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**Application for registration**  
**Credit rating agencies notes**

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

On 10 October 2018, the FCA consulted on its proposed amendments to Commission Delegated Regulation 449/2012, which determines the information to be provided by a credit rating agency applying for registration.

Providing the information requested in the credit rating agencies application for registration form will enable you to:

1. Comply with information requirements in the Regulation.
2. Supply the FCA with everything we need to process your application and prepare for supervision of your firm.

Please take time to read these notes carefully. They will help you to fill in the credit rating agencies application for registration form 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: [cra-registration@fca.org.uk](mailto:cra-registration@fca.org.uk)

These notes, while aiming to help you, do not replace the rules in the regulations referenced.

**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
* ‘FSMA’ refers to the Financial Services and Markets Act 2000
* ‘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, as retained.

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**Important information**

At the point of registration 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 details change.

**Contents**

1 General information 4

2 Ownership structure 7

3 Organisational structure and corporate governance 8

4 Financial resources for the performance of credit rating activities 11

5 Staffing and compensation 12

6 Issuance and review of credit ratings 14

7 Description of issue and review procedures and methodologies 16

8 Conflicts of interest 17

9 Programme of operations 19

10 Use of endorsement 21

11 Outsourcing 23

12 Supporting documents 24

13 Fees and levies 25

14 Application fee 26

15 Declaration and signatures 27

|  |  |
| --- | --- |
|  | 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 authorised) so we can track a firm's activity through any financial promotions, eg advertisements. It may also help us in handling any complaints against the applicant firm.

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

See Section 1, article 7(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 Section 1, article 7(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 Section 1, article 7(a) and Annex II(4) of the Regulation.

The applicant firm must fall into one of the categories listed in the question to apply for registration.

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

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

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

See Section 1, article 7(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 compliance officer who we will get in touch with about this application. If this is the same person as detailed in 1.8 please do not complete this section.**

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

**1.11 You must identify below the class of ratings according to the categories for which the applicant firm is applying to be registered.**

See Section 1, article 7(a) and Annex II(8) of the Regulation.

**1.12 Is the applicant firm listed?**

See Section 1, article 7(a) and Annex II(9) of the Regulation.

Financial reports

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

See Section1, article 7(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 Section 1, article 7(a) and Annex II(10) (c) of the Regulation.

Branches

**1.15 Does the applicant firm have any branches?**

See Section 1, article 7(a) and Annex II(12)(a-d) of the Regulation.

**1.16 List the countries from which the applicant firm intends to endorse credit ratings.**

See Section 1, article 7(a) and Annex II(13) of the Regulation.

**1.17 You must attach an excerpt from the relevant commercial or court register, or other form of evidence of the place of incorporation and scope of business activity of the applicant firm, as of the application date.**

See Section 1, article 7(b) of the Regulation.

**1.18 The applicant consents to the FCA sharing details of its advance application and entry into the temporary registration regime (TRR) with ESMA prior to exit day**

No additional notes

**1.19 The applicant consents to the FCA disclosing it has made an advance application and its entry into the temporary registration regime (TRR) on the FCA website prior to exit day in order to ensure users of your ratings are aware that ratings can continue to be used for regulatory purposes in the UK**

No additional notes

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| 2 | Ownership structure |

Owner(s) and parent undertaking of a credit rating agency

**2.1 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 Section 2, article 8(1)(a and b) and Annex III(1 and 2) of the Regulation.

**2.2 Give details below of any undertakings in which a person referred to in Question 2.1 holds 5% or more of the capital, or voting rights or over whose management that person exercises a significant influence.**

See Section 2, article 8(2) (a and b) and Annex III(3) of the Regulation.

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

See Section 2, article 8(3)(a and b) of the Regulation.

**2.4 Identification of the owners of the parent undertaking referred to in Question 2.3**

See Section 2, article 8(3) and Annex III(4) of the Regulation.

Ownership chart

**2.5 You must attach a chart showing the ownership links between any parent undertaking, subsidiaries and any other associated entities established in the UK and their branches.**

See Section 2, article 9 of the Regulation.

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| 3 | Organisational structure and corporate governance |

Organisational chart

**3.1 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 Section 3, article 10 of the Regulation.

Organisational structure

**3.2 You must attach the applicant firm’s policies and procedures in relation to its compliance function.**

See Section 3, article 11(1) and Annex IV(3) of the Regulation.

