Notice and Request for Comment

Draft *Regulation 25-101 respecting Designated Rating Organizations*, related Policy Statements and Consequential Amendments

1. Purpose of notice

We, the members of the Canadian Securities Administrators (the CSA) are publishing for comment a proposed rule, policies and related consequential amendments that would impose requirements on those credit rating organizations that wish to have their credit ratings eligible for use in places where credit ratings are referred to in securities legislation.

Specifically, we are publishing:

- *Regulation 25-101 respecting Designated Rating Organizations* (the Proposed Regulation),
- *Policy Statement to Regulation 25-101 respecting Designated Rating Organizations* (the Proposed Policy Statement),
- *Regulation to amend Regulation 41-101 respecting General Prospectus Requirements*,
- *Regulation to amend Regulation 44-101 respecting Short Form Prospectus Distributions*,
- *Regulation to amend Regulation 51-102 respecting Continuous Disclosure Obligations*, and
- *Policy Statement 11-205 respecting Process for Designation of Credit Rating Organizations in Multiple Jurisdictions* (the Proposed Policy Statement 11-205).

The Proposed Regulation, the Proposed Policy Statement, the proposed consequential amendments and Proposed Policy Statement 11-205 are collectively referred to as the Proposed Materials.[1]

We are publishing the Proposed Materials with this Notice. Certain jurisdictions may also publish additional local information with this Notice. In particular, those jurisdictions that are a party to *Regulation 11-102 respecting Passport System* (currently all jurisdictions except Ontario) are publishing for comment amendments to that regulation that permit the use of the passport system in designating credit rating agencies or organizations (CROs). As Ontario is not a party to Regulation 11-102, these amendments will not be published for comment in Ontario.

2. Substance and purpose of the Proposed Regulation

CROs are not currently subject to formal securities regulatory oversight in Canada. However, as the conduct of their business may have a significant impact upon financial markets, and because ratings continue to be referred to within securities legislation, we think it is appropriate to develop a securities regulatory regime for CROs that is consistent with international standards and developments.

The Proposed Materials, together with the suggested legislative amendments (see below), are intended to implement an appropriate Canadian regulatory regime for CROs.

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[1] In jurisdictions other than Ontario, the Proposed Materials also include the proposed amendments to *Regulation 11-102 respecting Passport System*.

3. Summary of the Proposed Regulation

Under the Proposed Regulation, a CRO can apply for designation as a designated rating organization by filing an application containing prescribed information. The term "designated rating organization" will ultimately replace the concept of "approved rating organization" that is currently found in securities legislation (see "Future Consequential Amendments" below).

The central requirement of the Proposed Regulation is that, once designated, a designated rating organization must establish, maintain and ensure compliance with a code of conduct that is on terms substantially the same as the IOSCO *Code of Conduct Fundamentals for Credit Rating Agencies* (the IOSCO Code). Originally published in December 2004, the IOSCO Code was designed to serve as a model upon which CROs could base their own codes of conduct. In light of problems within the credit markets, IOSCO's CRO Task Force further considered the role CROs played in rating structured finance transactions, and the IOSCO Code was modified in May 2008 to reflect its recommendations.[2] Currently, the IOSCO Code addresses issues such as:

- CRO conflicts of interest (Part 2)[3]
- misunderstandings by investors about what ratings mean (section 3.5)
- adequate staffing of CROs (sections 1.7 and 1.9)
- the quality of information used in making rating decisions (section 1.7)
- the ability to rate novel products (sections 1.7-1 and 1.7-3)
- the differentiation of ratings for different securities (section 3.5(b)), and
- the provision of public disclosure of historical information about the performance of ratings (section 3.8).

Consistent with the model of the IOSCO Code, a designated rating organization will only be permitted to deviate from the specific requirements of the IOSCO Code if it explains the deviation and indicates how its code nonetheless achieves the objectives of the IOSCO Code.

In addition to the "comply or explain" requirement, and similar to the approaches taken in other jurisdictions, the Proposed Regulation will also impose certain specific requirements on a designated rating organization. These provisions require a designated rating organization to:

- have policies and procedures reasonably designed to identify and manage any conflicts of interest that arise in connection with the issuance of credit ratings,
- not issue or maintain a credit rating in the face of specified conflicts of interest,
- appoint a compliance officer to be responsible for monitoring and assessing the designated rating organization's compliance with its code of conduct and the proposed regulatory framework,

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[2] The revised IOSCO Code may be found at http://www.iosco.org/library/pubdocs/pdf/IOSCOPD271.pdf.

