



**Press Release  
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## **CEBS PUBLISHES GUIDELINES ON THE RECOGNITION OF EXTERNAL CREDIT ASSESSMENT INSTITUTIONS**

The Committee of European Banking Supervisors (CEBS) is today publishing final guidelines for a common approach to the recognition of External Credit Assessment Institutions (ECAIs) under the Capital Requirements Directive (CRD).

The guidelines represent a significant advance in the consistent implementation of this core component of the new EU banking legislation. This permits institutions to use external credit ratings to determine the risk weights of their credit exposures. ECAIs must be recognised as eligible for these purposes by supervisory authorities.

The guidelines establish procedures for recognising both local and cross-border ECAIs. These procedures include a 'joint assessment process' which will streamline the recognition of cross-border ECAIs, thereby enhancing supervisory efficiency and reducing administrative burdens for institutions and ECAIs.

The guidelines represent a common understanding among CEBS members of the eligibility requirements set out in the CRD. This common understanding provides a basis for the consistent assessment of ECAIs' eligibility throughout Europe, thus ensuring a level playing field for institutions that use ECAI ratings for capital purposes. Coherently with the legal framework, each national supervisory authority will then take its own decision.

The CEBS guidelines also provide a common approach to aligning the credit assessments of recognised ECAIs with the different capital requirements in the CRD.

In developing these guidelines, CEBS has benefited from extensive consultation with market participants, and has taken into account the work on credit rating agencies undertaken by the Committee of European Securities Regulators (CESR).

Supervisory authorities intending to begin informal recognition processes or informal dialogue with ECAIs from the beginning of February 2006 are invited to do so in accordance with the CEBS guidelines.

For more information please visit:  
<http://www.c-eps.org/press/presslatest.htm>

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