

## PRESS RELEASE

### **ESMA publishes draft RTS on CRA3 transparency requirements**

The European Securities and Markets Authority (ESMA) has published its [Final Report](#) on draft Regulatory Technical Standards (RTS) required under the Credit Rating Agencies (CRA3) Regulation regarding information on transparency of structured finance instruments, the European Rating Platform and periodic reporting of fees charged by credit rating agencies.

The draft RTS, which complement the existing regulatory framework for credit rating agencies (CRAs), cover:

- disclosure requirements on structured finance instruments (SFIs);
- the European Rating Platform (ERP); and
- the periodic reporting on fees charged by CRAs.

#### **Steven Maijoor, ESMA Chair, said:**

“The enhanced transparency requirements set out in these draft Regulatory Technical Standards regarding structured finance instruments, CRAs’ fees and ratings will improve the information available to both investors and supervisors.

“Their implementation will contribute to a reduction in conflicts of interest, improved investor protection and market stability, and greater competition between CRAs.”

#### **Draft RTS on Information on Structured Finance Instruments**

The draft RTS on structured finance instruments (SFI) focuses on the information that the issuer, originator and sponsor of a structured finance instrument must publish. The draft RTS incorporates, where possible, existing disclosure and reporting requirements adopted by the European Central Bank and Bank of England to avoid duplication and overlap. The disclosure obligations also provide for standardised investor reporting and disclosure of transaction documents.



The draft RTS include templates for those SFI where that has been technically possible and adopts a phase-in approach for any further templates. The design and features of future standardised templates will be the result of discussions between ESMA, the European Commission (EC), the ECB and stakeholders.

ESMA will develop reporting obligations concerning private and bilateral structured finance instruments as soon as possible.

### **Draft RTS on European Rating Platform (ERP)**

The draft RTS on the new European Rating Platform (ERP) defines the content and presentation of rating information, including structure, format, method and timing of reporting that credit rating agencies should submit to ESMA for credit ratings that are not exclusively produced for and disclosed to investors for a fee. The timely and centralised publication of credit rating data on the ERP will improve the comparability and visibility of financial instruments rated by different CRAs in the EU. The ERP website will be set up and run by ESMA.

### **Draft RTS on fees charged by CRAs to their clients**

The third RTS defines the content and the format of periodic reporting on fees charged by credit rating agencies for the purpose of on-going supervision by ESMA. The information collected under this RTS will allow ESMA to undertake effective oversight of fees charged by credit rating agencies. This will enable ESMA to verify whether pricing practices are discriminatory and ensure compliance with the principle of fair competition and further mitigate conflicts of interest.

### **Next Steps**

The draft RTS have been submitted to the EC for its approval, it now has three months to decide whether to endorse the draft RTS.



## Notes for editors

1. [2014/685 Draft Regulatory Technical Standards under the CRA3 Regulation.](#)
2. [2014/686 Letter to Commissioner Barnier re draft Regulatory Technical Standards under the CRA3 Regulation.](#)
3. ESMA is an independent EU Authority that was established on 1 January 2011 and works closely with the other European Supervisory Authorities responsible for banking (EBA), and insurance and occupational pensions (EIOPA), and the European Systemic Risk Board (ESRB).
4. ESMA's mission is to enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). As an independent institution, ESMA achieves this aim by building a single rule book for EU financial markets and ensuring its consistent application across the EU. ESMA contributes to the regulation of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity.

Further information:

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