

**プレゼンテーション：
金融審議会金融分科第一部会**

スタンダード&プアーズ・レーティングス・サービスズ

2008年10月15日

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S&Pの対応

S&Pは、格付けプロセスの厳正性・独立性を強化し、分析の質の向上、市場への透明性および投資家の理解の促進を図るとともに、格付けに対する市場の信頼を回復し、公共の利益に資するよう、より一層努力して参ります。

● S&P は、格付けに対する市場の信頼を回復するための諸施策を議論し検討するため、各国の規制当局、諸政府機関、中央銀行、IOSCO、およびその他の市場関係者と継続的に協議しております。

● S&Pは、本年2月に格付けプロセスの厳正性・独立性の強化、格付けプロセスの向上、そして格付けの透明性の向上のため、27項目に及ぶ施策を公表しました。(なお、S&Pは、定期的に進捗状況を公表しております。)

格付けの信頼向上に向けたS&Pのアクション

- **Governance:** 格付けプロセスの厳正性・独立性の確保
- **Analytics:** 格付けの質と分析力の強化
- **Information/Transparency:** 透明性の向上とより深い分析の提供
- **Education:** 格付けに対する理解の促進

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格付けプロセスの厳正性・独立性の確保

Governance

オンブスマンの設置

- 利益相反の監視
- マグローヒル社CEOおよび監査委員会への報告

外部による格付けプロセスのチェック

- 第三者によるコンプライアンスのチェック

マグローヒル社の監査委員会によるチェック

- オンブスマンと外部チェックとの連携

ビジネスとポリシー部門の明確な区別

- 格付けポリシー
- コンプライアンス
- 格付け規準
- 格付けの内部監査

リスク評価委員会の設置

- ビジネス部門から独立
- 格付けと市場リスクの評価
- 新たなタイプの証券に対する格付けの妥当性もチェック

新たなポリシーの導入

- ルックバック・レビュー
- アナリストの定期的な異動
- コンプライアンス研修の充実

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格付けの質と分析力の強化

Analytics

サーベランス体制のさらなる強化

- 人員の増員
- IMAKE・ABSxchangeとの連携
- サーベランス・ツールの導入

モデル監視委員会の設置

- ビジネス部門から切り離し
- モデルの評価およびバリデーション

アナリストの研修プログラム

- アナリスト認証制度の導入
- 研修内容の充実化

信用リスク以外のリスクに対する評価

- 流動性 (Liquidity)
- 変動性 (Volatility)
- 相関 (Correlation)
- 回収 (Recovery)

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透明性の向上とより深い分析の提供

Information/Transparency

シナリオ分析

- ‘What If’ 分析の充実

格付けの比較分析の強化

- 証券化、事業会社、ソブリンといったセクターやアセットクラスを横断的な比較分析の強化
- グローバル比較

格付け分析に用いる情報の質・正確性の強化

- 証券化のオリジネーター・レビューの強化
- 証券化のローンデータの充実

ポートフォリオ開示水準の引き上げ

- ABCP
- SIV

証券化商品に関する情報の透明性の向上

- 証券化商品の区別
- 裏付け資産パフォーマンス悪化の早期トリガー

格付け情報と規準の開示

- デフォルト・格付け推移調査レポート
- ランドマーク案件レポート
- ウェブサイトの改定

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**STANDARD
& POOR'S**

格付けに対する理解の促進

Education

格付け利用

- 「格付け利用の手引き」の作成

アドバイザリー委員会の主催

- 多様な市場参加者と有識者の参加を予定
- 市場の発展に関する議論

市場参加者へのアウトリーチ

- 複雑な商品に対する格付けの理解

格付け業界のベスト・プラクティス

- 同業他社との協力
- ワーキング・グループの開催

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格付け機関に対する法規制の導入に関する見解

[1] 格付け機関に対する法規制の導入の是非

審議会においてこの点が議論される際には、信用格付けの性質・特徴、資本市場全体におけるコスト・ベネフィット比較の詳細な分析、そして、他の代替手段の適否に関する十分な議論を期待します。

