



COMMUNICATION AND DISTRIBUTION  
OF CREDIT RATINGS POLICY

## INTRODUCTION

In order to promote transparency and timeliness GCR shall communicate in an understandable and timely manner its credit rating decisions. Credit rating decisions are akin to credit rating actions<sup>1</sup> and are treated accordingly. This policy outlines GCR's primary responsibilities in relation to communication and distribution of credit rating decisions, however does not address the contents of credit ratings, reports, announcements or similar communications. Similarly, GCR shall communicate and distribute information and updates regarding any material modifications to methodologies, models and key credit rating assumptions. GCR shall also communicate to the public any material amendments to key policies or procedural documentation in the public domain.

**GCR will clearly communicate the nature of the credit rating action, specifically as to whether the action pertains to:**

- (a) an assignment of an initial credit rating or the review of and existing credit rating,
- (b) an indicative credit rating,
- (c) a rating affirmation, a rating change, an outlook or rating watch change, or a rating withdrawal, and
- (c) the extent to which the credit rating is based upon material, non-public information.

## COMMUNICATION OF CREDIT RATINGS

GCR has procedures for the distribution of public credit ratings and private credit ratings. Each of the procedures set out below relates to the communication of the credit rating decision and information related to the credit rating decision.

In relation to public credit rating actions or decisions GCR has adopted the following general procedure:

A notice of the credit rating decision, shall be communicated to the rated entity or issuer in the form of a credit rating notification, prior to an announcement of the credit rating.

A credit rating report will be provided to the rated entity or issuer.

Following from the aforementioned a credit rating announcement will be published on GCR's website<sup>2</sup>, with a description of the credit rating decision and/or the credit rating action.

A credit rating announcement may also be distributed directly to subscribers of GCR's ratings services, with public rating reports<sup>3</sup> being available to subscribers and members of the public.

In relation to private credit rating actions or decisions GCR has adopted the following general procedure:

<sup>1</sup> means to determine an initial credit rating, an upgrade of an existing credit rating, a downgrade of an existing credit rating (including a default), an affirmation of an existing credit rating or a suspension or withdrawal of a credit rating.

<sup>2</sup> Free access is provided to all public credit ratings.

<sup>3</sup> The service referenced is a fee-based service.

A notice of the credit rating decision, shall be communicated to the designated agent of the rated entity or issuer in the form of a credit rating letter. In certain instances, a credit rating report will be provided to the designated agent of the rated entity or issuer.

Due to the confidential nature of private credit ratings there is no public disclosure, announcement or distribution to third parties or subscribers. The terms and conditions of disclosure are agreed to between GCR and the rated entity or issuer. In certain instances, a private credit rating may be converted into a public credit rating and the terms applicable to public disclosure shall apply between GCR and the rated entity or issuer.

A communication as to whether a credit rating was solicited or unsolicited that be made in accordance with GCR's Solicitation policy.

Where applicable GCR shall communicate whether a rated entity or issuer participated in the credit rating process. GCR shall also communicate whether access to the rated entity or issuer's account, financial records and other relevant internal information was obtained.

An unsolicited, public credit rating shall where practicable follow the procedure for communication of public credit ratings.

## **AN INDICATIVE CREDIT RATING**

GCR shall communicate the outcome of an indicative credit rating<sup>4</sup> in accordance with the above principles dependent on whether the credit rating is private or public in nature. Upon deciding on the subsequent conversion to a credit rating the decision will be communicated in the same, or a similar manner as the primary indicative credit rating. In the period between assignment of an Indicative Rating and a final rating, indicative credit ratings may be adjusted, placed on a credit rating watch or withdrawn.

## **REGULATORY REQUESTS OR REQUIREMENTS**

GCR advises that rated entities, issuers credit rating users that GCR's credit ratings may be subject to regulatory requests or requirements. Regulation or regulatory requests may include, amongst others, communication of private credit rating information to regulatory authorities and possible public distribution of private credit ratings.

<sup>4</sup> Is a Rating accorded with an expiry date and one that is issued with the intention of converting to a final Credit Rating, subject to the receipt of outstanding information (e.g. confirmations, signed documents inter alia). Indicative Credit Ratings may be public or private and are typically used in structured finance transactions that may require the existence of a Credit Rating prior to the issuance of debt. GCR may convert an Indicative Credit Rating into a Credit Rating should it receive requisite final information and documentation

## **ACCOUNTABLE PERSONNEL**

GCR's communication department, under the supervision of the chief information officer, undertakes to fulfill responsibilities below:

Ensuring compliance with this policy in the communication and distribution of public and private credit rating decisions or actions.

Ensuring the responsible, timely and transparent publication of public credit rating communications on GCR's website,

Ensuring the responsible, timely and transparent distribution of credit rating announcements directly to subscribers of GCR's credit rating services, and ensuring that there is a periodical update to GCR's website with necessary, relevant credit rating information.

## **FURTHER INFORMATION**

Any enquiries and/or comments regarding credit rating analysis, in-use methodologies, operations and/or procedures conducted by Global Credit Ratings may be directed to the sector heads of the various analytical units as per contact details at [www.gcratings.com](http://www.gcratings.com).