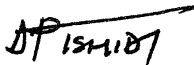


**BOARD NOTICE 167 OF 2013****FINANCIAL SERVICES BOARD****CREDIT RATING SERVICES ACT, 2012****REQUIREMENTS FOR APPROVAL OF COMPLIANCE UNIT**

I, Dube Phineas Tshidi, Registrar of Credit Rating Agencies, hereby prescribe under section 16(1) of the Credit Rating Services Act, 2012 (Act No. 24 of 2012), the requirements for an independent compliance unit as set out in the schedule.

  
DP TSHIDI

**REGISTRAR OF CREDIT RATING AGENCIES**

**SCHEDULE****1. Definitions**

In this Schedule, “**the Act**” means the Credit Rating Services Act, 2012 (Act No. 24 of 2012), and any word or expression to which a meaning has been assigned in the Act, bears that meaning so assigned to it and, unless the context indicates otherwise-

“**external compliance unit**” means a compliance unit established within the group to which the registered credit rating agency belongs;

“**NQF level 7**” means level 7 of the national qualifications framework contemplated in the National Qualifications Framework Act, 2008 (Act No. 67 of 2008).

**2. Application**

(1) A credit rating agency must in this application for approval of a compliance unit indicate whether it will establish -

- (a) a unit within the registered credit rating agency; or
- (b) an external compliance unit

(2) The registrar must be satisfied that the compliance officer, responsible for the compliance unit, with regard to a unit established under -

- (a) sub-paragraph (1)(a), complies with the criteria prescribed under paragraph 3; and
- (b) sub-paragraph (1)(b), complies with the criteria prescribed under paragraph 4.

### **3. Criteria for compliance officers of registered credit rating agencies**

- (1) A person to be appointed as a compliance officer, must-
  - (a) hold a legal, accounting or business degree or advanced diploma at NQF level 7;
  - (b) have at least three years' experience in performing a compliance or risk management function;
  - (c) have at least one year's experience in performing a compliance or risk management function in respect of a credit rating agency; and
  - (d) comply with the same requirements determined by the registrar under section 5(1)(d) of the Act.

### **4. Criteria for approval of external compliance units**

- (1) A person to be appointed as a compliance officer of an external compliance unit must have similar experience and qualifications as prescribed under paragraph 3.
- (2) The registrar must be satisfied that-
  - (a) the compliance unit is able to regularly monitor the compliance of the registered credit rating agency;
  - (b) the compliance officer will be able to comply with the duties of a compliance officer as set out in section 16(3)(a) of the Act.

### **5. Application form**

A registered credit rating agency must submit an application for the approval of the compliance unit on Form 1 attached.

### **6. Transitional provision**

A compliance officer who has been appointed by a registered credit rating agency on the date of publication of this Notice, and who does not meet the prescribed criteria, must comply with the prescribed criteria within one year of the date of publication of this Notice.

### **7. Commencement**

This Notice takes effect on the date of publication thereof.

**FORM 1**

**FINANCIAL SERVICES BOARD**

**CREDIT RATING SERVICES ACT, 2012**

**APPLICATION FOR APPROVAL OF COMPLIANCE UNIT**

Company name: .....

1. Type of Compliance Unit, (tick applicable box)

- a) a unit within the registered credit rating agency
- b) an external compliance unit


2. Compliance Officer

(a) Details of Compliance Officer;

Surname: .....

Names: .....

Identity Number: .....

Nationality: .....

Employed by: .....

Reports to and title: .....

(b) Business address where based:

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(c) Residential address of Compliance Officer or Head of Compliance:

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(d) Qualifications and name of Institution where obtained:

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(e) Experience, attach detailed curriculum vitae.

(f) An external compliance unit must submit to the registrar a plan evidencing its ability to regularly monitor the compliance of the registered credit rating agency as well as its ability to comply with the duties of a compliance officer as set out in section 16(3)(a) of the Act.