

Date: February 5th, 2010

To
International Organization for Standardization
CH – 12 11 Geneva 20
Via Email: central@iso.org

Reference: Draft International Standard ISO/DIS 10674
“Rating services – Assessment of creditworthiness of non-listed entities”

Dear Sir,

With reference to the draft international standard on Rating Services (ISO 10674), published by your esteemed institution on September 7th, 2009, we are pleased to provide herewith the comments and concerns from our Association.

First of all, we would like to express our concern regarding the consultation process and the fact, that the draft is only available against the payment of fee's. This provision has retained many of our members to acquire the standard and therefore we assume that the responses to your consultation will be limited.

In addition, we are surprised that only few rating agencies were even informed on this draft standard. Given that rating agencies are the primary addresses of this standard, we would have expected that your institution openly discloses the standard to the agencies. Therefore, we would be pleased if you would consider our association in new standard setting initiatives affecting our industry in order to avoid such an outcome.

We further proceed from the assumption that you are aware of the fact that the EU Regulation on Credit Rating Agencies (N°1060/2009) already entered into force on December 7th, 2009. Registration under this new regulation is due latest by September 7th, 2010. From this point of time, registered Rating Agencies will need to comply with all requirements of this EU Regulation, independently of your standard. We therefore proceed from the assumption that registered agencies will also qualify for the ISO standard and could get easily certified.

None the less, we think that the objective of the standard (ensure the transparency of the process and the reliability of the rating of the credit assessment) is positive and we therefore support your initiative and the standard. Given ISO's global reach, your standard is especially positive in countries having less stringent laws on rating agencies than the European Union. We therefore look forward to the entering into force of this new standard, which is expected by the end of this year.



Finally, in light of the EU regulation and this standard, we think that an additional ISO norm on the definition of other topics related to rating services (eg rating scales; rating symbols; definition of default; rating types (solicited, unsolicited); sets of input used) might be an appropriate idea. Such a norm would contribute to the objectives of the present norm and of the EU Regulation. If such a topic is on the agenda of ISO, we would be pleased to contribute to it.

Kind regards

Thomas Missong
President

Matej Lah
Secretary

About EACRA

The European Association of Credit Rating Agencies was recently established and registered under the laws in France. One of the objectives of EACRA is to act as an interlocutor between the members and relevant stakeholders.

Please note that Thomas Missong, President of EACRA, has acquired the draft in September 2009 and reviewed the document on behalf of the members of the association.