

**Question for written answer E-007329/2011
to the Commission**

Rule 117

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Subject: Credit rating agencies and their role in the crisis

The credit rating agency (CRA) sector is dominated by three big firms; entry barriers are extremely high and there is strong suspicion of organised and collusive market practices, abuse of dominant position and conflict of interests.

These agencies are playing a critical role in the evolution of the current crisis, namely in the pricing of sovereign debt. This was preceded by misjudgement of private risks, which caused significant damage in the EU. Although such performances should have called into question their role in the financial system, they still retain a strong position, continuing to provoke massive herd behaviour in financial markets and interfering with stability programmes supported by international financial institutions, with very negative consequences.

1. When and how will the Commission initiate an in-depth inquiry into the serious suspicion of breaches of competition rules that is raised by the market structure, malpractices and unfair operating methods of CRAs, which have an impact on all or part of the EU internal market? Will the Commission support any subsequent claim for damages?
2. When and how will the Commission present initiatives aimed at removing the role of CRA ratings from EU legislation and practice (ranging from the capital requirements of financial institutions to the role of private debt in the context of sovereign debt management)?
3. What are the Commission's intentions/targets when it comes to establishing new criteria for the registration of CRAs in the EU and rules and requirements for sovereign debt rating, including calendar constraints for the publication of ratings?