

ESMA's consultation paper on the CRA III implementation

Deutsches Aktieninstitut¹ welcomes the opportunity to comment on ESMA’s consultation paper on the CRA III implementation. We represent the view of corporates applying ratings in order to i.a. successfully issue bonds on capital markets.

Our comment focuses on the “Draft regulatory technical standards on the fees charged by CRAs to their clients” (see Annex III).

Firstly, the requirements for rating agencies to provide ESMA the respective data are very far-reaching. Compliance with these duties should not be underestimated from a cost perspective. These costs will be passed on to the clients as part of the rating fees. Against this background we ask ESMA to assess carefully if the huge amount of data to be delivered is really necessary for supervisory purposes.

Secondly, client data transferred to ESMA are of competitive relevance and should be treated confidentially. Therefore, we welcome recital 10 that states that “The information to be submitted to ESMA [...] will not be made publicly available”. Nevertheless, the provision of client information by the rating agencies to ESMA should not include named data. Any accumulation of data on ESMA level which allows conclusions on the issuer’s identity and its competitive position should be avoided. Therefore, the submission of a list of names of the client legal entities as required by field 3 of table 4 is not reasonable (p. 187). It is also redundant as sufficient information on the client’s identity is already provided by the reporting of the client identifier assigned by the rating agency (field 2). On request, the rating agencies should be able to reveal the issuer’s identity. Field 3 of table 4 should be deleted.

¹ Deutsches Aktieninstitut represents the entire German economy interested in the capital markets. Its about 200 members are listed corporations, banks, stock exchanges, investors and other important market participants. Deutsches Aktieninstitut keeps offices in Frankfurt am Main, Brussels and in Berlin.

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