[3] Conflicts of interest are addressed generally in Part 2 of the IOSCO Code. In particular, the IOSCO Code addresses (a) conflicts of interest arising from rated issuers paying fees for their ratings (section 2), (b) the need for CROs to separate their rating business from consulting work (section 2.5), and (c) the ability of CROs to perform ancillary services (section 2.5). In addition, section 1.14 of the IOSCO Code specifies that CRO analysts should not make proposals or recommendations regarding the design of structured products.

- have policies and procedures reasonably designed to prevent the inappropriate use and/or dissemination of certain material non-public information, including a pending undisclosed rating action, and

- file on an annual basis a form containing prescribed information.

4. Proposed Legislative Amendments

To make the Proposed Regulation as a rule and to fully implement the regulatory regime it contemplates, certain amendments to local securities legislation will be required. In addition to rule-making authority, changes to the local securities legislation may include:

- the power to designate a CRO under the legislation,

- the power to conduct compliance reviews of a CRO, and require the CRO to provide the securities regulatory authority with access to relevant books, information and documents,

- the power to make an order that a CRO submit to a review of its practices and procedures, where such an order is considered to be in the public interest, and

- confirmation that the securities regulatory authorities may not direct or regulate the content of credit ratings or the methodologies used to determine credit ratings.

In Québec, Alberta and British Columbia amendments have already been introduced and are expected to come into force at the same time as the Proposed Regulation.

5. Prior comment process

On October 6, 2008, the CSA published for comment a consultation paper entitled *Securities Regulatory Proposals Stemming from the 2007-08 Credit Market Turmoil and its Effect on the ABCP Market in Canada* (the Consultation Paper).

In the Consultation Paper, the CSA ABCP Working Group (the Committee) proposed to establish a regulatory framework applicable to certain CROs that would have required adherence to the "comply or explain" provision of the IOSCO Code. The Committee also proposed to provide securities regulators with authority to require changes to such CROs' practices and procedures.

Since the expiry of the comment period in February 2009, the Committee has been modifying its proposal to take into account comments received on the Consultation Paper and comparable regulatory frameworks developed in other jurisdictions.

A summary of the relevant comments received, together with the CSA response to those comments, may be found in Annex A.

6. Proposed Policy Statement and Consequential amendments

The purpose of the Proposed Policy Statement is to provide interpretational guidance on elements of the Proposed Regulation. A copy of the Proposed Policy Statement is published with this Notice.

The adoption of a Canadian regulatory regime for CROs also entails amendments to each of *Regulation 41-101 respecting General Prospectus Requirements*, *Regulation 44-101 respecting Short Form Prospectus Distributions*, and *Regulation 51-102 respecting Continuous Disclosure Obligations*. Under the Proposed Regulation, designated rating organizations will be obligated to provide certain information regarding their credit rating activities. The purpose of the consequential amendments is to require issuers to provide

complementary information regarding their dealings with the ratings industry. The text of these amendments is published with this Notice.

7. Passport and Co-ordination of Review

Those jurisdictions that are a party to *Regulation 11-102 respecting Passport System* (all those jurisdictions except Ontario, referred to as Passport Jurisdictions) are publishing for comment proposed amendments to that regulation to allow it to be used for the review of designation applications by CROs. In addition, all jurisdictions are publishing for comment Proposed Policy Statement 11-205, which provides CROs with guidance in determining where they should apply for designation. The text of Proposed Policy Statement 11-205 is published with this Notice. In the Passport Jurisdictions, the text of the proposed amendments to Regulation 11-102 is published with this Notice.

8. Future Consequential Amendments

Following the adoption of the Proposed Regulation and the application for designation by interested CROs, we propose to make further consequential amendments to our rules to reflect the new regime. Specifically, these amendments will replace existing references to "approved rating organization" and "approved credit rating organization" with "designated rating organization". Similar changes will also be made to the definition of "approved rating" which appears in securities legislation.

These changes would be subject to a separate publication and comment process.

9. Civil Liability and Other International Developments

Certain international jurisdictions have either adopted or are considering adopting changes to their securities legislation to impose greater civil liability upon CROs.[4] In Canada, similar changes would involve revoking those provisions of the securities legislation that provide a "carve-out" from the consent requirements for expertized portions of a prospectus or secondary market disclosure document.

We continue to monitor these and other international developments.

10. Request for Comments

We welcome your general comments on the Proposed Materials.

