

**EXTERNAL CREDIT ASSESSMENT INSTITUTIONS IN THE CONTEXT OF THE REVISED STANDARDISED APPROACH
PROPOSED IN THE NEW BASEL CAPITAL ACCORD¹**

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
The standardised approach in general	<ul style="list-style-type: none"> <input type="checkbox"/> The BCBS’s proposed revisions to 1988 Accord aim at achieving a more comprehensive treatment of risk, with capital charges that better reflect the underlying risks on different exposures. <input type="checkbox"/> The objective of a more comprehensive treatment of risk can be met in varying ways, depending on the timeframe under consideration and on the technical abilities of credit institutions and supervisors. <input type="checkbox"/> Standardised approach: a method for measuring the credit risk run by credit institutions in the context of their banking activities. 	<ul style="list-style-type: none"> <input type="checkbox"/> The purpose of the revised approach is to align regulatory capital requirements more closely with key elements of banking risk. <input type="checkbox"/> Wider differentiation of risk weights, wider recognition of credit risk mitigation techniques. <input type="checkbox"/> Capital ratios more in line with actual economic risks undertaken by credit institutions. 	<ul style="list-style-type: none"> <input type="checkbox"/> Priority is to ensure that the economic risk of financial transactions is better captured by capital charges. <input type="checkbox"/> At present there is almost no scope for differentiating between credit risk within classes of counterparty; there is also limited sensitivity to the role and impact of a transaction’s structure upon the economic risk incurred by the institution beyond some recognition of risk mitigation techniques. These features need to be addressed in a revised standard risk weighting structure. <input type="checkbox"/> Standardised approach may be used in parallel with internal ratings approach; need to set appropriate minimum standards to prevent “cherry picking” between the two methods. 	<ul style="list-style-type: none"> <input type="checkbox"/> The revised standardised approach must be robust, deliver an enhanced sensitivity towards credit risk and accommodate all asset items. <input type="checkbox"/> Significant modifications to present structure: <ul style="list-style-type: none"> - introduction of a new high risk weighting category ; - limited use of external credit assessments to allocate individual credits to risk weighting categories. <input type="checkbox"/> Parallel existence between standardised and internal ratings approach: it must be ensured that institutions do not have a free hand in switching between the two approaches, but should be required by supervisors to follow a consistent path. <input type="checkbox"/> Focus on credit risk; this is undoubtedly of primary interest to credit institutions; the impact of the credit risk proposals on investment firms will largely depend on these firms’ non-trading portfolios. 	<ul style="list-style-type: none"> <input type="checkbox"/> The ECB produced comments on the 2001 consultation document issued by the BCBS and the European Commission.

¹ This table has been prepared by ECB Directorate General Legal Services, Financial Law Division

