



هيئة الأوراق المالية والسلع
SECURITIES & COMMODITIES AUTHORITY



Memorandum of Understanding on the cooperation of the Securities and Commodities Authority and the European Securities and Markets Authority for the supervision of Credit Rating Agencies

Memorandum of Understanding concerning consultation, cooperation and the exchange of information between ESMA and the SCA

ESMA is responsible for the registration and supervision of credit rating agencies ("CRAs") established in the European Union in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies ("CRAR").¹

The Securities and Commodities Authority (SCA) is responsible for the registration and supervision of credit rating agencies established in the United Arab Emirates in accordance with The Chairman of the Authority's Board of Directors' Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms.

Recognising the global nature of credit ratings and the importance of ongoing cooperation in this area, the SCA and the European Securities and Markets Authority ("ESMA") have reached this Memorandum of Understanding ("MoU"), regarding arrangements for the cooperation and exchange of information related to CRAs whose cross-border activities may subject them to regulation and supervision by both SCA and ESMA.

The SCA and ESMA express, through this MoU, their willingness to cooperate with each other in the interest of fulfilling their respective regulatory mandates by providing mutual assistance and exchanging information.

Article 1. Definitions

For the purpose of this Memorandum of Understanding:

- a) "Authority" means a signatory to this MoU (together the "Authorities");
- b) "Assistance" means any activity conducted by a Requested Authority for the purpose of supporting a Requesting Authority in discharging its legal and regulatory duties and responsibilities in respect of CRAs and their credit ratings;
- c) "Branch" means a place of business of a CRA which is not its head office, and which has no distinct legal personality;
- d) "Credit Rating Agency" ("CRA") means:
 - a In the United Arab Emirates, a legal person licensed to issue credit classification which is defined as a financial activity to show and evaluate the ability of the classified entity to fulfil its obligations, the risks that may affect the same and to evaluate the financial products and the potential risks of the investor's ownership therein;
 - b In the EU, a legal person whose occupation includes the issuing of credit ratings on a professional basis, subject to registration or certification with and oversight by ESMA.

¹ Regulation (EC) No 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies, OJ L 302, 17.11.2009, p. 1 as amended.

- e) "Cross-Border CRA" means a CRA identified in or defined as such in Appendix B of this MoU, subject to supervision: (i) by both Authorities through registration, or certification, or (ii) by one Authority, where the CRA regulated by that Authority pertains to the same group as a CRA subject to supervision by the other Authority;
- f) "Emergency Situation" means the occurrence or potential imminent occurrence of an event that could materially impair the financial or operational condition of a CRA, investors or the markets;
- g) "Laws and Regulations" means, in relation to ESMA, the CRAR and the ESMA Regulation² and, in relation to the SCA, the applicable legislation within the SCA's jurisdiction remit as set out in the provisions of the laws applicable in the jurisdiction of UAE, the regulations promulgated thereunder, and other regulatory requirements that fall within the competence of SCA;
- h) "Person" means a natural or legal person, or an unincorporated entity or association, including but not limited to partnerships and trusts;
- i) "Requested Authority" means the Authority to whom a request is made under this MoU;
- j) "Requesting Authority" means the Authority making a request under this MoU;
- k) "Secure Electronic Means" means electronic methods of communications that ensure that completeness, integrity and confidentiality of information are maintained during transmission.

Article 2. Purpose and general principles

1. This MoU is a statement of intent to consult, cooperate and exchange information in connection with the discharge of the responsibilities entrusted to the Authorities under the Laws and Regulations, in a manner consistent with, and permitted by, these Laws and Regulations.
2. The Authorities represent that the Laws and Regulations in their respective jurisdictions prevent interference with the content of credit ratings and credit rating methodologies.
3. This MoU does not create any legally binding obligations, confer any enforceable rights, or supersede domestic law.
4. The Authorities will, within the framework of this MoU, provide one another with the fullest cooperation permissible to better enable them to carry out the responsibilities entrusted to them under the Laws and Regulations. Following consultation, Assistance may be denied:
 - a) where the cooperation would require an Authority to act in a manner that would violate the applicable domestic law;

² Regulation 1095/2010 of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), OJ L 331 15.12.2010, p. 84.

- b) where a request for assistance is not falling within the scope of this MoU or is not made in accordance with the terms of this MoU;
- c) where the information to be disclosed is not subject to guarantees of professional secrecy; or
- d) on reasons of public interest.

Assistance will not be denied based on the fact that the type of conduct described in the request for assistance would not be a violation of the Laws and Regulations of the Requested Authority. In case of denial, the Requested Authority will provide the reasons for not granting the assistance.

5. The Authorities will periodically review the functioning and effectiveness of their cooperation arrangements with a view, *inter alia*, to expanding or altering the scope of operation of this MoU as necessary, for instance in the event of changes in the Laws and Regulations in force or applicable in each jurisdiction, or to include new Cross-Border CRAs in accordance with Article 13 of this MoU.
6. To facilitate cooperation under this MoU, the Authorities hereby designate contact points as set forth in Appendix A.

