

REQUIREMENTS FOR LIQUIDITY STRESS TESTING IN UCITS AND AIFs

Background regulations for asset managers: Article 318-44 of the AMF General Regulation, Articles 47 and 48 of Delegated Regulation (EU) 231/2013 of the European Parliament and of the Council of 19 December 2012 (“AIFM Delegated Regulation”), Articles 321-77 and 321-81 of the AMF General Regulation and Article 28 of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017.

Background regulations for depositaries: Article 323-39 of the AMF General Regulation with Article 92 of the Delegated Regulation, Article 22, paragraph 3, of the UCITS Directive and Article 3 of Delegated Regulation (EU) 2016/438 of the European Parliament and of the Council of 17 December 2015.

In accordance with the provisions of Article 16(3) of Regulation (EU) 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority, the AMF declared to ESMA on 16 September 2020 its compliance with the European Securities and Markets Authority’s guidelines on liquidity stress testing in UCITS and AIFs published on 16 July 2020 (ESMA34-39-897).

These guidelines aim to improve the quality, consistency and, in some cases, frequency of liquidity stress tests currently implemented for UCITS and AIFs, while also promoting convergent supervision of liquidity stress testing (LST) by national competent authorities. These provisions apply to money market funds,¹ without prejudice to the Regulation on money market funds and ESMA’s guidelines applying exclusively to money market funds,² which have precedence in the event of conflict.

Incorporation into the AMF’s regulatory practices

These guidelines are available in the section “Appendices & Links”:

- In French: Orientations sur les simulations de crise de liquidité dans les OPCVM et les FIA ([ESMA34-39-897 FR](#))
- In English: Guidelines on liquidity stress testing in UCITS and AIFs ([ESMA34-39-897 EN](#))

¹ In particular, sections V.1.1 (The design of LST models), V.1.2 (Understanding liquidity risk), V.1.3 (Governance principles for LST), V.1.4 (Policy on liquidity stress testing), V.2 (Guidelines applicable to depositaries), and also paragraphs 79 and 81 of section V.3 (Interaction with National Competent Authorities).

² For example, ESMA’s guidelines setting common reference parameters for stress testing scenarios to be included in stress tests carried out by money market fund managers (currently ESMA34-49-115 EN).