

CIRCULAR

SEBI/HO/MIRSD/MIRSD_CRADT /P/CIR/2022/43

April 01, 2022

To,

All Credit Rating Agencies registered with SEBI

Dear Sir/ Madam,

Sub: Standardisation of Ratings Scales Used by credit rating agencies - Extension of timeline for implementation

1. In order to standardise the usage of rating scales, SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/594 dated July 16, 2021 advised the credit rating agencies to either align their rating scales with the rating scales prescribed under the guidelines of respective financial sector regulator or authority in terms of Regulation 9(f) of SEBI (Credit Rating Agencies) Regulations, 1999, or in absence of the same, follow rating scales prescribed by the Board vide circular dated June 15, 2011, June 13, 2019, or any other circular issued by the Board from time to time, by March 31, 2022.
2. Representation has been received from credit rating agencies requesting for extension of the date of applicability of the provisions of the section B of the aforesaid circular.
3. In view of representation received from credit rating agencies, it has been decided to extend the date of applicability of the section B of the aforesaid circular. Credit rating agencies shall ensure compliance with the requirements/ provisions of the section B of the aforesaid circular on or before June 30, 2022.
4. This circular is issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 20 of SEBI (Credit Rating Agencies) Regulations, 1999, to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Yours faithfully,

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