You must also ensure you have covered point 5 of Section A of Annex I to Regulation (EC) No 1060/2009.

**3.3 Are any of the arrangements detailed in Question 3.2 carried out at group of undertakings level?**

See Section 3, article 11(2) and Annex IV(2) of the Regulation.

**3.4 You must provide the following information:**

See Section 3, article 11(2) and Annex IV(2) of the Regulation.

**3.5 You must attach the following information regarding the applicant firm’s policies and procedures:**

See Section 3, article 11(2) and Annex IV(1) of the Regulation.

You must also ensure you have covered points 4-10 of Section A of Annex I to Regulation (EC) No 1060/2009.

**3.6 You must attach the following information regarding the internal audit function carrying out the tasks:**

See Section 3, article 11(2) and Annex IV(4) of the Regulation.

You must also ensure you have covered point 10 of Section A of Annex I to Regulation (EC) No 1060/2009.

Record keeping

**3.7 You must provide details of the policies and procedures on which records are kept and for how long.**

See Section 3, article 11(3) and Annex X(1) (a) of the Regulation.

You must also ensure you have covered the following sections of Regulation (EC) No 1060/2009:

* article 8(4)
* Annex I, Section A(7)
* Annex I, Section B(7), (8) and (9)

**3.8 You must identify the recipients of confidential information for each rating issued.**

See Section 3, article 11(3) and Annex X(1) (b) of the Regulation.

Continuity and regularity of the activities

**3.9 You must describe the procedures to ensure continuity and regularity in the performance of the credit rating activities, including how they apply to service providers to which activities have been outsourced.**

See Section 3, article 11(3) and Annex X(2) (a) of the Regulation.

You must also ensure you have covered point 8 of Section A of Annex I to Regulation (EC) No 1060/2009.

**3.10 You must describe the types of business continuity planning tests that the applicant firm expects to be conduct.**

See Section 3, article 11(3) and Annex X(2) (b) of the Regulation.

You must also ensure you have covered point 8 of Section A of Annex I to Regulation (EC) No 1060/2009.

**3.11 You must provide information about the frequency of testing.**

See Section 3, article 11(3) and Annex X(2)(c) of the Regulation.

You must also ensure you have covered point 8 of Section A of Annex I to Regulation (EC) No 1060/2009.

Information processing systems

**3.12 You must identify the senior manager responsible for the information processing systems.**

See Section 3, article 11(3) and Annex X(3)(a) of the Regulation.

You must also ensure you have covered point 8 of Section A of Annex I to Regulation (EC) No 1060/2009.

**3.13 You must describe the information processing systems including any back-up systems.**

See Section 3, article 11(3) and Annex X(3(b) of the Regulation.

You must also ensure you have covered point 8 of Section A of Annex I to Regulation (EC) No 1060/2009.

**3.14 You must describe the effective control and safeguard arrangements for the information processing systems in place as well as the mechanisms to monitor their effectiveness. Include details of the procedures in place to separate the information processing systems used to report fees from those which are accessible to rating analysts and are used to enter ratings and information about the rated entities or rated transactions.**

See Section 3, article 11(3) and Annex X(3(c) of the Regulation.

You must also ensure you have covered point 8 of Section A of Annex I to Regulation (EC) No 1060/2009.

Corporate governance

**3.15 You must attach the internal corporate governance policies, procedures and terms of reference which govern the applicant firm’s senior management, including the administrative or supervisory board, its independent members and, where established, committees.**

See Section 3, article 12(1) of the Regulation.

**3.16 Does the applicant firm adhere to a recognised corporate governance code of conduct?**

See Section 3, article 12(2) of the Regulation.

**3.17 Please complete the following table with the identities of the members of the administrative or supervisory board and other committees as established in Question 3.13.**

See Section 3, article 12(3) and Annex V (1) of the Regulation.

**3.18 Where the application firm applies to issue credit ratings of structured finance products, according to Section A(2) of Annex I to Regulation (EC) No 1060/2009, please complete the table with:**

* **details of the independent members of the administrative or supervisory board as established in article 12(3)**
* **justification of their independence if they are independent members and**
* **justification of their in-depth knowledge and experience at a senior level of the market in structured finance instruments.**

See Section 3, article 12(3) and Annex V(2) of the Regulation.

You must ensure you have covered Section A of Annex I to Regulation (EC) No 1060/2009.

