



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

**For Immediate Release
July 6, 2017**

Canadian securities regulators seek comments relating to designated rating organizations

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed rule amendments and policy changes related to designated rating organizations (DROs) and credit ratings of DROs.

CSA staff are proposing to amend National Instrument 25-101 *Designated Rating Organizations* (NI 25-101) to reflect new European Union (EU) requirements for credit rating organizations, to ensure the EU continues to recognize the Canadian regime as “equivalent” for regulatory purposes after these new requirements go into effect on June 1, 2018. The proposed amendments would allow credit ratings of a Canadian office of a DRO to continue to be used for regulatory purposes in the EU.

To ensure that NI 25-101 continues to reflect the International Organization of Securities Commissions (IOSCO) *Code of Conduct Fundamentals for Credit Rating Agencies* (the Code), the proposed amendments also reflect new provisions in the March 2015 version of the Code.

“The IOSCO Code offers a robust framework to protect the integrity of the credit rating process, ensure investors and issuers are treated fairly, and safeguard confidential information that rated issuers provide to credit rating organizations,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers. “We believe it is important that Canadian rules reflect the high standards of the IOSCO Code.”

CSA staff are also proposing to amend National Instrument 44-101 *Short Form Prospectus Distributions* and National Instrument 44-102 *Shelf Distributions* to recognize the credit ratings of Kroll Bond Rating Agency, Inc. (Kroll), but only for the purposes of the alternative eligibility criteria for issuers of asset-backed securities to file a short form prospectus or shelf prospectus, respectively. The proposed amendments also address other matters.

Kroll would only be designated as a DRO if the proposed rule amendments are enacted as final rule amendments and come into effect following any necessary Ministerial approvals. At this time, CSA staff do not anticipate proposing that Kroll be designated as a DRO for purposes of other credit rating provisions in securities rules and policies.

Stakeholders are invited to submit their comments in writing by October 4, 2017.

The notice and request for comment can be found on CSA members’ websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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