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## BOARD NOTICE

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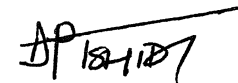
### BOARD NOTICE 164 OF 2013

#### FINANCIAL SERVICES BOARD

#### CREDIT RATING SERVICES ACT, 2012

#### APPLICATION FOR REGISTRATION AS CREDIT RATING AGENCY

I, Dube Phineas Tshidi, Registrar of Credit Rating Agencies hereby prescribe under sections 5(1)(a) to (f) of the Credit Rating Services Act, 2012 (Act No. 24 of 2012), the conditions applicable to an application for registration as a credit rating agency as set out in the schedule.



D P 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. Application for a registration as a credit rating agency

An applicant

for registration as a credit rating agency must submit to the registrar a written application on Form CRSA1 accompanied by–

- (i) the information specified in Annexure 1 to Form CRSA1; and
- (ii) the information required in respect of members of the controlling body of the applicant specified in Annexure 2 to Form CRSA1.

### **3. Address**

Applications must be submitted to:

**The Registrar of Credit Rating Agencies**

#### **Postal Address**

P O Box 35655

Menlo Park

0102

*or*

#### **Physical Address**

Block B, Riverwalk Office Park

Ashlea Gardens, Extension 6

41 Matroosberg Road

Pretoria

0181

### **4. Commencement**

This Notice takes effect on the date of publication thereof.

**FORM CRSA 1****CREDIT RATING SERVICES ACT, 2012****APPLICATION FOR REGISTRATION AS CREDIT RATING AGENCY**

1. I, ....., the chief executive officer/managing director of (name of applicant) ..... (here under referred to as the applicant), being specifically authorised thereto by the board of directors of the applicant, apply on behalf of the applicant for the registration of the applicant as a credit rating agency that provides credit rating services in respect of the following specified category of credit ratings or credit rating services (tick appropriate block) –

- ☐ an entity;
- ☐ securities;
- ☐ financial instruments;
- ☐ an issuer of securities or;
- ☐ an issuer of financial instruments.

2. This application for registration is an:

- ☐ Initial application;
- ☐ Application to add, amend or withdraw a category of credit ratings;
- ☐ Update of registration;
- ☐ Amendment of conditions of registration.

3. The prescribed application fee of ..... is enclosed.

4. The place in the Republic at which the business of the applicant will be carried on is

.....

Signed at ..... on this ..... day of ..... 20 .....

.....  
Chief Executive Officer/Managing Director

Witnesses:

1.....

2.....

**ANNEXURE 1 TO FORM CRSA 1****Information which, if applicable to the applicant, must be contained in an application for the registration of a credit rating agency****1. The following information:**

- (a) a certificate of incorporation of the applicant under the Companies Act, where the applicant is located in the Republic, or proof of registration of the applicant as an external company under the Companies Act, where the applicant is an external credit rating agency;
- (b) details of its –
  - (i) incorporation, registration, authorisation or approval in countries other than the Republic to undertake credit rating services; if applicable;
  - (ii) ownership structure, organisational structure and corporate governance;
  - (iii) subsidiaries and associates, if any;
  - (iv) resources and expertise to perform credit rating services;
  - (v) programme of operations, including indications of where the main business activities are expected to be carried out, branches to be established, and the type of business that will be undertaken at each location;
  - (vi) expected outsourcing arrangements, including details of the persons that will be assuming outsourcing functions;
  - (vii) policies and procedures to identify, manage and disclose any conflicts of interest;
  - (viii) compensation and performance evaluation arrangements;
  - (ix) compliance with or adherence to the Code of Conduct prescribed in terms of section 11;
  - (x) credit ratings performance measurement statistics;
  - (xi) policies and procedures adopted and implemented to prevent the misuse of material, non-public information;
  - (xii) code of ethics or a statement of the reasons why a code of ethics is not in effect;
  - (xiii) a list of its 20 largest clients, and the percentage of revenue that each of those 20 clients, individually or together with affiliates, contribute to the total annual revenue of the credit rating agency; and

- (xiv) any client who, individually or together with affiliates, contributes more than 10% to the total annual revenue of the credit rating agency.
- (c) a description of the procedures and methodologies to be used to issue and review credit ratings.
- (d) a description of how the applicant intends making the credit ratings in the category registered readily accessible for free or for a reasonable fee.

