

POSITION PAPER



ESBG comments on the CEBS' consultation paper (CP 43): draft advice to the European Commission on the non-eligibility of entities producing only credit scores for ECAI (External Credit Assessment Institutions) recognition

November 2010



The European Savings Banks Group (ESBG) herewith provides its comments on the CEBS' consultation paper (CP 43): draft advice to the European Commission on the non-eligibility of entities producing only credit scores for ECAI (External Credit Assessment Institutions) recognition.

ESBG fully agrees with the proposal to introduce a requirement that an ECAI has to be registered in accordance with Regulation EC 1060/2009 on Credit Rating Agencies (CRA) as a precondition for being recognised as an eligible ECAI for capital requirement purposes.

ESBG also agrees with CEBS that entities producing only credit scores, which are excluded from the scope of the Regulation, should not be considered eligible to apply for EC recognition.

In relation to the proposal that central banks excluded from the scope of the Regulation should still be eligible for ECAI recognition, ESBG is not in favour of this idea. In other words: Whilst ESBG recognises that central banks are exempted from the CRA Regulation (in Article 2 (3)), it does not support the idea that this bodies should nevertheless be eligible for ECAI recognition.

In ESBG's view it is important to distinguish between private ratings (those rightly being connected to the ECAI recognition process) and official ratings, issued by central banks or supranational organisations.

Therefore ESBG proposes to revise the CEBS proposal regarding Article 81 (1a new) of Directive 2006/48/EC as follows:

“1a. An ECAI shall be registered in accordance with Regulation (EC) No 1060/2009 of 16 September 2009 of the European Parliament and of the Council on credit rating agencies as a pre-condition for being recognised as eligible for the purposes of Article 80 **(deletion).**”

ESBG supports the proposed amendment to Article 97 (paragraph 2).



About ESBG (European Savings Banks Group)

ESBG (European Savings Banks Group) is an international banking association that represents one of the largest European retail banking networks, comprising about one third of the retail banking market in Europe, with total assets of € 5967 billion (1 January 2008). It represents the interest of its Members vis-à-vis the EU Institutions and generates, facilitates and manages high quality cross-border banking projects.

ESBG Members are typically savings and retail banks or associations thereof. They are often organized in decentralized networks and offer their services throughout their region. ESBG Member banks have reinvested responsibly in their region for many decades and are one distinct benchmark for corporate social responsibility activities throughout Europe and the world.



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