We also invite comments on specific aspects of the Proposed Regulation. The request for specific comments is located in Annex B to this Notice.

Please submit your comments in writing on or before October 25, 2010. If you are not sending your comments by email, please include a CD ROM containing the submissions.

Address your submission to the following CSA member commissions:

[4] In the United States, the SEC published for comment *A concept release on possible rescission of rule 436(g) under the Securities Act of 1933*: 17 CFR Part 220 (Release Nos. 33-9071; 34-60798; IC-28943; File No. S7-25-09). The comment period closed December 14, 2009. In Australia, ASIC has decided to withdraw current class order relief that allows issuers of investment products to cite credit ratings without the consent of credit rating agencies. As liability for the content of disclosure only attaches to persons who have consented to having their statements cited, the class order relief has implications for the accountability of credit rating agencies. See 09-225AD *ASIC gives credit ratings agencies improved control over ratings use* dated Thursday 12 November 2009

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission
Office of the Attorney General, Prince Edward Island
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

Please deliver your comments only to the addresses that follow. Your comments will be forwarded to the remaining CSA member jurisdictions.

Me Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Fax : 514-864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario
M5H 3S8
Fax: (416) 593-2318
Email: jstevenson@osc.gov.on.ca

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period. Comments will be posted to the OSC web-site at www.osc.gov.on.ca.

11. Questions

Please refer your questions to any of:

Lucie J. Roy
Senior Policy Adviser
Service de la réglementation
Surintendance aux marchés des valeurs
Autorité des marchés financiers
514-395-0337, ext 4464
lucie.roy@lautorite.qc.ca

Michael Brown
Assistant Manager, Corporate Finance
Ontario Securities Commission
416-593-8266
mbrown@osc.gov.on.ca

Jeffrey Klam
Legal Counsel, Corporate Finance
Ontario Securities Commission
416-595-8932
jklam@osc.gov.on.ca

Maye Mouftah
Legal Counsel, Compliance & Registrant Regulation
Ontario Securities Commission
416-593-2358
mmouftah@osc.gov.on.ca

Denise Weeres
Senior Legal Counsel, Corporate Finance
Alberta Securities Commission
403-297-2930
denise.weeres@asc.ca

Christina Wolf
Economist
British Columbia Securities Commission
604-899-6860
cwolf@bcsc.bc.ca

Noreen Bent
Manager and Senior Legal Counsel
Legal Services, Corporate Finance
British Columbia Securities Commission
604-899-6741
nbent@bcsc.bc.ca

Nazma Lee
Senior Legal Counsel
Legal Services, Corporate Finance
British Columbia Securities Commission
604-899-6867
nlee@bcsc.bc.ca

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Annex A

Summary of Relevant Comments and Responses on CSA Consultation Paper 11-405
Securities Regulatory Proposals Stemming from the 2007-08 Credit Market Turmoil and its Effect on The ABCP Market in Canada

This annex summarizes the relevant written public comments we received on the Consultation Paper. It also sets out our responses to those comments.

List of Parties Commenting on the Consultation Paper

Brian Neysmith
Canada's Venture Capital & Private Equity Association (Gregory Smith)
Canadian Advocacy Council (Ross E. Hallett)
Canadian Bankers Association (Nathalie Clark)
Canadian Life and Health Insurance Association (James Wood)
Canadian Imperial Bank of Commerce (Claude-Étienne Borduas)
Desjardins, Fédération des caisses du Québec (Yves Morency)
Dominion Bond Rating Service (Mary Keogh)
Fasken Martineau DuMoulin LLP (Geoff Clarke, Brandon Tigchelaar and Patrick Dolan)
Fitch Ratings (Sharon Raj)
The Investment Funds Institute of Canada (Joanne De Laurentiis)
Investment Industry Association of Canada (Ian C. W. Russell)
Mavrix Funds Management Inc.
Moody's Investors Service (Donald S. Carter and Janet Holmes)
Mouvement d'éducation et de défense des actionnaires (Yves Michaud)
Ontario Bar Association (Jamie K. Trimble and Christopher Garrah)
RBC Asset Management Inc. and Phillips, Hager & North Investment Management Ltd. (Daniel E. Chornous)
Social Investment Organization (Eugene Ellmen)
Standard & Poor's (Vickie A. Tillman)
TD Asset Management Inc. (Barbara F. Palk)
TD Securities Inc. (Anne Haldimand and Jay Smales)

General Comments

Eleven commenters supported establishing a regulatory framework applicable to CROs that requires compliance with the "comply or explain" provision of the IOSCO Code. Two other commenters supported establishing a regulatory framework for CROs in general but did not specifically comment on the form the framework should take.