**3.19 You must provide the following documents:**

See Section 3, article 12(4) and Annex V(3) of the Regulation.

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| 4 | Financial resources for the performance of credit rating activities |

**4.1 You must attach a copy of the applicant firm’s annual financial reports.**

See Section 4, article 13(1) and (2) of the Regulation.

The meaning of statutory audit can be found in article 2(1) of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts.

**4.2 Is the applicant firm a subsidiary of a group of undertakings?**

See Section 4, article 13(3) of the Regulation.

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

See Section 4, article 13(4) of the Regulation.

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| 5 | Staffing and compensation |

Staffing policies and procedures

**5.1 You must provide a brief description of the following policies and procedures:**

**a) Reporting to the compliance officer of any situations where one of the persons referred to in point 1 of Section C of Annex I to Regulation (EC) No 1060/2009 considers that any other such person has engaged in conduct that they consider illegal, pursuant to the provisions of point 5 of Section C of Annex I to Regulation (EC) No 1060/2009.**

See Section 5, article 14(1) (a) of the Regulation.

**b) The rotation of lead rating analysts, rating analysts and persons approving credit rating.**

See Section 5, article 14(1) (b) of the Regulation.

**c) The compensation and performance evaluation practices for rating analysts, persons approving credit ratings, senior management and the compliance officer.**

See Section 5, article 14(1)(c) of the Regulation.

**d) The training and development relevant to the rating process, including any examination or other type of formal assessment required for the conduct of rating activities.**

See Section 5, article 14(1)(d) of the Regulation.

**5.2 You must describe the measures in place to mitigate the risk of over-reliance on individual employees.**

See Section 5, article 14(2)(a) of the Regulation.

**5.3 For each class of credit ratings, you must provide information on the size and experience of the quantitative teams responsible for developing and reviewing methodologies and models.**

See Section 5, article 14(2)(b) of the Regulation.

**5.4 You must provide the name and function of any employee of the credit rating agency who has obligations either individually or on behalf of the applicant firm, to any other entity within the group of credit rating agencies.**

See Section 5, article 14(2)(c) of the Regulation.

**5.5 You must provide the average annual fixed and variable remuneration of the rating analysts, lead analysts and the compliance officer for each of the 3 preceding financial years.**

See Section 5, article 14(2)(d) of the Regulation.

**5.6 You must describe the arrangements in place to ensure that the applicant firm is informed when a rating analyst terminates their employment and joins a rated entity as set out in point 6 of Section C of Annex I to Regulation (EC) No 1060/2009.**

See Section 5, article 14(3) of the Regulation.

**5.7 You must describe the arrangements in place to ensure that the persons referred to in point 1 of Section C of Annex I to Regulation (EC) No 1060/2009 are aware of the prohibition established as set out in point 7 of Section of Annex to Regulation (EC) No 1060/2009.**

See Section 5, article 14(3) of the Regulation.

Fitness and appropriateness

**5.8 You must attach a curriculum vitae which includes the following information:**

* **employment history with relevant dates**
* **identification of positions held**
* **description of the functions occupied**

See Section 5, article 15(1)(a).

**5.9 You must attach a recent criminal-record file from the country of origin of the relevant person (unless the relevant national authorities do not issue such a file) of each member of the applicant firm’s senior management.**

See Section 5, article 15(2)(a).

**5.10 You must provide a self-declaration from each member of the applicant firm’s senior management of their good repute. It should state whether the relevant person falls under any of the following categories:**

See Section 5, article 15(2)(b).

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| 6 | Issuance and review of credit ratings |

Development, validation, review and disclosure of rating methodologies

**6.1 You must provide for each class of credit rating:**

* **a high-level description of the range of core models**
* **methodologies used by the applicant firm to determine credit ratings.**

See Section 6, article 16(1) of the Regulation.

**6.2 You must provide below information regarding the development, validation and review of the applicant firm’s rating methodologies, including at least the information set out in the form.**

See Section 6, article 16(2)(a) of the Regulation.

**6.3 You must provide below information regarding the disclosure of the credit methodologies and descriptions of models and key rating assumptions used in the applicant firm’s credit rating activities as set out in point 5 of Part I of Section E of Annex I to Regulation (EC) No 1060/2009.**

See Section 6, article 16(2)(b) of the Regulation.

