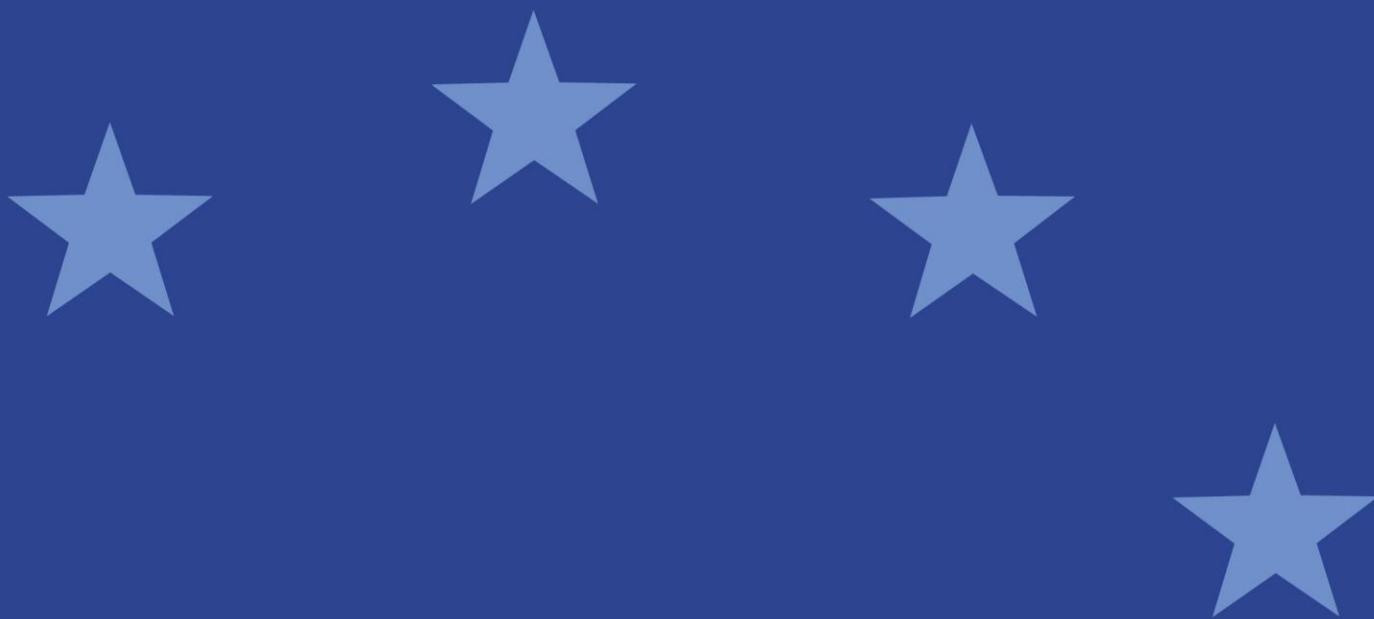




European Securities and  
Markets Authority

## Final report

Regulatory Technical Standards on the presentation of the information that credit rating agencies shall disclose in accordance with Article 11(2) and point 1 of Part II of Section E of Annex I to Regulation (EC) No 1060/2009





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ESMA/2011/461

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## Acronyms used

<b>ABCP</b>	<b>Asset-Backed Commercial Paper:</b> Commercial paper collateralised by a pool of assets including loans, leases or receivables.
<b>ABS</b>	<b>Asset-Backed Security:</b> A security backed by non-mortgage financial assets (consumer loans, credit card debt, etc.).
<b>BIC</b>	<b>Business Identifier Code.</b> An 11-character alpha-numerical code that uniquely identifies a financial or non-financial institution. It is defined by ISO code 9362.
<b>BOP</b>	The <b>beginning of the period</b> corresponds to the date of the first day of the reporting period at 00:00:00 hours (Central European Time).
<b>CDO</b>	<b>Collateralised Debt Obligation:</b> A security backed by a pool of bank loans and/or negotiable debt instruments (bonds etc...) and/or credit derivatives.
<b>CEBS</b>	<b>Committee of European Banking Supervisors,</b> London, United Kingdom. CEBS ceased to exist at the end of 2010. It was the predecessor of EBA, the European Banking Authority.
<b>CEIOPS</b>	<b>Committee of European Insurance and Occupational Pensions Supervisors,</b> Frankfurt, Germany. CEIOPS ceased to exist at the end of 2010. It was the predecessor of EIOPA, the European Insurance and Occupational Pensions Authority.
<b>CEREP</b>	<b>Central repository</b> for historical performance data of credit rating agencies.
<b>CESR</b>	<b>Committee of European Securities Regulators,</b> Paris, France. CESR ceased to exist at the end of 2010. It was the predecessor of ESMA, the European Securities and Markets Authority.
<b>CFO</b>	<b>Collateralised Fund Obligation:</b> A security backed by funds of hedge funds or funds of private equity funds.
<b>CLO</b>	<b>Collateralised Loan Obligation:</b> Type of CDO where the underlying portfolio includes bank loans.
<b>CMBS</b>	<b>Commercial Mortgage-Backed Security:</b> Security backed by mortgage loans on commercial property.
<b>EOP</b>	The <b>end of the period</b> corresponds to the date of the last day of the reporting period at 23:59:59 hours (Central European Time).
<b>HEL</b>	<b>Home Equity Loan:</b> A loan secured by a home equity i.e. the home's fair market value minus the outstanding balance of the original mortgage.
<b>ISIN</b>	<b>International Securities Identification Number:</b> A 12-character alpha-numerical code that uniquely identifies a security. It is defined by ISO code 6166.



- ISO** International **O**rganization for **S**tandardization.
- NACE** The statistical classification of economic activities in the European Community (in French: **N**omenclature statistique des **a**ctivités économiques dans la **C**ommunauté européenne), commonly referred to as NACE, is a European industry standard classification system containing a 6-digit code.
- See: [http://ec.europa.eu/competition/mergers/cases/index/nace\\_all.html](http://ec.europa.eu/competition/mergers/cases/index/nace_all.html)
- RMBS** **R**esidential **M**ortgage-**B**acked **S**ecurity: Security backed by mortgage loans on residential property.
- SIV** **S**tructured **I**nterest **V**ehicle: An (usually open-ended) investment vehicle which issues short-term notes and invests the proceedings in long-term securities, mostly in structured finance instruments.
- Vintage year** The year of issuance of the instrument. Available for structured finance ratings.
- XML** **E**xtensible **M**arkup **L**anguage. Classified as an extensible language, it allows its users to define their own elements. Its primary purpose is to facilitate the sharing of structured data across different information systems, particularly via the Internet and it is also used to encode documents.
- XSD** **X**ML **S**chema **D**efinition.



## **I- Executive summary**

### **Reasons for publication**

The Regulation (EU) No 1095/2010 establishing the European Securities and Markets Authority (ESMA Regulation), empowers the European Securities and Markets Authority (ESMA) to develop draft regulatory technical standards (RTS) where the European Parliament and the Council delegate power to the European Commission (Commission) to adopt regulatory standards by means of delegated acts under Article 290 of the Treaty on the Functioning of the European Union (TFEU).

Article 21(4) of the Regulation (EU) No 1060/2009 on credit rating agencies (CRA Regulation) as amended by Regulation (EU) No 513/2011 mandates ESMA to “*submit draft regulatory technical standards for endorsement by the Commission in accordance with Article 10 of Regulation (EU) No 1095/2010 on: (c) the presentation of the information, including structure, format, method and period of reporting, that credit rating agencies shall disclose in accordance with Article 11(2) and point 1 of Part II of Section E of Annex I*”.

