

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 61906 / April 14, 2010

Administrative Proceeding
File No. 3-13860

In the Matter of the Application of

DAGONG GLOBAL CREDIT
RATING CO., LTD.

ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15E(a)(2)(A)(ii) OF THE SECURITIES
EXCHANGE ACT OF 1934 AND NOTICE
OF HEARING

Dagong Global Credit Rating Co., Ltd. (“Dagong”), a credit rating agency based in Beijing, China, submitted an application with the Securities and Exchange Commission (“Commission”) for registration as a nationally recognized statistical rating organization (“NRSRO”) pursuant to Section 15E(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 17g-1 thereunder.

Pursuant to Section 15E(a)(2)(A) of the Exchange Act, not later than 90 days (or within such longer period as to which the applicant consents) after the application for registration is furnished to the Commission, the Commission shall, by order, either grant such registration or institute proceedings to determine whether such registration should be denied. Under Section 15E(a)(2)(C), the Commission shall grant registration as an NRSRO to an applicant if the Commission finds that the requirements of Section 15E of the Exchange Act are satisfied and unless the Commission finds (in which case the Commission shall deny such registration) that, among other things, if the applicant were so registered, its registration would be subject to suspension or revocation under Section 15E(d) of the Exchange Act.

If the Commission institutes proceedings to determine whether an application for registration should be denied, Section 15E(a)(2)(B)(i)(I) of the Exchange Act requires that the Commission shall include notice of the grounds for denial under consideration and an opportunity for a hearing. Section 15E(a)(2)(B)(i)(II) provides that the proceedings shall be concluded not later than 120 days after the date on which the application for registration is furnished to the Commission. The Commission may extend the time for conclusion of such proceedings, pursuant to Section 15E(a)(2)(B)(iii), for not longer than 90 days, if it finds good cause for such extension and publishes its reasons for such finding, or for such longer period as to which the applicant consents. Section 15E(a)(2)(B)(ii) provides that, at the conclusion of such proceedings, the Commission, by order, shall grant the application or deny the application for registration.

After furnishing its application on December 24, 2009, Dagong consented to two extensions of time for the Commission to act on the application. The first extension was for seven days and the second extension was fourteen additional days. Under Section 15E(a)(2)(B), the Commission is required to act on the application no later than April 14, 2010, unless further extensions are granted by Dagong.

Dagong has provided the following information in connection with its application to register as an NRSRO. Dagong is located in Beijing, China. Dagong has no physical presence in the United States, does not rate any U.S. companies, and has no U.S. persons subscribing to its ratings. When submitting certifications from companies that rely on its ratings for investment purposes, as required for registration, Dagong relied exclusively on companies located in China.

In addition, to date the Commission has been unable to determine whether, under local law requirements applicable to Dagong, Dagong would be able to comply with the provisions in Section 17 of the Exchange Act, and the rules thereunder, relating to making its books and records available for Commission examination, producing books and records to the Commission, and furnishing reports to the Commission.

Accordingly, pursuant to Section 15E(a)(2)(A)(ii) of the Exchange Act, the Commission is instituting proceedings to determine whether Dagong's application for registration as a nationally recognized statistical rating organization should be denied. In these proceedings, grounds for denial under consideration will include:

(I) whether Dagong has a sufficient connection with U.S. interstate commerce to register as an NRSRO, and thereby invoke the regulatory and oversight authority of the Commission; and

(II) whether Dagong's application for registration should be denied pursuant to Section 15E(a)(2)(C)(ii)(II) on the grounds that, if registered as an NRSRO, Dagong would be subject to having its registration suspended or revoked under Section 15E(d)(1) of the Exchange Act because, in light of requirements in its home jurisdiction, Dagong would be unable to comply with provisions of the U.S. securities laws and rules (an act identified in Section 15(b)(4)(D) of the Exchange Act), including, in particular, Section 17 of the Exchange Act and Rules 17g-2 and 17g-3 thereunder.

Given the nature of the issues raised in the application, the Commission is currently of the view that a hearing on the basis of written submissions will sufficiently allow the parties to address these issues.

Accordingly, **IT IS ORDERED**, that proceedings under Section 15E(a)(2)(A)(ii) of the Exchange Act be and hereby are instituted to determine whether the application of Dagong should be denied.

IT IS FURTHER ORDERED that a hearing shall be conducted on the basis of written submissions (and in accordance with the Commission's Rules of Practice, 17 C.F.R. §§201.100, et seq., except as otherwise provided) addressing issues of law or fact in dispute and legal

arguments supporting the parties' positions. Dagong and the interested divisions or offices of the Commission shall each file an opening submission not later than May 5, 2010 and a responsive submission not later than May 17, 2010. Each party shall simultaneously serve according to the Rules of Practice on the other party a copy of each submission. Any requests for extensions of time (which shall be made pursuant to Rule of Practice 161), and any requests to submit oral testimony shall be considered contingent upon Dagong's consent to a reasonable extension of time pursuant to Section 15E(a)(2)(B)(iii) of the Exchange Act in addition to the 90-day extension the Commission is hereby ordering as set forth below.

IT IS FURTHER ORDERED that the time period for the conclusion of all proceedings, after which the Commission is required to grant or deny the application, is extended for an additional 90 days pursuant to Section 15E(a)(2)(B)(iii) of the Exchange Act to July 22, 2010. The Commission finds good cause for this 90-day extension on the basis that the application raises substantial legal questions, including questions of foreign law, which necessitate granting the parties sufficient time to prepare written submissions and the Commission sufficient time to consider those submissions.

IT IS FURTHER ORDERED that any person who seeks to participate on a limited basis, or amicus curiae, pursuant to Rules of Practice 210(c) and (d), shall file a motion for leave to participate, together with the proposed submission, with the Secretary of the Commission not later than May 5, 2010.

IT IS FURTHER ORDERED that the Secretary of the Commission shall serve this Order forthwith upon Dagong in accordance with Rule of Practice 141; and that notice to all other persons shall be given by publication of this Order and Notice in the Federal Register; and that this Order and Notice and any subsequent orders granting or denying the application shall be posted on the Commission's Web site at www.sec.gov and published in the SEC Docket.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15E(a)(2)(A)(ii) of the Securities Exchange Act of 1934 and Notice of Hearing ("Order"), on the Respondent and its legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Mr. Joshua Kans, Esq.
Division of Trading and Markets
U.S. Securities and Exchange Commission
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