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October 15, 2010

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission
Office of the Attorney General, Prince Edward Island
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of
Nunavut

Re: Proposed National Instrument 25-101:
Designated Rating Organizations

Dear Sirs,

Fitch Ratings (“Fitch”) submits this letter in response to the request for comments of the Canadian Securities Administrators (the “CSA”) on the *Proposed National Instrument 25-101 Designated Rating Organizations, Related Policies and Consequential Amendments* (collectively, the “Proposed Materials”). Set forth below are our responses to (i) certain of the specific issues listed on *Annex B to the Notice and Request for Comment* (the “Notice”) and (ii) certain provisions of the Proposed National Instrument located in Annex C to the Notice.

We have only commented on those questions and provisions of Annexes B and C respectively about which we have specific questions or concerns.

Annex B: Question 1.

We believe that regulatory authorities have a legitimate interest in ensuring that credit rating agencies (“CRAs”) comply with their respective codes of conduct. As a result, it is understandable that Section 7 of the Proposed Instrument provides that a code of conduct must specify that waivers of the code of conduct are prohibited. Given the evolving and diverse regulatory environment in which CRAs operate, however, the non-waiver provision of Section 7 may be too inflexible to deal with the unexpected regulatory demands that CRAs encounter. We believe that it is more prudent to require CRAs to document, and to therefore be transparent, any waivers of their codes of conduct, than to attempt to prevent any such waivers at all. Section 5 of the Proposed Instrument follows this approach by permitting deviations from the IOSCO Code so long as such deviations are documented and the provisions of the CRA code, as revised by the deviations, still achieve the intended IOSCO objectives. For consistency, Section 7 should permit provisions of the code to be waived, so long as such waivers are documented, on an ongoing basis as needed to reflect changes in the statutory environment.

Annex B: Question 4.

Historically, credit rating agencies have never been treated as experts under securities laws since ratings are inherently forward-looking and contain assumptions and predictions about future events that by their nature cannot be verified as facts. If Fitch is required to file an “expert’s consent” with the Canadian securities administrators in order to permit prospectuses or other disclosure documents to reference credit ratings, then Fitch would assume statutory liability for its credit opinions. At this time, Fitch is unwilling to take on such liability without a complete understanding of the ramifications of the liability to Fitch’s business practices and the means by which Fitch may be able to effectively mitigate the risks associated therewith. As a result, if the exemption is removed, then Fitch will not provide its expert’s consent. Fitch will continue to publish credit ratings and research, however, and these credit ratings will be available on our website www.fitchratings.com and in other publicly available media outlets.

Annex C, Part 5, Section 12 (b) Books and Records.

Fitch believes that the global market place works most effectively when national regulators coordinate their regulations by establishing standard rules for credit rating agencies to follow. In light of the recently promulgated European Union regulations regarding credit rating agencies which mandates a five (5) year document retention period for documents and records related to credit rating activities, we ask the CSA to consider making its retention period five (5) years as well.

Thank you for giving us the opportunity to provide our comments. We hope that you find them useful, and that you will give them due consideration. Please do not hesitate to contact

me in New York at 212-908-0790, francis.phillip@fitchratings.com should you wish to discuss this matter further.

Yours sincerely,

A handwritten signature in cursive script that reads "Francis Phillip".

Francis Phillip
Assistant General Counsel
Fitch Ratings