For the purpose of discharging its mandate, ESMA decided to enhance the existing CESR Guidelines for the implementation of the Central Repository (CEREP) (CESR/Ref. 10-0331). ESMA consulted market participants on the proposed draft RTS on 19 September 2011. The Securities and Markets Stakeholder Group (SMSG) established under the ESMA Regulation, the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) have also been consulted.

### **Contents**

ESMA has considered the feedback it received to the consultation in drafting this RTS in accordance with Article 10 of the ESMA Regulation. This document sets out a summary of the responses received by ESMA and any material changes to the proposed RTS on which ESMA consulted in September 2011 ((Section I-III); and provides an outline of the central repository (CEREP) run by ESMA. The full text of the final draft RTS which will be submitted to the Commission is to be found in Annex III. It specifies the general provisions as well as the format, the method and the period of reporting. Attached as annexes to the draft RTS are several tables which list and specify the fields which have to be used for reporting.

### **Next steps**

The final draft RTS will be submitted for adoption by the Commission according to Article 21(4) of the CRA Regulation.

## II- Background

1. Credit rating agencies are required to report data to a central repository (CEREP) run by ESMA. The very purpose of this CEREP is to improve transparency and to contribute to the protection of investors by providing information on the past performance of credit rating agencies and about credit ratings issued in the past. In order to enable ESMA to compile the necessary information on certain activities and historical performance measures of credit rating agencies it is necessary to specify the technical details of the credit rating agencies' reporting requirements.
2. The ESMA Regulation empowers ESMA to develop draft RTS where the European Parliament and the Council delegate power to the Commission to adopt regulatory standards by means of delegated acts under Article 290 TFEU.
3. Article 21(4) of the CRA Regulation, as amended, mandates ESMA to submit to the Commission draft RTS on the presentation of the information, including structure, format, method and period of reporting, that credit rating agencies shall disclose in accordance with Article 11(2) and point 1 of Part II of Section E of Annex I.
4. Article 11(2) of the CRA Regulation, as amended, requires that a credit rating agency makes available in a central repository established by ESMA information on its historical performance data including the rating transition frequency and information about credit ratings issued in the past and on their changes. A credit rating agency shall provide information to that repository on a standard form as provided for by ESMA. ESMA shall make that information accessible to the public and shall publish summary information on the main developments observed on an annual basis.
5. Point 1 of Part II of Section E of Annex I, requires that a credit rating agency discloses every six months, data about the historical default rates of its rating categories, distinguishing between the main geographical areas of the issuers and whether the default rates of these categories have changed over time.
6. When preparing the draft RTS, ESMA considered the existing CESR Guidelines for the implementation of the Central Repository (CEREP) (CESR/Ref. 10-0331) (the Guidelines). The Guidelines constituted for CRAs a manual to deliver their data to the CEREP. Thus, the Guidelines specify the scope and definition of the data that CRAs have to deliver. As the Guidelines will overlap with the RTS submitted to the Commission, ESMA has decided to revoke the Guidelines from the date that the RTS take effect.
7. After giving due consideration to the advanced status of development of the CEREP, ESMA decided to use the existing Guidelines as the basis for drafting the RTS, whilst enhancing its content with additional information on the structure, format, method and period of reporting.
8. On 19 September 2011, ESMA gave market participants the opportunity to comment on the draft RTS. The consultation period was closed on 21 October 2011. ESMA also consulted EBA and EIOPA on the draft RTS and invited the Securities and Markets Stakeholder Group to provide advice on them. In light of the advanced state of CEREP and considering that there is no longer the possibility for pursuing an alternative approach, it was deemed disproportionate and unnecessary to conduct an additional cost-benefit-analysis to accompany the draft Regulatory Technical Standards.

9. The following sections describe the changes made to the final draft RTS after considering comments received from the different interested parties. The final version of the draft RTS are set out in Annex III.

### **III- Feedback from market participants, EBA, EIOPA and SMSG**

10. ESMA appreciates the overall support manifested by market participant to the proposition to develop CEREP and the recognition of the intention and objectives of the central repository. At the same time ESMA understands the concerns expressed by some CRAs on the costs these transparency requirements may entail.
11. In this respect, having considered the responses to the public consultation, ESMA wishes to clarify below certain common issues raised by a number of CRAs.
12. The purpose of the RTS is to identify the set of information CRAs have to provide to CEREP, together with detailed reporting indications. ESMA appreciates that by focusing on the raw data requirements the RTS does not provide relevant information on the computation of aggregated statistics, which constitutes a key component of CEREP. However the definition of the statistical functionalities goes beyond the purpose of the draft RTS. ESMA will provide full disclosure on the underlying formulas and methodologies directly on the CEREP webpage in order to promote transparency and allow market participants to fully understand the proposed standards. Such disclosure will allow in particular a greater understanding of the way CEREP computes default rates, an element of key importance in the review of CRAs performance data and which raised the concern of two CRAs with respect to the standards of computation.
13. ESMA notes the concerns of some CRAs on the confidential and proprietary nature of the raw ratings data reported to CEREP. ESMA wishes to confirm once again that CEREP will not disclose any information on individual credit ratings but will publish only aggregated statistics.
14. ESMA recognises that in the effort to provide transparency on CRAs rating performance in a standardised manner, CEREP is not capable to cover the total universe of credit ratings assigned by CRAs. ESMA considers that the efficiency and consistency gains of focusing the current version of CEREP on the broader classes of ratings issued by CRAs, outweighs the drawbacks of certain assets not having the due visibility in CEREP. At the same time ESMA envisages CEREP as a dynamic project and may extend its coverage and technical performance in future versions of the system.
15. Finally ESMA understands that by requiring CRAs to provide regular information to CEREP in a standard form, adaptation of the format ratings data are treated by CRAs may be needed in respect to certain technical rules. Likewise certain definition included in the reporting criteria may be subject to interpretation in light of the different standards adopted by CRAs. In the preparation of the final draft RTS ESMA aimed at the maximum clarity and comprehensive treatment of all definitions and standards. ESMA has continued to support CRAs in their efforts to report data to CEREP and provided extensive answers to questions raised. ESMA intends to provide further clarifications on any interpretation matter or technical issues raised by CRAs in the form of ESMA guidelines or Q&As, as appropriate.

16. The next section of this report describes how the feedback from market participants has been taken into consideration when finalising the final draft RTS (in comparison with the proposed draft RTS on which ESMA consulted in September 2011).

#### **IV- Changes to the final draft RTS.**

17. Having considered the responses to the consultation, ESMA has amended the draft RTS. In this section ESMA provides reasons for the changes made to the proposed draft RTS and explains why certain respondents' suggestions were not followed.
18. When preparing the final draft for the RTS, ESMA has taken into account the advanced status of development of the CEREP and the overall principle of consistency, in accordance to which the benefits of providing a standard set of statistics on the performance of CRAs' ratings and the transparency gains for market participants, outweigh some technical limitations and constraints imposed by the CEREP.

