



SECOND QUESTIONNAIRE ON OTHER CRA PRODUCTS

The Board of the International Organization of Securities Commissions (IOSCO) approved a project specification for its Committee 6 on Credit Rating Agencies (C6) to gain a better understanding of the credit rating industry and in particular of certain other products or services (Other CRA Products). These Other CRA Products – which are distinguishable from the credit ratings publicly disclosed or disseminated to subscribers¹ (Traditional Credit Ratings) – may be referred to as, 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” or “research” or other tools which may be used for a person’s or organization’s own risk assessments (for example, quantitative models and enterprise risk solutions software). Similar to Traditional Credit Ratings, Other CRA Products may be used by market participants as part of assessing the creditworthiness of an entity or obligation, while some Other CRA Products may be used by market participants as part of their internal risk assessment analysis. However, Other CRA Products may differ from Traditional Credit Ratings in that they may emphasize only one particular aspect of a Traditional Credit Rating; for example Other CRA Products may focus only on quantitative analysis or qualitative considerations.

C6 is undertaking this exercise through the completion of a series of successive stages of information gathering. The completion of each stage will inform the scope and structure of the following stage.

On February 4, 2015 IOSCO published a first questionnaire on Other CRA Products (<https://www.iosco.org/news/pdf/IOSCONEWS363.pdf>). This questionnaire was particularly addressed to issuers of Other CRA Products.

Today, IOSCO is publishing the second questionnaire to gather information on how issuers, investors and users, more generally, of the Other CRA Products utilize and understand such products.

The questionnaire should be completed in the English language and returned by July 31, 2015 to survey-other-cra-products@iosco.org. Any non-public information provided should be marked by the respondents as such and will be treated confidentially to the extent permitted by local laws.

¹ Under the IOSCO CRA Revised Code of Conduct in 2015, a credit rating is defined as an “assessment regarding the creditworthiness of an entity or obligation, expressed using an established and defined ranking system.”



Recipients of this questionnaire are encouraged to participate in this questionnaire as their experience and views will be a useful and important input into this exercise.

If respondents have questions regarding this questionnaire they can contact C6 members at: survey-other-cra-products@iosco.org. C6 would like to thank in advance all questionnaire respondents for their feedback and insights.



Second Questionnaire on Other CRA Products:

Organization:	
Contact Person:	

Question 1

Please list the Other CRA Products² that you or your organization use and receive from credit rating agencies or any of their affiliates, partnerships, joint ventures or other combinations, including their affiliated entities, whether or not any such entities are registered or licensed with any regulatory or governmental body (collectively, CRAs), or from any other organization that is not necessarily a CRA.

Question 2

Which function, area or group within your organization uses the Other CRA Products? How are the Other CRA Products used and what is their purpose? What are the main features of the Other CRA Products?

Question 3

Are any of the Other CRA Products offered by the CRAs or other entities custom made for your organization?

Question 4

Do you use the Other CRA Products instead of, in combination with or to supplement the information provided by Traditional Credit Ratings?

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Question 5

Do you use the Other CRA Products (for example, credit default swap spreads, bond indexes, score cards, portfolio assessment tools, among others) to assess or verify the performance or accuracy of a Traditional Credit Rating?

Question 6

Is the increased availability of large volumes of financial data changing how creditworthiness and credit risks are assessed in your industry? Do you see any developing trends?