

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores
المنظمة الدولية لهيئات الأوراق المالية

IOSCO/MR/27/2017

Madrid, 11 October 2017

IOSCO analyzes other CRA products used to make investment and credit-related decisions

The Board of the International Organization of Securities Commissions (IOSCO) today published a report titled [Other CRA Products](#) (OCPs), which provides market participants with a better understanding of certain non-traditional products and services offered by credit rating agencies (CRAs).

These non-traditional products may include, for example, private ratings, confidential ratings, expected ratings, indicative ratings, prospective ratings, provisional ratings, preliminary ratings, one-time ratings, regional ratings, national ratings, point-in-time ratings, scoring, credit default swap spreads, bond indexes, portfolio assessment tools, credit assessments, rating assessments, assessments, fund ratings, data feeds, research or other tools.

Although OCPs and services are distinct from commonly identified issuer-paid or subscriber-paid traditional credit ratings, they may be used by market participants to make investment and other credit-related decisions. Issuers and obligors may also use them to make decisions about whether to obtain a traditional credit rating from a particular CRA.

The final report on OCPs describes six groups of OCPs and their current status, as well as business practices and trends within the CRA industry. The report concludes that OCPs should be responsive to the spirit of the four high level objectives set forth in the IOSCO [Principles Regarding the Activities of Credit Rating Agencies](#) and which relate to the quality and integrity of the rating process; independence and conflicts of Interest; transparency and timeliness of ratings disclosure; and confidential information.

Secondly, it observes that the legal and/or corporate organizational structures chosen by CRAs to engage in an activity or offer a service or product are not indicative of whether they are subject to the Code of Conduct.

In November 2016, IOSCO published a consultation report with a view to report on IOSCO's understanding of OCPs.

NOTES TO THE EDITORS

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in more than 115 jurisdictions and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions (IOSCO) and is made up of 34 securities regulators. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission (SFC) of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Jamaica, Japan, Kenya, Malaysia, Mexico, Nigeria, Ontario, Pakistan, Peru, Quebec, Saudi Arabia, Singapore, South Korea, Spain, Sweden, Switzerland, the Netherlands, Turkey, the United Kingdom, and the United States of America.
3. The Growth and Emerging Markets Committee is the largest Committee within IOSCO, representing close to 80 per cent of the IOSCO membership, including 11 of the G20 members. Ranjit Ajit Singh, Chairman of the Securities Commission Malaysia and Vice Chair of the IOSCO Board, is the Chair of the GEM Committee. The Committee brings members from growth and emerging markets together and communicates members' views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, among others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.
4. IOSCO aims through its permanent structures:
 - to cooperate in developing, implementing and promoting internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
 - to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
 - to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

MEDIA ENQUIRIES

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