

The Committee of European
Securities Regulators (CESR)
11-13 avenue de Friedland, 75008
Paris, France

Athens, 18th June 2010

Subject: ICAP's Response to CESR's Consultation Paper 'Guidance on Common Standards for Assessment of Compliance of Credit Rating Methodologies with the Requirements set out in Article 8(3)'

Dear Sirs,

ICAP welcomes the opportunity to comment on CESR's Consultation Paper regarding the Guidance on common standards for assessing compliance of credit rating methodologies with the requirements set out in Article 8(3) of the Regulation. ICAP generally concurs with CESR's approach. However, there are two points that we would like to further comment on.

1. As mentioned in our previous response regarding Credit Rating Agencies (CRAs) Central Repository, ICAP provides a credit rating upon a customer's request. In case of a methodology amendment, as outlined in *section 4 Detailed Information, part D, paragraph 18, point a*, all customers are notified in written form about the specific change. However, due to the high costs of updating a company's information, the credit rating will be reviewed only if a customer requests a new credit assessment.
2. ICAP would like to ask for further clarification regarding the companies that should be included in the out-of-sample tests mentioned in *section 4 Detailed Information, part D, paragraph 22, point c*. During model development, ICAP holds a portion of companies out of the development sample and uses them to validate the performance of the selected model. However, this distinction is unclear when performing the scheduled validation tests on the developed models that are already in production.

We are at your disposal for any further clarifications.

Yours Sincerely,

Leonidas Kotsaftis

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Director
Credit Assessment Services

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