法規制導入の是非に関する議論の際に、特にご考慮いただきたい点：

- (1) 格付けまたは格付けプロセスの独立性、客観性、分析の質、透明性に対する市場関係者の懸念の大部分は、IOSCOの改訂行動規範に反映されていること。S&Pは、IOSCOの改訂行動規範の基本的な考え方に賛同します。
- (2) S&Pおよびその他の格付け機関は、近時の懸念に対応すべく、諸施策を講じていること。
- (3) 信用格付けは、発行体ないし個別債務の将来の信用力に関する現在の意見であり、特定の証券の売り、買い、ないし保有を推奨したり、特定の投資家の適合性を分析したり、または、格付けにより表象されている信用リスクに見合ったリターンが見込めるかどうかの判断を提供するものではないこと。
- (4) 格付けプロセスや規準のイノベーションを実務上阻害するおそれがあること。これは、法規制がどのように規定されるかだけでなく、規制当局によってどのように適用、執行されるかにも関わること。

S&Pは、日本における法規制ないしその他のルールの検討に関し、引き続き金融審議会および金融庁に協力させていただく所存です。

格付け機関に対する法規制の導入に関する見解

[2] 格付け機関に対する法規制を導入する場合にご考慮いただきたい点

(1) 規制およびその監督に関する国際的な整合性

- ＞ 信用格付けの国際的側面から、規制およびその監督に関し、国際的な整合性・調和が要求されること。
- ＞ 独自に厳しい規制を導入すると、S&Pのようなグローバルな格付け機関には過度の負担となり、また、実務的に対応が極めて困難となること。
- ＞ IOSCOの改訂行動規範は国際的に承認されていること。

(2) 格付け機関の独立性

- ＞ 格付け自体または格付け手法および規準に対して、規制・監督の対象とすべきではないこと。

(3) 相応かつ効果的な規制

- ＞ 規制は、趣旨が明確であり、且つ、その趣旨に相応したものである必要があること。また、趣旨・目的から逸脱した結果を生じさせないことを確認する必要があること。ストラクチャード・ファイナンスに関する格付けと企業格付けの相違に基づき、規制内容・対象も区別して検討することが望ましい。

(4) プリンシパル・ベースの規制

- ＞ 格付け機関が、規制目的・対象に対して、事業を展開する市場の相違、かかる市場の発展度合いの相違、および、各格付け機関の組織形態に応じて、具体的にどのように対応していくことができるようプリンシパル・ベースの柔軟な規制が望ましい。

(5) 各国の規制当局との効率的な協調

- ＞ 他国の規制当局との協調、他国における同等の監督体制に対する相互認識、そして、他国における同等の規制の認識

STANDARD & POOR'S

潜在的な利益相反の管理、格付け手順の強化、市場へのサービス向上に向けたスタンダード&プアーズの施策

(2008年2月7日に発表された、「S&P's steps to further manage potential conflict of interests, strengthen the ratings process, and better serve the markets」の翻訳です。)

ガバナンス:格付け手順の厳正性を確保

- 発行体、投資家、従業員やその他市場関係者から利益相反、分析とガバナンス過程に関する問題に懸念が生じた場合、問題の存在を明らかにするオンブズマン・オフィスを設置する。オンブズマンは寄せられたすべてのクレームを管理し、それらに対応するとともに、より高いレベルでの対応が必要な問題があれば、それらをマグローヒルCEOと取締役会傘下にある監査委員会に報告する。
- スタンダード&プアーズの格付けの遵法性とガバナンスに関し、定期的に外部の第三者機関による検査を実施し、スタンダード&プアーズが潜在的な利益相反を効果的に管理し、格付けの独立性を確保しているかを公表する。
- マグローヒル取締役会傘下の監査委員会と定期的に検討会を開き、スタンダード&プアーズの全般的なガバナンスと遵法性の機能を討議する。検討する内容は、(1)格付けの質と遵法性の効果に関する施策、(2)オンブズマン・オフィスが提示した問題に関する懸念事項と対策、(3)スタンダード&プアーズの全般的なガバナンスと遵法性のプロセスについて、外部機関が実施した独立した検査の結果——などである。
- ガバナンス方針、遵法性、格付け規準の管理と格付けの質の確保に責任を持つ機能を整え、格付け業務部門と切り離し独立させる。
- 格付け業務とは別に、全社的なリスク評価監視委員会を設置する。同委員会は、格付け手順に影響を及ぼす可能性のあるすべてのリスクのほか、新しいタイプの証券に格付けを付与することの実現可能性などを評価する。
- 格付けの厳正性をチェックするために、退職したアナリストが担当していた発行体で働くようになった場合、そのアナリストが担当していた格付けを「再点検」する。
- 主要なアナリストの担当替え制度を導入する。
- 遵法性を徹底させる社員研修を増やす。

