

WITHDRAWAL AND SUSPENSION OF CREDIT RATINGS

“The Discontinuation of Credit Ratings”



1. INTRODUCTION



Paragraph 1 -

1. Any credit rating issued by GCR may be withdrawn for reasons GCR views as reasonable within the context of this document. A withdrawal action shall provide the reasons for the withdrawal, shall be communicated to the rated entity and to the public and/or users of GCR’s credit ratings. The credit ratings issued by GCR are the property of GCR and the agency reserves all its rights in relation to its credit ratings



2. WITHDRAWAL OF CREDIT RATINGS



Paragraph 1 to 2 -

1. GCR shall balance, within reason, the interests of the rated entity, the market place, the investor public and those of GCR. Where possible and appropriate, GCR may review its credit rating prior to withdrawing the credit rating; by convening a rating committee and releasing a credit rating announcement in accordance with GCR’s established policies and procedures. The process for withdrawal of a credit rating is similar to that of a credit rating action, with the exception for applicable timelines in relation to pre-committee comments from the rated entity and post committee comments from the rated entity, which shall be determined on a case by case basis.

2. GCR may determine to withdraw a credit rating for any of the following reasons, amongst others:
- I. In a case where the lack of reliable data or the complexity of the structure of a new type of security or financial instrument or the quality of information available is not satisfactory or raises serious questions as to whether GCR can provide a credible credit rating, GCR shall refrain from issuing a credit rating or withdraw an existing credit rating.
 - II. Where an amendment of the transaction documentation of a structured finance transaction or program warrant, in GCR's view, a withdrawal.
 - III. If in a structured finance transaction there is a full write down of the principal balance of the security to nil on or before the final payment date.
 - IV. If a Rated Entity is reorganized via corporate merger or acquisition, regulatory reorganization or is placed under any form of governmental administration with a view that it will no longer be useful to maintain credit rating for the rated entity.
 - V. If in any of the below circumstances, a conflict of interests arises –
 - (a) If an Analyst who participates in the determination, approval or monitoring of a Credit Rating, or a family member or connected person of the aforementioned had or has direct ownership in the Rated Entity or in any related Third Party at the time the Credit Rating was determined;
 - (b) If an Analyst participated in the determination, approval or monitoring of a Credit Rating and the Analyst was found to be in contravention of GCR's Fee Discussion Policy;
 - (c) If an Analyst who participated in the determination, approval or monitoring of a Credit Rating has or had a relationship¹ with the Rated Entity or a Third Party which amounts to a conflict of interest;

¹ A relationship with the relevant person in the past 12 months.

- (d) If an Analyst who participated in the determination, approval or monitoring of a Credit Rating or his or her family member received gifts or related graft in violation of GCR's Gifts Policy;
 - (e) If GCR made recommendations to the obligor or Rated Entity, underwriter or provider of security about the corporate legal structure, assets or liabilities of activities of the aforementioned in violations of GCR's policies and procedures.
- VI. On the basis that a previously public credit rating is subsequently made private.
 - VII. On the basis of business considerations.
 - VIII. If the credit rating was issued as a result of an administrative or other clerical error within GCR.
 - IX. On the basis of material methodological or criteria changes.
 - X. On the basis of any other reason which GCR at its discretion deems fit.



3. SUSPENSION OF CREDIT RATING.



Paragraph 1 to 3 –

1. GCR may suspend a credit rating in cases where the information provided either directly or through publicly available information falls short of GCR's sufficiency standard; however there may be reasonable prospect that the information required will be provided in the near future. As a guideline, the "near future" may generally be interpreted as up to 90 days. However, credit ratings may be suspended for longer periods in cases where there is still a degree of cooperation with GCR. If the information becomes available during the suspension period, GCR shall resume analytical coverage and reconsider the credit rating.
2. A credit rating suspension does not imply that the entity is not servicing its debt obligations or that its financial position has deteriorated, but rather that it has failed to provide important information regarding, for example, its finances, liquidity or operations. At the same time as suspending the credit rating, GCR shall review the credit rating to provide a

current opinion about the creditworthiness of the entity or obligation on a forward looking basis.

3. A suspended credit rating may be reinstated and the credit rating accordingly updated. A withdrawn or discontinued credit rating may not be reinstated and will require a the credit rating process to begin afresh.

4. DISCONTINUATION

Paragraph 1 –


1. Under this policy GCR shall provide reasons for a discontinuation, shall state when the credit rating was last updated and disclose the fact that the credit rating will no longer enjoy coverage.

5. COMMUNICATIONS

Paragraph 1 –

1. If GCR elects to withdraw or suspend a public credit rating GCR may publish an announcement on www.globalratings.net and should it be necessary GCR may issue a revised credit rating. Where required GCR shall maintain adequate records of the actions taken in relation to the withdrawal or suspension of a credit rating.

6. DEFINITIONS

-  For all the definitions related to this policy kindly refer to the glossary of terms at www.globalratings.net.