2. The following administrative information:

- (a) Name under which the credit rating services is primarily conducted.
- (b) Any other name under which the applicant conducts business including credit rating services.
- (c) The postal, physical and electronic mail addresses of the applicant's registered address or head office within the Republic at which it will receive all documents for the purpose of this application.
- (d) The telephone and facsimile numbers of the applicant and the chief executive officer/managing director of the applicant.
- (e) A list which reflects the full names of the members of the board of directors of the applicant, and a statement signed by each member to the effect that he or she knows of no reason why he or she should not serve his or her term of office as a member of the board of directors.
- (f) A list which reflects the names, physical and postal addresses, telephone and facsimile numbers of the applicant's—
  - (i) bank;
  - (ii) auditor; and
  - (iii) attorney.



3. A copy of the founding documents of the applicant which regulates at least the following;

- (a) The structure of the applicant;
- (b) The objects of the applicant;
- (c) The powers of the applicant;
- (d) The composition and functions of the board of directors;
- (e) The procedures for election or appointment of members of the board of directors, their terms of office, and when membership may be terminated;
- (f) The procedures for the calling of meetings of people who hold an interest in the applicant;
- (g) The voting powers of people who hold ownership interests in the applicant;
- (h) The appointment of auditors;
- (i) Day and month of the financial year end;
- (j) The procedures for the dissolution of the applicant.

4. Adequacy of financial resources

- (a) If the applicant has been in existence for more than a year, a copy of its audited annual financial statements as at its latest financial year-end.
- (b) If the applicant has been in existence for less than a year, a copy of three years financial projections.
- (c) A copy of the budgeted income statement, balance sheet and cash flow statement for a three year period from the date of the latest financial statements or for a three year period where there are no financial statements.
- (d) A statement signed by the chief executive officer/managing director of the applicant specifying the critical assumptions made in the preparation of budgets and the sources from which the applicant will derive its funding.

- (e) Where arrangements have been made for the funding of any temporary shortfall in available cash resources, a statement must be provided by the party or parties concerned setting out the extent and terms of their commitment.
- 5. Adequacy of management and human resources
  - (a) An explanation of the management structure of the applicant including the names of the individuals responsible for the major functional areas and the number of personnel employed in each functional area.
  - (b) A curriculum vitae in respect of each member of the management of the applicant who is responsible for a major functional area, which indicates his or her relevant experience and training.
- 6. The business plan of the applicant, which has been approved by the board of directors and which deals at least with the following matters:
  - (a) The executive summary setting out the credit rating agency's objectives, mission and keys to success;
  - (b) The company summary setting out the credit rating agency's ownership structure, history (for an existing company), start-up plan (for a new company) as well as the facilities of the credit rating agency which includes its planned development of information technology systems and infrastructure of the applicant;
  - (c) The products and services to be provided by the credit rating agency highlighting the technology available as well as details of any ancillary services that will be provided by the applicant;
  - (d) Details of how the corporate governance policies will be implemented.
- 7. A report from the Head of Information Technology and Chief Operating Officer of the applicant to the effect that adequate systems and procedures are in operation relating to risk reduction, particularly by means of processing, physical, logical security, backup and contingency controls.
- 8. The applicant must supply any other information, which the registrar may reasonably require.

**ANNEXURE 2 TO FORM CRSA 1****1. Information required in respect of members of the board of directors of a credit rating agency**

An application for the registration of a credit rating agency must be accompanied by the following information in respect of members of the board of directors of the applicant:

1. A curriculum vitae in respect of each member of the controlling body indicating the nature and extent of the member's qualifications and experience in the business operated by the applicant and the names of two referees;
2. Compliance with all the provisions in the Notice setting out the fit and proper requirements of directors and key employees of the credit rating agency, including the submission of all documents required under the Notice.
3. Full details of any fact which may have an impact on the evaluation by the registrar of the good character and integrity of a member of the controlling body.

**2. Information required in respect of the applicant's credit analysts and the persons who supervise the credit analysts of a credit rating agency**

An application for the registration as a credit rating agency must be accompanied by the following information in respect of the applicant's credit analysts and the persons who supervise the credit analysts:

1. The total number of credit analysts.
2. The total number of credit analyst supervisors and their location.
3. A general description of the minimum qualifications required of the credit analysts, including educational level and work experience (if applicable distinguish between junior, mid and senior level credit analysts).
4. A general description of the minimum qualifications required of the credit analyst supervisors, including educational level and work experience.