Issuance of credit ratings

**6.4 You must provide the rating nomenclatures used for each class of credit rating.**

See Section 6, article 17(1)(a) of the Regulation.

**6.5 You must provide the definition of any rating action and status used by the credit rating agency.**

See Section 6, article 17(1)(b) of the Regulation.

**6.6 You must attach the policies and procedures regarding the issuance of credit ratings, including at least the information set out in the form.**

See Section 6, article 17(1)(c) and Annex VII(2) of the Regulation.

**6.7 You must attach the terms of reference of any rating committees.**

See Section 6, article 17(1)(d) of the Regulation.

**6.8 You must describe the arrangements in place for disclosing a rating decision, including at least the information set out in the form.**

See Section 6, article 17(1)(e) and Annex VII(3) of the Regulation.

**6.9 You must describe the procedures in place to ensure that a methodology is applied and implemented consistently across classes of credit rating, offices and regions.**

See Section 6, article 17(1)(f) of the Regulation.

**6.10 You must identify below any differences between the treatment of unsolicited and solicited ratings in the policies and procedures provided in Questions 6.6 and 6.8.**

See Section 6, article 17(2) of the Regulation.

**6.11 Is the rating process regularly audited by an independent third party?**

See Section 6, article 17(3) of the Regulation.

**6.12 You must provide details and criteria for the selection of data providers.**

See Section 6, article 17(4)(a) of the Regulation.

**6.13 You must provide details on the reliability of internal and external data input rating models.**

See Section 6, article 17(4)(b) of the Regulation.

**6.14 You must provide details on the data sources used.**

See Section 6, article 17(4)(c) of the Regulation.

Monitoring of credit ratings

**6.15 You must provide information on the policies and procedures concerning the monitoring of ratings, identifying any differences between solicited and unsolicited ratings, and including the information set out in the form.**

See Section 6, article 18(a) and Annex VII(4) of the Regulation.

**6.16 You must provide information on the policies and procedures concerning the disclosure of a decision to review or change a rating.**

See Section 6, article 18(b) of the Regulation.

**6.17 You must provide information on the policies and procedures concerning the monitoring of the impact of changes in macroeconomic or financial market conditions on credit ratings as described in article 8(5) of Regulation (EC) No 1060/2009.**

See Section 6, article 18(c) of the Regulation.

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| 7 | Description of issue and review procedures and methodologies |

Credit rating presentation requirements

**7.1 You must provide the information set out in the form on the policies and procedures with respect to the credit rating disclosure requirements.**

See Section 7, article 19(a) of the Regulation.

You must also refer to paragraphs 1,2 and 5 of article 10 of Regulation (EC) No 1060/2009 and Annex 1, Section D(1).

**7.2 Does the applicant firm rate structured instruments?**

See Section 7, article 19(b) of the Regulation.

You must also refer to article 10(3), Annex I, Section B(4) and Annex I, Section D(2) of Regulation (EC) No 1060/2009.

**7.3 You must attach samples of typical credit rating reports or other documents demonstrating how the applicant firm meets or intends to meet these disclosure requirements.**

See Section 7, article 19(c) of the Regulation.

**7.4 You must attach samples of typical rating letters for each class of credit rating produced by the applicant firm.**

See Section 7, article 19(d) of the Regulation.

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| 8 | Conflicts of interest |

Independence and avoidance of conflicts of interest

**8.1 You must provide information on the policies and procedures with respect to the identification, management and disclosure of conflicts of interest and the rules on rating analysts and other persons directly involved in credit rating activities including the points set out in the form**

See Section 8, article 20(1) and Annex VIII of the Regulation.

**8.2 You must describe the process used to ensure that rating analysts and other persons directly involved in credit rating activities are aware of the policies and procedures mentioned in Question 8.1.**

See Section 8, article 20(1) and (2) of the Regulation.

You must also refer to Annex I, Section A(9) of Regulation (EC) No 1060/2009.

**8.3 You must describe the arrangements in place to ensure that the function responsible for reviewing the methodologies set out in point 9 of Section A of Annex I to Regulation (EC) No 1060/2009 is independent of the business lines which are responsible for credit rating activities.**

See Section 8, article 20(1) and (2) of the Regulation.

**8.4 You must describe the controls put in place, including the controls implemented through information systems, to comply with the requirements of paragraphs (2) and (3) of article 7 of Regulation (EC) No 1060/2009 on the negotiation of fees and the rules on persons involved in rating activities.**

See Section 8, article 20(2) of the Regulation.