#### **Structure and language of the RTS**

19. While most respondents agreed with the chosen structure and details provided by the draft RTS a limited number of CRAs expressed some concerns on the language structure and lack of defined terms. ESMA considers that for the purpose of the draft RTS the chosen structure, including the dedicated annexes, strikes the optimal balance between general provisions and detailed specifications on the format and standards of reporting. Where terms are used in the draft RTS that are defined in the CRA Regulation, that definition applies in the draft RTS. Many of the terms on which clarification was sought are already defined in the CRA Regulation and we did not consider it necessary to define other terms further at this stage. Any further clarification that may be required by CRAs on specific technical matters will be dealt with by dedicated guidelines or Q&As, as appropriate.
20. A CRA noted that the explanatory detail on the requirements could be significantly enhanced through a dedicated taxonomy to ensure that CRAs have sufficient clarity on the CEREP reporting requirements to meet their regulatory obligations. However, given the high level of differentiation across CRAs in their methodologies and definitions and the aim of CEREP to provide a standard treatment of all rating ESMA considers that it is not feasible to provide a full taxonomy on each technical term used in the draft RTS.
21. A CRA also proposed a more limited and detailed text to govern CRAs' responsibility for the data submitted to CEREP. It is considered however that limiting to any extent the responsibility of CRAs over the accuracy and consistency of the data sent to CEREP may dangerously affect the quality and reliability of the system.

#### **Disclosure of information to CEREP**

22. A number of respondents queried the identification of structured finance transactions to be reported to CEREP and possible inconsistencies with the various standards existing, across CRAs and regulations, for defining this rating type. The provision of definition of structured finance ratings goes beyond the scope and the powers conferred to ESMA with respect to these RTS. For the purpose of reporting to

CEREP, ESMA maintains valid the definition in Article 4(36) of Directive 2006/48/EC, and referred to in Article 3 (1) (l) of the CRA Regulation. However, ESMA will take this issue into consideration in any future policy developments.

23. An important element highlighted by a CRA consists in the limit imposed by CEREP to the number (six) of rating scales available to each CRA in the reporting of its rating. As a result of this limit some CRAs are not able to report to CEREP the totality of their ratings and a minority of ratings, which would otherwise fall under the scope of this draft RTS/RTS, cannot be transmitted to the system. While ESMA does not intend to interfere with CRAs scaling methodologies it considers it very important, for the purposes the CEREP has been built for, to limit the number of rating scales available in order to ensure consistency in the computation of statistics for all CRAs. However, in light of the comment received, the text of the RTS has been enhanced to clarify the circumstances for CRAs not to report their ratings.
24. The draft RTS contains a provision for exception for CRAs to report certain details on historical ratings where such information was not available and its identification was proven disproportionate for a CRA. One respondent expressed a strong disagreement with this exception. However, due to the experience gained throughout CEREP testing phase ESMA appreciates the difficulties to apply retroactively certain reporting criteria for some CRAs and considers that for the sole purpose of historical reporting such provision for exception does not affect the quality of information reported to CEREP.
25. With respect to a question raised in the RTS, two CRAs confirmed that BIC Codes may not be available to all CRAs. ESMA has and will continue to assist CRAs in obtaining and transmitting BIC Codes to CEREP.

### **Standards for the disclosure of information to CEREP**

26. Further clarity on the meaning of ‘location of the rating’ has been provided in light of a comment received.
27. A CRA required ESMA to provide a close set of reasons available to CRAs when cancelling or reporting ratings for a previous period. ESMA however cannot identify a priori all cases under which a CRA may need to correct or cancel the data in the system and prefers to leave to CRAs the freedom to explain such reasons. ESMA also clarifies that the cancellation policy has been simplified as compared to the one CRAs were instructed for during CEREP testing interface.
28. A respondent requested the possibility to indicate more than one policy with respect to the assignment of solicited or unsolicited ratings. The field definition has been amended accordingly.
29. It was requested, by one respondent, to further extend the possibility to report short-term structured finance ratings for other asset types than ABCP structures. However, at present, ABCP represent the sole exception for reporting these types of ratings to CEREP.
30. A CRA requested ESMA to provide further guidance on the identification of the vintage year for structured finance transactions. ESMA does not consider it relevant to change the definition of this

field, as the year of issuance of the instrument should always be reported regardless of the methodologies followed by the CRAs to assign and review the rating.

31. One respondent expected ESMA to define in the present RTS what constitute an issuer rating for US municipalities. ESMA clarifies that all the terms relevant for the content and format of reporting to CEREP are defined in the RTS. In some cases, due to the difficulty to apply consistently one single standards to all CRAs' credit ratings, ESMA has clarified the principle to follow for the reporting of specific ratings, e.g. how to select the long-term debt rating if more than one of such ratings exist and the issuer rating is not available. ESMA will continue providing these clarifications in future discussions with CRAs.
32. Finally, certain wordings in the body of the RTS and in the technical annexes have been fine-tuned in response to a number of technical comments received.

### **Conclusion**

33. Having given due consideration to all the responses to the public consultation and, the feedback from the SMSG<sup>1</sup>, EBA and EIOPA, ESMA publishes in Annex III of this final report the final draft RTS concerning the information to be disclosed by a credit rating agency in accordance with Article 11(2) and point 1 of Part II of Section E of Annex I.

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<sup>1</sup> The Securities and Markets Stakeholder Group decided not to provide advice on the draft RTS.

## V-Outline of the central repository and the main reporting features

34. The construction and building of the central repository (CEREP) has already very much advanced. All basic business and technical decisions have been taken in 2009 and 2010. The construction and set up has been almost finalised and the testing with credit rating agencies started already in February 2011. On 1 July 2011, the system went live.
35. This is underlined by the following list which describes all the steps and decisions taken until now:
- From 9 July 2009 to 7 August 2009, CESR conducted a comprehensive consultation (CESR/09-579) outlining the CEREP and asking for comments by interested parties. A Feedback Statement on the results and the decision taken by CESR was published in mid-September 2009 (CESR/09-822a).
  - During summer 2009, CESR developed a Business Requirements Document (BRD) which was approved by the CESR Plenary on 16 October 2009 (CESR/09-823a). An Impact Analysis (IA) on the usage of two different technical options on how to implement the CEREP was conducted. The IA was separately consulted with and approved by CESR members in advance of the CESR Plenary's approval of the BRD. The CESR Consultative Working Group was given the opportunity to informally comment on a draft BRD in early October 2009.
  - On 4 June 2010, CESR published the "Guidelines for the implementation of the Central Repository (CEREP)" as required by the Regulation (EC) No 1060/2009. In advance of the publication, the Guidelines were consulted with the CESR Consultative Working Group as well as with CEBS and CEIOPS.
  - On 8 July 2010, credit rating agencies were given the "CRA Reporting Instructions". These are the basis for programming or amending the credit rating agencies' IT systems. The CRA Reporting Instructions were slightly updated and distributed to credit rating agencies by 30 December 2010.
  - On 1 July 2011, those credit rating agencies ESMA started reporting.
36. All the decisions taken up to now need to be interpreted against the two main arguments which led to the creation of the CEREP, one of them being market participants' claim of a lack of transparency of credit rating agencies with regard to the information provided on historical performance data (e.g. rating transitions and default statistics). In particular, it was indicated by market participants that the data presented by credit rating agencies has not always been complete and that credit rating agencies differ in their approaches to collecting and presenting the data.
37. The second argument revolves around the Regulation's request to enhance transparency and to contribute to the protection of investors by providing information on the past performance of credit rating agencies and about credit ratings issued in the past. The idea is that relevant information on credit rating agencies rating performance will be made public by ESMA in a standardised form. In addition, ESMA will publish annual summaries on the main developments observed on this information.
38. The CEREP calculates performance and rating statistics for various periods of time in a harmonised manner and discloses them for public access through the CEREP's website. Thus, the CEREP will contribute to reducing the cost of information (for searching and processing the data) for both market

participants and regulators. Reduced cost of information creates an incentive for market participants to conduct more comprehensive analyses of a credit rating agency's rating performance. This should help market participants better assess the reliability of credit ratings and thereby assist them when taking investment decisions.