Response: We thank the commenters for their support. We have maintained the requirement to adhere to the "comply or explain" provision of the IOSCO Code as the central component of the proposed regulatory regime.

Some commenters cautioned against increased regulation of CROs. For example, one commenter opined that the market has corrected on its own and will require CROs to address deficiencies even without increased regulation. Another commenter noted that given the importance of CROs in Canadian credit markets, any regulatory framework applicable to CROs should ensure that it does not act as a deterrent to their continued operation in Canada or increase compliance costs to the point where only the largest issuers could afford to have their securities rated. A third commenter expressed concern that increased regulation of CROs could undermine investors' own responsibilities to undertake due diligence in respect of potential investments.

Response: We note the various measures adopted by the CROs to improve their business models, particularly efforts aimed at strengthening rating methodologies and managing conflicts of interest. Nevertheless, we think it is advisable to establish a

regulatory framework applicable to CROs in Canada. Recognizing that most CROs are subject to regulation in several jurisdictions, we strived to limit unnecessary compliance costs as much as possible. We do not think that increased regulation of CROs will cause investors to perform less due diligence in respect of potential investments.

Several commenters did not object to regulation of CROs in Canada but expressed concerns with the proposed regulatory framework. One commenter thought that it was unclear whether CROs that meet the definition of "approved credit rating organization" are automatically subject to the regulatory framework. The commenter suggested that only CROs who wish to have their ratings used for regulatory purposes should be subject to the regulatory framework.

Response: The proposed regulatory framework would apply to any CRO that is a "designated rating organization". This concept will replace the existing concept of "approved rating organizations" and "approved credit rating organizations". Designation as a designated rating organization will not be mandatory for any CRO, as a CRO will have to apply for status as a designated rating organization in order to for its ratings to be eligible for use in places where credit ratings are referred to in securities legislation. If a CRO does not wish to have its ratings eligible to be so used, the CRO need not seek to be designated in any Canadian jurisdiction.

One of the commenters that supported a regulatory framework tied to the IOSCO Code noted that it should be principles based so that it is dynamic, adaptable, accounts for the differences among CROs, and avoids intruding upon the substance of ratings and rating methodologies. In fact, five commenters proposed a prohibition in the regulatory framework against the CSA regulating the substance of credit ratings or the procedures and methodologies by which a CRO determines credit ratings. This would be consistent with the manner in which the SEC oversees CROs in the United States.

Response: We acknowledge the comment in favour of a dynamic and flexible regulatory framework. To that end, the principal component of our proposal is that a designated rating organization must establish, maintain and ensure compliance with a code of conduct that is on terms substantially the same as the IOSCO Code. Consistent with this model, a designated rating organization would be permitted to deviate from the specific requirements of the IOSCO Code provided that it explains the deviation and indicates how its code nonetheless achieves the objectives of the IOSCO Code. We are of the view that allowing a designated rating organization's code of conduct to deviate in this manner imports sufficient flexibility into our proposed regulatory regime to accommodate the differences among CROs, while nonetheless ensuring that the CRO consider and abide by the underlying animating principles.

In addition, securities regulatory authorities will, in most cases, be prohibited from directing or regulating the content of credit ratings or the methodologies. This prohibition will be similar to the prohibition in the United States and Europe.

Another commenter suggested going beyond the IOSCO Code and requiring CROs to disclose the methodology used in determining ratings of ABCP.

Response: the IOSCO Code states that a CRO should indicate the principal methodology or methodology version that was used in determining the rating and where a description of that methodology can be found (see section 3.3 of the IOSCO Code). In light of current compliance with this provision[5], we do not believe that such a requirement is necessary.

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5 In March 2009, IOSCO published a "Review of Implementation of the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies" which noted that each of the CROs that are "approved credit ratings organizations" under the current regime is substantially in compliance with Section 3.3 of the IOSCO Code.

Need for Harmonization

Seven commenters, including four CROs, suggested that any regulatory framework applicable to CROs should be harmonized and co-ordinated among jurisdictions. The commenters noted that different regulatory initiatives in Canada, the United States, Europe, Australia and elsewhere will make compliance difficult for CROs that operate globally. Specifically, one commenter submitted that CROs applying for recognition in Canada should be able to submit to the CSA the documentation prepared in connection with other jurisdictions' requirements in satisfaction of all or some of the Canadian requirements.