You must also refer to Annex I, Section C of Regulation (EC) No 1060/2009.

**8.5 You must describe any other measures and controls put in place to ensure the independence of the applicant firm’s rating analysts.**

See Section 8, article 20(4) of the Regulation.

Inventory of conflicts of interests

**8.6 You must attach an up-to-date inventory of existing and potential conflicts of interest relevant to the applicant firm.**

See Section 8, article 21(1), (2) and (3) of the Regulation.

Conflicts of interest with respect to ancillary services

**8.7 You must describe the resources, both human and technical, shared by the rating and ancillary services of the applicant firm or shared with the group of undertakings to which it belongs.**

See Section 8, article 22(1) of the Regulation.

**8.8 You must describe the arrangements in place to prevent, disclose and mitigate any existing or potential conflicts of interest between the rating business and ancillary services.**

See Section 8, article 22(2) of the Regulation.

**8.9 You must attach a copy of the results of any internal assessment performed to identify any existing or potential conflict of interest between the rating business and ancillary services.**

See Section 8, article 22(3) of the Regulation.

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| 9 | Programme of operations |

All information given in this section should cover a period of 3 years after date of registration.

The answers given in this section should include indications of where the main business activities are expected to be carried out, branches to be established and the type of business envisaged.

Business concept / Business development

**9.1 You must describe the macroeconomic environment in which the applicant firm is expected to operate.**

See Section 9, article 23 and Annex IX (1)(a) of the Regulation.

**9.2 Does the applicant firm have any future plans for the establishment of subsidiaries or branches?**

See Section 9, article 23 and Annex IX (1)(b) of the Regulation.

**9.3 You must describe the business activities which the applicant firm plans to carry out, specifying the activities of subsidiaries and branches as appropriate.**

See Section 9, article 23 and Annex IX (1)(c) of the Regulation.

Class of credit ratings

**9.4 Does the applicant firm plan to produce solicited or unsolicited ratings?**

See Section 9, article 23 and Annex IX(2)(a) of the Regulation.

**9.5 You must provide an estimate of the proportion of public ratings and private ratings for each class of credit ratings planned.**

See Section 9, article 23 and Annex IX(2)(b) of the Regulation.

**9.6 Number of public / sovereign ratings**

See Section 9, article 23 and Annex IX(2)(c) of the Regulation.

**9.7 Number and volume (in billions of euro) of structured finance ratings**

See Section 9, article 23 and Annex IX(2)(d) of the Regulation.

**9.8 Number and volume (in billions of euro) of corporate ratings**

See Section 9, article 23 and Annex IX(2)(e) of the Regulation.

**9.9 You must provide details of the financial institutions, insurance and corporate issuers of the corporate ratings.**

See Section 9, article 23 and Annex IX(2)(e) of the Regulation.

This question should cover the class of credit ratings.

**9.10 The average number of credit ratings produced or monitored per employee presented by class of credit rating.**

See Section 9, article 23 and Annex IX(2)(f) of the Regulation.

Financial plan

**9.11 You must attach:**

* **a projected balance sheet**
* **a projected income statement**

See Section 9, article 23 and Annex IX(3) of the Regulation.

Corporate governance

**9.12 Number of members on the administrative and supervisory board**

See Section 9, article 23 and Annex IX(5)(a) of the Regulation.

**9.13 Number of independent members of the administrative and supervisory board**

See Section 9, article 23 and Annex IX(5)(b) of the Regulation.

Human Resources/Staffing

**9.14 Number of employees (excluding located in branches) as at the date of application and as at the close of each of the last 3 financial years**

See Section 1, article 7 and Annex II(11) of the Regulation.

**9.15 Number of permanent and temporary employees working in the functions**

See Section 9, article 23 and Annex IX(7) of the Regulation.

**9.16 You must provide the details of the number of employees per function / department.**

See Section 9, article 23 and Annex IX(8) (a) of the Regulation.

**9.17 You must provide the number of permanent and temporary employees working in the functions**

See Section 9, article 23 and Annex IX(8)(b) and (c) of the Regulation.

**9.18 You must provide details of the number of employees approving ratings, such as committee chairs, rating analysts and lead rating analysts, including the following information:**

* **seniority or rank**
* **the type of rating analysts including, where relevant, whether the employee is a primary or surveillance analyst, and a qualitative or quantitative analyst**
* **the number of years’ experience in the credit rating agency, or rating industry where available**

See Section 9, article 23 and Annex IX(8)(d) of the Regulation.