5. Compliance with all the provisions as contained in the Notice setting out the fit and proper requirements of directors and key employees of the credit rating agency, including the submission of all documents required under the Notice.

**3. Information required in respect of the designated compliance officer of the applicant**

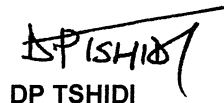
An application for the registration of a credit rating agency must be accompanied by the following information in respect of the designated compliance officer of the applicant:

1. Name;
2. Employment history;
3. Post-Secondary Education;
4. Compliance with all the provisions as contained in the Notice setting out the fit and proper requirements of directors and key employees of the credit rating agency, including the submission of all documents required under the Notice.

**BOARD NOTICE 165 OF 2013****FINANCIAL SERVICES BOARD****CREDIT RATING SERVICES ACT, 2012****INTERNATIONAL CODE OF CONDUCT**

I, Dube Phineas Tshidi, Registrar of Credit Rating Agencies, hereby prescribe under section 11(1)(a) of the Credit Rating Services Act, 2012 (Act No. 24 of 2012), the Code of Conduct Fundamentals for Credit Rating Agencies of the International Organisation of Securities Commissions, as published and as amended from time to time, as the International Code of Conduct, the principles of which must be contained in the code of conduct to be adopted, published and adhered to by a registered credit rating agency.

This Notice takes effect on the date of publication thereof.

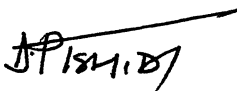


DP TSHIDI

**REGISTRAR OF CREDIT RATING AGENCIES**

**BOARD NOTICE 166 OF 2013****FINANCIAL SERVICES BOARD****CREDIT RATING SERVICES ACT, 2012****FIT AND PROPER REQUIREMENTS FOR CREDIT RATING AGENCIES**

I, Dube Phineas Tshidi, Registrar of Credit Rating Agencies, hereby prescribe under section 5(1)(d) of the Credit Rating Services Act, 2012 (Act No. 24 of 2012), fit and proper requirements for credit rating agencies and directors and key employees of credit rating agencies as set out in the schedule.



DP TSHIDI

**REGISTRAR OF CREDIT RATING AGENCIES****SCHEDULE****1. Definitions**

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

"**applicant**" means a person applying for registration as a credit rating agency as contemplated in section 5 of the Act; and

"**key employee**" means any employee of the credit rating agency involved in credit rating services.

**2. Honesty and integrity.**

(1) A director or key employee of a registered credit rating agency must be a person who is honest and has integrity.

(2) In determining whether a director or key employee complies with subparagraph (1), the registrar may refer to any information in possession of the registrar or brought to the registrar's attention.

(3) Without prejudice to the generality of subparagraphs (2) and (4), any of the following factors constitutes *prima facie* evidence that the person does not qualify in terms of subparagraph (1), namely that the person—

- (a) has been found guilty in any civil or criminal proceedings by a court of law, whether in the Republic of South Africa or elsewhere, of having acted fraudulently, dishonestly, unprofessionally, dishonourably or in breach of a fiduciary duty;
- (b) has been found guilty by any professional or financial services industry body, whether in the Republic of South Africa or elsewhere, of an act of dishonesty, negligence, incompetence or mismanagement;
- (c) has been denied membership of any body referred to in sub-paragraph (b) on account of an act of dishonesty, negligence, incompetence or mismanagement;
- (d) has—
  - (i) been found guilty by any regulatory or supervisory body, whether in the Republic of South Africa or elsewhere; or
  - (ii) had its authorisation to carry on business refused, suspended or withdrawn by any such body on account of an act of dishonesty, negligence, incompetence or mismanagement;
- (e) has had any licence granted by any regulatory or supervisory body referred to in subparagraph (d) suspended or withdrawn by such body on account of an act of dishonesty, negligence, incompetence or mismanagement; or
- (f) has at any time prior to the date of application been disqualified or prohibited by any court of law, whether in the Republic of South Africa or elsewhere, from taking part in the management of any company or other statutorily created, recognised or regulated body, irrespective whether such disqualification has since been lifted or not.