39. In short, the purpose of the CEREP can be summarised as follows:

- to enhance transparency: Provide complete, standardised and consistent data;
- to protect investors: Facilitate the comparison of rating performances of credit rating agencies;
- to help regulators to assess developments with regard to credit rating agencies (annual reports);
- to reduce the cost of information for market participants and regulators.

40. With regard to reporting procedures, it should be noted that all credit rating agencies will have to provide their data to the CEREP. The credit rating agencies are responsible for the accuracy and completeness of the data sent.

41. Members of a group of credit rating agencies may report separately to the CEREP. However, ESMA strongly encourages credit rating agencies that act and apply as a group of credit rating agencies to report to the CEREP on an aggregated basis at a group level. If a group of credit rating agencies does not report at a group level each member of the group has to report individually. The statistics are displayed in the public website independently for each reporting unit. The CEREP does not perform aggregation of data provided separately by members of a group of credit rating agencies.

42. ESMA collects the ratings data using a raw data concept. This means, that credit rating agencies deliver individual ratings and their characteristics to the CEREP. Based on these data, ESMA calculates the activity and performance statistics centrally. ESMA does not disclose any individual rating information to the public but publishes aggregated statistics only. In order to enable ESMA to compile these statistics, credit rating agencies have to report two types of data:

- rating data for corporate, sovereign/public finance, and structured finance ratings;
- qualitative data, i.e. explanations of the concepts and definitions used by credit rating agencies.

43. The CEREP website displays statistics for public access by all interested parties. It allows users to search, filter, print and download the statistics. Several types of statistics are compiled and published for each credit rating agency and for different time periods: rating activity (several measures), default rates and rating transition rates. Default rates and transition matrices are presented from six months to multi-year statistics. The filters provided on the website grant users a broad variety for selecting data in order to enable users to run bespoke requests.

44. It is important to highlight that:

- ESMA collects the raw data containing the information related to individual ratings, and calculates the statistics centrally;

- the CEREPE statistics are based on a stock concept model, so that intra-period rating activity is derived from a comparison of ratings at the beginning and the end of a period;
- ESMA does not disclose individual rating information to the public but statistics only;
- ESMA does not restrict access and (commercial) use of the statistics;
- all statistics referring to a new period will be published on a predefined date for those credit rating agencies that have sent the data to ESMA;
- credit rating agencies are allowed to change the data submitted in previous periods to correct factual errors.

## **Annex I - Questions**

The following questions relate to the draft Regulatory Technical Standards as set out in Annex III of this Consultation Paper.

- Q1: Do you think that the chosen structure of the Regulatory Technical Standards is appropriate? In particular, what is your view on the balance of provisions set out in the text of the Regulatory Technical Standard and the annexes?**
- Q2: Do you think that the level of detail of the draft Regulatory Technical Standards is appropriate?**
- Q3: Do you think that ESMA did cover all relevant items?**
- Q4: Is it possible that a credit rating agency does not know the ‘Responsible CRA unique identifier’? See field 23 in Table 1 of Annex 2 to the draft Regulatory Technical Standards.**



## **Annex II - Legislative mandate to develop technical advice**

The legislative mandate for the draft Regulatory Technical Standards proposed in this Consultation Paper is to be found in Article 21(4) (c) of Regulation (EU) No 513/2011 of the European Parliament and of the Council of 11 May 2011 amending Regulation (EC) No 1060/2009 on credit rating agencies.

Excerpt of Article 21(4) (c):

By 2 January 2012 ESMA shall submit draft regulatory technical standards for the endorsement by the Commission in accordance with Article 10 of Regulation (EU) No 1095/2010 on:

(...)

(c) the presentation of the information, including structure, format, method and period of reporting, that credit rating agencies shall disclose in accordance with Article 11(2) and point 1 of part II of Section E of Annex I.

(...)



## Annex III - Draft Regulatory Technical Standards

### COMMISSION DELEGATED REGULATION (EU) No [.../2012]

supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards for the presentation of the information that credit rating agencies shall make available in a central repository established by the European Securities and Markets Authority

of [...] 2012

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies<sup>2</sup> and in particular Article 21(4)(c) thereof,

Whereas:

- (1) Article 11(2) of Regulation (EC) No 1060/2009 requires credit rating agencies to make certain information on historical performance data available in the central repository established by the European Securities and Markets Authority (hereinafter 'ESMA'). This information is required to be provided in a standard form as provided for by ESMA and made information available by ESMA to the public by publishing summary information on the main developments observed. These requirements need to be supplemented as regards the presentation of the information provided, including structure, format, method and period of reporting.
- (2) In accordance with Article 21 (2) (d) of Regulation (EC) No 1060/2009, the Committee of European Securities Regulators (hereinafter 'CESR') published 'Guidelines for the implementation of the central repository (hereinafter 'CEREP')' in June 2010. The Guidelines provided credit rating agencies with the necessary information to start planning their reporting systems to the central repository established by CESR and contained information about the possible usage of the system by the public. Based on these Guidelines, CESR developed detailed technical 'CRA reporting instructions' for credit rating agencies applying for registration in the Union. Since CEREP is already in operation and any material changes to the system would be likely to impose significant operational and financial costs on ESMA and credit rating agencies, the technical standards should be based on the Guidelines and reporting instructions.
- (3) Credit rating agencies belonging to a group of credit rating agencies located in the Union may report separately to the central repository. However, due to the credit rating agencies' highly integrated functional organisation at Union level and in order to facilitate the understanding of statistics, credit

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<sup>2</sup> OJ L 302, 17.11.2009, p. 13.

rating agencies should be encouraged to report to the central repository on a global basis for the whole group.

- (4) The central repository system collects centrally data on credit ratings. In order to help market participants to better assess the reliability of credit ratings and thereby assist them in taking investment decisions, the central repository should also accept on a voluntary basis credit ratings issued by third country credit rating agencies belonging to the same group of credit rating agencies but not endorsed in the Union.
- (5) To further facilitate the understanding of the statistics produced, the reporting of data on credit ratings should include any data relating to at least the last ten years before the entry into force of Regulation (EC) No 1060/2009. A credit rating agency should not be required to report these data if it can demonstrate that this would not be proportionate in view of their scale and complexity.
- (6) This Regulation is based on the draft regulatory technical standards submitted by ESMA to the Commission.
- (7) ESMA has conducted an open public consultation on the draft regulatory technical standards on which this Regulation is based and requested the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010. However, ESMA did not conduct a cost-benefit analysis since it considered this disproportionate to the impact of the draft regulatory technical standards given that CESR had been establishing the central repository since 2010 and the draft technical standards reflected the operation of the existing system rather than applying material new requirements and was therefore not expected to impose significant additional costs on ESMA or credit rating agencies.

HAS ADOPTED THIS REGULATION:

## **CHAPTER I**

### **General Provisions**

#### **Article 1**

##### **Subject matter**

This Regulation specifies the rules for the presentation of the information, including structure, format, method and period of reporting, that credit rating agencies are required to make available in a central repository in accordance with Article 11(2) of and point 1 of Part II of Section E of Annex I to Regulation (EC) No 1060/2009.

