



*Insight beyond the rating.*

Date of Release: November 1, 2011

## **DBRS Ratings Limited Is a Registered Credit Rating Agency in the EU**

DBRS Ratings Limited announces that it has been registered as a credit rating agency (CRA) in the European Union (EU) in accordance with Regulation (EC) No 1060/2009 of the European Parliament, amended by Regulation (EU) No 513/2011 on credit rating agencies (the CRA Regulation). The CRA Regulation provides a formal framework for the registration, regulation and oversight of CRAs in the EU. As outlined in the European Securities and Markets Authority's (ESMA's) press release issued on October 31, 2011, announcing EU registration of globally active CRAs,<sup>1</sup> the registration assessment by the colleges of competent EU authorities covered, among other issues, CRA independence, governance and transparency. These same issues will be subject to ESMA's ongoing supervision effective October 31, 2011.

In accordance with the CRA Regulation and any forthcoming additional requirements from the European Banking Authority and EU national competent authorities, DBRS<sup>2</sup> will continue as an eligible External Credit Assessment Institution (ECAI) in the following countries: Austria, Denmark, Finland, France, Germany, Ireland, the Netherlands, Norway, Sweden and the United Kingdom. DBRS first received ECAI status in 2007 in these countries. DBRS plans to obtain ECAI status in other EU countries in line with its strategic priorities, including in Italy, Spain, Portugal and Greece.

DBRS was previously approved by the European Central Bank as an eligible ECAI within the Eurosystem Credit Assessment Framework (ECAF).<sup>3</sup> DBRS is also an ECAI in non-EU Switzerland.<sup>4</sup>

### **Transitional Period for Credit Ratings Issued outside the EU**

As also outlined in ESMA's October 31, 2011, press release and further to its press release of May 18, 2011,<sup>5</sup> if at the point of a CRA's registration, credit ratings issued outside the EU are not considered endorsable in the EU because an equivalent regulatory regime is not in place in the third country, these credit ratings may be used for regulatory purposes by financial institutions for a transitional period of three months until January 31, 2012. Given the ongoing recognition process, ESMA has stated that it would very probably be able to extend this transitional period for an additional three months until April 30, 2012. At present, only Japan has been recognized as having an equivalent regulatory regime with the CRA Regulation. The transitional period will allow market participants to continue using in the EU credit ratings issued in third countries for regulatory purposes, while the convergence

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<sup>1</sup> ESMA's October 31, 2011, press release announcing EU CRA registration  
[http://www.esma.europa.eu/index.php?page=home\\_details&id=610](http://www.esma.europa.eu/index.php?page=home_details&id=610).

<sup>2</sup> DBRS consists of DBRS Limited (Canada), DBRS, Inc. (United States) and DBRS Ratings Limited (EU).

<sup>3</sup> ECAF defines the procedures, rules and techniques to ensure that the Eurosystem requirement of high credit standards for all eligible assets to be used by counterparties in Eurosystem credit operations is met. DBRS has been an eligible ECAF since January 1, 2008.

<sup>4</sup> DBRS was approved in 2007 by the former Swiss Banking Commission, now FINMA.

<sup>5</sup> <http://www.esma.europa.eu/popup2.php?id=7589>.



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assessment with the CRA Regulation continues. Any new decisions on endorsable third countries will be disclosed by ESMA upon adoption.

DBRS plans to issue ratings from Canada and the United States for regulatory use in the EU. In such cases during the transitional period, DBRS Limited and DBRS, Inc. will use the following disclosure in its ratings press releases: “This credit rating has been issued outside the European Union (EU) and may be used for regulatory purposes by financial institutions in the EU.”

Once an equivalent regulatory regime is in place in each of Canada and the United States, DBRS Ratings Limited will use the following disclosure in its ratings press releases: “This is an endorsed rating.”

### **DBRS Ratings Limited Has Moved to a New Location in London**

DBRS Ratings Limited would also like to announce its new location in London at 1 Minster Court, 10th Floor, Mincing Lane, London EC3R 7AA.

DBRS is independently owned and operated. It is not affiliated with any institution or organization and does not partake in any trading or underwriting activities. DBRS helps create greater transparency in the market by providing investors with tools to make informed investment decisions. DBRS provides investors with detailed surveillance reports, in-depth company reports, industry studies, commentaries and peer group assessments. DBRS also provides data-feed services and to ensure full transparency, its website includes information related to its code of conduct, key rating methodologies and policies, and rating default and transition studies. Refer to <http://www.dbrs.com/eudisclosures> and [www.dbrs.com](http://www.dbrs.com).

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