

COURTESY TRANSLATION

Mr Mario Borghesio
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 4 July 2012

L/MD/12/361

Re: Your letter

Dear Mr Borghesio,

Thank you for your letter passed on to me by Sharon Bowles, Chairwoman of the Committee on Economic and Monetary Affairs, and accompanied by a cover letter dated 27 April 2012.

The ECB is in favour of initiatives targeted at improving the quality of ratings and the functioning of credit rating agencies so as to restore the confidence of investors and market participants in ratings and thus enhance financial stability.¹

As regards the establishment of further credit rating agencies, the ECB considers that more providers of rating would have a beneficial effect on the quality of such ratings and, more broadly, on financial markets functioning. In particular, the ECB welcomes market-led initiatives that may foster the competition in this market and will continue to follow closely all related developments. Let me recall in this respect that the ECB announced in December 2011 that it encourages potential external credit assessment providers to seek Eurosystem endorsement under the Eurosystem Credit Assessment Framework (ECAAF).² The ECAAF defines the procedures, rules and techniques which ensure that the Eurosystem requirement of high credit standards for all eligible assets is met.

Yours sincerely,

[signed]

Mario Draghi

¹ See ECB Opinion CON/2012/24 available on the ECB's website at: www.ecb.europa.eu.

² See Guideline of the ECB of 20 September 2011 on Eurosystem monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2011/14) (OJ L331, 14.12.2011, p.1), Section 6(3) of the General Documentation.