



**Caribbean Information &
Credit Rating Services Limited**

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CariCRIS Procedures for Withdrawal of Credit Ratings

For more information, please contact:

CariCRIS Ratings Department
627-8879
info@caricris.com



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1. INTRODUCTION AND PURPOSE

- 1.1. To ensure that whenever applicable all credit ratings are withdrawn in a consistent and timely manner; and
- 1.2. Prevent violations of any applicable laws and regulations governing the withdrawal/suspension of credit ratings in the public domain.

2. DEFINITIONS

For purposes of these procedures, the terms set forth below shall have the following meanings:

"Analyst" means any employee who participates in credit rating related discussions of an issue or issuer and is not involved in any commercial discussions with said issuer or issue.

"Client", "Issuer", "Rated Entity" refers to the company, or sovereign whose securities/underlying asset are proposed to be rated.

"Credit Rating" means opinion from CariCRIS regarding the creditworthiness of an entity, debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined rating categories.

"Entity" means a government; political subdivision, agency, or instrumentality of a government; or a company, corporation, partnership, trust, estate, or association.

"Rating Committee" means a committee comprised of highly qualified and experienced individuals who are independent of the Board and Shareholders.

"Rated Entity" means (i) the issuer, obligor or guarantor with respect to any Security that is rated or in the process of being rated by CariCRIS, (ii) a sponsor, seller or seller/servicer, originator, underwriter or arranger with respect to a Security in a structured finance transaction that is rated by CariCRIS.



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3. DISCLOSURE OF THE WITHDRAWAL OR SUSPENSION OF A CREDIT RATING

- 3.1 When CariCRIS withdraws/suspends a credit rating, an announcement will be posted on its website, www.caricris.com. CariCRIS may, at its sole discretion, also issue a press release announcing the withdrawal/suspension of the credit rating.
- 3.2 The withdrawal announcement will include the full name and due date of the issue (where applicable), the last date of review, the date of receipt of the notice of withdrawal from the client and confirmation of the full repayment of the instruments from the client's internal auditors (where applicable).

4. ISSUER CREDIT RATING WITHDRAWAL PROCEDURE

- 4.1 The following guidelines are applicable for entities that have issuer/corporate credit ratings. The below-listed guidelines are designed to ensure consistency in the process of withdrawal of credit ratings:
 - a. A senior representative of the client such as the Chief Executive Officer (CEO) in the case of a corporate, or Permanent Secretary in the case of a sovereign, is required to submit a written request for withdrawal of the credit rating.
 - b. The rating team shall present a note to the Rating Committee recommending that the outstanding rating be placed on Notice of Withdrawal.
 - c. The Notice of Withdrawal period shall be for one year from the date of receipt of the request for withdrawal from the client, or as otherwise agreed with the client in the Rating Agreement
 - d. The Notice of Withdrawal period shall be communicated to the client along with instructions to cease using the outstanding credit rating to raise additional debt. If the client continues to use the outstanding credit rating to raise additional debt, a recommendation to remove the Notice of Withdrawal and continue with the credit rating will be submitted by the rating team to the Rating Committee. The client will be informed of their contractual obligation to CariCRIS arising from this action and the rating will be kept under surveillance with the attendant fees due and payable by the client.



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- e. Upon expiry of the Notice of Withdrawal period, and after ensuring that the issuer did not use the ratings to raise additional debt by way of written correspondence from the client, the rating team will present a note to the Rating Committee recommending withdrawal of the outstanding credit rating.
- f. Upon receipt of the Rating Committee's agreement to the recommendation for withdrawal of the credit rating, an announcement of the withdrawal will be made via CariCRIS' website www.caricris.com and, at CariCRIS' discretion, a press release announcing the withdrawal may also be issued.

5. ISSUE CREDIT RATING WITHDRAWAL PROCEDURES

- 5.1 The following guidelines are applicable for bond or debt issues and debt programs with no fixed redemption date. The below-listed guidelines are designed to ensure consistency in the process of withdrawal of credit ratings:

Maturity or Early Redemption of a rated instrument

- 5.1.1 If a rated instrument matures as per its original terms and conditions, then the rating is withdrawn upon receipt of confirmation of full repayment either by way of correspondence from the Auditor's (by written correspondence or from the client's Annual Report).
- 5.1.2 If the issuer of a rated instrument wishes to have the rating withdrawn as a result of a plan to redeem the rated instrument prior to its maturity date on terms not adverse to investors interests, the client must first notify CariCRIS in writing of their intention to prepay the rated instrument. Written confirmation of the full redemption must be provided by the client's Auditors.
- 5.1.3 Upon receipt of written confirmation of the full redemption of the rated instrument an announcement of the withdrawal will be made via CariCRIS' website www.caricris.com and, at CariCRIS' discretion, a press release announcing the withdrawal may also be issued.



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Defaulted rated instrument

- 5.1.4 CariCRIS reserves the right to withdraw the credit rating of a defaulted instrument. If a rated instrument is in default for more than three years, the Analyst responsible for the client will assess the credit quality and, if there is no improvement will present a note to the Rating Committee recommending the withdrawal of the outstanding credit rating.
- 5.1.5 Upon receipt of the Rating Committee's agreement to the recommendation for withdrawal of the credit rating, an announcement of the withdrawal will be made via CariCRIS' website www.caricris.com and, at CariCRIS' discretion, a press release announcing the withdrawal may also be issued.

Corporate Reorganization

- 5.1.6 If a rated entity becomes the subject of a corporate reorganization such as a merger or acquisition, it may no longer be necessary to maintain the outstanding credit rating. If the outstanding credit rating is no longer required, CariCRIS will withdraw the outstanding credit rating upon receipt of written confirmation from a senior representative of the client of regulatory approval of the merger or acquisition.

Non-Issuance of a rated instrument

- 5.1.7 If a client intends to issue a debt instrument for which it has received a credit rating and, subsequent to receiving the credit rating does not issue the instrument, CariCRIS will withdraw the rating upon receipt of written confirmation from a senior representative of the client that the instrument was not issued and that the credit rating was not used in an alternative debt issue.

6. ISSUE AND ISSUER CREDIT RATING SUSPENSION PROCEDURE

- 6.1 If a rated entity is not cooperating and has not paid its financial dues in full to CariCRIS, CariCRIS may, at its sole discretion, suspend the credit rating.



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- 6.2 Irrespective of client cooperation, CariCRIS will make every effort to continue to keep the outstanding credit rating under surveillance. In the case of an issue rating, the outstanding credit rating will be kept under surveillance until the rated instrument is fully redeemed.

- 6.3 Should efforts to obtain information from the client fail due to non-cooperation and, should CariCRIS not be able to obtain information from secondary sources to reliably assess credit quality, a note will be presented to the Rating Committee to suspend the outstanding credit rating.

- 6.4 Upon receipt of the Rating Committee's agreement to the recommendation to suspend the credit rating, an announcement of the suspension will be made via CariCRIS' website www.caricris.com and, at CariCRIS' discretion, a press release announcing the withdrawal may also be issued.