(4) An applicant, director or key employee must be candid and accurate in the application and must of own accord disclose all facts or information at the disposal of, or which may be accessible to the applicant, director or key employee and which may be relevant for purposes of a decision by the registrar that the director or key employee complies or does not comply with subparagraph (1).

(5) An applicant must submit its application with completed Annexure B and D Forms in respect of each of its directors and key employees.

### **3. Competence.**

(1) An applicant must satisfy the registrar that its directors and key employees are competent to undertake the credit rating services which it intends providing including, where appropriate, detailed knowledge of the structure, purpose and risks of the products associated with the type of credit rating service it intends providing.

(2) Without prejudice to the generality of subparagraph (1), in determining a person's competence, the registrar may have regard to, including, but not limited to the following matters:-

- (a) the person's past performance or expertise in the rendering of credit rating services;
- (b) the person's skills and experience to operate and manage, where applicable, the regulated activities of the credit rating agency;
- (c) the person's technical knowledge and ability to perform prescribed duties for which he or she is engaged, including recognised relevant professional qualifications and membership of relevant professional institutions.

(3) A registered credit rating agency must comply with the following conditions, in addition to any other conditions imposed by the registrar in terms of the Act (if any) as indicated on the applicant's registration form when granted: A registered credit rating agency must:-

- (a) maintain a register of directors and key employees, which must be regularly updated;
- (b) promptly inform the registrar when the appointment of a director or key employee is terminated and the reason therefor;
- (c) complete Annexure B where a new director or key employee is appointed, and promptly submit it to the registrar;
- (d) annually submit a written statement to the registrar wherein continued compliance with this Notice with respect to each director and key employee is confirmed.

#### **4. Operational ability.**

An applicant must have and be able to maintain the operational ability to fulfil the responsibilities imposed by the Act on registered credit rating agencies, including at least the following-

- (a) a fixed business address in the Republic of South Africa;
- (b) adequate access to communication facilities including at least a full-time telephone or cell phone service, administrative facilities, including electronic, typing and document duplication facilities;
- (c) adequate storage and filing systems for the safe-keeping of records, business communications and correspondence; and
- (d) an account with a registered bank in the Republic of South Africa.



**5. Financial soundness of applicants.**

(1) An applicant must not be under liquidation or provisional liquidation, or subject to business rescue proceedings as contemplated in the Companies Act, or have made composition arrangements with its creditors, filed for bankruptcy or filed for winding-up.

(2) The assets of an applicant (excluding goodwill and other intangible assets) must exceed the applicant's liabilities (excluding loans validly subordinated in favour of all other creditors).

(3) An applicant must maintain current assets which are at least sufficient to meet current liabilities.

(4) An applicant must not be subject to any judgment debt or award which remains outstanding or has not been satisfied within a reasonable period.

(5) An applicant must provide the registrar with a satisfactory credit reference.

**6. Financial soundness of directors and key employees.**

(1) A director or key employee of a registered credit rating agency must not be an unrehabilitated insolvent, sequestered, applied for sequestration or subject to debt review as contemplated by the National Credit Act, 2005 (Act No. 34 of 2005).

(2) A director or key employee of a registered credit rating agency must not be subject to any judgment debt or award which remains outstanding or has not been satisfied within a reasonable period.

(3) A director or key employee of a registered credit rating agency must provide the registrar with a satisfactory credit reference.

**7. Commencement.**

This Notice takes effect on the date of publication thereof.

**ANNEXURE A****GENERAL INFORMATION ON COMPLETION OF QUESTIONNAIRES AS CONTAINED IN ANNEXURES B, C AND D****A. Instructions for completion and submission**

1. The questionnaires in Annexure B, C and D must be properly completed and the declaration signed. Questions must be answered either in full or indicated not applicable ("n/a"). The signatory(ies) of the questionnaires must be duly authorised to furnish the information.
2. The questionnaires in Annexure B, C and D must be completed in respect of directors, and key employees and the applicant as indicated therein.
3. The format of the questionnaire or the wording of questions may not be changed. However, this document may be reproduced.
4. Answers may be in handwriting or in typewriting.
  - 4.2. If the questionnaire is completed in writing and the space provided is not sufficient, the detail may be provided on a separate page, duly cross-referenced to the relevant question. Please indicate the number of any supplementary sheets attached to Annexures B and C.
  - 4.3. If the questionnaire submitted contains any changes to typed or written information, such changes must be duly signed.

