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**PRESS RELEASE**

**CESR ANNOUNCES A CALL FOR EVIDENCE ON CREDIT RATING AGENCIES**

CESR published today a call for evidence on credit rating agencies following receipt of a call for advice from the European Commission requesting technical advice which might assist in developing possible legislative measures if considered appropriate.

The call for technical advice from the European Commission is published as part of the Call for Evidence (Ref: CESR/04-394) (available on CESR's website under 'Consultations'). The call for technical advice identifies in particular four areas on which CESR should provide technical advice and these include:

- Handling of potential conflicts of interests within rating agencies;
- Transparency of rating agencies' methodologies;
- The legal treatment of rating agencies' access to inside information; and
- Concerns about the possible lack of competition in the market for provision of credit ratings.

CESR must provide its advice to the European Commission by 1<sup>st</sup> of April 2005. To develop the technical advice, CESR has formed an expert group to be chaired by Ms Ingrid Bonde, Director General of the Swedish Finansinspektionen. Javier Ruiz del Pozo from the CESR secretariat will act as rapporteur.

In developing CESR's advice, CESR will co-ordinate closely with fellow regulators both within the EU in the form of the fellow regulatory banking committee (CEBS), and internationally, with the SEC through its more regularised and intensive dialogue announced by CESR on 4 June 2004. The expert group will be giving particular thought as to how CESR's eventual advice might interact with existing EU legislation and in particular, the Market Abuse Directive (which will come into effect by the end of 2005). Furthermore, CESR will also seek to draw heavily on the useful groundwork laid down by IOSCO and the Basle Committee.

A timetable for CESR's work in this area is attached in the note to editors (and can also be found in the Call for Evidence).

Responses to the call for evidence can be submitted online by 27 August 2004 through CESR's website ([www.cesr-eu.org](http://www.cesr-eu.org)) under the section 'Consultations'.



**Notes for Editors:**

1. CESR is an independent Committee of European Securities Regulators. The role of the Committee is to:
  - Improve co-ordination among securities regulators;
  - Act as an advisory group to assist the EU Commission, in particular in its preparation of draft implementing measures in the field of securities;
  - Work to ensure more consistent and timely day to day implementation of community legislation in the member states.
  - The Committee was established under the terms of the European Commission's decision of 6 June 2001 (2001/1501/EC). It is one of the two committees envisaged in the Final Report of the group of Wise Men on the regulation of European securities markets. Baron Alexandre Lamfalussy chaired this group. The report itself was endorsed by the European Council and the European Parliament. The relevant documents are available on the CESR website.

Each Member State of the European Union has one member on the Committee. The members are nominated by the Members States, and are the Heads of the national public authorities competent in the field of securities. The European Commission has nominated the Director General of the DG Market as its representative. Furthermore, the securities authorities of Norway and Iceland are also represented at a senior level.

2. For further information please contact:

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## Indicative timetable for CESR's advice on Credit Rating Agencies

