

Guidelines

On Disclosure Requirements for Initial Reviews and Preliminary Ratings



Table of Contents

1	Scope	2
2	Legislative references and abbreviations	2
3	Purpose	3
4	Compliance and reporting obligations	3
5	Guidelines on disclosure requirements for initial review and preliminary Rating.....	3

1 Scope

Who?

1. These guidelines apply to CRAs established in the Union and registered with ESMA in accordance with the CRA Regulation.

What?

2. These guidelines concern matters relating to the public disclosures of CRAs in accordance with Article 10(2) and Section D point 6 of Annex I of the CRA Regulation.

When?

3. These guidelines apply from 1 July 2022.

2 Legislative references and abbreviations

Legislative References

<i>ESMA Regulation</i>	Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ¹
<i>CRA Regulation</i>	Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies ²

Abbreviations

<i>ESMA</i>	European Securities and Markets Authority
<i>CRA</i>	credit rating agency

¹ OJ L 331, 15.12.2010, p. 84.

² OJ L 302, 17.11.2009, p.1.

3 Purpose

4. These guidelines concern the public disclosures of CRAs' in relation to the entities or debt instruments submitted for their initial review or preliminary rating.
5. The guidelines set out ESMA's expectations regarding the timing, content and format of these public disclosures. They also set out ESMA's expectations as to the type of interactions that should be considered as initial review or preliminary rating for the purpose of these disclosure requirements.

4 Compliance and reporting obligations

4.1 Status of the guidelines

6. In accordance with Article 16(3) of the ESMA Regulation, CRAs must make every effort to comply with these guidelines.
7. ESMA will assess the application of these guidelines by CRAs through its ongoing direct supervision.

5 Guidelines on disclosure requirements for initial review and preliminary Rating

5.1 Common Understanding of Initial Review or Preliminary Ratings.

8. For the purpose of the public disclosures that are provided in accordance with point 6 of Section D of Annex I of the CRA Regulation, a CRA is understood as providing an initial review or a preliminary rating of an entity or debt instrument when all of the following conditions are met:
 - i. a CRA provides a creditworthiness assessment in respect of an existing or proposed issuer or debt instrument;
 - ii. the creditworthiness assessment is communicated using the same established and defined rating symbology as it would for a public credit rating (although a CRA may use a prefix or suffix to denote that the assessment differs from a credit rating); and,
 - iii. the result of the creditworthiness assessment is not a public credit rating but provides an indication of the public credit rating the CRA would assign to the issuer or debt instrument if the CRA were to receive a mandate.

5.2 Content of public disclosures provided in accordance with point 6 of Section D of Annex I of the CRA Regulation.

9. When publishing its public disclosures that are provided in accordance with point 6 of Section D of Annex I of the CRA Regulation, a CRA should ensure that the following points of information are included for each instance where it has provided an initial review or preliminary rating:
 - i. the name of the entity or debt instrument;
 - ii. the LEI or ISIN of the entity or debt instrument, where available;
 - iii. the segment / asset class of the entity or debt instrument; and,
 - iv. the date the initial review or preliminary rating was provided.

5.3 Timing of public disclosures provided in accordance with point 6 of Section D of Annex I of the CRA Regulation

10. When publishing its public disclosures that are provided in accordance with point 6 of Section D of Annex I of the CRA Regulation, a CRA should ensure that the list of entities or debt instruments for which they have provided an initial review or preliminary rating is published by:
 - i. the first Wednesday of each month.
11. A CRA should monitor³ to ensure the list published on that day includes all those entities or debt instruments for which that CRA has provided an initial review or preliminary rating, unless it is necessary to delay publication for confidentiality reasons. In case it is necessary to delay publication for confidentiality reasons, a CRA should ensure publication is made:
 - i. no later than 30 days after the end of the month in which a public credit rating was provided by another CRA for that entity or debt instrument.
12. CRAs should maintain the items on the list for a period of five years from the month of inclusion.

5.4 Accessibility of public disclosures provided in accordance with point 6 of Section D of Annex I of the CRA Regulation

13. When publishing its public disclosures that are provided in accordance with point 6 of Section D of Annex I of the CRA Regulation, CRAs should ensure that:

³ This may be based on a search of the European Rating Platform using the information available to the CRA.

- i. their public disclosures are provided using the standardised disclosure template set out in the Annex of these guidelines;
- ii. the standardised disclosure template is published on a section of their website that is free from registration barriers; and,
- iii. ESMA is notified of the location of the standardised disclosure template on their websites.