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
The use of external credit assessments in the context of the standardised approach	<ul style="list-style-type: none"> ❑ The BCBS proposes to permit the use of external credit assessments in the standardised approach in order to distinguish between credit risks, i.e. in order to determine the risk weighting category for various banking book assets. ❑ Different external credit assessment institutions (ECAIs) use different credit analysis methodologies and ratings terminology. The BCBS is interested in ensuring that such assessments will be used consistently within the regulatory capital framework. 	<ul style="list-style-type: none"> ❑ The BCBS acknowledges the concerns expressed during the consultation process regarding the use of external credit assessments, and especially of credit ratings. ❑ However, no alternative has been proposed yet that would be both superior to the current Accord and as risk sensitive as the current proposal. 	<ul style="list-style-type: none"> ❑ External credit assessment offers the only feasible way forward, other than internal ratings, in order to deliver a refinement of a standardised approach in which the capital requirements are more closely related to the economic risk. ❑ The Commission has identified the following issues which need to be further considered: <ul style="list-style-type: none"> - the appropriateness of assessments with regard to particular classes of counterparties (eg. sovereigns); - the limited use of ratings among the corporate and banking sector may raise issues of competitive equality; - the conditions under which competent authorities could rely on external credit assessments for capital allocation purposes; - the establishment of recognition procedures and the extent to which such procedures need to be centralised or devolved to national discretion. 	<ul style="list-style-type: none"> ❑ External credit assessment offers the only feasible way forward, other than internal ratings, in order to deliver a refinement of a standardised approach in which the capital requirements are more closely related to the economic risk. ❑ There is no requirement for any institution, whether credit institution, investment firm or any counterparty to such institutions to obtain an external credit assessment. ❑ Assessments of ECAIs must be used consistently; in the simplest analogy, if an institution has an exposure to an entity rated by the ECAI the institution has opted to make use of, then that rating must be used to determine the credit risk weighting that will apply. Any alternative would open the system to potential arbitrage abuse. 	<ul style="list-style-type: none"> ❑ The ECB expresses its concern with regard to the preferential treatment which is granted to claims on sovereigns according to the BCBS proposals. The lower risk weight proposed to be applied to banks' exposures to the sovereign of incorporation denominated in domestic currency and funded in that currency at the discretion of national authorities, is subject to no limitations. This leaves ample space for national discretion. The proposed revised treatment leaves unaffected the current broad-brush rules on the claims on sovereigns denominated in domestic currency and disregards the element of credit risk for this kind of exposures.

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
Types of External Credit Assessment Institutions (ECAIs)	<ul style="list-style-type: none"> <input type="checkbox"/> Private rating agencies <input type="checkbox"/> The BCBS has some reservations about relying on ECAIs. <input type="checkbox"/> With specific regard to sovereigns: <ul style="list-style-type: none"> - ECAIs have only a limited track record; - it is not clear whether ratings of sovereigns have always taken adequate account of the strength of the financial infrastructure in particular countries. <input type="checkbox"/> Proposal to make use of export insurance agencies in the G-10 countries in order to address the above concerns. 	<ul style="list-style-type: none"> <input type="checkbox"/> Private rating agencies <input type="checkbox"/> With specific regard to claims vis-a-vis sovereigns, the BCBS explores the possibility of using the country risk ratings assigned to sovereigns by Export Credit Agencies (ECAs: agencies whose primary function is to insure the country risk, and sometimes also the commercial risk, attached to the provision of export credit to foreign buyers). Key advantage: ECA risk scores are available for a far larger number of sovereigns than are private ECAI ratings. 	<ul style="list-style-type: none"> <input type="checkbox"/> Private rating agencies <input type="checkbox"/> Credit registers (they assist supervisors by making an inventory of borrowers' total indebtedness and the status of their debts – due, past due, etc – and contribute to a better control of micro and macro risks in banking.) <input type="checkbox"/> The Commission is concerned that credit registers are not as familiar as private rating agencies. Their use together with some form of classification of clients to obtain ratings comparable to those of private agencies will need to be analysed. <input type="checkbox"/> Use of export insurance agencies is also considered, in order to complement the assessments provided by ECAIs with regard to claims on sovereigns. 	<ul style="list-style-type: none"> <input type="checkbox"/> Private rating agencies <input type="checkbox"/> Credit registers <input type="checkbox"/> Export Credit Agencies (ECAs) in respect of their country risk scores (new proposal, in line with the Basel approach). <input type="checkbox"/> The Commission expresses its concern that ECAIs are relatively uncommon within EU markets. <input type="checkbox"/> Regulatory recognition will be granted to any ECAI that is capable of meeting the criteria, irrespective of the legal form of such ECAI. 	

