2021 recommendations on MMF resilience.

State Street Investment Management would welcome the opportunity to continue being an active and constructive participant in this debate, promoting a responsible and resilient market environment. Should you wish to discuss any aspect of our response, please do not hesitate to contact me or a member of our team.

Sincerely,

A handwritten signature in black ink that reads 'K. Hochfeld'.

Kim Hochfeld

Global Head of Cash

State Street Investment Management

Responses to individual questions

Question 1: Do you agree with the proposed Guidance on liquidity risk management set out in Part 1 of the attached guidance document? Please explain your response.

State Street Investment Management broadly supports the CSSF's Guidance and welcomes the coordinated supervisory approach with the French AMF and the CBI. We agree on the importance of complementing the EU Commission's pragmatic and non-legislative approach on MMF liquidity requirements with strong supervisory guidance setting coordinated expectations across the main funds' domiciles.

As indicated in the Guidance, we fully support the implementation of the WLA supervisory benchmarks as new business as usual reference points for liquidity management, together with other important inputs such as the results of internal stress tests and the analysis of investors' behavior. We would like to suggest the following two clarifications that we think would further strengthen the proposed Guidance:

- **Usability of buffers:** We have consistently argued that making buffers usable at times of stress in the market is the most straightforward way to increase resilience at fund level and across the MMF sector. In the past, this has not been possible because of the identification of regulatory minima as bright lines, leading managers to manage in excess of minimum levels to avoid passive breaches. To mitigate the risk of creating new bright lines, and to support efforts to educate investors about funds' resilience, it would be helpful if the Guidance reinforced the message of the EU Commission's FAQ document that drawdowns of WLAs, albeit rare, are appropriate during periods of stress or at times of unexpected redemption activity. This would help reduce stigma and focus investors' mind on an holistic view of MMFs liquidity.
- **De-linking of WLA breaches from LMT activation:** We believe that the Guidance should reference the point made by the EU Commission in its FAQ document that a breach of regulatory minima in the MMF Regulation does not automatically require the activation of LMTs (fees or gates), but rather the initiation of the relevant internal escalation processes and corrective measures. The Guidance should more clearly refer to this de-linking otherwise the utility of the buffers risk being limited as LVNAV funds approach 30% WLA.

Finally, we have previously pointed to the fact that EU and UK markets have more structural challenges in accommodating liquidity at higher levels compared to the US, where standing facilities at the FED increase the capacity to absorb cash at times when banks are not able to intermediate

liquidity. This structural disadvantage for EU MMFs in terms of flexibility to manage their liquidity inflows, as also recognized by the EU Commission July 2023 report³, remains an open issue in the EU and something on which central banks should reflect upon when modernizing their liquidity facilities.

Question 2: Do you agree with the proposed Guidance on increased supervisory scrutiny and engagement set out in Part 2 of the attached guidance document? Please explain your response.

We agree with the CSSF that there should be an increased supervisory focus when a MMF remains below the market resilience levels for a prolonged period of time. We take note of the actions at disposal of the CSSF as listed in Part 2 of the Guidance. To ensure that all actions remain proportionate, we would like to suggest the following operational considerations:

- **Reporting requirements:** Across our MMFs population, we already provide to the CBI daily reporting across data points including WAM, WAL, daily and weekly liquidity buffers, NAV and net subscriptions/redemptions. We note that the Guidance foresees that the NCAs may request additional data at the onset of stressed market conditions which seem to overlap with the data already provided in the daily returns. Given the ongoing efforts of EU-wide simplification of regulatory reporting, targeting specifically fund reporting, we urge the NCAs to carefully avoid any unnecessary duplication of reporting requirements and instead remove redundant reporting.
- **Alignment across NCAs:** We note that close cooperation and coordination among NCAs will be key in ensuring that the MMF Regulation continues to be applied consistently across the EU. We believe that supervisory coordination will be essential in two areas: i) consistency as to what constitutes an acceptable deviation from the market resiliency levels that does not require further action, and ii) uniform reporting requirements that align with the EU objectives of simplification and data sharing across supervisory authorities.

Finally, we would like to request additional clarity on the implementation timeline for the proposed Guidance. Fund managers will need sufficient time to operationalize the new market resiliency levels, consider whether any internal governance adjustments are necessary and to raise investors' awareness of the evolved liquidity management framework. If an update of disclosure documents is required, firms will need a minimum of 6 months for board approval processes and submission to the relevant NCA, and we would welcome a fast-track filing process to facilitate implementation.

³ EU Commission's "[Report on the on the adequacy of MMF Regulation from a prudential and economic point of view](#)", 20 July 2023.