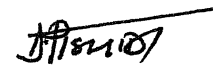


BOARD NOTICE 168 OF 2013**FINANCIAL SERVICES BOARD****CREDIT RATING SERVICES ACT, 2012****ANNUAL REPORT TO THE PUBLIC BY A REGISTERED CREDIT RATING AGENCY**

I, Dube Phineas Tshidi, Registrar of Credit Rating Agencies, hereby prescribe under section 15(1)(f) of the Credit Rating Services Act, 2012 (Act No. 24 of 2012), the additional information that must be contained in the annual report of a registered credit rating agency as set out in the schedule.



DP TSHIDI

REGISTRAR OF CREDIT RATING AGENCIES

SCHEDULE**1. Definition**

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 the meaning so assigned to it.

2. Additional information that must be contained in the annual report of a registered credit rating agency

(1) In addition to the information contemplated in section 15(1) (a) to (e) of the Act, the following information must be included in the annual report of a registered credit rating agency-

- (a) details of the review of its quality control system;
- (b) details of its methodologies, models and key assumptions reviewed;
- (c) details of analyst rotation;
- (d) details of staff allocated to ratings;
- (e) detailed information identifying all credit ratings by category, including but not limited to credit ratings reviewed, new credit ratings assigned, credit ratings withdrawn, instances where credit ratings were requested but were not issued and the credit rating agency declined to issue a credit rating, and credit rating products used and conducted during the year and any changes thereto;

- (f) a list of members of the board of directors, senior management and relevant sub-committees of the registered credit rating agency and any changes thereto over the last financial year;
- (g) a list of members of the executive committee of the registered credit rating agency and any changes thereto over the last financial year;
- (h) a report by the chairperson and/or chief executive officer of the review of the operations of the registered credit rating agency over the last financial year;
- (i) information detailing the registered credit rating agency's policies and initiatives in adopting the King Code on Corporate Governance Principles;
- (j) a status report on the investor education initiatives, if any, of the registered credit rating agency;
- (k) information on enhancements and changes to the registered credit rating agency's risk mitigation, operational integrity, and related issues;
- (l) data about the historical default rates, of at least the past 10 years, of the registered credit rating agency's rating categories; and
- (m) information on how the registered credit rating agency has addressed adherence to the prescribed code of conduct, together with details of changes made to the registered credit rating agency's code of conduct and confirmation that the registered credit rating agency's code of conduct has been published as prescribed.

3. Commencement

This Notice takes effect on the date of publication thereof.