**ANNEXURE B****QUESTIONNAIRE TO BE COMPLETED IN RESPECT OF DIRECTORS AND KEY EMPLOYEES OF AN APPLICANT**

1. Personal details of the director or key employee in respect of which this questionnaire is being completed:

1.1. Surname and title:

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1.2. Full first name(s):

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1.3. Any previous surname(s) or first name(s):

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1.4. Indicate the proposed position to be held, e.g. director or managing director:

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1.5. Effective date of appointment:

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1.6. Residential address and telephone number:

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## 1.7. Postal address:

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## 1.8. Personal Details

Date of birth: \_\_\_\_\_

Place of birth: \_\_\_\_\_

Identity Document number (attach a certified copy): \_\_\_\_\_

Passport number: (attach a certified copy): \_\_\_\_\_

Expiry date: \_\_\_\_\_

Country of issue: \_\_\_\_\_

## 1.9. Nationality

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1.10. Professional qualification(s), the year(s) when, and the institution(s) at which, these were acquired (attach a certified copy of the qualification/s):

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1.11. If notified and required by the FSB attach completed Personal Credential Verification Forms for purposes of the background screening of each director or key employee. The forms are obtainable on application from the Financial Services Board.

1.12. Attach detailed curriculum vitae.

2. General details in respect of an individual.

2.1. State in what capacity you are completing this document, i.e. as a current or prospective director (executive or non-executive) or key employee. State full job title and describe the particular duties and responsibilities:

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2.2. Provide a record of significant investments and shareholding history (including indirect holdings) over at least the last five years (including those holdings which provided you a significant influence over the operations and affairs of the entity invested in or in which you had a shareholding)

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3. Specific test to assess fitness and probity

If the answer to a question is 'yes' please provide details. A separate schedule may be completed and attached to this questionnaire with proper referencing.

3.1 Have you, or any business in which you have had a controlling interest or have exercised influence, been investigated, disciplined, suspended or censured by a regulatory or professional body, a court or tribunal, whether publicly or privately?

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3.2 Have you ever been associated, in an ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a license to conduct trade, business or a profession, or has had that registration, authorisation, membership or license revoked, withdrawn or terminated?

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3.3 As a result of the removal of the relevant licence, registration or other authority mentioned in question 3.2 above, have you ever been refused the right to carry on a trade, business or profession requiring a licence, registration or other authorisation?

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3.4 Have you ever been the subject of any complaint, enquiry, investigation or proceedings which has resulted in disciplinary action being taken against you, your suspension or censure by a regulatory or professional body, a court or tribunal, whether publicly or privately?

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3.5 Have you ever been found guilty in any civil or criminal proceedings by a court of law, whether in the Republic of South Africa or elsewhere, of having acted fraudulently, dishonestly, unprofessionally, dishonourably or in breach of a fiduciary duty, forgery, uttering a forged document, perjury or other criminal acts of a financial nature, or are any such proceedings pending?

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3.6 Have you ever been found guilty of contravening any of the requirements and standards of a regulatory body, professional body, government or its agencies, or, been found guilty by any professional or financial services industry body, whether in the Republic of South Africa or elsewhere, of an act of dishonesty, negligence, incompetence or mismanagement or are any such proceedings pending?

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3.7 Have you been denied membership of any professional or financial services industry body, whether in the Republic of South Africa or elsewhere, on account of an act of dishonesty, negligence, incompetence or mismanagement?

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3.8 Have you at any time prior to the date of application been disqualified or prohibited by any court of law, whether in the Republic of South Africa or elsewhere, from taking part in the management of any company or other statutorily created, recognised or regulated body, irrespective of whether such disqualification has since been lifted or not?

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3.9 Have you ever been a director, partner, or otherwise involved in the management of a business that has gone into business rescue, curatorship, bankruptcy or liquidation while you have been connected with that business or within one year after that connection?

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3.10 Have you ever been dismissed, asked to resign or resigned from employment or from a position of trust, a fiduciary appointment or similar because of questions about and factors relating to your honesty and integrity?

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3.11 Have you ever been disqualified, under the Companies Act, 2008, or its predecessor or any other financial services legislation or regulation, whether in the Republic of South Africa or elsewhere, the object of which is the protection of the public against financial loss from acting as a director or serving in a managerial capacity?

