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| **Response Form**  |
| **Consultation on Fees charged to Credit Rating Agencies by ESMA** |

**Responding to this paper**

ESMA invites comments on all matters set out in this paper and in particular on the specific questions summarised in Annex 1. Comments are most helpful if they:

* respond to the question stated;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **15 March 2021.**

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading: ‘Your input - Consultations’.

**Instructions**

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. Please do not remove tags of the type <ESMA\_QUESTION\_CRAFees\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
3. If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
4. When you have drafted your response, name your response form according to the following convention: ESMA\_CRAFees\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_ CRAFees\_ABCD\_RESPONSEFORM.
5. Upload the form containing your responses, in Word format, to ESMA’s website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Your input – Open consultations” 🡪 “Consultation on Fees charged to Credit Rating Agencies by ESMA”).

**Publication of responses**

All contributions received will be published following the closure of the consultation period, unless you specifically request otherwise. Please clearly and prominently indicate in your submission any part that you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested by ESMA in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose a response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

**Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading [Legal Notice](http://www.esma.europa.eu/legal-notice).

**Who should respond to the consultation paper**

Credit Rating Agencies (CRAs) issuing or endorsing credit ratings for use in the EU and their auditors, CRAs certifying credit ratings for use in the EU, firms considering registration as Credit Rating Agencies or firms applying for certification status. This Consultation Paper may also be of interest to trade associations representing CRAs and users of credit ratings.

**General information about respondent**

|  |  |
| --- | --- |
| Name of company / organisation | Association of the Luxembourg Fund Industry |
| Activity | Other Financial service providers |
| Are you representing an association? |[x]
| Country/Region | Luxembourg |

**Introductory comments**

**Please use this space to provide any relevant introductory comments:**

<ESMA\_ QUESTION\_CRAFees\_Qi>

The Association of the Luxembourg Fund Industry (ALFI) represents the face and voice of the Luxembourg asset management and investment fund community. The Association is committed to the development of the Luxembourg fund industry by striving to create new business opportunities, and through the exchange of information and knowledge.

Created in 1988, the Association today represents over 1,500 Luxembourg domiciled investment funds, asset management companies and a wide range of business that serve the sector. These include depositary banks, fund administrators, transfer agents, distributors, legal firms, consultants, tax advisory firms, auditors and accountants, specialised IT and communication companies. Luxembourg is the largest fund domicile in Europe and a worldwide leader in cross-border distribution of funds. Luxembourg domiciled investment funds are distributed in more than 70 countries around the world.

<ESMA\_ QUESTION\_CRAFees\_Qi>

1. **Changes to general budgetary approach**

**Q1: Do you agree with the proposals to reflect ESMA’s general budgetary approach in the revised Fees Delegated Regulation? If not, please explain why not.**

<ESMA\_ QUESTION\_CRAFees\_Q1>

TYPE YOUR TEXT HERE

<ESMA\_ QUESTION\_CRAFees\_Q1>

1. **Registration fees**

**Q2: Do you agree with the proposed changes to registration fees? If not, please explain why not.**

<ESMA\_ QUESTION\_CRAFees\_Q2>

TYPE YOUR TEXT HERE

<ESMA\_ QUESTION\_CRAFees\_Q2>

**Q3: Do you agree with the proposed changes to the reimbursement of registration fees? If not, please explain why not.**

<ESMA\_ QUESTION\_CRAFees\_Q3>

TYPE YOUR TEXT HERE

<ESMA\_ QUESTION\_CRAFees\_Q3>

**Q4: Do you agree with the proposed changes to the calculation of initial supervisory fees for CRAs? If not, please explain why not.**

<ESMA\_ QUESTION\_CRAFees\_Q4>

TYPE YOUR TEXT HERE

<ESMA\_ QUESTION\_CRAFees\_Q4>

1. **Annual supervisory fees**

**Q5: Do you agree with the proposal to exempt CRAs with a total turnover of under €1,000,000 from the payment of annual supervisory fees? If not, please explain why not.**

<ESMA\_ QUESTION\_CRAFees\_Q5>

TYPE YOUR TEXT HERE

<ESMA\_ QUESTION\_CRAFees\_Q5>

**Q6: Do you agree with the proposed changes to annual supervisory fees charged to CRAs? If not, please explain why not.**

<ESMA\_ QUESTION\_CRAFees\_Q6>

TYPE YOUR TEXT HERE

<ESMA\_ QUESTION\_CRAFees\_Q6>

1. **Applicable turnover**

**Q7: Do you agree with the proposed changes to the calculation of CRAs’ applicable turnover? If not, please explain why not.**

<ESMA\_ QUESTION\_CRAFees\_Q7>

TYPE YOUR TEXT HERE

<ESMA\_ QUESTION\_CRAFees\_Q7>

1. **Certification fees**

**Q8: Do you agree with the proposal to revise the approach to the reimbursement of supervisory fees for certified CRAs? If not, please explain why not.**

<ESMA\_ QUESTION\_CRAFees\_Q8>

TYPE YOUR TEXT HERE

<ESMA\_ QUESTION\_CRAFees\_Q8>

**Q9: Do you agree with the proposal to exempt certified CRAs from the payment of initial fees? If not, please explain why not.**

<ESMA\_ QUESTION\_CRAFees\_Q9>

TYPE YOUR TEXT HERE

<ESMA\_ QUESTION\_CRAFees\_Q9>

**Q10: Do you agree with the proposal to require all certified CRAs to pay an annual certification fee of €6,000? If not, please explain why not.**

<ESMA\_ QUESTION\_CRAFees\_Q10>

TYPE YOUR TEXT HERE

<ESMA\_ QUESTION\_CRAFees\_Q10>

1. **Final comments**

**Please use this space to provide any other relevant information you wish to bring to ESMA’s attention not covered by your responses to the previous questions:**

<ESMA\_ QUESTION\_CRAFees\_Qf>

As association representing the interests of the fund industry in Luxembourg, ALFI and its members are not directly involved in the business carried out by credit rating agencies. Therefore, we refrain from answering the specific questions included in this consultation and limit our response to the following general statements.

The first comment relates to transparency of fees levied by credit rating agencies. The fund industry welcomes clarity on the fee structure which should be disclosed in a prominent way. By ensuring a high level of transparency, asset managers are able to compare and choose attractive offers, which is in the end to the benefit of fund investors.

Moreover, it is crucial that ESMA and NCAs ensure a reasonable level of fees that is proportionate to the work undertaken by credit rating agencies.

<ESMA\_ QUESTION\_CRAFees\_Qf>