

CONSULTATION PAPER

**Guidance on Registration Process, Functioning
of Colleges, Mediation Protocol, Information set
out in Annex II, Information set for the
application for Certification and for the
assessment of CRAs systemic importance**

Capp&CAPP s.r.l

November 2009

With this document Capp&CAPP Srl intends to provide its answers to the questions contained in the Consultation Paper on the Guidance on Registration Process, Functioning of Colleges, Mediation Protocol, Information set out in Annex II, Information set for the application for Certification and for the assessment of CRAs systemic importance.

Addressing the questions put in the Consultation paper previously mentioned,
Capp&CAPP:

- **Q1:** agrees with the approach presented by CESR. The use of the calendar defined by the European Central Bank for the operation of the TARGET system leads to a unique reference system, common between Member States and to a quicker procedure, considering the deadlines set out in the Regulations are in business days;
- **Q3 and Q4:** agrees with the proposals for the language regime of the application;
- **Q8:** believes that 15 working days for CRA to submit additional information and 25 working days for the competent authority to review all information are sufficient and do not extend too much the process of registration;
- **Q9:** agrees with the opinion that the facilitator may extend the period of examination by 30 working days without a formal consultation of the rest of the members of the college, in order to streamline the entire process;
- **Q11:** considers that a common approach of the college members to the examination of the request for exemption should be desirable because it may speed up the registration process and ensure equal conditions for different CRAs;
- **Q13:** believes that the competent authority of the home Member State should publish any decision regarding the registration, refusal of registration requested by an existing CRA, or withdrawal of any registration. Disclosures should be accompanied by an executive summary of the decision's motivation. Notification by the competent authority to the Commission, CESR, other competent authorities and the applicant of any decision under Article 16, 17 or 20 should include extended motivations and description of opinions of any dissenting authorities.

- **Q14:** believes that main material changes to the conditions for initial registration of a credit rating agency should be considered, as well as the opening and closing of branches, any substantial change in a CRA's structure of organization (eg affecting different functions such as internal audit, compliance function and rating activities), in its own rating processes, business models or type of ratings issued, including distinction between solicited and unsolicited ratings;

- **Q27:** believes that, referring to the language of disclosure and transparency report, an English version should be submitted by registered CRA's;

- **Q28:** agrees with this approach selected by CESR because the website is an instrument that could be easily accessible by clients, investors, and competent authorities. Capp&CAPP supposes that all CRA have a website available so disclosures can be published without problems;

- **Q38:** agrees with general remarks applicable to the registration process and with general guidelines on the information to be submitted proposed by CESR because believes that they will ensure equal conditions and more transparency in the registration process;

- **Q39:** believes that ECAI information requirements and Regulation information requirements are focusing on many common aspects. Capp&CAPP considers that additional ECAI information requirements should be added to the consultation paper only for CRAs that are already ECAI or are applying for ECAI status, due to its relevance in the market;

- **Q40:** believes that at least smaller credit rating agencies should be exempted from providing the proposed historic data and information, due to the concerns already discussed in paragraph 164 of the Consultation Paper;

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