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 **Application for certification**

**Credit Rating Agencies Notes**

**Important information you should read before completing this form**

Providing the information requested in the Credit Rating Agencies Application for Certification Form will enable you to:

1. Submit information required by Regulation (EU) 449/2012.
2. Supply the FCA with everything we need to process your application and to prepare for supervision of the applicant firm (such as information relating to fees).

The form relates to an application for certification under article 5 of Regulation (EC) 1060/2009, as amended by the Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 from exit day.

The form allows applicants to submit information required by Regulation (EU) 449/2012 for this purpose.

All references to “Regulation (EC) 1060/2009” and “Regulation (EU) 449/2012” in the form and notes to the form should be read as to the versions applicable in the UK from exit day.

Please take time to read these notes carefully. They will help you to fill in the Credit Rating Agencies Application for Certification correctly.

If after reading these notes you need more help you can:

* check the FCA website: [www.fca.org.uk/](http://www.fca.org.uk/)
* call the FCA Customer Contact Centre on 0300 500 0597
* email the FCA Customer Contact Centre: Firm.Queries@fca.org.uk

These notes, while aiming to help you, do not replace the rules and guidance in Regulation (EU) 449/2012.

**Terms in this application pack**

In this application pack we use the following terms:

* 'you' refers to the person(s) signing the form on behalf of the applicant firm
* 'the applicant firm' refers to the firm applying for certification
* ‘we’, ‘us’, ‘our’ or ‘FCA’ refers to the Financial Conduct Authority
* ‘the Regulation’ refers to Regulation (EU) 449/2012 of the European Parliament and of the Council with regard to regulatory technical standards on information for registration and certification of credit rating agencies.

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**Important information**

At the point of certification we expect the applicant firm to be ready, willing and organised to start business.

The applicant firm is required to pay regulatory fees even if it is not trading.

Firms must notify us immediately if any of their firms details change.

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|  | Reference Material |

**Documents**

A link to the Regulation (EC) No 1060/2009: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02009R1060-20150621>

A link to the Commission Delegated Regulation (EU) No 449/2012: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32012R0449>

A link to the FCA’s consultation on amendments to Binding Technical Standards: <https://www.fca.org.uk/publication/consultation/cp18-28.pdf>

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| 1 | General Information |

Applicant firm names

For more information about the Company, Limited Liability partnership and Business Names (Sensitive Words and Expressions) Regulations 2014, see <http://www.legislation.gov.uk/uksi/2014/3140/pdfs/uksi_20143140_en.pdf>.

There is also some help on our website at: <https://www.fca.org.uk/firms/standing-data/sensitive-business-names>

 **1.1 Does the applicant firm intend to use any trading names in addition to the legal entity name given on the front of this form?**

This form also seeks additional information which is not required under the Regulation and is therefore optional but nevertheless helpful to the FCA in assessing the application.

This is important for the applicant firm’s ongoing supervision (if they are certified) so we can track a firm's activity through any financial promotions, eg adverts. It may also help us in handling any complaints against the applicant firm.

 **1.2 Country of establishment as a legal entity**

See article 26(1)(a) and Annex II (2) of the Regulation.

 **1.3 Date of incorporation or formation (dd/mm/yyyy)**

This form also seeks additional information which is not required under the Regulation and is therefore optional but nevertheless helpful to the FCA in assessing the application.

We ask for this information to understand whether there is any previous history that could affect the application.

 **1.4 Registered Office address**

See article 26(1)(a) and Annex II (3) of the Regulation.

 **1.5 Does the applicant firm have a website address?**

This form also seeks additional information which is not required under the Regulation and is therefore optional but nevertheless helpful to the FCA in assessing the application.

If the applicant firm has a website, we may look at it when processing the application for further information. If the applicant firm is developing a website please provide the name and an approximate launch date.

Legal status of the applicant firm

 **1.6 What type of firm is the applicant firm?**

See article 26(1)(a) and Annex II (4) of the Regulation.

 **1.7 Where was the applicant firm incorporated or formed?**

We ask for this information to assess possible links to other jurisdictions.

Contact for this application

 **1.8 Contact details of the person we will get in touch with about this application.**

See article 26(1)(a) and Annex II(5) of the Regulation.

This form also seeks additional information which is not required under the Regulation and is therefore optional but nevertheless helpful to the FCA in assessing the application.

Compliance Officer

 **1.9 Contact details of the person we will get in touch with about this application**

See article 26(1)(a) and Annex II(6) of the Regulation.

This form also seeks additional information which is not required under the Regulation and is therefore optional but nevertheless helpful to the FCA in assessing the application.

Business Activities

**1.10 You must provide a description of the business activities the applicant firm conducts, including ancillary services. If it has any branches or subsidiaries, the business conducted by each branch or subsidiary**

See article 26(1)(a) and Annex II(7) of the Regulation.

 **1.11 Please identify below the class of ratings according to the categories specified in article 5 of Regulation (EC) 449/2012 for which the applicant firm applies is applying to be certified**

See article 26(1)(a) and Annex II(8) of the Regulation.

 **1.12 Is the applicant firm listed?**

See article 26(1)(a) and Annex II(9) of the Regulation.

Financial reports

 **1.13 Is the applicant firm an audited entity?**

See article 26(1)(a) and Annex II(10)(a) and (b) of the Regulation.

Financial year end

 **1.14 Date of the applicant firm's financial year end (dd/mm)**

See article 26(1)(a) and Annex II(10)(c) of the Regulation.

Owners and parent undertaking

 **1.15 Give details below of each person who directly or indirectly holds 5% or more of the applicant firm’s capital or of voting rights or whose holding could exercise a significant influence over the management of the applicant firm.**

See article 26(1)(b) and article 8 of the Regulation.