## CHAPTER II

### Reporting Structure

#### Article 2

##### Reporting principles

1. A credit rating agency shall submit the following types of report to the central repository established by ESMA:
  - (a) qualitative data reports as set out in Article 8 and Article 10; and
  - (b) rating data reports as set out in Article 9 and Article 11.
2. A credit rating agency shall be responsible for the accuracy, completeness and availability of its reported data. It shall ensure that the reports are provided in due time using the reporting channels in Article 12 and according to the reporting procedure in Article 13.
3. Where a credit rating agency belongs to a group of credit rating agencies the members of the group may mandate one of their members to report the required information on behalf of the group. When the mandated group member reports information on behalf of the group it shall identify both itself and the group members on whose behalf it is reporting the information.

#### Article 3

##### Ratings to be reported

1. A credit rating agency shall report data on a credit rating for each reporting period until this credit rating is withdrawn.
2. A credit rating agency shall report both solicited and unsolicited ratings. It shall indicate whether a rating is solicited or unsolicited.
3. Credit rating agency reporting on behalf of a group of credit rating agencies may include data of third-country credit rating agencies belonging to the same affiliated group which are not used in the Union by means of endorsement. Where a credit rating agency does not report such data it shall give an explanation in its qualitative data report.
4. A credit rating agency shall report data on credit ratings covering at least the last ten years before entry into force of the Regulation (EC) No 1060/2009. A credit rating agency that did not issue credit ratings prior to 7 December 1999 shall report data for the reporting periods following the first date on which it issued a credit rating. A credit rating agency is not required to report in respect of rating periods that predate its registration or certification

under Regulation (EC) No 1060/2009 if it can demonstrate that reporting such data is not proportionate in view of its scale and complexity.

5. A credit rating agency shall report the following types of ratings:
  - (a) corporate ratings;
  - (b) structured finance ratings; and
  - (c) sovereign and public finance ratings.

#### Article 4

##### **Corporate ratings**

1. A credit rating agency shall report data concerning corporate ratings on an issuer basis.
2. A credit rating agency may treat ratings of a subsidiary of an undertaking either as an individual rating or not. A credit rating agency shall explain the policy chosen.
3. When reporting corporate ratings a credit rating agency shall classify the ratings within one of the industry segments specified in field 18 of Table 1 of Annex 2.
4. Corporate ratings data for short-term ratings and long-term ratings shall both be reported where available. For the long-term ratings the issuer rating shall be reported. Where an issuer rating is not available, the long-term unsecured debt rating shall be reported. Where foreign and local currency ratings are available, only the foreign currency rating shall be reported.

#### Article 5

##### **Structured finance ratings**

1. Without prejudice to the specific characteristics set out in paragraph 2 and 3, a credit rating agency shall report long-term ratings on an issue basis for structured finance instruments.
2. A credit rating agency shall report long-term ratings on an issuer basis for structured investment vehicles and similar structures.
3. A credit rating agency shall report short-term ratings on an issue basis for asset-backed commercial papers.
4. When reporting structured finance ratings, a credit rating agency shall classify the ratings within one of the following asset classes:

- (a) Asset-backed securities. This asset class includes the sub-asset classes auto/boat/airplane loans, student loans, consumer loans, health care loans, manufactured housing loans, film loans, utility loans, equipment leases, credit card receivables, tax liens, non-performing loans, credit-linked notes, recreational vehicle loans, and trade receivables;
  - (b) Residential mortgage-backed securities. This asset class includes the sub-asset classes prime residential mortgage-backed securities and non-prime residential mortgage-backed securities and home equity loans;
  - (c) Commercial mortgage-backed securities. This asset class includes the sub-asset classes retail or office property loans, hospital loans, care residences, storage facilities, hotel loans, nursing facilities, industrial loans, and multifamily properties;
  - (d) Collateralised debt obligations. This asset class includes the sub-asset classes collateralised loan obligations, credit backed obligations, collateralised synthetic obligations, single-tranche collateralised debt obligations, credit fund obligations, collateralised debt obligations of asset-backed securities, and collateralised debt obligations of collateralised debt obligations;
  - (e) Asset-backed commercial papers; and
  - (f) Other structured finance instruments that are not included in the preceding asset classes, including structured covered bonds, structured investment vehicles, insurance-linked securities and derivative product companies.
5. A credit rating agency shall specify in the rating data report section of the central repository which asset class and sub-asset class (if applicable) each rated instrument belongs to.
  6. For the purpose of field 17 of Table 1 of Annex 2, the country code used for an instrument shall be that of the country of domicile of the majority of the underlying assets. Where it is not possible to identify the domicile of the majority of the underlying assets, the rated instrument shall be classified as 'International.'

## Article 6

### **Sovereign and public finance ratings**

1. A credit rating agency shall report data concerning sovereign and public finance ratings on an issuer basis. The credit rating agency shall classify the ratings within one of the following sectors:
  - (a) local currency sovereign ratings;
  - (b) foreign currency sovereign ratings;
  - (c) sub-sovereign and municipalities ratings such as states and local governments;
  - (d) supranational organisations' ratings such as those of institutions established, owned and controlled by more than one sovereign government shareholder including organisations covered

by code U (Activities of extraterritorial organisations and bodies) according to the statistical classification of economic activities in the European Communities (hereinafter ‘NACE’);<sup>3</sup>and

- (e) public entities ratings including those covered by NACE codes O (Public administration and defence; compulsory social security), P (Education) and Q (Human health and social work activities).
2. Within each sector the short-term and the long-term issuer ratings shall be reported. Where an issuer rating is not available, the long-term debt rating shall be reported.
  3. For the purpose of field 17 of Table 1 of Annex 2, where no specific country can be identified as country of issuance in the case of supranational organisations as specified in paragraph (1) (d), the rated issuer shall be classified as ‘International.’

## **CHAPTER III**

### **Format of Reporting**

#### Article 7

#### **Qualitative data**

1. A credit rating agency shall provide qualitative data reports in the format specified in Table 1 of Annex 1. In particular, a credit rating agency shall provide qualitative data on its rating scale explaining the individual characteristics and the meaning of each rating. A credit rating agency may report up to six rating scales. No more than one rating scale may be reported in respect of any particular combination of time horizon and rating type
2. Where a credit rating agency issues ratings for a particular time horizon and rating type using more than one rating scale, it shall report in its qualitative data reports only the rating scale used for the numerical majority of such ratings. Ratings shall not be reported in rating data reports if they use a rating scale that, in accordance with this paragraph, has not been reported.
3. A rating scale contains an undetermined number of broad rating categories that may include as subcategories an undetermined number of notches. A credit rating agency shall report both rating categories and notches, if applicable.

#### Article 8

#### **Rating data**

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<sup>3</sup> Regulation (EC) No 1893/2006 of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.

1. A credit rating agency shall provide rating data reports for ratings referred to in Article 4 in the format specified in Table 1 of Annex 2.
2. For the purpose of field 12 of Table 1 of Annex 2, a credit rating agency shall report a default in respect of a rating where one of the following events has occurred:
  - (a) the rating indicates that a default has occurred according to the credit rating agency's definition of default;
  - (b) the rating has been withdrawn due to insolvency of the rated entity or due to debt restructuring; and
  - (c) any other instance in which the credit rating agency considers a rated entity or rated instrument as defaulted, materially impaired or equivalent.
3. All reported ratings that are withdrawn during a specific reporting period shall be accorded a reason for withdrawal under field 11 of Table 1 of Annex 2. Ratings that were withdrawn before 7 September 2010 may be accorded in the category 'end of rating due to other reasons'.

