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Additional Information

Level 1 Regulation

Credit Rating Agencies Regulation (CRAR) Regulation (EC) No 1060/2009

Topic

CRA Regulation

Subject Matter

Discontinuation of credit ratings

Question

Question: How should a CRA ensure a sufficient level of transparency when a credit rating is discontinued in accordance with Article 10(1)?

Question: Is a different level of transparency expected when a credit rating is withdrawn?

26-01-2024

Original language

Answer: The discontinuation of a credit rating should be accompanied by an appropriate level of disclosure that includes the full reasons for the discontinuation. This information should be disclosed on a timely basis and in a non-selective manner.

(i) Does this apply when a credit rating is incorrectly published and then discontinued? Yes.

(ii) Does this apply when a credit rating is published and then incorrectly discontinued? Yes.

(iii) Does this apply when a credit rating and information related thereto is removed from a credit rating agency's website? Yes.

Answer: ESMA expects that the level of transparency accompanying a withdrawal would not be less than that provided when a credit rating is discontinued. All credit ratings and rating outlooks should be presented and processed in accordance with the requirements of Section D of Annex I of the CRA Regulation. Further div on ESMA's expectations can be found in ESMA's Guidelines on the Disclosure of Credit Ratings^[1].

^[1] ESMA33-9-320 Guidelines on Disclosure Requirements Applicable to Credit Ratings