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
Eligibility Criteria for ECAIs					
General overview	<ul style="list-style-type: none"> ❑ The revised risk weighting scheme would place increased reliance by supervisors on ECAIs. ❑ It is important, for prudential reasons, that the criteria for recognising ECAIs (eligibility criteria) be set at an appropriately high level. ❑ The BCBS is particularly interested in ensuring that the eligibility criteria are sufficiently rigorous, and has solicited comments to that effect. 	<ul style="list-style-type: none"> ❑ The standardised approach draws on ECAIs for determining risk weights. Therefore, the soundness and the reliability of ECAIs are vitally important for the new system to be effective. 	<ul style="list-style-type: none"> ❑ It is important that the standards to be imposed are suitably high. ❑ Criteria must be fair and <u>must not create artificial barriers to entry of new ECAIs.</u> ❑ <u>For the purposes of maintaining competitive equality, the criteria should be universal, in that they should apply consistently to all ECAIs, regardless of their form.</u> 	<ul style="list-style-type: none"> ❑ <u>Any use of external credit assessments must be accompanied by the introduction of a clear framework establishing the standards an ECAI must meet for its ratings to be eligible for regulatory purposes.</u> ❑ Important that the criteria be of a suitably high standard. ❑ <u>The Community precise legislative drafting of the criteria will be designed in order to deliver the same aims and objectives as the criteria set out in the Basel consultative package, but it may differ from the formulation presented in that package.</u> ❑ <u>Strong common standards both for recognition and for the mapping of the ratings into a common scale are a necessary minimum requisite for recognition of ECAIs between jurisdictions, irrespective of which scenario will be adopted with regard to competent authorities (see below).</u> 	<ul style="list-style-type: none"> ❑ The ECB is interested in ensuring an overall high quality of ratings.

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
Eligibility criteria of ECAIs identified by the BCBS	<p>The BCBS has identified seven eligibility criteria:</p> <ul style="list-style-type: none"> - Objectivity - Independence - Transparency - Credibility - International access - Resources - Recognition 	<p>Six eligibility criteria are laid down:</p> <ul style="list-style-type: none"> - Objectivity - Independence - International access/Transparency - Disclosure - Resources - Credibility 	<p>Possible EU criteria:</p> <ul style="list-style-type: none"> - <u>Credibility</u> - <u>Transparency</u> <p><input type="checkbox"/> It should be possible to draw up some basic principles on both of the above criteria. Most could be couched in terms of broad principles.</p> <p><input type="checkbox"/> Minimum standards on other issues such as track record, the amount of information to be disclosed, will also need to be developed in due course.</p>	<p><input type="checkbox"/> The core criteria that an ECAI will have to satisfy in order to achieve regulatory recognition can be distilled into the concepts of</p> <ul style="list-style-type: none"> - <u>credibility</u> and - <u>transparency</u>. <p><input type="checkbox"/> The criteria will contain both quantitative as well as qualitative aspects.</p>	<p><input type="checkbox"/> <u>Comparability of rating scales</u> is a criterion missing from the list of the proposed criteria.</p> <p><input type="checkbox"/> The introduction of the above criterion is considered important in order to ensure consistency between ratings of different ECAIs.</p> <p><input type="checkbox"/> The proposal could provide guidelines as to how comparability of rating scales could be achieved.</p>
Objectivity	<p><input type="checkbox"/> The methodology must be rigorous, systematic, continuous and subject to some form of validation based on historical experience.</p> <p><input type="checkbox"/> Assessments must be subject to ongoing review and responsive to changes in financial conditions.</p> <p><input type="checkbox"/> Before being recognised by supervisors, an assessment methodology for each market segment must have been established for at least one year and preferably three (=track records).</p>	<p><input type="checkbox"/> Same comments as in 1999 consultation</p>	<p><input type="checkbox"/> It is important that an ECAI performs a real assessment and does not merely collect data.</p> <p><input type="checkbox"/> It might also be important for the assessment to look not only at historical information, but also at forward-looking variables. May be appropriate that assessments are reviewed at least annually.</p> <p><input type="checkbox"/> The use of track records should be closely examined, since it runs the risk of creating barriers to entry of new ECAIs. Perhaps the key factor would be for supervisors to focus on the rating methodology rather than track records in order to assess the objectivity of the assessments.</p>		<p><input type="checkbox"/> Track records: a minimum time period of one year for establishing assessment methodology may not be enough to show the ability of a system to adjust to the economic cycle. On the other hand, a long track record may preclude new entrants. It could be preferable to focus on rating methodology and rating processes as main factors in assessing objectivity rather than on the minimum time period of track records.</p>

