

The Association of Corporate Treasurers

Comments in response to
**CESR QUESTIONNAIRE REGARDING THE RATING OF
STRUCTURED FINANCE INSTRUMENTS**
Consultation Document
August 2007

September 2007

The Association of Corporate Treasurers (ACT)

The ACT is a professional body for those working in corporate treasury, risk and corporate finance. Further information is provided at the end of these comments and on our website www.treasurers.org.

Contact details are also at the end of these comments.

We have canvassed the opinion of our members through our Policy and Technical Committee.

General

We appreciate the opportunity to contribute to this consultation.

This document is on the record and may be freely quoted or reproduced with acknowledgement.

Response

The ACT is not in a position to comment on the internal practices of the Ratings Agencies in rating structured finance instruments. However we would suggest that there may be a case for the Agencies to clarify externally that the methodology used is different to that for corporate securities. The Agencies may also consider appending a suffix - similar to that used for money market funds e.g. AAA 'sf' – so that investors and other market participants are clearly guided towards the correct methodology when considering investment activity in differing rated asset classes.

The Association of Corporate Treasurers

The ACT is the international body for finance professionals working in treasury, risk and corporate finance. Through the ACT we come together as practitioners, technical experts and educators in a range of disciplines that underpin the financial security and prosperity of an organisation.

The ACT defines and promotes best practice in treasury and makes representations to government, regulators and standard setters.

We are also the world's leading examining body for treasury, providing benchmark qualifications and continuing development through training, conferences, publications, including *The Treasurer* magazine and the annual *Treasurer's Handbook*, and online.

Our 3,600 members work widely in companies of all sizes through industry, commerce professional service firms.

Further information is available on our website (below).

Our policy with regards to policy and technical matters is available at <http://www.treasurers.org/technical/resources/manifestosept2006.pdf>.

| | |
|--|---|
| <p>Contacts: John Grout, Policy and Technical Director (020 7847 2575; jgrout@treasurers.org) Martin O'Donovan, Assistant Director, Policy and Technical (020 7847 2577; modonovan@treasurers.org) Peter Matza, Policy and Technical Officer (020 7847 2576; pmatza@treasurers.org)</p> | <p>The Association of Corporate Treasurers 51 Moorgate London EC2R 6BH, UK</p> <p>Telephone: 020 7847 2540 Fax: 020 7374 8744 Website: http://www.treasurers.org</p> |
|--|---|

The Association of Corporate Treasurers is a company limited by guarantee in England under No. 1445322 at the above address