

# ESAs' Joint Board of Appeal dismissed appeal by Scope Ratings GmbH against the European Securities and Markets Authority

The Joint Board of Appeal of the European Supervisory Authorities (ESAs – European Banking Authority, European Insurance and Occupational Pensions Authority, and European Securities and Markets Authority) unanimously decided to dismiss the appeal brought by the credit rating agency Scope Ratings GmbH against the European Securities and Markets Authority (ESMA) in relation to the interpretation of the applicable legal provisions of the Credit Rating Agencies (CRA) Regulation.

Central to this appeal is the appellant's 2015 covered bond methodology, its application in the context of unsolicited ratings issued by the Appellant in 2015, and the Appellant's subsequent amendment of this methodology in 2016. On 28 August 2020, the appellant challenged the Decision of the ESMA Board of Supervisors of 28 May 2020, and published on ESMA's website on 4 June 2020, which had (a) found that Scope Ratings infringed points 43 of Section I, 3a and 3b of Section II and 4a of Section III of Annex III of the CRA Regulation, (b) adopted a supervisory measure in the form of a public notice pursuant to Article 24 of the CRA Regulation and (c) imposed on Scope Ratings a fine pursuant to Article 36a of the CRA Regulation.

The Board of Appeal unanimously decided to dismiss the appeal. In particular, the Board of Appeal found that ESMA did not err in law in its interpretation of the applicable legal provisions of the CRA Regulation.