Slovak Rating Agency, Inc.
Bratislava, Slovakia
www.slovakrating.sk

Mr. Fabrice Demarigny
Secretary general
CESR

Call to CESR for technical advice on possible measures concerning credit rating agencies

Call for Evidence

The Slovak Rating Agency highly appreciates the initiative of European Commission to adopt a regulative measure on credit rating agencies field of operations.

It is more than clear that the leg of competition in this field which occurred in last couple decades lead to the substantial decrease of understanding the local and regional risk environment on the level of global rating agencies.

The Enron case was just the pick of the iceberg and the Parmalat case "European Enron" was kind of indication that the lack of "touch the market" concept motivates the regulators to thing about the role of the global rating players vis a vis to the role of regional players which disappeared, as the result of globalization, just some years ago.

The factual duopolistic position on the global rating market makes the situation complicated. The degree of competition in the rating field is alerting. The situation is much more alerting as it is in the financial audit sector. The tangible leg of mapped risk is appearing in the transitional economies which are somehow out of the main interest of the global players.

All what has been stated in this paper leads the Slovak rating agency to be an active part of the new rating agencies' regulations discussion.

Rudo Autner, MSc, MBA
Chief Executive Director

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