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| 10 | Use of endorsement |

**10.1 Does the applicant firm intend to endorse credit ratings issued in third countries?**

See Section 10, article 24 of the Regulation and Article 4(3) of Regulation (EC No 1060/2009.

**10.2 Full name of third-country credit rating agency**

See Section 10, article 24 and Annex XI(1)(a) of the Regulation.

**10.3 What type of firm is the third-country credit rating agency?**

See Section 10, article 24 and Annex XI(1)(b) of the Regulation.

**10.4 You must attach an excerpt from the relevant commercial or court register, or other form of evidence of the place of incorporation and scope of business activity or other details of company registration.**

See Section 10, article 24 and Annex XI(1)(b) of the Regulation.

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

See Section 10, article 24 and Annex XI(1)(c) of the Regulation.

**10.6 Registered Office address**

See Section 10, article 24 and Annex XI(1)(d) of the Regulation.

**10.7 You must attach evidence that the third-country credit rating agency is authorised or registered and is subject to supervision in the relevant jurisdiction.**

See Section 10, article 24 and Annex XI(1)(e) of the Regulation.

**10.8 You must provide details of the class of credit rating which the credit rating agency expects to endorse.**

See Section 10, article 24 and Annex XI(1)(f) of the Regulation.

**10.9 Number of analysts the third-country rating agency employs**

See Section 10, article 24 and Annex XI(1)(g) of the Regulation.

**10.10 You must attach an organisational ownership chart of each credit rating agency, its subsidiaries, branches, parent undertaking and subsidiaries controlled by the parent undertaking involved in the process of issuing ratings for which endorsement is envisaged.**

See Section 10, article 24 and Annex XI(2) of the Regulation.

Assessment of the third-country regulatory regime

**10.11 You must provide detailed information, structured analysis and reasoning for each requirement set out in articles 6 to 12 of Regulation (EC) No 1060/2009, including any reference to the relevant section of the third-country law/regulation.**

See Section 10, article 24 and Annex XI(3) of the Regulation.

Procedures to monitor conduct

**10.12 You must describe the measures put in place by the endorsing credit rating agency to monitor that the third-country credit rating agency is fulfilling such requirements and to monitor any potential concerns identified by the endorsing credit rating agency with respect to the fulfilment of such requirements.**

See Section 10, article 24 and Annex XI(4) of the Regulation.

Objective reasons

**10.13 You must indicate the objective reasons for credit ratings to be issued in a third country.**

See Section 10, article 24 and Annex XI(5) of the Regulation.

Legislation in the third country

**10.14 You must attach evidence that public authorities are not entitled to interfere with the content of credit ratings and methodologies used by credit rating agencies incorporated in each relevant third-country jurisdiction.**

See Section 10, article 24 and Annex XI(6) of the Regulation.

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| 11 | Outsourcing |

Outsourcing

**11.1 You must describe the activities that the applicant firm plans to outsource.**

See Section 9, article 23 and Annex IX(6) of the Regulation.

**11.2 You must provide details of the applicant firm’s policies with respect to outsourcing.**

See Section 11, article 25(1)(a) and (2) of the Regulation.

**11.3 You must explain how the applicant firm intends to identify, manage and monitor the risks posed by the outsourcing of important operational functions.**

See Section 11, article 25(1)(b) of the Regulation.

**11.4 You must attach a copy of the outsourcing agreements between the applicant firm and the entity to which the activities are outsourced.**

See Section 11 article 25(1)(c) of the Regulation.

**11.5 You must attach a copy of any internal or external report on the outsourced activities issued in the past 5 years.**

See Section 11 article 25(1)(d) of the Regulation.

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| 12 | Supporting Documents |

No additional notes

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| 13 | Fees and Levies |

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

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 authorisation (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 authorised 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

13.1 Fee block J – Credit Rating Agencies

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

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

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

**13.2 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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| 14 | Application fee |

For more information on application fees:

• see the FCA Handbook – FEES 3: [www.handbook.fca.org.uk/handbook/FEES/3/](http://www.handbook.fca.org.uk/handbook/FEES/3/)

• see our website: www.fca.org.uk

• email [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)

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| 15 | Declaration and signatures |

No additional notes