

NOTICE ... OF 2011

FINANCIAL SERVICES BOARD

CREDIT RATING SERVICES ACT, 2011

REPORT BY A CREDIT RATING AGENCY TO THE REGISTRAR

I, Dube Phineas Tshidi, Registrar of Credit Rating Agencies, hereby determine under section 15(1) of the Credit Rating Services Act, 2011 (Act No. of 2011), the information that must be contained in the annual report of the credit rating agency as set out in the schedule.

DP TSHIDI

REGISTRAR OF CREDIT RATING AGENCIES

SCHEDULE

1. Information that must be contained in the annual report of a credit rating agency

- 1.1. A credit rating agency must submit to the registrar within six months after its financial year-end an annual report contemplated in section 15(1) of the Act that must contain the following information:
- (a) detailed information on its legal structure and ownership;
 - (b) a description of its internal control mechanism ensuring quality of the credit rating services;
 - (c) a description of its record-keeping policy;
 - (d) the outcome of the annual internal review undertaken by its independent compliance function;

- (e) financial information on its revenue sources, divided into fees from credit rating services, ancillary services and other services; and
- (f) a list of its 20 clients who alone or together with affiliates contribute more than 10% to the total annual revenue of the credit rating agency.

1.2 In addition to the information contemplated in paragraph 1.1, a credit rating agency must submit the following information to the registrar:

- (a) detailed information identifying all classes of business conducted for the year and any changes thereto;
- (b) a list of members of the board of directors and relevant sub-committees thereto of the credit rating agency and any changes thereto over the last financial year;
- (c) a list of members of the executive committee of the credit rating agency and any changes thereto over the last financial year;
- (d) a review by the chairperson and/or chief executive officer of the operations of the credit rating agency over the last financial year;
- (e) information detailing the credit rating agency's initiatives and plans to implement and adhere to the recommendations of the King Code of Governance Principles ;
- (f) a status report on the consumer education initiatives, if any, of the credit rating agency;
- (g) information on risk mitigation, operational integrity, and related issues; and
- (h) data about the historical default rates of the credit rating agency's rating categories.

2. Commencement

This Notice comes into operation on the date on which the Act comes into operation.