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
<i>Independence</i>	<ul style="list-style-type: none"> <input type="checkbox"/> The methodology must be as free as possible from any external political influence or constraints or economic pressure from assessed entities. 	<ul style="list-style-type: none"> <input type="checkbox"/> An ECAI should be independent and should not be subject to political or economic pressures that may influence the rating. <input type="checkbox"/> The assessment process should be as free as possible from constraints that could arise in situations where the composition of the board of directors or the shareholder structure of the assessment institution may be seen as creating a conflict of interests. 	<ul style="list-style-type: none"> <input type="checkbox"/> In practice very difficult to legislate and police this requirement. Independence is really a subset of credibility. If an ECAI lacks independence, it is unlikely to be credible. 		
<i>Transparency/ International access</i>	<ul style="list-style-type: none"> <input type="checkbox"/> Transparency: For validation purposes, the individual assessments should be publicly available. <input type="checkbox"/> International access: The ECAIs are not required to assess firms in more than one country, but their results should be available to non-domestic parties with a legitimate interest on the same basis as to equivalent domestic parties. 	<ul style="list-style-type: none"> <input type="checkbox"/> The individual assessments should be available to both domestic and foreign institutions with legitimate interests and at equivalent terms. The general methodology used by the ECAI should be publicly available. 	<ul style="list-style-type: none"> <input type="checkbox"/> Transparency: the Commission proposes to clarify what is meant by 'publicly available', i.e. who has access to information, and what type of information should be made available (eg. methodologies behind the assessments?) <input type="checkbox"/> International access: it allows for ECAIs which are purely domestic in focus to be recognised. The danger is that it could potentially undermine the level-playing field. Such danger may, however, be addressed through the recognition process. 		

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
<i>Credibility</i>	<ul style="list-style-type: none"> <input type="checkbox"/> To some extent it will be derived from the criteria above. <input type="checkbox"/> Credibility should <u>not be used as a barrier to the entry of new ECAIs</u>; in any case, new ECAIs need to be carefully evaluated. <input type="checkbox"/> Credibility underpinned by internal procedures to prevent misuse of confidential information. 	<ul style="list-style-type: none"> <input type="checkbox"/> To some extent, it will be derived from the other criteria. <input type="checkbox"/> The reliance on an ECAI's external credit assessments by independent parties (eg. investors, insurers, trading partners) is evidence of credibility. <input type="checkbox"/> The ECAI does not have to assess firms in more than one country. <input type="checkbox"/> Credibility underpinned by internal procedures to prevent misuse of confidential information. 	<ul style="list-style-type: none"> <input type="checkbox"/> The credibility of the assessment is the critical test. Objectivity and independence are really subsets of this <u>overriding criterion</u>. 		<ul style="list-style-type: none"> <input type="checkbox"/> It would be desirable to further emphasise the credibility criterion. <input type="checkbox"/> Other requested criteria (such as objectivity, independence, sufficient resources) may be regarded as a subset of credibility.
<i>Resources</i>	<ul style="list-style-type: none"> <input type="checkbox"/> The ECAI should have sufficient resources to allow substantial ongoing contact with senior and operational levels of assessed entities 	<ul style="list-style-type: none"> <input type="checkbox"/> ECAIs should have sufficient resources to carry out high quality credit assessments. <input type="checkbox"/> These resources should allow for substantial on-going contact with senior and operational levels within assessed entities. <input type="checkbox"/> Assessments should be based on methodologies combining qualitative and quantitative approaches. 	<ul style="list-style-type: none"> <input type="checkbox"/> This is really a subset of credibility. The important issue, however, is the transparency and robustness of the assessment over time and not how the ECAI forms its views. 		<ul style="list-style-type: none"> <input type="checkbox"/> Some practical guidance could be given on the implementation of the criterion related to the adequate resources that an ECAI should have. <input type="checkbox"/> The establishment of an excessive number of ECAIs having limited resources and narrow functionality is seen as an undesirable prospect.

