

To

**European Securities and Markets Authority**

Submitted via ESMA consultation page

Date: March 18<sup>th</sup>, 2025

**Reference: Consultation Paper on Internal Controls for Bas, CRAs and Market Transparency Infrastructures (ESMA 80-1286971524-661)**

Dear Sirs,

With reference to the above consultation paper<sup>1</sup> dated 19 December 2024, we are pleased to contribute the views of our association representing ESMA registered Credit Rating Agencies.

We note the revised guidelines published by ESMA. In general, these are aligned with the existing guidelines published by ESMA in 2021<sup>2</sup> and so EACRA is not proposing to submit a detailed response to the proposals.

We note at various points in the Consultation Paper that ESMA have stated that they will apply the guidelines in a proportionate manner<sup>3</sup>. EACRA welcomes this statement and hopes that this will be applied in practice. For example, there are a number of elements in this paper that could prove problematic for smaller / medium sized CRAs. For example, we note Paragraph 2.1.3 has been extended to include an obligation for Compliance functions to exert oversight over IT processes<sup>4</sup>. As you will be aware, smaller / medium sized CRAs will often consist of single person or very small teams. As such, it will often be the case that IT oversight in such firms will be provided by other second line functions or via third line / external oversight. Such an approach would appear entirely appropriate for all but the largest CRAs.

We thank you for the opportunity to comment and stand ready to provide any additional information you may require.

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<sup>1</sup> Available at: [https://www.esma.europa.eu/sites/default/files/2024-12/ESMA80-1286971524-661\\_Consultation\\_Paper\\_on\\_Internal\\_Controls\\_for\\_BAs\\_CRAs\\_and\\_Market\\_Transparency\\_Infrastructures.pdf](https://www.esma.europa.eu/sites/default/files/2024-12/ESMA80-1286971524-661_Consultation_Paper_on_Internal_Controls_for_BAs_CRAs_and_Market_Transparency_Infrastructures.pdf)

<sup>2</sup> Available at: [https://www.esma.europa.eu/sites/default/files/library/esma\\_33-9-371\\_guidelines\\_on\\_internal\\_control\\_for\\_cras.pdf](https://www.esma.europa.eu/sites/default/files/library/esma_33-9-371_guidelines_on_internal_control_for_cras.pdf)

<sup>3</sup> See Executive Summary - Paragraph 5, page 4 of the Consultation Paper

<sup>4</sup> Page 25 of the Consultation Paper