**1.16 Give details below of any undertakings in which a person referred to in Question 1.15 holds 5% or more of the capital or voting rights or over whose management that person exercises a significant influence.**

See article 26(1)(b) and article 8 of the Regulation.

**1.17 Does the applicant firm have a parent undertaking?**

See article 26(1)(b) and article 8 of the Regulation.

Organisational chart

 **1.18 You must attach an organisational chart detailing:**

* **the applicant firm’s organisational structure**
* **clear identification of significant roles**
* **the identity of the person responsible for each significant role**

See article 26(1)(c) and article 10 of the Regulation.

**1.19 You must provide details on the arrangements in place to prevent, disclose and mitigate any existing or potential conflicts of interest between the applicant firm’s business and ancillary services.**

See article 26(1)(d) of the Regulation.

Financial reports

 **1.20 You must attach a copy of the applicant firm’s annual financial reports, including individual and consolidated financial statements where applicable, for the 3 financial years preceding the date of the submission of the applicant to the extent available.**

See article 26(1)(e) and article 13 of the Regulation.

**1.21 You must provide below a description of the measures the applicant firm has adopted to ensure sound accounting procedure.**

See article 26(1)(e) and article 13 of the Regulation.

**1.22 Does the applicant firm consent to the FCA sharing details of its application for certification with ESMA?**

No additional notes.

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|  2 | Business activities |

 2.1 How many employees (temporary and permanent) have been involved in the applicant firm’s rating and ancillary services for the last 3 years?

See article 26(2)(a) of the Regulation.

 2.2 Does the applicant firm have a branch or branches?

See article 26(2)(b) of the Regulation.

 2.3 How many rating analysts are contracted to the applicant firm including, if the applicant firm has a branch or branches, the number of rating analysts contracted in each branch?

See article 26(2)(c) of the Regulation.

 2.4 Is the applicant firm planning to establish a new branch?

See article 26(2)(d) of the Regulation.

 2.5 Is the applicant firm planning to conduct any new ancillary services?

See article 26(2)(e) of the Regulation.

 2.6 You must attach details of the revenue generated over the past 3 years by the applicant firm from rating and ancillary services as a proportion of total revenue, presented on a financial year basis.

See article 26(2)(f) of the Regulation.

 2.7 If the applicant firm has one or more branches, you must attach the revenue generated over the past 3 years by each branch as a proportion of total revenue, presented on a financial year basis.

See article 26(2)(g) of the Regulation.

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| 3 | Details of credit ratings |

 **3.1 You must provide the following details regarding the credit ratings the applicant firm issues or proposes to issue:**

 **(a) The class of credit ratings**

See article 26(3)(a) of the Regulation.

 **(b) The rating nomenclatures used for each class of credit rating**

See article 26(3)(b) of the Regulation.

 **(c) the definition of any rating action and statuses used by the applicant firm**

See article 26(3)(c) of the Regulation.

 **(d) details of whether the applicant firm produces solicited or unsolicited ratings or both**

See article 26(3)(d) of the Regulation.

 **(e) for each class of credit rating, the number of years of experience the applicant firm has in producing these ratings**

See article 26(3)(e) of the Regulation.

 **(f) for each class of credit rating, the current or expected proportion of public ratings and private ratings**

See article 26(3)(f) of the Regulation.

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| 4 | Systemic importance |

 **4.1 You must provide the volume of outstanding credit ratings the applicant firm has issued in the following table**

See article 28 and Annex XII of the Regulation.

 **4.2 You must provide information on the annual revenues generated in the UK and in other countries outside the UK for the past 3 years as follows:**

See article 28 and Annex XII of the Regulation.

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|  5 | Fees and levies |

If we certify the applicant firm for credit rating activity it will be allocated to FCA fee block J:

The fee for this fee block is based on tariff data submitted within this supplement. We use your answers to calculate the applicant firm's invoice for the first fee period and may also use them for the following fee period. Please ensure the data you submit is accurate as we will only accept changes to the data provided here in exceptional cases; for instance where the business plan has been revised.

When reporting monetary fee tariff data, firms should provide a projected valuation, covering the first 12 months from the date of certification(measured according to the relevant tariff base(s)). Monetary figures should be denominated in **GB pounds**. Please do not leave any section blank, if relevant enter **Nil**. FEES 4 of the Handbook has detailed notes on the fee blocks and tariff bases and this is located at: <https://www.handbook.fca.org.uk/handbook/FEES/4/?view=chapter>

All certified firms pay a minimum fee to cover the annual costs of being regulated. Where a firm’s business in any fee-block exceeds the amount covered by the minimum fee, the firm will be subject to an additional fee.

If you need further help with completing Section 13, please contact the FCA Customer Contact Centre on 0300 500 0597.

FCA fees

 5.1 Fee block J– Credit Rating Agencies

**How much annual turnover does the applicant firm estimate for the first year of certification in relation to the credit rating activity?**

A firm certified for credit rating activity will fall within FCA fee block J. The basis for calculating the FCA fee is the projected annual turnover in relation to this activity for the 12 months from the date of certification.

See our handbook FEES4 for the definition of annual turnover <https://www.handbook.fca.org.uk/handbook/FEES/4/?view=chapter>

Declaration of ongoing FCA fees liability

 **5.2 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.**

No additional notes

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| 6 | Application fee |

For more information on application fees:

see the FCA Handbook – FEES 3 Annex 13R:

<https://www.handbook.fca.org.uk/handbook/FEES/3/Annex13R.html>

* see the FCA Handbook - FEES 3 Annex 1A <https://www.handbook.fca.org.uk/handbook/FEES/3/Annex1A.html>

• see our website

• email firm.queries@fca.org.uk

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| 7 | Declaration and signatures |

No additional notes