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
<i>Recognition</i>	<ul style="list-style-type: none"> <input type="checkbox"/> National supervisory authorities will be responsible for recognition of ECAIs based on the above criteria. <input type="checkbox"/> The Secretariat to the BCBS could serve as a clearing house of information on the ECAIs recognised by national supervisory authorities. 	<ul style="list-style-type: none"> <input type="checkbox"/> The recognition process is dealt with separately; it does not fall within the list of the eligibility criteria. 			
<i>Disclosure of information</i>		<ul style="list-style-type: none"> <input type="checkbox"/> Disclosures have been designed to ensure that the ratings applied by credit institutions are compiled by reputable ECAIs. An absence of transparency in this context could lead to banks “assessment shopping” for ECAIs giving more favourable assessments, leading to misleading indicators of risk exposures. <input type="checkbox"/> <u>Qualitative disclosures</u> : they enable users to compare assessment methods and to put quantitative information into context. <input type="checkbox"/> <u>Quantitative disclosures</u>: they present information on the actual default rates experienced in each assessment category and information on assessment transitions, i.e. the likelihood of an A credit rating transiting to B over time. 			

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
Mapping (i.e. slotting of the credit assessments of ECAIs into the risk weighting scales)	<ul style="list-style-type: none"> <input type="checkbox"/> Credit institutions must adopt a consistent approach in using a particular assessment mechanism and should not “cherry pick” among assessments. <input type="checkbox"/> The BCBS proposes that credit institutions be required to disclose the ECAIs that they use for the risk weighting of their assets, including the percentage of their assets’ risk weightings based on assessments by each ECAI. 	<ul style="list-style-type: none"> <input type="checkbox"/> Responsibility of supervisors. <input type="checkbox"/> Mapping process should be objective and publicly disclosed. <input type="checkbox"/> Credit institutions must use the chosen ECAIs and their ratings consistently for each type of claim, for both risk weighting and risk management purposes. They will not be allowed to “cherry pick” the assessments provided by different ECAIs. <input type="checkbox"/> Credit institutions must disclose on at least an annual basis the ECAIs that they use for the risk weighting of their assets by type of claims and the mapping process determined by supervisors. Other disclosures will also be required, such as the percentage of their risk weighted assets that are based on the assessments of each ECAI. 	<ul style="list-style-type: none"> <input type="checkbox"/> The Commission proposes that the institution which is responsible for recognising an ECAI also map the respective rating scales into the standard risk buckets. 	<ul style="list-style-type: none"> <input type="checkbox"/> Responsibility of national competent authorities to map the credit assessments into the risk weighting scales. <input type="checkbox"/> Consistency of approach between jurisdictions is of paramount importance for the Commission. Given that mapping will be effected by national supervisors, the question arises as to the extent to which there will need to be harmonisation of the mapping process itself to ensure consistent high standards throughout the EU. <input type="checkbox"/> Views are requested on the appropriate scope of harmonisation. 	
Multiple assessments		<ul style="list-style-type: none"> <input type="checkbox"/> If there are two assessments by ECAIs chosen by a credit institution corresponding to different risk weights, the higher risk weight (i.e. the lowest of the two ratings) shall be applied. <input type="checkbox"/> If there are more than two assessments corresponding to the lowest risk weights, and, if they are different, the higher risk weight (i.e. the second best assessment) should be used. If the best two assessments are the same, that assessment should be used to determine risk weight. 	<ul style="list-style-type: none"> <input type="checkbox"/> When several ECAIs provide assessments, the regulatory charge could be allocated on the basis of the lowest available rating. <input type="checkbox"/> If the lowest rating were used systematically, however, the increased capital requirement in the event of any ECAI issuing a downgrade could unduly accelerate a crisis. <input type="checkbox"/> It may, therefore, be appropriate to calculate an average. In such a case, it would be necessary to determine the treatment when the average did not yield a whole number. 		

