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Committee of European Securities Regulators
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RE: Axesor's Response to CESR's Consultation Paper 09-955 relating Consultation on registration, mediation and other related issues regarding the certification and assessment of CRA's systemic importance.

Axesor is a Spanish local CRA that provides unsolicited ratings on a subscriber basis. Axesor issues ratings on corporates excluding financial institutions, insurance companies and public sector enterprise among others. Axesor does not issue ratings on structured finance products and on Sovereign and Public Finance.

Axesor has been working since 2006 in order to improve its rating methodologies and process, fixing its internal organization and corporate governance to the best practice and hiring talented professionals. In the past month of May Axesor applied for recognition as ECAI for the use of its ratings by Financial Institutions in the calculation of Regulatory Capital under the Basel II standardized methodology, so according to article 2.3 Axesor will apply for registration as CRA under the new legislative framework.

We appreciate the opportunity to provide comments to CESR regarding this Consultation Paper. From a constructive point of view Axesor would like to highlight the following points:

- Some CRA main activity is the issue of corporate ratings focusing on the SMEs size companies which should be included within the reporting segment of corporate-corporate issuers. We propose add up a new segment for corporate ratings splitting corporates into SME and Corporations according to its size and complexity of its business.
- Paragraph 12 of the Consultation Paper states that only those ratings with specific input from a rating analyst are subject of the scope of the Regulation, but it seems that refers to traditional rating analyst work, reducing the segments subject to registration

under the new Regulation to those with this specific analysis from a rating analyst.

In our opinion should also be considered subject to registration those CRA under the scope of unsolicited ratings (public or subscription rating) where rating analysts must take an essential paper in the definition, modeling and monitoring of the qualitative input/output of the rating statistical process.

- Another question we are concern about is the subjectivity surrounding the concept of “material change” mentioned in paragraph 155 of the Consultation Paper. It would be helpful to give further clarifications regarding what understand CESR by “material change”.
- According to article 9, it is banned outsourcing relevant operative functions. We understand such activities have to do with the rating process, but it is unclear if others activities such as data provisioning, IT works, are considered critical. We see it might be necessary to give further details on this question.
- As described in Annex I, section A, paragraph 5, it is necessary to implement and maintain an independent department for verification of compliance. However, the rule also raises the need for other monitoring/supervision functions. Given what it is stated on article 6.3, we think it necessary clarify if the whole monitoring and supervision functions can be concentrated under the same area responsible for the compliance.

Regarding the questions rose in the Consultation Paper it is our aim to contribute providing our comments in the following one:

Q18: Do you think that authorities and/or CESR should publish the list of third-country CRAs whose ratings a registered CRA is authorized to endorse?

Yes we do. This kind of information is relevant to improve the transparency and the information used in decision making by institutions.

In addition, we consider, as necessary condition to authorize endorsement rating, a positive equivalence assessment of the third-country (linked with question 26 of the consultation paper). In our opinion this condition will ensure the quality and homogeneity of all credit ratings.

Therefore, a public list of CRAs is necessary but has to be completed with a list of third-country equivalence assessment.

Yours sincerely,

Santiago Martín