

Mr. A. Docters van Leeuwen
Chairman
CESR
11-13, avenue de Friedland
75008 Paris
France

secretariat@cesr-eu.org

BY E-MAIL

Date 1 March 2005

Your ref. CESR/04-612b

Our ref. \276\20232217\Position Papers\b019-
276(creditrating).doc

Re. Consultation on CESR's technical advice to the European Commission on
possible measures concerning credit rating agencies (CESR/04-612b)

Dear Mr. Docters van Leeuwen,

Ealic, the European Association for Listed Companies, aims to represent European listed companies and to promote their common interests on the European level. Ealic was incorporated in December 2002 as a non-profit association. Its membership is growing. Presently sixty-five public companies are member. A membership list is attached for your convenience.

Ealic welcomes the consultation concerning credit rating agencies and is pleased to elaborate on earlier comments on the same subject, submitted to CESR in its letter dated 26 October 2004.

First, Ealic agrees with CESR that credit rating agencies should introduce and disclose policies relating to conflicts of interests.

Second, as regards methodology for building up ratings, Ealic concurs that it would be sufficient to have such methods disclosed by credit rating agencies in advance, particularly in case of a change in the methodology. This would in any event be preferable to a regulatory approach, which might prove over-prescriptive.

Third, the activities of the credit rating agencies should be subject to corporate governance principles and to disclosure requirements regarding these principles, as is



the case with respect to issuing companies. Ealic, again, considers that alternative options, including regulatory options and the adoption of compulsory rules, would most likely prove over-prescriptive. Rather, preference should be given to the 'comply or explain' approach, as is the case with respect to issuing companies. This would require credit rating agencies to fully comply with the relevant corporate governance code they have selected or to disclose to what extent and why they have deviated from it.

Fourth and finally, Ealic considers that the credit rating process should in addition, to a limited extent, be subject to oversight by the competent authorities. Supervision of the whole credit rating process should not entirely be entrusted to self-regulation. As every financial intermediary, credit rating agencies should be subject to some sort of control by competent authorities. This is particularly true with regard to ensuring that the disclosed methodology has in fact been implemented.

Ealic would be pleased to enter into a further dialogue with CESR regarding this subject matter.

Sincerely,

Paul Cronheim
Chairman Legal Committee



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Aegon	Mediobanca
Alcatel	Michelin
Atos Origin	Océ
Akzo Nobel	OPG
Assicurazioni Generali	P & O Nedlloyd
Autostrade	Philips
Banca Nazionale del Lavoro	PSA Peugeot Citroen
BNP Paribas	RAS Riunione Adriatica di Sicurtà
Carbone Lorraine	Reed Elsevier
Carrefour	Royal Dutch Shell
CIR	Saint-Gobain
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DSM	Sanpaolo IMI
Enel	SMI
Eurotunnel	Solvay
Essilor International	Société Générale
Fiat	Stork
Finmeccanica	Telecom Italia
France Telecom	Total Fina Elf
Fortis	UCB
Fugro	Umicore
Grolsch	Unicredito Italiano
Hermès International	Unilever
IHC Caland	Vallourec
Interbrew	Veolia Environnement
Italcementi	Van der Moolen
Kas Bank	Vinci
L'Air Liquide	Vivendi Universal
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Marzotto	



Organisations of Listed Companies

- **Association Française des Entreprises Privées – Association des Grandes Entreprises Françaises (AFEP)**
- **Association Nationale des Sociétés par Actions (ANSA)**
- **Assoziane fra le società italiane per azioni (ASSONIME)**
- **Association belge des sociétés cotées (ASBL) - Belgische vereniging van beursgenoteerde vennootschappen (VZW) – (ABSC – BVBV)**
- **Vereniging Effecten Uitgevende Ondernemingen (VEUO)**

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