## Article 9

### **Changes and cancellations of qualitative data**

1. A credit rating agency shall report changes to and cancellations of qualitative data reported in case it has to:
  - (a) reflect changes in qualitative data;
  - (b) correct factual errors in the reporting of a rating scale.
2. For the purpose of changes in qualitative data, except data on the rating scale, a credit rating agency shall send a new report containing the updated data. A credit rating agency shall only send a new qualitative data report if there is a change in any of the data, and only the data that have changed shall be reported. In the event of a methodology change, a credit rating agency shall report the updated qualitative data and may refer to additional information on historical methodology changes provided on its website.
3. Where a change of a rating scale occurs, a credit rating agency shall take the following measures:
  - (a) In the case of a change to the labels of categories or notches a credit rating agency shall send the qualitative data report containing an updated record of the previous rating scale (identified by its unique rating identifier) modifying the labels or descriptions as appropriate. The other fields relating to the rating scale shall be included in the report with no changes. A credit rating agency shall use the fields specified in Table 1 of Annex 1;
  - (b) In the case of a material change to a rating scale, a credit rating agency shall declare a new rating scale and perform the following steps:

- (i) A qualitative file with an updated record of the previous rating scale modifying the end validity date to the date of the end of the previous reporting period shall be sent. The credit rating agency shall use the fields specified in Table 1 of Annex 1;
  - (ii) The credit rating agency shall report the new rating scale with a new unique identifier and a start validity date of the first reporting period for which it is valid; and
  - (iii) Only once the credit rating agency has received the feedback file from the central repository confirming that the new rating scale has been accepted, the credit rating agency shall send the rating data files corresponding to the first reporting period to which the new rating scale applies using the new rating scale.
4. In case of a cancellation of a rating scale, a credit rating agency shall perform the following steps:
- (a) The cancellation shall take place before the credit rating agency reports any rating data to the central repository relating to that rating scale. In case rating data have already been reported, the credit rating agency has to cancel all rating data using the previous rating scale; and
  - (b) A qualitative data file containing the cancellation of the rating scale shall be sent. The credit rating agency shall use the field specified of Table 2 of Annex 1.

#### Article 10

##### **Cancellation of rating data and historical reporting of rating data**

1. In case of factual errors identified in the rating data that has been reported, a credit rating agency shall report the cancellation of that rating data and shall replace the cancelled rating data.
2. For the purpose of a cancellation of rating data a credit rating agency shall take one of the following measures:
  - (a) In case of a rating record of the current reporting period, a credit rating agency shall use the fields specified of Table 2 of Annex 2. Once the original record has been cancelled, it shall send a new version of the record; and
  - (b) In case of a rating record of previous reporting periods, a credit rating agency may cancel the original rating data for all reported periods using the field specified of Table 2 of Annex 2 including the reason for the cancellation, then, it may replace the original version of the record in all periods using the procedure described in Article 4 (4).
3. When reporting rating data retroactively, a credit rating agency shall add to the rating fields the historical reporting period of the rating and the reason for the reporting of historical rating data, as specified in fields 24 and 25 of Table 1 of Annex 2.

#### CHAPTER IV

## **Method of Reporting**

### Article 11

#### **Reporting channels and data transfer**

1. In order to report data to the central repository, a credit rating agency shall use the reporting facilities of the central repository system.
2. All the files sent to and received from the central repository shall be in XML format compliant with the XSD schemes issued by ESMA.
3. A credit rating agency shall name the files according to the naming convention issued by ESMA.
4. A credit rating agency shall store the files sent to and received from the central repository in electronic form for at least five years. They shall be made available to ESMA on request.

### Article 12

#### **File exchange principles and reporting periods**

1. A credit rating agency shall send all files covering a specific reporting period within the subsequent prepublication period to the central repository. This requirement covers both qualitative data files and rating data files.
2. The reporting period shall cover a six months period lasting from 1 January to 30 June or from 1 July to 31 December. The prepublication period is a period of three months following the end of the respective reporting period, lasting from 1 January to 31 March or from 1 July to 30 September. The beginning and the end of a prepublication period and a reporting period shall be determined by Central European Time.
3. A credit rating agency shall first transmit qualitative data. It shall send rating data files only when it has received a feedback file from the central repository verifying the qualitative data.
4. During each prepublication period, a credit rating agency shall submit to the central repository rating data files including all the information as specified of Tables 1, 2 and 3 of Annex 2. Cancellations of rating data shall be reported according to Article 11.
5. The first time a credit rating agency reports to the central repository, it shall forward a qualitative data file including all qualitative data as specified of Tables 1, 2 and 3 of Annex 1. Subsequently, that credit rating agency shall report only new rating scales, updates to and cancellations of qualitative data according to Article 10.
6. In addition to its first report to the central repository a credit rating agency shall also report the historical data according to Article 4(4). That reporting shall be performed in a chronological order of the reporting periods, starting with the earliest one.

## Article 13

### **Reporting procedure**

1. A credit rating agency shall ensure that the information sent to the central repository corresponds to its internal records. Within each prepublication period all relevant files shall be sent in chronological order and errors shall be corrected within the prepublication period.
2. The central repository shall send a feedback file to the credit rating agency for each data file reported either confirming that the file has been received and loaded correctly or informing the credit rating agency about detected errors. Where the central repository has detected an error, the credit rating agency shall send corrections in due time as follows:
  - (a) in the case of a file error, the credit rating agency shall correct the error as indicated in the feedback file and resend the whole file again; and
  - (b) in the case of a content error, the credit rating agency shall correct the error as indicated in the feedback file and shall resend only the corrected records.

## CHAPTER V

### **Final provisions**

## Article 14

### **Entry into force**

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [...].

[For the Commission  
The President]

[For the Commission  
On behalf of the president]  
[Position]

## ANNEXES

### Annex 1: List of fields for a qualitative data file

**Table 1: List of business fields for the first declaration and the update of a qualitative data file**

No.	Field identifier	Description	Type	Standard
1	CRA Name	Name used to identify the credit rating agency in the web interface of the CEREP. It shall correspond to the name used by the credit rating agency in the registration process and all other supervisory procedures within ESMA. In case one member of a group of credit rating agencies reports for the whole group it shall be the name referring to the group of credit rating agencies.	Mandatory for initial reporting or in case of changes.	--
2	CRA Description	Brief description of the credit rating agency.	Mandatory for initial reporting or in case of changes.	--
3	CRA Methodology	Description of the credit rating agency's rating methodology. The credit rating agency has the possibility to describe unique features of its rating methodology.	Mandatory for initial reporting or in case of changes.	--
4	Solicited and unsolicited ratings policies	Description of the credit rating agency's policy on solicited and unsolicited ratings. If more than one policy exists, the relevant rating types applicable to each policy shall be specified.	Mandatory for initial reporting or in case of changes.	--
5	Subsidiary ratings policy	Description of policy regarding the reporting of the rating of subsidiaries.	Mandatory for initial reporting or in case of changes. Only applicable for credit rating agencies issuing corporate ratings.	--
6	Geographical reporting scope	Description whether there is a global coverage. If the coverage is not global, the credit rating agency shall explain why not.	Mandatory for initial reporting or in case of changes.	A selection of Global/Non global XML tag selection should be used to identify whether there is global coverage or not. In case non global coverage is selected, a subfield is