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
Competent authorities involved in the recognition process of ECAIs.	<ul style="list-style-type: none"> <input type="checkbox"/> National supervisory authorities. <input type="checkbox"/> It is proposed that the Secretariat to the BCBS will serve as a clearing house of information on the ECAIs recognised by national supervisory authorities. 	<ul style="list-style-type: none"> <input type="checkbox"/> National supervisory authorities. <input type="checkbox"/> Certain ECAIs may be recognised on a limited basis, e.g. by type of claims or by jurisdiction. <input type="checkbox"/> Some supervisors may choose to disclose a list of all recognised ECAIs, plus any restrictions which may apply to the use of particular ECAIs for certain types of exposures. <input type="checkbox"/> The supervisory process should be made public to avoid unnecessary barriers to entry. <input type="checkbox"/> Supervisors should share their experiences on the use of credit ratings and should have continuing dialogue with market participants. 	<ul style="list-style-type: none"> <input type="checkbox"/> Considerations of consistent treatment and competitive equality across the EU need to be taken into account in determining which recognition process will be adopted. 	<ul style="list-style-type: none"> <input type="checkbox"/> General: Member States' supervisory competent authorities will be responsible for recognising an ECAI as eligible in the regulatory capital context; process should be robust, transparent and should ensure consistency between jurisdictions. 	

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
Options considered at the Community level			<ul style="list-style-type: none"> - <u>Complete discretion of national supervisors</u>: the domestic supervisor is likely to have greatest knowledge of domestic ECAIs and their suitability for recognition. However, the Commission expresses its concern regarding competitive equality. - <u>National discretion with mutual recognition</u>: supervisors in other EU countries are obliged to recognise any ECAI which is recognised by another Member State. This secures the level playing field, but does not address the issue of competitive equality. - <u>National discretion with bounded mutual recognition</u>: national supervisors are left to recognise all ECAIs. In case a national supervisor has not recognised an ECAI, no other national supervisor may do so. - <u>Subsidiarity</u>: distinction between national and international ECAIs. As far as national ECAIs are concerned, the system of national discretion with mutual recognition applies. In the case of international ECAIs, some form of centralised recognition is applied. - <u>Centralised recognition</u>: a central body is responsible for the recognition of all ECAIs. A single list of recognised ECAIs would be maintained. The said proposal promotes uniformity. It would be required to determine the body responsible for such a process. Additionally, the issue of resources such a body should have would need to be addressed. 	<ul style="list-style-type: none"> <input type="checkbox"/> Full national discretion (Basel approach) should be further examined in the EU context. Other alternatives are proposed, namely: <ul style="list-style-type: none"> - <u>Full recognition</u> (equivalent to “mutual recognition” in the context of the single passport arrangements in the EU); obligation to accept recognition of ECAIs made by other Member States, in respect of rated exposures in the Member State which recognised the ECAI. - <u>Bounded recognition</u>: Member State has the option not to recognise an ECAI which has been recognised by another Member State. Equally, a Member State may recognise an ECAI recognised by another Member State, without undertaking an independent assessment of that ECAI. Form of mutual recognition combined with the option to apply more stringent regime on a domestic basis. <input type="checkbox"/> Under either alternative, the Member State would have to arrive at its own judgement on whether to recognise ECAI assessments for exposures or entities located in a third country. 	

	Basel Committee on Banking Supervision (BCBS)		European Commission		European Central Bank (ECB)
	1999 consultation	2001 consultation	1999 consultation	2001 consultation	Comments on the 2001 consultation
(cont.)			<ul style="list-style-type: none"> <input type="checkbox"/> The Commission (if defined as the central body) would have a direct and potentially significant role to play in case the <u>subsidiarity</u> or the <u>centralised recognition</u> approach is finally adopted. <input type="checkbox"/> The Commission is of the opinion that maintaining and publishing a centralised list of recognised ECAIs is desirable, irrespective of the option which will finally be adopted. 		