Question for written answer E-001270/2013
to the Commission
Rule 117
Saïd El Khadraoui (S&D)

Subject: Possible liability of credit rating agencies

Both the US Federal Government and several states are going to file a complaint against the credit rating agency Standard & Poor's (S&P). This all revolves around the credit ratings which S&P awarded to mortgage-linked bonds in the lead-up to the outbreak of the financial crisis in 2008. It is estimated that between 2002 and 2007 loans worth USD 3 200 billion were granted to owners who turned out not to be creditworthy. The repackaged toxic assets were the fundamental cause of the financial crisis. After years of negotiations over a settlement, the US Government will now proceed with legal action.

In the EU, in 2009, Greece was plagued by political turmoil and financial setbacks. Investors were expressing concerns, but in December Moody's reported that fears about the Greek short-term financing were 'unfounded'. However, a few weeks later, Moody's downgraded Greece's credit rating – after Fitch and S&P. The negative market reaction forced the rating agencies into a raft of write-downs: first cautiously, then invariably downward, and then to 'junk status'.

In November 2011, S&P made a technical error as a result of which France's rating was downgraded.

1. Does the Commission have sight of the negative impact of such opinions of rating agencies in the European debt crisis? Does the Commission have specific figures as to the damage caused by the incorrect downgrading of France in 2011 and the impact of Moody's opinions on Greece? Does the Commission agree that this is not about purely non-binding opinions of credit rating agencies?

2. Does the Commission intend to follow the US example and hold the rating agencies accountable for the damage caused by their ratings in the various Member States? Is the Commission prepared also to look into the rating agencies' past *faux pas* and tackle them about it?