No.	Field identifier	Description	Type	Standard
				mandatory to explain the reason.
7	Definition of default	Describes the definition of default by the credit rating agency.	Mandatory for initial reporting or in case of changes.	--
8	Rating scale identifier	Identifies uniquely a specific rating scale of the credit rating agency.	Mandatory if a rating scale needs to be reported or updated.	--
9	Rating scale validity start date	The date at which the rating scale starts being valid (BOP). It shall correspond to a valid date of the beginning of a reporting period existing in the system. The date shall not overlap with already reported rating scale for the same scope.	Mandatory if 'rating scale identifier' is reported.	ISO 8601 Date Format (YYYY-MM-DD).
10	Rating scale validity end date	The last date a rating scale is valid (EOP). It shall correspond to a valid date of the end of a reporting period existing in the system. If no specific end validity date is known or it is in the future, it shall be declared as 9999-01-01. The date shall not overlap with already reported rating scale for the same scope.	Mandatory if 'rating scale identifier' is reported.	ISO 8601 Date Format (YYYY-MM-DD).
11	Time horizon	Identifies the applicability of the rating scale based on the time horizon. The combination of Rating type and Time horizon shall be valid.	Mandatory if 'rating scale identifier' is reported.	<ul style="list-style-type: none"> <li>– 'L' in case the rating scale is applicable to long term ratings;</li> <li>– 'S' in case the rating scale is applicable to short term ratings.</li> </ul>
12	Rating type	Identifies the applicability of the rating scale based on the rating type. The combination of Rating type and Time horizon shall be valid.	Mandatory if 'rating scale identifier' is reported.	<ul style="list-style-type: none"> <li>– 'C' in case the rating scale is applicable to corporate ratings;</li> <li>– 'S' in case the rating scale is applicable to sovereign &amp; public finance ratings;</li> <li>– 'T' in case the rating scale is applicable to structured finance ratings.</li> </ul>
13	Rating category label	Identifies a specific rating category within the rating scale.	Mandatory if 'rating scale identifier' is reported.	--
14	Rating	Definition of the rating category	Mandatory if	--

No.	Field identifier	Description	Type	Standard
	category description	in the rating scale.	'rating scale identifier' is reported.	
15	Rating category value	Order of the rating category in the rating scale, considering notches as subcategories.	Mandatory if 'rating scale identifier' is reported.	The ordinal is an integer value with minimum value 1 and a maximum value of 20. The declaration of the rating categories values must be consecutive. There must be as a minimum one rating category for each rating.
16	Notch label	Identifies a specific notch within the rating scale. Notches provide additional detail to the rating category.	Mandatory if a notch in rating scale is declared.	--
17	Notch description	Definition of the notch in the rating scale.	Mandatory if a notch in rating scale is declared.	--
18	Notch value	Order of the notch in the rating scale. The notch value is the value that is assigned to each rating, to identify the rating at the beginning and at the end of each period.	Mandatory if a notch in rating scale is declared.	The notch value is an integer with minimum value 1 and a maximum value of 99. Values provided must be consecutive. There is an undetermined number of notches belonging to each specific rating category.

**Table 2: Field for the cancellation of rating scales**

No.	Field identifier	Description	Type	Standard
1	Rating scale identifier	The identifier of the rating scale to be cancelled.	Mandatory.	--

**Table 3: List of technical fields for a qualitative data file**

No.	Field identifier	Description	Type	Standard
1	Language	Defines the language of the file.	Mandatory.	ISO 639-1.
2	CRA unique identifier	Code used internally by the system to identify the credit rating agency. Must be the Business Identifier Code (BIC) of the credit rating agency sending the file.	Mandatory.	ISO 9362.
3	Version	The version of the XML Schema Definition (XSD) used to generate the file.	Mandatory.	Shall be the exact version number.
4	Creation date	The date at which the file was created.	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD).
5	Creation time	The time at which the file was created. It shall be reported in the local time of the credit rating agency generating the file and expressed as Coordinated Universal Time (UTC) +/- hours.	Mandatory.	ISO 8601 Time Format (HH:MM:SS).
6	Creation time offset	Indicates that a local time offset for the creation of the file was used HH ahead or behind UTC. Separated subfield with values (+/-) HH, which shall be adjusted for summer time.	Mandatory.	--

## Annex 2: List of fields for a rating data file

**Table 1: List of business fields for a rating data file**

No.	Field identifier	Description	Type	Standard
1	Rating identifier	Unique identifier of the rating, which shall be maintained unchanged over time.	Mandatory.	--
2	Rating name	Name or description of the rating. It shall identify the rating, the instrument or issuer being rated.	Optional.	--
3	Internal instrument identifier	Unique code to identify the financial instrument that is rated. It shall be maintained unchanged over time.	Mandatory. Applicable only for structured finance (not structured investment vehicle (SIV)) ratings.	--
4	Standard instrument identifier	International Securities Identifying Number (ISIN) of the rated instrument. It shall be maintained unchanged over time.	Optional. Applicable only for structured finance (not SIV) ratings.	ISO 6166 code.
5	Internal issuer identifier	Unique identifier of the issuer (or the parent company of the issuer). It shall be maintained unchanged over time.	Mandatory. Applicable only for corporate, sovereign and public finance, and SIV ratings.	--
6	Standard issuer identifier	Unique Business Identifier Code (BIC) of the issuer. It shall be maintained unchanged over time.	Optional. Applicable only for corporate, sovereign, public finance and SIV ratings.	ISO 9362 code.
7	Rating BOP	Notch value at the beginning of the reporting period. It shall be identical to the Rating EOP of the previous period, except in case of changes in the rating scale.	Mandatory. Applicable only for ratings which existed at the beginning of the reporting period.	--
8	Rating EOP	Notch value at the end of the reporting period.	Mandatory. Applicable only for ratings which existed at the end of the reporting period.	--
9	New rating	Flags that the rating has been generated for the first time during the reporting period.	Mandatory.	--
10	Withdrawal	Flags that the rating was withdrawn during the reporting	Mandatory if the rating was	--

No.	Field identifier	Description	Type	Standard
		period. Once withdrawn, this specific rating shall not be reported any more in the subsequent reporting periods.	withdrawn during the reporting period.	
11	Withdrawal reason	Reason for where there is an entry in the 'withdrawal' field.	Mandatory if field 'Withdrawal' is reported.	<ul style="list-style-type: none"> <li>– '1' in case of incorrect or insufficient information on the issuer/issue;</li> <li>– '2' in case of bankruptcy of the rated entity or debt restructuring;</li> <li>– '3' in case of reorganisation of the rated entity including the merger or acquisition of the rated entity;</li> <li>– '4' in case of the end of maturity of the debt obligation;</li> <li>– '5' in case of automatic invalidity of rating due to business model of a credit rating agency;</li> <li>– '6' in case of end of rating due to other reasons.</li> </ul>
12	Default	Identifies whether the rated issuer or instrument defaulted during the reporting period, as specified in Article 9(2)	Mandatory.	--
13	Solicited/ Unsolicited	A credit rating is considered as unsolicited, if the credit rating is not initiated on the request of the issuer or the rated entity. A credit rating is considered as solicited, if it was initiated by the issuer, the rated entity or its agent.	Mandatory.	<ul style="list-style-type: none"> <li>– 'S' in case the rating is solicited;</li> <li>– 'U' in case the rating is unsolicited;</li> <li>– 'N' in case this information is not available for the reporting periods before 7 September 2010.</li> </ul>
14	Location of the issuance of the rating	Defines by whom the rating is issued.	Mandatory.	<ul style="list-style-type: none"> <li>– 'I' where the rating is issued in the EU by a credit rating agency registered in accordance with Regulation (EC) No 1060/2009;</li> </ul>