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3.12 Have you ever been disciplined by a professional, trade or regulatory body, or dismissed or requested to resign from any position or office for dishonesty, negligence, incompetence or mismanagement?

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3.13 Have you ever been the subject of any adverse judgment or award, whether in the Republic of South Africa or elsewhere, which remains outstanding or was not satisfied within a reasonable period?

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3.14 Have you ever made any arrangements or composition with your creditors, been sequestrated or filed for voluntary sequestration, had your assets repossessed or liquidated or been involved in proceedings relating to these?

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3.15 Have you ever been a senior officer or director of a company or a shareholder of a company in a position to exercise influence in the company that:

- (a) has been the subject of any adverse judgment or award, whether in the Republic of South Africa or elsewhere, which remains outstanding or was not satisfied within a reasonable period?

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- (b) has, whether in the Republic of South Africa or elsewhere, made any arrangements or composition with its creditors, filed for business rescue, filed for bankruptcy, been adjudged bankrupt, had assets repossessed or liquidated, or been involved in proceedings relating to any of the foregoing?

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## DECLARATION

(to be completed by individual directors and key employees of an applicant and by the managing director on behalf of an applicant.)

I, the undersigned, (insert full first name(s) and surname) hereby certify that, to the best of my knowledge, the information given in the answers to the above questions are true, complete and accurate and not misleading in any respect.

I undertake that, as long as I continue to be a director or key employee of the registered credit rating agency, I will notify the registrar of any material changes to, or changes affecting the completeness or accuracy of the answers to the questions above as soon as possible, but in no event later than 21 days from the day that the change comes to my attention.

I hereby authorise the Financial Services Board, and its duly authorised verification agent, to request or confirm any personal information as well as any other information that I have provided in support of

my application with any personal data holders (including but not limited to the South African Police Service, the Government of the Republic of South Africa, industry bodies and associations, employers and any educational, training, credit bureau and fraud prevention organisations) for the purpose of verifying my personal credentials and records.

Credential verification types include, but are not limited to, educational qualifications, professional membership, employment history, and employment references including industry employment registers, consumer credit, criminal records, driver's licence, and fraud prevention checks.

I authorise the personal data holders (including but not limited to the aforesaid institutions) to furnish information regarding my credentials, whether claimed or not, to the Financial Services Board and its duly appointed verification agent. I unconditionally indemnify the Financial Services Board, its verification agent and the personal data holders against any liability that may result from furnishing information in this regard.

Full name(s) and surname: .....

Position held: .....

SIGNATURE: DIRECTOR ..... DATE .....

SIGNATURE: KEY EMPLOYEE ..... DATE.....

SIGNATURE: COMPANY DIRECTOR, duly authorised as signatory

SIGNATURE: ..... DATE .....

Documents to be submitted

- a certified copy of the identity document or passport;
- completed Personal Credential Verification Forms;
- curriculum vitae;
- signed declaration; and
- other documents, if any, mentioned in answers to questions and in support of the information required. (Indicate the pages of each enclosure and the number of the question to which the enclosure relates and is referenced).

**ANNEXURE C****QUESTIONNAIRE TO BE COMPLETED IN RESPECT OF A DIRECTOR AND KEY EMPLOYEE WHO IS LEAVING / HAS LEFT THE EMPLOY OF THE CREDIT RATING AGENCY**

1. Specific information to be provided:

1.1. Title, full name(s) and surname of director or key employee,

.....

1.2. Position held (e.g. director or managing director),

.....

1.3. Reason(s) for the termination or resignation of the director or key employee,

.....

1.4. Effective date of the termination or resignation,

.....

2. Is there any information that you wish to bring to the attention of the registrar in relation to your termination or resignation?

YES: ( )

NO: ( )

If the answer is "Yes" specify the information or documents referred to. A separate schedule may be completed and attached to this document with proper referencing.

**DECLARATION**

(to be completed by directors and key employees who are leaving / have left a credit rating agency and by the managing director on behalf of a credit rating agency.)

I, the undersigned, (insert full first name(s) and surname) hereby certify that, to the best of my knowledge, the information given in the answers to the above questions are true, complete and accurate and not misleading in any respect.

Full name(s) and surname: .....

Position held: .....

