

BCRA Policy on Unsolicited Credit Ratings and Unsolicited Sovereign Ratings within the European Union

Last updated: March 2020

In accordance with Regulation (EC) No. 1060/2009 as amended by Regulation (EU) No. 462/2013: an “unsolicited credit rating” and “unsolicited sovereign rating” mean, respectively, a credit rating or a sovereign rating assigned by a credit rating agency other than upon request; (Regulation (EC) No. 1060/2009, Article 3(1)(x))

The EU supervisory authority over credit rating agencies – the European Securities and Markets Authority (ESMA) – further clarifies¹ its interpretation of solicited ratings as those requested specifically by the rated entity, the issuer of the rated financial instrument or a related third party². With this in mind, BCRA considers as unsolicited any credit/sovereign ratings which are assigned or published not at the request of one of the entities listed above, but instead, on BCRA’s own initiative or at the request of an entity different from those listed above.

BCRA reserves the right to publish unsolicited credit/sovereign ratings if and when it deems that the capital markets and the investing public at large have sufficient interest in an issuer of a financial instrument or a particular issue. Unsolicited credit/sovereign ratings provide an opinion regarding creditworthiness as a service to all interested parties in an effort to increase ratings coverage and to contribute to the transparency and liquidity of capital markets. Unsolicited credit/sovereign ratings are prepared only when BCRA has determined that there exists sufficient publicly available information to allow BCRA to both form an informed opinion and to provide ongoing monitoring. BCRA uses what it believes to be reliable sources of information but does not guarantee the accuracy, adequacy, or completeness of any information used.

All credit/sovereign ratings – whether initiated upon request or unsolicited – within a particular rated-entity type are prepared using the same rating criteria, methodologies, procedures, and policies, including, but not limited to the internal rules for conflicts of interest, the code of professional conduct, and the procedure for preparation and assignment of a credit rating.

All unsolicited credit/sovereign ratings are written in purple color and designated with the symbol „H” or “ns” respectively in the Bulgarian and the English versions of the rating³, and all related public announcements and press releases include the following disclosure statement: ***“This is an unsolicited credit/sovereign rating.”***

In addition, in the public disclosure a table with the following information will be included:

Unsolicited Credit/Sovereign Rating	
With Rated Entity or Related Third Party Participation	[YES][NO]
With Access to Internal Documents	[YES][NO]
With Access to Management	[YES][NO]

Note: In the last column only the information that is valid for the respective rating should be presented.

¹ Please, see the answer to Question 9(b) in “Questions and Answers, Implementation of the Regulation (EU) No 462/2013 on Credit Rating Agency (16 December 2015, ESMA/2015/1877)

² „related third party” means the originator, arranger, sponsor, servicer or any other party that interacts with a credit rating agency on behalf of a rated entity, including any person directly or indirectly linked to that rated entity by control. (Regulation (EC) № 1060/2009, Article 3(1)(i))

³ „ns” = not solicited (in English), „H” = непоискан (in Bulgarian).