Article 3. Scope of cooperation

1. The Authorities will cooperate in relation to CRA supervisory activities covered by the Laws and Regulations, including, but not limited to:
 - a) general supervisory issues and enforcement, including with respect to regulatory, oversight or other supervisory programs;
 - b) issues relevant to the discharging of their responsibilities, including on operations, activities, and regulation of CRAs; and
 - c) any other areas of mutual supervisory interest.
2. Cooperation will be most useful in, but is not limited to, the following circumstances where issues of regulatory concern may arise:
 - a) the initial application for authorisation, registration or extension of registration, certification, recognition of a CRA or Cross-Border CRA, or exemptions therefrom;
 - b) the on-going oversight of a Cross-Border CRA and of its operation in the jurisdiction of one of the Authorities;
 - c) the assessment of the need to, and the subsequent taking of, supervisory or enforcement action against a Cross-Border CRA;
 - d) regulatory approvals or supervisory or enforcement actions taken by an Authority that may impact the operations of a Cross-Border CRA; or
 - e) when an Authority requests assistance.

Article 4. Cooperation in relation to registration and certification procedures

1. The Authorities intend to cooperate during the registration or certification process in order to enable a full assessment of the CRA's application for registration or certification and in the case of withdrawal of a registration or certification thereof.
2. When a CRA applies for registration or certification with an Authority, and the Authority considers that the CRA could be a Cross-Border CRA, the Authority may accordingly notify the other Authority about the status of the CRA's registration or certification application and may provide it with information regarding the CRA's cross-border operations.
3. Following the initial sharing of information, the Authorities will consult with each other regarding whether or not they consider this CRA to be a Cross-Border CRA and if it is regarded as such, add it to the list of Cross-Border CRAs in Appendix B.
4. The Requested Authority, upon written request intends to provide the Requesting Authority with the following:
 - a) information held on file regarding (i) the organisation and rating processes, and (ii) views from the notified Authority regarding the Cross-Border CRA's systems and controls, senior management and governance structures, management of conflicts of interest procedures and the rating process in general;
 - b) a statement regarding whether or not the Cross-Border CRA has been recognised, authorised or registered to conduct credit rating activities and is subject to supervision by the Authority and a meaningful description of the nature of such registration or certification and supervision;
 - c) the Laws and Regulations on which the registration or certification as well as the supervision are based.
5. The Authorities intend to cooperate in the registration or authorisation process and also in any other manner not specified above in order to facilitate a full assessment of the CRA's application for registration, authorisation or certification.

Article 5. Enforcement action against Cross-Border CRAs

1. The Authorities intend to inform each other as soon as possible when an enforcement action is envisaged against a Cross-Border CRA together with a statement as to whether this enforcement action is open to appeal.
2. The Authorities intend to inform each other as soon as possible when the following enforcement actions taken with regard to a Cross-Border CRA:
 - a) suspension of authorisation to issue credit ratings;
 - b) referrals of matters for criminal prosecution;
 - c) imposition of financial penalties, pursuant to the legislation in force in each of the relevant jurisdictions;
 - d) suspension of an individual who sits on the CRA's management or supervisory board;

- e) full or partial withdrawal of the CRA's registration, or certification;
- f) temporary prohibition on the CRA's issuing of credit ratings that are used in the other Authority's jurisdiction for regulatory purposes;
- g) suspension of the use, for regulatory purposes, of the credit ratings issued by the CRA; and
- h) issuing by the Authority of a public notice of a CRA's breach of the relevant Laws and Regulations.

Article 6. Exchange of information

The Authorities may exchange information upon request or on an unsolicited basis (by notification without request) and, where needed, provide assistance in interpreting such information so as to enable either Authority to discharge its responsibilities and assess compliance with its Laws and Regulations.

Article 7. On-site visits

- 1. In case of information to be obtained through on-site visits to a Cross-Border CRAs' offices or Branches located within the territory of the other Authority's jurisdiction, including those performed in the framework of supervisory programmes, the Authorities should discuss and reach an understanding on the terms of such on-site visits, taking into full account each other's sovereignty, applicable domestic law and statutory obligations, in particular, in determining the respective roles and responsibilities of the Authorities. The Authorities will act in accordance with the following procedure before conducting a cross-border on-site visit:
 - a) the Authorities will consult with a view to reaching an understanding on the terms and intended timeframe for and the scope of any on-site visit;
 - b) when establishing the scope of any proposed visit, the Requesting Authority will give due and full consideration to the supervisory activities of the Requested Authority and any information that was made available or is capable of being made available by the Requested Authority which would not violate the Laws and Regulations of the Requested Authority; and
 - c) the Authorities will assist each other in reviewing, interpreting and analysing the contents of public and non-public documents and obtaining information from relevant directors, senior management, employees of the relevant entities or any other person related to a Cross-Border CRA.
- 2. In circumstances where the Authorities jointly perform an on-site visit, they will give each other an opportunity to consult and discuss the findings arising from the on-site visit.