SIGNATURE: COMPANY DIRECTOR, duly authorised as signatory

SIGNATURE: ..... DATE .....

SIGNATURE: DIRECTOR ..... DATE.....

SIGNATURE: KEY EMPLOYEE ..... DATE.....

**Documents to be submitted**

- signed declaration; and
- other documents, if any, mentioned in answer to the question and in support of the information required.

**ANNEXURE D****QUESTIONNAIRE TO BE COMPLETED IN RESPECT OF AN APPLICANT**

## 1. Details of the Entity

## 1.1 Entity Name:

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## 1.2 Registration Number:

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## 1.3 Any other name under which the business is conducted and where is it used:

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## 1.4 Registered address, website address and email address:

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## 1.5 Postal address:

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## 1.6 Telephone and facsimile numbers of the applicant:

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1.7 Name, Physical and, postal addresses and telephone numbers of the applicant's bank

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1.8 Name, Physical and, postal addresses and telephone numbers of the applicant's auditor

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2. Specific test to determine the financial soundness of the applicant:

If the answer to a question is 'yes' please provide details. A separate schedule may be completed and attached to this questionnaire with proper referencing.

- (a) Provide confirmation that the assets of the applicant (excluding goodwill and other intangible assets) exceed the applicant's liabilities (excluding loans validly subordinated in favour of all other creditors).

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- (b) Provide confirmation that the applicant maintains current assets which are at least sufficient to meet current liabilities.

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- (c) Has the applicant been subject to any judgment debt or award which remains outstanding or has not been satisfied within a reasonable period?

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- (d) Has the applicant made arrangements or composition with creditors, filed for business rescue, filed for bankruptcy or winding-up?

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- (e) Has the applicant—

- (i) been found guilty by any regulatory or supervisory body, whether in the Republic of South Africa or elsewhere, on account of an act of dishonesty, negligence, incompetence or mismanagement; or
- (ii) had its authorisation to carry on business refused, suspended or withdrawn by any such body, on account of an act of dishonesty, negligence, incompetence or mismanagement;

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- (f) Has the applicant had any licence granted by any regulatory or supervisory body referred to in subparagraph (e) suspended or withdrawn by such body on account of an act of dishonesty, negligence, incompetence or mismanagement.

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## DECLARATION

(to be completed by the chief executive officer/managing director on behalf of an applicant.)

I, the undersigned, (insert full first name(s) and surname) hereby certify that, to the best of my knowledge, the information given in the answers to the above questions are true, complete and accurate and not misleading in any respect.

I undertake that, as long as I continue to be a director of the registered credit rating agency, I will notify the registrar of any material changes to, or changes affecting the completeness or accuracy of



the answers to the questions above as soon as possible, but in no event later than 21 days from the day that the change comes to my attention.

I hereby authorise the Financial Services Board, and its duly authorised verification agent, to request or confirm any information as well as any other information provided in support of this application (including but not limited to the South African Police Service, the Government of the Republic of South Africa, industry bodies and associations, employers and any educational, training, credit bureau and fraud prevention organisations) for the purpose of verifying the information provided.

I authorise the data holders (including but not limited to the aforesaid institutions) to furnish information to the Financial Services Board and its duly appointed verification agent. I unconditionally indemnify the Financial Services Board, its verification agent and the data holders against any liability that may result from furnishing information in this regard.

Full name(s) and surname: .....

Position held: .....

SIGNATURE: Chief Executive Officer / Managing Director.....

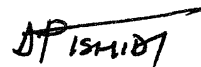
DATE .....

Documents to be submitted

- signed declaration; and
- other documents, if any, mentioned in answers to questions and in support of the information required. (Indicate the pages of each enclosure and the number of the question to which the enclosure relates and is referenced).

**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:

.....  
 .....  
 .....  
 .....

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

.....  
 .....  
 .....  
 .....

(d) Qualifications and name of Institution where obtained:

.....  
.....  
.....  
.....

(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.

**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;

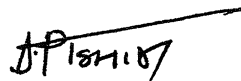
- (f) a list of members of the board of directors, senior management and relevant sub-committees of the registered credit rating agency and any changes thereto over the last financial year;
- (g) a list of members of the executive committee of the registered credit rating agency and any changes thereto 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.

