


Basic information	
2003/2081(INI) INI - Own-initiative procedure	Procedure completed
Role and methods of rating agencies Subject 8.40.03 European Commission	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<div style="border: 1px solid red; display: inline-block; padding: 2px;">ECON</div> Economic and Monetary Affairs	KATIFORIS Giorgos (PSE)	09/04/2003

Key events			
Date	Event	Reference	Summary
05/06/2003	Committee referral announced in Parliament		
27/01/2004	Vote in committee		Summary
27/01/2004	Committee report tabled for plenary	A5-0040/2004	
09/02/2004	Debate in Parliament		
10/02/2004	Decision by Parliament	T5-0080/2004	Summary
10/02/2004	End of procedure in Parliament		

Technical information	
Procedure reference	2003/2081(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/19611

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary

Committee report tabled for plenary, single reading	A5-0040/2004	27/01/2004	
Text adopted by Parliament, single reading	T5-0080/2004 OJ C 097 22.04.2004, p. 0034-0117 E	10/02/2004	Summary

Role and methods of rating agencies

2003/2081(INI) - 10/02/2004 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by Giorgos KATIFORIS (PES, GR) stating that it recognises the contribution made by the rating agencies in lowering of the cost of capital, insofar as they reduce information asymmetries among market participants and enhance a feeling of greater certainty about debt performance. (Please see the document dated 27/01/04.) Parliament called on the Commission to undertake all necessary steps, including in particular a cost-benefit analysis of the effects on European capital markets, to assess the establishment of a competent European Registration Scheme under the auspices of the Committee of European Securities Regulators (CESR) for the registration of rating agencies in Europe. This should be conducted on the basis of well-specified, publicly advertised criteria involving credibility with market participants, objectivity, independence, expertise of staff, adequate funding, the existence of proper procedures for identifying and dealing with conflicts of interest and transparency of operations. In upholding the freedom for agencies to express their opinions, Parliament recognized that the line between the regulation of process and the regulation of content and opinion might prove hard to draw. This is an important consideration to take into account in reaching any regulatory solution. In addition, Parliament noted that the debt of sovereign governments is rated, and that administrative requirements of regulatory agencies may be used to exert indirect pressure for higher ratings of government debt.