

# ESMA consults on Disclosure Requirements for Initial Reviews and Preliminary Ratings

The CRA Regulation (CRAR) includes a number of provisions that are designed to provide greater clarity to market participants as to whether entities or debt instruments have been subject to an initial review or a preliminary rating by CRAs before receiving a credit rating. The objective of these provisions is to mitigate against the effects of ratings shopping through greater transparency.

The purpose of this Consultation Paper is to propose guidance that will address inconsistencies in the interpretation of these provisions.

Through the Consultation Paper ESMA seeks feedback on the following proposals that aim to clarify:

- how the term “initial review and preliminary rating” should be understood for the purposes of the CRAR’s public disclosure requirements;
- the content and timing of CRAs public disclosures for interactions that meet the standard of “initial review and preliminary rating”; and
- the steps to ensure these public disclosures are more accessible for investors and the market.

## **Next Steps**

ESMA will consider the responses it receives in Q3 2021 and expects to publish a final report by end of Q4 2021.

Further information:

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