**BOARD NOTICE 169 OF 2013****FINANCIAL SERVICES BOARD****CREDIT RATING SERVICES ACT, 2012****PRESCRIBED CREDIT RATING AGENCY FEES**

I, Dube Phineas Tshidi, Registrar of Credit Rating Agencies, hereby determine under section 28(1) of the Credit Rating Services Act, 2012 (Act No. 24 of 2012), the prescribed fees 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. Fees**

The following fees must be paid by the persons to the registrar, at the times and with respect to the matters indicated in the sub-paragraphs below:

- (a) On lodging of an application under section 5(1) of the Act for registration as a credit rating agency, payable by the applicant concerned, a fee of R300 000;
- (b) On lodging of an application under section 5(3) of the Act for exemption by an applicant whose holding company is registered, authorised or approved by a foreign regulatory authority as a credit rating agency, payable by the applicant concerned, a fee of R15 000;
- (c) On lodging of an application under section 27(1) of the Act for exemption from provisions of the Act, payable by the applicant concerned, a fee of R15 000;



- (d) On lodging of an application for a withdrawal or an amendment of a condition of registration of a registered credit rating agency, payable by the applicant concerned, a fee of R15 000;
- (e) On lodging of an application to update any of the registration details of a registered credit rating agency, payable by the applicant concerned, a fee of R15 000;
- (f) On lodging of an application for the registration of a change of name of a registered credit rating agency, payable by the applicant concerned, a fee of R1 000;
- (g) On lodging of an application for the amendment of the terms and conditions of registration of a registered credit rating agency, payable by the applicant concerned, a fee of R1 000 per amendment;
- (h) On lodging of an application for the approval of a compliance unit, payable by the applicant concerned, a fee of R5 000;
- (i) On making a request for a certified copy of a certificate of registration of a credit rating agency, payable by the applicant concerned, a fee of R1 000; and
- (j) On making a request for a certified copy of a document of evidential of the matters referred to in paragraphs (f), (g) and (h) above, payable by the applicant concerned, a fee of R 1 000.

### **3. Manner of payment of fees**

Fees referred to in paragraph 2 are payable by means of a cheque or money transfer (in which case proof of the transfer must be provided).

### **4. Interest in respect of overdue fees**

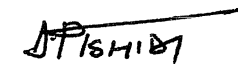
Fees that are not paid when they are payable in terms of paragraph 2, carry interest at a rate per annum equal to the prevailing prime overdraft rate payable by the Financial Services Board.

### **5. Commencement**

This Notice takes effect on the date of publication thereof.

**BOARD NOTICE 170 OF 2013****FINANCIAL SERVICES BOARD****CREDIT RATING SERVICES ACT, 2012****PRESCRIBED PERIOD IN WHICH ANNUAL REPORT MUST BE PUBLISHED AND AUDITED  
FINANCIAL STATEMENTS BE SUBMITTED TO THE REGISTRAR**

I, Dube Phineas Tshidi, Registrar of Credit Rating Agencies, hereby prescribe under sections 15(2)(b) and 17(3) of the Credit Rating Services Act, 2012 (Act No. 24 of 2012), the period within which a registered credit rating agency must publish its annual report and submit its audited financial statements to the registrar 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. Prescribed period**

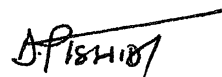
A registered credit rating agency must publish its annual report, contemplated in section 15(2)(b) of the Act, and submit the annual report and its audited financial statements referred to in section 17(3) of the Act to the registrar within six months after the end of the registered credit rating agency's financial year.

**3. Commencement**

This Notice takes effect on the date of publication thereof.

**BOARD NOTICE 171 OF 2013****FINANCIAL SERVICES BOARD****CREDIT RATING SERVICES ACT, 2012****ADMINISTRATIVE PENALTY TO BE IMPOSED BY THE REGISTRAR**

I, Dube Phineas Tshidi, Registrar of Credit Rating Agencies, hereby determine under section 28(3) of the Credit Rating Services Act, 2012 (Act No. 24 of 2012), the administrative penalty which the registrar may impose on 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. Administrative penalty to be imposed**

The administrative penalty which the registrar may impose on a registered credit rating agency for failure to submit to the registrar within a period specified in terms of the Act, any statement, report, return or other document or information required to be submitted in terms of the Act, is R 1 000 for every day during which the failure continues.

**3. Commencement**

This Notice takes effect on the date of publication thereof.









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