



European Securities and Markets Authority
11-13 avenue de Friedland
75008 Paris
France

Deutsche Bank AG
Andrew Procter
Government & Regulatory Affairs
Winchester House
1 Great Winchester Street
London EC2N 2DB

Tel +44 (0) 20 7545 8380
Daniel.Trinder@db.com

www.esma.europa.eu
31 March 2011

Re: ESMA consultation paper on the application of the endorsement regime under Article 4(3) of the Credit Rating Regulation 1060/2009

Dear Sir or Madam,

Deutsche Bank welcomes the opportunity to respond to ESMA's consultation on the endorsement regime under Article 4(3) of the Credit Rating Regulation 1060/2009.

We acknowledge the arguments made by ESMA that a more voluntary endorsement mechanism gives rise to greater risk of non-compliance by the third country CRA. We agree that regulators need to be assured that ratings are meaningful and of a high standard, regardless of location. However, if there are concerns over the robustness of specific non-EU regimes then the EU should proceed by outlining sensible transitional arrangements and a timetable to rectify any deficiencies to achieve alignment. Transitional arrangements for those third country's with regulatory regimes in place are required as the assessment process is time consuming and it will therefore not be possible to properly assess all of the important jurisdictions ahead of the commencement date. During this time it is crucial that the use of ratings from non-EU regimes is permitted to continue. Prohibiting the use of these ratings during this time would create cliff-effects and cause widespread disruption at the same time when banks are already facing higher capital charges through new prudential rules.

Please do not hesitate to contact me if you have any questions on any of the points above.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'A. Procter', with a long horizontal stroke extending to the right.

Andrew Procter

Global Head of Government & Regulatory Affairs