分析:格付けの分析と意見の質の強化

- サーベイランスの手順を改善する。(a) 証券化案件について、新たな経営資源を投入するとともに、新規格付けと格付けのサーベイランス機能の分離を続ける (b) 事業法人・公益事業部門については、調査ツールや市場ベースのツールの活用を広げるほか、業務とは切り離してサーベイランスを監視し強化を図る。(c) プロセスの適時性と効果を高める目的で、ツールを定期的に追加する。
- 格付けから独立したモデル管理委員会を定量分析グループ部門内に新設する。本グループは格付け業務部門から隔離された独立組織として、モデルやツールを評価する。
- アナリストの年次の受講必須研修を増やし、研修内容の高度化を図るとともに、アナリスト認証制度を導入する。
- 流動性、格付けのボラティリティ、回収、相関など格付けされた債券やポートフォリオのパフォーマンスに影響を与えるデフォルト以外の要因に着目し、これまでの信用格付け分析を補完する。

情報:より高い透明性と優れた見識を市場参加者に提供

- 格付け規準とその基礎となるモデルや分析ツールを簡素化し、広く市場が入手できるようにする。
- 「仮にこうなった場合どうなるか」というシナリオ分析を格付け分析レポートに盛り込み、格付けの前提、予期し得ないイベントが発生した場合の潜在的な格付けへの影響についての説明を提供する。
- 市場参加者と共同で、証券化商品の裏付けとなる担保に関する情報公開を改善し、情報の質と信頼性を高める。また、発行体とオリジネーターのデータの品質管理能力をよりよく把握できるように、両者が用いる手法に関するより多くの情報を集めて、データの正確性と信頼性、ならびに不正検知対策を評価する。
- 長期および短期の格付けのパフォーマンスに関するデータをより広範囲に公表する。
- 複数の資産クラスや発行体の種類の間での格付けの比較可能性に関する説明を向上させる。(証券化案件 vs. 事業会社 vs. ソブリン)
- 証券化の新規案件や主要案件などを要約した「ランドマーク・ディール・レポート」を公表し、投資家、仲介業者、発行体、監督官庁、報道機関に広く配布する。
- www.standardandpoors.com にあるグローバル・レギュラトリー・アフェアーズのコーナーを利用して、スタンダード&プアーズの倫理規定と開示情報を閲覧を促進する。

- 証券化商品（資産担保コマーシャル・ペーパー（ABCP）やストラクチャード・インベストメント・ビークル（SIVs）など）について情報開示の最低水準を引き上げる。
- 証券や発行体の主な信用力属性（延滞件数、損失額など）が予想と異なり、スタンダード&プアーズのサーベイランスによる全面的な格付け見直しのきっかけとなったか、あるいはなる可能性があることを、投資家に早い段階で警告する指標を開発する。
- (a) 証券化格付けで、(b) 新しいタイプの仕組みや証券化である場合、それが分かるように新しい記号を開発する。

教育:信用格付けと格付け証券に関して、市場により効果的な教育を施す

- 「信用格付けのユーザマニュアルと投資家のガイドライン」を作成し、格付け作業と金融市場における格付けの役割についても一層の理解を促進する。
- ウェブや他の媒体を通して分析と意見をより広範囲に配信する。
- スタンダード&プアーズが格付けを付与している複雑な証券に対するより深い理解を促進するために、市場に対するアウトリーチ・プログラムを立ち上げる。
- 複雑な問題を取り上げて理解の促進を図るとともに、市場の教育に適したトピックを設定するために、リスク管理の専門家、学者、元官僚といったメンバーを含むアドバイザリー委員会を設置する。
- NRSRO（全国的に認知された統計格付け機関）各社と共同で、業界のベスト・プラクティスと発行体の情報開示基準を導入し、格付けの品質を促進する。

