

MEMO# 29142

July 2, 2015

IOSCO Issues Questionnaire on "Other" Credit Rating Agency Products

[29142]

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TO: FIXED-INCOME ADVISORY COMMITTEE No. 22-15
ICI GLOBAL REGULATED FUNDS COMMITTEE No. 36-15
INTERNATIONAL COMMITTEE No. 35-15
INVESTMENT ADVISERS COMMITTEE No. 8-15
MONEY MARKET FUNDS ADVISORY COMMITTEE No. 23-15
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 14-15
SEC RULES COMMITTEE No. 21-15
SMALL FUNDS COMMITTEE No. 18-15 RE: IOSCO ISSUES QUESTIONNAIRE ON "OTHER"
CREDIT RATING AGENCY PRODUCTS

As part of its ongoing work to better understand the credit rating industry and certain of its products and services, the International Organization of Securities Commissions ("IOSCO") has issued a questionnaire directed to users of "other products" provided by credit rating agencies ("CRAs"). [1] IOSCO draws a distinction between "traditional credit ratings" [2] (which are publicly disclosed or disseminated to subscribers) and "Other CRA Products," [3] and focuses this questionnaire on the latter. This latest questionnaire complements the questionnaire IOSCO released in February, which was directed to issuers of Other CRA Products. These questionnaires represent stages of IOSCO's information gathering on this subject.

IOSCO is encouraging users of Other CRA Products to complete this questionnaire. The deadline for submitting the questionnaire is July 31. If you would prefer to complete the questionnaire and have ICI submit responses on your behalf without identifying your firm, please send your responses to me at matt.thornton@ici.org by no later than Friday, July 24 (close of business).

Matthew Thornton
Counsel

endnotes

[1] Available at www.iosco.org/library/pubdocs/pdf/IOSCOPD492.pdf.

[2] IOSCO defines a credit rating as an “assessment regarding the creditworthiness of an entity or obligation, expressed using an established and defined ranking system.”

[3] Other CRA Products may include “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. These may include, for instance, analyses by CRAs of the effects that hypothetical or proposed transactions would have on an entity’s or obligation’s credit rating.

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