No.	Field identifier	Description	Type	Standard
				<ul style="list-style-type: none"> <li>– ‘E’ where a rating that has been endorsed in accordance with Article 4(3) of Regulation (EC) No 1060/2009;</li> <li>– ‘T’ where the rating is issued by a certified credit rating agency in accordance with Article 5(2) of Regulation (EC) No 1060/2009 as amended;</li> <li>– ‘N’ where this information is not available for the reporting periods before 7 September 2010;</li> <li>– ‘O’ in any other case.</li> </ul>
15	Time horizon	Identifies whether the rating is a short-term or a long-term rating. It shall be maintained unchanged over time.	Mandatory.	<ul style="list-style-type: none"> <li>– “S” if it is a short-term rating;</li> <li>– “L” for a long-term rating.</li> </ul>
16	Rating type	Identifies whether the rating is a corporate rating or a sovereign and public finance rating or a structured finance rating. It shall be maintained unchanged over time.	Mandatory.	<ul style="list-style-type: none"> <li>– ‘C’ for a corporate rating;</li> <li>– ‘S’ for a sovereign and public finance rating;</li> <li>– ‘T’ for a structured finance rating.</li> </ul>
17	Country	Country code of the rated issuer/instrument.	Mandatory.	ISO 3166-1. The code ‘ZZ’ shall be used to identify the category ‘international’.
18	Industry	Industry segment of the issuer.	Mandatory. Applicable for corporate ratings.	<ul style="list-style-type: none"> <li>– ‘FI’ in case it is a financial institution including credit institutions and investment firms;</li> <li>– ‘IN’ in case it is an insurance undertaking;</li> <li>– ‘CO’ in case it is a corporate issuer that is not considered a financial institution or an insurance undertaking.</li> </ul>

No.	Field identifier	Description	Type	Standard
19	Sector	Specifies subcategories for sovereign and public finance ratings.	Mandatory. Applicable for sovereign and public finance ratings.	<ul style="list-style-type: none"> <li>– ‘FC’ for a sovereign foreign currency rating;</li> <li>– ‘SL’ for a sovereign local currency rating;</li> <li>– ‘SM’ for a sub-sovereign or municipality rating;</li> <li>– ‘SO’ for a supranational organization rating;</li> <li>– ‘PE’ for a public entity rating.</li> </ul>
20	Asset class	Defines the main asset classes for structured finance ratings.	Mandatory. Applicable for structured finance ratings.	<ul style="list-style-type: none"> <li>– ‘ABS’ for an asset-backed security;</li> <li>– ‘RMBS’ for a residential mortgage backed security;</li> <li>– ‘CMBS’ for a commercial mortgage backed security;</li> <li>– ‘CDO’ for a collateralised debt obligation;</li> <li>– ‘ABCP’ for an asset-backed commercial paper;</li> <li>– ‘OTH’ in all other cases.</li> </ul>
21	Sub-asset	Defines the sub-asset classes for ABS, RMBS and CDO ratings.	Mandatory. Applicable for defined asset classes of structured finance ratings.	<p>For ABS:</p> <ul style="list-style-type: none"> <li>– ‘CCS’ for a credit card receivable backed security;</li> <li>– ‘ALB’ for an auto loan backed security;</li> <li>– ‘OTH’ for another type of ABS.</li> </ul> <p>For RMBS:</p> <ul style="list-style-type: none"> <li>– ‘HEL’ for a home equity loan;</li> <li>– ‘PRR’ for a prime RMBS;</li> <li>– ‘NPR’ for a non-prime RMBS.</li> </ul> <p>For CDO:</p> <ul style="list-style-type: none"> <li>– ‘CFH’ for a cash flow or hybrid CDO/CLO;</li> <li>– ‘SDO’ for a synthetic CDO/CLO;</li> </ul>

No.	Field identifier	Description	Type	Standard
				– ‘MVO’ for a market value CDO.
22	Vintage year	Specifies the year of issuance of the rated instrument. It shall be maintained unchanged over time.	Mandatory. Applicable for structured finance ratings.	--
23	Responsible CRA unique identifier	Business Identifier Code (BIC) of the entity responsible for the rating, i.e. in case for: <ul style="list-style-type: none"> <li>– a rating issued in the EU, the credit rating agency registered in accordance with Regulation (EC) No 1060/2009 that has issued the rating;</li> <li>– an endorsed rating, the credit rating agency registered in accordance with Regulation (EC) No 1060/2009 that endorsed the rating;</li> <li>– a rating issued by a credit rating agency that has been certified in accordance with Regulation (EC) No 1060/2009, the certified entity;</li> <li>– a rating issued in a third country but not endorsed by a credit rating agency registered in accordance with Regulation (EC) No 1060/2009, the third country credit rating agency that issued the rating.</li> </ul>	Mandatory.	ISO 9362.
24	Historical reporting period of the rating	Identifies the reporting period of the rating, if in the past. It shall be used if the rating is reported for a published period for the correction of factual errors.	Optional.	ISO 8601 Date Format (YYYY-MM-DD).
25	Reason for historical rating reporting	The reason why the rating is reported for a previously reported period.	Mandatory if the field ‘Historic reporting period of the rating’ is reported.	--

**Table 2: List of fields for the cancellation of rating data**

<b>No.</b>	<b>Field identifier</b>	<b>Description</b>	<b>Type</b>	<b>Standard</b>
1	Rating identifier	Declaration of an existing rating identifier to be cancelled.	Mandatory.	--
2	Reason for Historic Cancellation	The reason why the rating is cancelled for all the previously reported periods.	Optional. Mandatory in case of complete cancellation (cancellation of the rating for all the periods)	--

**Table 3: List of technical fields for a rating data file**

No.	Field identifier	Description	Type	Standard
1	Language	Defines the language of the file.	Mandatory.	ISO 639-1.
2	CRA unique identifier	Code used internally by the system to identify the credit rating agency. Must be the Business Identifier Code (BIC) of the credit rating agency sending the file.	Mandatory.	ISO 9362.
3	Version	The version of the XML Schema Definition (XSD) used to generate the file.	Mandatory.	Shall be the exact version number.
4	Creation date	The date at which the file was created.	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD).
5	Creation time	The time at which the file was created. It shall be reported in the local time of the credit rating agency generating the file and expressed as Coordinated Universal Time (UTC) +/- hours.	Mandatory.	ISO 8601 Time Format (HH:MM:SS).
6	Creation time offset	Indicates that a local time offset for the creation of the file was used HH ahead or behind UTC. Separated subfield with values (+/-) HH, which shall be adjusted for summer time.	Mandatory.	--
7	Reporting period	Identifies the reporting period of the file. It corresponds to the date of the beginning of the period.	Mandatory.	ISO 8601 Date Format (YYYY-MM-DD) of the BOP.
8	Number of records	Total amount of ratings records in the file, including ratings declarations and cancellations.	Mandatory.	--