

May 13th, 2011

Swiss Financial Markets Authority
Einsteinstrasse 2
CH-3033 Bern

Via Email: ratingagencies@finma.ch

Reference: Public Comment on Amendments Circular 2008/26 Rating Agencies

Dear Sir,

First of all, we would like to thank you for launching this public consultancy and the opportunity to comment. Kindly find attached the response of our association.

As mentioned in your explanatory report, the global legislative framework for CRAs has substantially changed over the last couple of years. Unfortunately, despite global common goals, the legislative approaches taken differ from regions to region. The legislative process in Europe in the field of CRAs is not yet completed, as the EU Commission already announced a further initiative in this sector for this year.

Currently, the EU legislation on CRAs as amended shares the same objectives as your institution in terms of ensuring Objectivity, independence, transparency and disclosure aspects. In terms of users of ratings, you envisage to extend the scope to Insurers and Collective Investment Scheme as has been done with the EU legislation.

As mentioned in your consultancy, you envisage a simplified recognition for CRA subject to an adequate foreign supervisory system. We welcome if you could publish the countries which may be applicable in this context.

Alternatively, you may follow the approach in the European Union for registration of Third country CRAs: The EU legislation includes a system for assessing the equivalence of the Third Countries legislative frameworks with the EU legislation. As for now, CESR concluded and the European Commission confirmed only the equivalence of the Japanese regulatory systems. Based on this certification, Japan Credit Rating was recognized as CRA in Europe. Similar assessments are still ongoing for other countries. We assume that the high requirements of the EU Regulation provides enough comfort to your institution and therefore propose that all registered CRAs in the EU may be certified by your institution.



Last but not least, we positively note the timetable of the consultancy given that the amended Circular is due to enter into force only on January 1st, 2012. This timeframe will allow for an excellent planning and a smooth transition into the new system.

Sincerely yours

Thomas Missong
EACRA President

Thomas Morgenstern
EACRA Secretary General

About EACRA

The European Association of Credit Rating Agencies (“EACRA”), registered in Paris under the laws of France, has been formally established. The Members of the Association currently originate from 7 European countries and include the following companies:

- Assekurata Assekuranz Rating-Agentur is the first independent German rating agency that has specialized on the quality evaluation of insurance companies
- Axesor: Specialized on Spanish SME unsolicited ratings/scorings.
- Cerved Group: Italian Credit Rating Agency recognized ECAI by Bank of Italy
- Credit Rating: covers corporate, financial institutions and municipalities in Ukraine
- CRIF: global company that, in addition to the traditional services of information and scoring, started last year a professional activity aimed to issue unsolicited ratings to Italian companies
- JCR Eurasia: is Japan Credit Rating affiliated company in Turkey and covers all market segments.
- PSR RATING, based in Germany, focuses on solicited corporate ratings and the development of valid rating systems

The Members of the Association have very different business models while assigning ratings. All are deeply rooted in their respective markets, enjoy a high market share and a good reputation with local investors. In addition EACRA is in close contact with nearly all rating agencies in Europe.