

FSB deregisters Fitch as credit ratings agency

The Registrar of Credit Rating Agencies announces the cancellation of registration of Fitch Southern Africa (Proprietary) Limited (“Fitch Southern Africa”) as a credit rating agency with effect from 4 September 2015. This follows a request by Fitch Southern Africa that their registration be cancelled.

The cancellation of the registration means that Fitch Southern Africa, or any other Fitch office or entity, will no longer issue credit ratings for regulatory purposes in South Africa. Activities related to credit rating services, including marketing and advertising of and canvassing for credit ratings by Fitch Southern Africa are no longer permitted.

To ensure continuity and to maintain financial stability the ratings issued by Fitch Southern Africa will be valid for a period of 4 months and ratings issued in conjunction with another rating agency will be valid for a period of 14 days after the date of publication of the Notice of deregistration on the Financial Services Board’s (FSB) website. Thereafter, Fitch clients will need to seek a rating from another FSB registered credit rating agency.

As a condition of cancellation, Fitch Southern Africa has been advised by the Registrar to inform its South African clients and rated entities of its de-registration.

Further details are available on the Financial Services Board website.

-Ends-

Enquiries: Ms Tembisa Marele
Communications Specialist
Financial Services Board
Email address: Tembisa.Marele@fsb.co.za
Telephone: 012 428 8025 / 083 754 2052

Q&A: Fitch Ratings

1. Why did the FSB deregister Fitch?

The FSB received a request from Fitch that they be deregistered.

2. What happens to entities that currently have Fitch ratings?

Credit ratings from Fitch South Africa and any other Fitch entity, including those Fitch entities domiciled in other locations may no longer be used for regulatory purposes in South Africa. Entities that currently hold Fitch ratings will have to replace such ratings in the following manner:

- a. Entities with “Fitch South Africa only” ratings will have to seek a rating from another FSB registered credit rating agency. This is to be done within four months from the date that the notice of deregistration is published on the FSB website.
- b. Entities with dual ratings, i.e. those that hold a rating from Fitch South Africa plus another registered credit rating agency will have 14 days for the dual rating to remain valid. Thereafter they will have to replace the Fitch rating with a rating from another FSB registered credit rating agency.

3. Are any other Rating agencies currently in similar discussions with the Registrar?

No.

4. Will this cancellation affect South Africa’s sovereign rating?

Sovereign ratings are not necessarily dependent on a single rating agency view on South Africa but on all those who carry out such ratings. The rating assigned is dependent on a number of factors, financial and other, which are part of and influence the economy.

5. How can investors get more information on this matter?

The FSB’s Credit Ratings Agency team is available to local and International Investors who are welcome to call or send an e mail with their enquiries.

Details are:

Roland Cooper, Telephone number - +27 (0) 12 422 2907 and,

E mail - roland.cooper@fsb.co.za