

## PRESS RELEASE

### ESMA fines DBRS Ratings Ltd. for internal control failings

The European Securities and Markets Authority (ESMA) has issued a [public notice](#) censuring DBRS Ratings Limited (DBRS) for failing to comply with corporate governance, compliance and record-keeping requirements under the Credit Rating Agencies Regulation (CRA Regulation). ESMA has also fined DBRS €30,000 in respect of the record-keeping failings having found that DBRS had acted negligently. ESMA's decision takes into account the steps taken by DBRS to remedy the infringement.

The decision by ESMA to take enforcement action results from its prior investigation into DBRS. That investigation examined corporate governance, compliance and internal control functions of DBRS. ESMA has found that DBRS did not meet the following requirements set out in the CRA Regulation regarding:

- adequate record-keeping and, where appropriate, audit trails of its credit rating activities, including records for compliance-related issues;
- sound internal procedures and control mechanisms, including decision-making procedures, reporting lines and allocation of functions and responsibilities; and
- a permanent and effective compliance function which has the necessary authority, resources, expertise and access to all relevant information.

ESMA, based on the provisions of the CRA Regulation, decided that the relevant breaches warranted enforcement action. This is the first fine imposed on a Credit Rating Agency under the CRA Regulation.

#### ESMA's Role

Since July 2011, ESMA has been solely responsible for the supervision of credit rating agencies in the European Union, including their registration, in line with the requirements of the CRA Regulation. ESMA has the power to take appropriate enforcement action where it discovers a breach of the CRA Regulation, ranging from the issuance of public notices to the imposition of fines and withdrawal of registration.



## Notes for editors

1. 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).
2. ESMA's mission is to enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). ESMA, as an independent EU Authority, 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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