Article 8. Requests for assistance

- 1. To the extent possible, a request for assistance should be made in writing, by post, or Secure Electronic Means and addressed to the relevant contact point identified in Appendix A. A request should specify the following:
 - a) necessary details allowing the Requested Authority to identify the type of information sought by the requesting Authority;

- b) the name of the CRAs from which the information is available;
- c) a concise description of the facts underlying the request and the purpose for which the information is sought, including the applicable provisions of the Laws and Regulations;
- d) a confirmation that measures are in place to ensure that professional secrecy is protected, including the protection of business secrets shared by the requesting Authority with third parties; and
- e) the desired time period for reply and, if necessary, the urgency thereof.

2. The Requested Authority will send the acknowledgement of receipt to the contact point identified in the request within ten (10) working days of receipt of the written request for assistance and include, if possible at that stage, an estimated date of response.
3. The Authorities will make their best efforts to provide information or deal with requests for assistance under this MoU in a timely manner.
4. In Emergency Situations and urgent cases, the Authorities will endeavour to notify each other of the Emergency Situation or of the urgency and communicate information to the other as would be appropriate in the particular circumstances, taking into account all relevant factors, including the status of efforts to address the Emergency Situation. In such cases, requests for information may be made in any form, including electronically via email, provided such communication is confirmed in an official letter following the email at the earliest.

Article 9. Outsourcing/delegation

Where a Cross-Border CRA outsources or delegates any of its functions (in particular, but not limited to, critical or important operational functions) to a Person located in the other jurisdiction, either Authority may request assistance in accordance with this MoU. Such assistance should allow the Authority to undertake its supervisory tasks, receive information on the supervisory regime of the Requested Authority and ensure all functions are effectively supervised.

Article 10. Personal data

The Authorities acknowledge that the transfer of personal data will take place in accordance with the conditions laid down in the relevant data protection legislation applicable to the UAE and to ESMA.

Article 11. Permissible uses of information

The Requesting Authority may use non-public information obtained under this MoU solely for the purposes set forth in the request for assistance, including ensuring compliance with the Laws and Regulations related to the request such as supervising Cross-Border CRAs, including conducting any investigation, civil or administrative enforcement proceedings or, protecting investors, assessing and identifying systemic risk in the financial markets or the risk of disorderly markets.

Article 12. Confidentiality and sharing of information

1. Except for disclosures in accordance with the MoU, including permissible use of information under the previous Articles, each Authority will keep confidential information shared under this MoU, requests made under this MoU, the contents of such requests, and any other matters arising under this MoU. The terms of this MoU are not confidential.
2. Each Authority acknowledges that measures are in place in its jurisdiction to ensure that professional secrecy is ensured and confidential information is protected, including the protection of business secrets shared by the Authority with third parties. Despite this, in the event that the requesting party wishes to share the information with a third party, requesting party must first obtain the prior approval of the Authority which has transmitted the information.
3. The Authorities will not disclose non-public documents and information received under this MoU without obtaining prior approval of the Authority which has transmitted the information.
4. The Authorities acknowledge that the sharing or disclosure of non-public information pursuant to the terms of this MoU, will not constitute a waiver of privilege or confidentiality of such information.

Article 13. Amendments and termination

1. Amendments to this MoU, including the addition of new annexes or amendments to existing annexes, can be made by written agreement of both Authorities.
2. Amendments to the relevant contact point listed in Appendix A may be made by each Authority giving written notice to the other Authority.
3. An Authority may terminate its participation in this MoU at any time by giving at least 30 days prior written notice to the other Authority.
4. In the event that an Authority decides to terminate its participation in this MoU, cooperation and assistance in accordance with this MoU will continue until the expiration of 30 days after that Authority gives written notice to the other Authority of its intention to discontinue cooperation and assistance hereunder. If any Authority gives a termination notice, cooperation and assistance in accordance with this MoU will continue in respect to all requests for assistance that were made, or information provided, before the effective date of notification until the Requesting Authority terminates the matter for which assistance was requested.
5. In the event of the termination of an Authority's participation in this MoU, information obtained under this MoU will continue to be treated confidentially in the manner referred to under articles 10 to 12.
6. Where the relevant functions of a signatory to this MoU are transferred or assigned to another authority or authorities, the terms of this MoU will apply to the successor authority or authorities performing those relevant functions without the need for any further amendment to this MoU or for the successor to become a signatory to the MoU. This will not affect the right of the successor authority to terminate the MoU as provided hereunder if it wishes to do so.

Article 14. Entry into force

This MoU enters into force as of the date set out below.

For the European Securities and Markets Authority
Ms. Verena Ross, Chair

[signed]

Date: 12 September 2025

For the Securities and Commodities Authority (SCA)
H.E. Waleed Saeed Al Awadhi, CEO

[signed]

Date: 29 December 2025