

PUBLIC STATEMENT

ESMA certifies Kroll Bond Rating Agency to operate in the EU

The European Securities and Markets Authority (ESMA) has formally approved the certification in the European Union of Kroll Bond Rating Agency Inc. (KBRA) under Article 16 of the CRA Regulation. The certification takes effect from 20 March 2013.

KBRA is headquartered in the United States of America (USA) and is subject to registration, supervision and enforcement by the US Securities Exchange Commission. It is the first CRA from the USA to be certified following the European Commission's recognition of the equivalence of the USA's legal and supervisory framework to the requirements of the CRA Regulation, on 5 October 2012.

While the registration regime applies to CRAs that are established in the EU, certification is only available for third country registered and supervised CRAs, that are not established in the EU and which are not of systemic importance to the financial stability or integrity of the financial markets of one or more Member States.

As a certified CRA, credit ratings issued by KBRA can be used for regulatory purposes according to EU legislation. The certified CRA must continue to comply, on an on-going basis, with the regulatory requirements set out under the CRA Regulation and ESMA's Regulatory Technical Standards.

A registered or certified CRA must continue to comply, on an ongoing basis, with the regulatory requirements set out under the CRA Regulation and ESMA's Regulatory Technical Standards. Currently, 19 CRAs have been registered and two CRA have been certified including KBRA. Amongst the 19 registered CRAs, three operate under a group structure, totalling 16 legal entities in the EU, which means that the total number of CRA entities registered in the EU is now 32.

ESMA's supervisory mandate applies to all credit rating agencies registered or certified in the EU which issue credit ratings disclosed publicly or distributed by subscription.

The exercise of that supervision includes the possibility to impose sanctions and other forms of penalties in case of breaches of the requirements of the Regulation. Those requirements include the obligation to be registered or certified by ESMA before engaging in rating activities.



Notes for editors

1. ESMA is now [responsible](#) for the supervision of 19 registered and two certified credit rating agencies.
2. 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).
3. 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:

David Cliffe

Senior Communications Officer

Tel: +33 (0)1 58 36 43 24

Mob: +33 6 42 48 29 06

Email: david.cliffe@esma.europa.eu