

CIRCULAR

SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2024/97

July 04, 2024

To,

All Registered Credit Rating Agencies (CRAs),

Dear Sir/ Madam,

Sub: Measures for Ease of Doing Business for Credit Rating Agencies (CRAs) –

Timelines and Disclosures

(Modification to Chapter III of the Master Circular for Credit Rating Agencies dated May 16, 2024)

1. Para 28.3.3 of the Master Circular for CRAs - SEBI/HO/DDHS/DDHS-POD3/P/CIR/2024/47 dated May 16, 2024 ("Master Circular"), prescribes the timeline to be followed by CRAs for dissemination of Press Release on CRA's website and intimation of the same to Stock Exchanges/ Debenture Trustees, pursuant to rating committee meeting in respect of periodic surveillance of ratings.
2. In order to promote Ease of Doing Business and bring about uniformity in dealing with appeals, based on consultation with stakeholders including CRAs, it has been decided to provide specific timelines for dealing with appeals made by the issuer in respect of rating actions carried out pursuant to periodic surveillance of ratings. Accordingly, Para 28.3.3 shall stand modified as follows:

Periodic surveillance

Scenario	Timeline - immediately but not later than
<i>Communication of the rating to the issuer</i>	<i>1 working day* of the Rating Committee meeting</i>
<i>Request for review/ appeal of rating by the Issuer</i>	<i>3 working days of the Rating Committee meeting</i>

Scenario	Timeline - immediately but not later than
<i>Dissemination of Press Release on CRA's website and intimation of the same to Stock Exchange/ Debenture Trustee</i>	<i>7 working days of the Rating Committee meeting</i>

** While an outer timeline of 1 working day has been specified, CRAs shall endeavor to communicate the rating to the issuer on the same day as the Rating Committee meeting.*

3. Para 31.1.2 of the Master Circular is as under:

"An archive of all disclosures should be maintained by CRAs on their website, for at least 10 years. This also includes ratings press releases by CRAs".

However, the disclosures mentioned below shall be made as per the period/ frequency specified for the respective disclosure in the Master Circular:

3.1. Disclosure of list of non-cooperative issuers – Daily (Para 11.6 of the Master Circular)

3.2. Disclosures in case of rating not accepted by an issuer – 12 months (Para 28.5.2 of the Master Circular)

3.3. Disclosure in case of delay in periodic review – 12 months (Para 28.6 of the Master Circular)

4. CRAs shall continue to maintain records in respect of the said disclosures for a period of 10 years, which may be shared with Debenture Trustees upon request. Further, disclosures in respect of the said aspects shall continue to be made available by the CRAs on their website under the issuer-specific Press Releases/ Rating Rationale section of the respective issuer, wherever applicable.

5. **Applicability:** The circular shall be applicable with effect from August 01, 2024.

6. **Monitoring:** Monitoring of this circular shall be done in terms of the half-yearly internal audit for CRAs, mandated under Regulation 22 of the CRA Regulations and circulars issued thereunder.
7. This circular is issued with the approval of competent authority, 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 CRA Regulations 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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