Response: Our proposed regulatory regime takes these concerns into account through incorporation of the IOSCO Code as the central component of the framework. In addition, accommodation is made for CROs that are also "nationally recognized statistical rating organizations" (or NRSROs), who will be able to file their most recently completed Form NRSRO in lieu of Form 25-101F1.

We acknowledge the developing international movement towards co-ordination of regulatory efforts with respect to CROs. Certain CSA jurisdictions participate in IOSCO Standing Committee 6 regarding credit rating agencies. The mandate of this committee includes examining options for international co-operation for regulating CROs. Though we support international co-operation in this regard to the greatest extent practicable, we maintain the jurisdiction to perform compliance reviews of designated rating organizations at our discretion.

Enforcement Issues and the Authority of Securities Regulators

Several commenters were generally supportive of the CSA having powers to conduct examinations and to enforce compliance with the CRO framework. Two commenters supported giving authority to the CSA to make orders in the public interest that impose terms and conditions on the conduct of the business of an "approved credit rating organization". Another commenter supported the need for the CSA to conduct reviews of a CRO's practices and procedures including reviewing the extent of compliance with the IOSCO Code and the CRO's own policies and procedures. Two commenters emphasized the importance of the CSA having the ability to exercise enforcement powers in respect of a breach by a CRO of securities laws.

Response: We think that the statutory amendments that have been passed or are being considered in the various CSA jurisdictions will provide the appropriate compliance and enforcement authority.

One commenter supported the authority of the regulator to make orders in the public interest as part of the regulatory framework provided that any such orders do not affect the substance of the ratings or methodologies of the CRO. The commenter supported the CSA having the authority to revoke a CRO's status as an "approved credit rating organization" but only upon material deviations from the IOSCO Code.

Response: As noted above, securities regulatory authorities will, in most cases, be prohibited from directing or regulating the content of credit ratings or the methodologies. However, each of the securities regulators will have the ability to withdraw a CRO's designation provided it is in the public interest to do so.

Two commenters suggested that the CROs should be notified and granted the opportunity to answer concerns and/or take remedial action before any remedy is imposed by the CSA on a CRO.

Response: We anticipate that the relevant CRO would be provided with an opportunity to be heard prior to any enforcement order being issued.

One commenter acknowledged the need for the CSA to obtain information from CROs as part of effective regulation but cautioned that the ability of the CSA to request information should be subject to confidentiality and privilege.

Response: The legislative amendments that are contemplated as part of the securities regulatory framework for CROs would provide securities regulators with authority to obtain necessary information. The ability to keep information confidential is subject to any obligations under privacy and freedom of information laws.

Four commenters, each a CRO, raised concerns with the component of the regulatory framework applicable to CROs that would give the CSA the authority to make orders in the public interest that impose terms and conditions on the conduct of business of an "approved credit rating organization". In addition, three of these commenters raised concerns with the component of the regulatory framework applicable to CROs that would give the CSA the authority to order an approved CRO to "make any changes to its practices and procedures relating to its business as a CRO that are ordered by securities regulators."

Response: We note these comments. The proposed regulatory framework would provide the securities regulatory authority in CSA jurisdictions with the authority to order that a CRO submit to a review of its practices and procedures and institute such changes as may be ordered. This is an existing power that certain jurisdictions have over other market participants. We do not think that this authority is too broad and note that securities regulatory authorities will, in most cases, be prohibited from directing or regulating the content of credit ratings or the methodologies.

To facilitate the designation of CROs in multiple jurisdictions, we (other than Ontario) are developing a proposal to extend the application of the passport system into this new area. Proposed amendments to* Regulation 11-102 respecting Passport System *are being published concurrently with this Notice.

One commenter raised concerns with the component of the framework that would give the CSA the authority to require that an approved CRO comply with any particular provision in the IOSCO Code. The commenter suggested that it introduces rigidity and undermines the flexibility that the IOSCO Code meant to preserve through the "comply or explain" model. Instead, the CSA should not regulate beyond requiring full compliance with the "comply or explain" provision of the IOSCO Code.

Response: In our view, one of the significant benefits of importing the "comply or explain" model of the IOSCO Code into our proposed regulatory framework is its flexibility. However, the regulatory framework might not be effective if a designated rating organization chose to explain (rather than comply with) many of the provisions of the IOSCO Code. The proposed regulatory framework would empower securities regulators to require a designated rating organization to comply with any particular provision of the IOSCO Code through their authority to have a designated rating organization submit to a review of its practices and procedures and to institute such changes as may be ordered by securities regulatory authorities.

