

EACRA Position paper on European Single Access Point (ESAP) for financial and non-financial information

On November 25th, 2021, the European Commission tabled the Capital Markets Union Package¹, which includes amongst others a legislative proposal aiming at establishing the European Single Access Point (“ESAP”) for financial and non-financial information². We note that ESAP is expected to have a very extensive scope, as it should cover 21 EU Regulations and 16 EU Directives³ including the Credit Rating Agencies (CRA) regulation.

At the ECON Structured Dialogue on December 1st, 2021, Commissioner McGuinness stated that “the ESAP project is highly ambitious, the target being to centralize information and not to create additional red tape on information providers”. Given that public disclosures by SMEs and financial markets participants are currently scattered across a high number of sources across the European Union Member States, we in principle believe that the target to bundle information for easy access at ESAP is a good idea. In view of the expected functionalities of ESAP⁴, CRAs may become heavy users of the ESAP if information is timely, accurate, user-friendly and well structured.

On the other hand, we are concerned with the information CRAs are expected to contribute to the ESAP as it is very specific to credit rating agencies and not directly comparable to information to be provided by other entities. This very extensive approach foreseen by the ESAP project may result in too much information being available in an unstructured manner thereby reducing the benefits to potential users⁵.

For instance, the ESAP proposal foresees to integrate the existing Central Repository of Ratings (CEREP)⁶ and the European Rating Platform (ERP)⁷ from January 2026 onwards into the ESAP. We highlight that CEREP has not been updated since September 2019 and that information available there is not at all user-friendly⁸. With respect to ERP, “ESMA highlights that Article 11a of the CRA

¹ See press release available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6251

² Test of legislative proposal is available here: <https://eur-lex.europa.eu/legal-content/EN/TXT/DOC/?uri=CELEX:52021PC0723&from=EN>

³ The full list is available here: https://ec.europa.eu/finance/docs/law/211125-proposal-esap-regulation-annex_en.pdf

⁴ The envisaged functionalities of ESAP include a user-friendly web portal, a search function and a download service (including large quantities of data). See Article 7 of the ESAP proposal.

⁵ Users may end up being „over-newsed but underinformed”.

⁶ CEREP is available following this link: <https://cerrep.esma.europa.eu/cerrep-web/homePage.xhtml>

⁷ ERP is available following this link:

https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_radar

⁸ While CEREP allows for users to view rating activity statistics from one credit rating agency according to their own needs, CEREP does not allow for the easy download of this information. Additionally, CEREP does not provide aggregated industry statistics.

Regulation has not achieved its stated objective of improving the comparability of credit ratings available in the EU and requests that the obligation for ESMA to maintain the ERP should be removed.”⁹

We believe that the publication of credit ratings at ESAP may be counter-productive and may substantially increase complexity of the ESAP project. First, ESAP aims to make financial and non-financial information on companies easily available to users so that these can make their own analysis and assessment – by including credit ratings, users may instead mechanically relate to these. As financial education programmes rarely cover credit ratings, users may most likely not have the appropriate knowledge regarding credit ratings. Second, credit ratings published by a CRA relate to other entities, thereby substantially increasing the technical requirements to ESAP. Finally, we are highly concerned that the current scope of the ESAP proposal does not exclude investor-pays ratings as foreseen in Article 11a (3) of the CRA Regulation.

About EACRA

The European Association of Credit Rating Agencies (EACRA), set up in November 2009 and registered in Paris, was established to act as a platform for cooperation for EU-based Credit Rating Agencies (CRAs). Our mission is to support and facilitate the compliance of CRAs with regulatory requirements through effective communication, cross-border know how, and the promotion of best practices. In addition, EACRA seeks to promote Credit Ratings and the interests of CRAs across Europe, as well as enhance the financial community and general public’s understanding of Credit Ratings.

⁹ See §82 page 18 of ESMA’s opinion dated September 22nd, 2021 on “improving access to and use of credit ratings in the European Union” available here:

<https://www.esma.europa.eu/file/121064/download?token=zF9LkvZ1>