スタンダード&プアーズの現在の方針とプラクティス

ガバナンス:独立性と格付けの質

- 格付けは常に委員会で決定する。
- 商行為に関与する者は格付け委員会で投票できない。
- アナリストの報酬は、アナリストが関与する格付け数や格付け作業に起因する収入や利益に連動しない。
- 現在の方針では、アナリストがコンサルティングや顧問業を行うことや、証券化案件で仕組みの組成に関与することを禁止している。
- 別のグループが新しい仕組みに対する格付け付与の適切性を決定するのであり、スタンダード&プアーズの格付け規準を満たさない場合は、当該証券への格付け依頼を拒否している。
- 現在の方針では、格付けアナリストに対して、自らが格付けを付与している証券の保有や売買や情報の共有を制限している。
- スタンダード&プアーズの格付け手順の厳正性を守るべく、方針と格付けのガイドラインを開発するポリシー・ガバナンス・グループを組織している。
- アナリストのパフォーマンス評価は、仕事の質や法令順守に合わせて調整する。
- スタンダード&プアーズの格付け部門の組織の中に、強力な法令順守機能を組み込んでいる。

分析とサーベイランス

- 格付けは信用力とデフォルトの蓋然性のみに注目する。
- 住宅ローン担保証券（RMBS）と債務担保証券（CDO）のサーベイランスの責任は、当初の格付けとは別のグループが担う。

情報:透明性と一貫性

- 格付けの実績を更新して一般に公開し、証券化案件と、事業法人・公益事業部門の格付けの30年以上にわたる実績と併せて、毎年、公開する。
- 投資家と発行体は、証券化案件のモデルと、元になるデータを利用できる。

教育とアウトリーチ

- 格付け定義は www.standardandpoors.com で入手できる。
- 新しい格付け規準とモデルについては、一般からのアドバイスやコメントを求める。
- 分析レポートと格付けアクションを、メディアを通じて公表する。

STANDARD & POOR'S

DESCRIPTIONS OF NEW ACTIONS TO STRENGTHEN RATINGS PROCESS AND BETTER SERVE MARKETS

Governance: Ensuring Integrity of the Ratings Process

- **Establish an *Office of the Ombudsman* that will address concerns related to potential conflicts of interest and analytical and governance processes that are raised by issuers, investors, employees and other market participants across S&P's businesses. The Ombudsman will have oversight over the handling of all issues, with authority to escalate all unresolved matters, as necessary, to the CEO of McGraw-Hill and the Audit Committee of the Board of Directors.**

S&P will establish an Ombudsman to whom issuers, investors, employees and other market participants can raise concerns about potential conflicts of interest and integrity of our business and compliance processes. The Ombudsman will oversee the handling of all concerns, with authority to escalate all unresolved matters, as necessary, to the CEO of McGraw-Hill and the Audit Committee of the Board of Directors. The Ombudsman will report to the President of S&P but will not be part of S&P management and his / her compensation will not be tied in any way to S&P / McGraw-Hill business results. Above and beyond S&P's current safeguards that protect the integrity of our businesses, this mechanism will provide one central point where any concerns about the objectivity or soundness of the rating and other business processes can be raised.

- **Engage an external firm to periodically conduct an independent review of S&P Ratings' compliance and governance processes for the purpose of publicly issuing an opinion that addresses whether S&P is effectively managing potential conflicts of interest and maintaining the independence of its ratings.**

To further strengthen and reinforce the development and implementation of compliance programs, an external firm will conduct periodic reviews of the compliance function and produce a report on compliance at Standard & Poor's Rating Services. The opinion will be made public and presented to S&P's Risk Assessment Committee, McGraw-Hill corporate management, and the Audit Committee of the McGraw-Hill Board of Directors.