One commenter suggested that the proposed framework should explicitly state that breaches of the framework will not give rise to private causes of action.

Response: We do not agree with this comment.

Disclosure Requirements for CRO

Three commenters supported requiring public disclosure of all information provided to a CRO and used by the CRO in determining and monitoring a rating as a condition to issuing a rating. One other commenter supported requiring public disclosure of all information provided to a CRO and used by the CRO in determining and monitoring a rating but thought that the obligation to make such disclosure should be on the issuer. That

commenter suggested that CROs should not be permitted to rate a security unless public disclosure has been made.

Response: Notwithstanding these comments, the proposed framework does not include the requirement to disclose publicly all information provided to a CRO and used by the CRO in determining and monitoring a rating as a condition to issuing a rating. In addition to the comments cited above, we note that the SEC also decided against pursuing a similar requirement that it had proposed.

As described in CSA Notice 45-307 Regulatory Developments Regarding Securitization, the CSA is reviewing disclosure requirements in connection with the distribution of securitized products and is considering imposing additional conditions, including disclosure, in connection with the distribution of securitized products in the exempt market. However, those matters are not being considered as a part of the regulatory framework applicable to CROs.

One commenter suggested that the CSA publish an annual report on the role of CROs, their code of ethics and professional conduct, the transparency of their methods and the impact of their activities on issuers and the financial markets. This is similar to an applicable requirement in France.

Response: We do not propose to publish an annual report of this nature. We propose to require a designated rating organization to publish its code of conduct conspicuously on its website. The designated rating organization would also be required to explain any deviations from the IOSCO Code and how its code of conduct achieves the principles of the IOSCO Code notwithstanding the deviation. We think that the responsibility for publicly disseminating this information should remain with the designated rating organization. Having this information publicly available will allow market participants to evaluate the designated rating organization against the standards of the IOSCO Code.

One commenter noted that it appeared that the CROs do not provide information in French and suggested that such a requirement be imposed.

Response: In Québec, section 40.1 of the Securities Act requires that a number of documents used in connection with specific transactions be drafted in French. Any credit rating and commentary relating thereto included in these documents must be in French. We do not propose to otherwise regulate the language in which market participants choose to carry on their business.

Other comments on the CRO framework

One commenter suggested that an independent body be established in order to set a fee schedule for ratings after consulting with the CROs. The commenter also suggested that issuers disclose in their annual report the amount of fees paid to each CRO. Finally, the commenter suggested that fees should be based on services rendered instead of the size of the offering.

Response: We do not propose to regulate the manner in which fees for providing ratings is determined. However, Form 25-101F1 will require designated rating organizations to disclose the largest 20 issuers and subscribers in terms of net revenue. In addition, an issuer's prospectus and annual information form will be required to contain disclosure regarding the amount of fees paid to a CRO for a rating.

Annex B

Specific Requests for Comment

In addition to your general comments on the Proposed Materials, we also invite comments on the following specific issues:

1. Section 7 of the Proposed Regulation provides that a Code of Conduct must specify that waivers of the Code are prohibited. The purpose of this provision is to ensure that the Code of Conduct reflects actual conduct within the designated rating organization. Do you think this provision is feasible? Does it achieve its purpose?

2. Item 3 of Form 25-101F1 requires a CRO (other than an NRSRO) applying to be designated under the Proposed Regulation to provide a completed personal information form (or PIF) for each director and executive officer of the applicant, as well as the compliance officer, unless previously provided. Do you believe the costs of requiring a PIF outweigh the benefits of these background checks? Should background checks be periodically requested for all existing designated rating organizations? If so, how often?

3. The test for determining the principal regulator for a CRO's designation application is set out in amendments to *Regulation 11-102 respecting Passport System*. Where a CRO does not have a head office or branch office located in Canada, the principal regulator is determined on the basis of "significant connection". Factors for determining "significant connection" are listed in section 8 of Proposed Policy Statement 11-205.

Are the factors in section 8 suitable and listed in the appropriate order of influential weight?

4. Currently, securities legislation does not require a CRO whose rating is referred to in a prospectus or other disclosure document to file an ‘‘expert’s consent’’ with securities regulators, which would result in the assumption of statutory liability for its opinion. See, for example, section 10.1 of *Regulation 41-101 respecting General Prospectus Requirements*. Do you think that such an exemption is still appropriate in Canada?