- **Hold periodic reviews with the Audit Committee of the McGraw-Hill Board to discuss S&P Rating's overall governance and compliance function which will include: (1) key business measures of ratings quality and compliance effectiveness, (2) the concerns and resolution of issues addressed by the Office of the Ombudsman, and (3) results of the independent reviews, by an external firm, of S&P Rating's governance and compliance processes.**

The Audit Committee of the McGraw-Hill Board will conduct periodic reviews of S&P Ratings' compliance and governance functions. These periodic reviews by the McGraw-Hill Audit Committee will provide an additional facet of independent oversight of S&P's overall governance and compliance functions.

- **Formalize functions with responsibility for policy governance, compliance, criteria management and quality assurance of the ratings and make them separate and independent from the Ratings business units.**

Standard & Poor's is implementing changes to its policy development and quality governance structure to enhance the independent development of policy and the objective review of criteria, and to strengthen the quality review function. Under the new structure, there will be a Policy Governance Group which will be charged with the development and approval of all new S&P Rating's policies and procedures, and managing policy from an overall Ratings franchise perspective. These organizational changes also provide that S&P's Chief Credit Officer will oversee the criteria development and the quality review process. Criteria and quality officers previously managed within the Ratings business units will now report to the Chief Credit Officer. The Chief Credit Officer will report to the Head of Ratings, separated from the business units. In addition, S&P Ratings appointed a Chief Compliance Officer in June 2007 who is responsible for developing and implementing a compliance program. S&P's Chief Compliance Officer acts and reports independently of the Rating business

By separating the policy, criteria and quality review functions from the business operations, S&P is placing an even greater emphasis on ratings integrity and quality and making the policy and quality review process independent from the business of ratings. Under the new structure, there will be even greater emphasis on the independent development of policies, and on oversight of quality and criteria decisions. .

- **Establish an enterprise wide *Risk Assessment Oversight Committee* that operates separately and independent of the business. The Committee will assess all risks that could impact the ratings process. This committee will also assess the feasibility of rating new types of securities.**

S&P's newly created Risk Assessment Oversight Committee will be responsible for providing an independent oversight of risks that relate to or emerge from the rating process. The Committee will be responsible for overseeing decisions relating to S&P's approach to rating new instruments, providing new types of rating services and assessing potential changes in the environment for existing rating services in light of possible market shifts. This group, consisting of the President of Standard & Poor's and other senior S&P executives, will assess potential risks and evaluate S&P Ratings' capabilities as part of its oversight process.

The review by the Risk Assessment Oversight Committee accomplishes two objectives: (1) it adds another layer to the decision-making process (separate and apart from S&P Ratings business leaders) of the most senior S&P-wide executives and (2) it formalizes a decision process for rating new instruments, providing new services and assessing potential changes in the environment. In their assessment, the Committee will consider potential risks to the franchise and S&P Ratings' capability, skills and resources.

- **Implement “look back” reviews to ensure the integrity of ratings, whenever an analyst leaves to work for an issuer.**

In light of the strong demand for experienced analysts, especially in the structured finance area, ratings analysts have sometimes left S&P to work for issuers or financial advisors that advise issuers. In these cases, S&P will implement a procedure to review ratings where the departing analyst had significant involvement in the rating process.

While the Committee process is designed to safeguard the objectivity of the rating process and prevent any single analyst from unduly influencing a rating decision, this “look back” process provides an additional mechanism for S&P to conduct targeted reviews of ratings that involved analysts who depart S&P for an issuer or advisor.

- **Institute periodic rotations for lead analysts.**

S&P will institute a new policy whereby: (1) analysts (in corporate, financial institutions, sovereign, and public finance) are precluded from acting as primary analysts on the same entities for more than five years, and (2) primary analysts on new structured finance transactions will be assigned so that analysts are responsible for transactions managed by different arrangers.

The policy will help to prevent long-standing professional or personal relationships from inadvertently affecting ratings.

- **Increase level of existing employee training to ensure compliance with policies.**

As part of S&P Ratings’ Educational Policy, Ratings employees will be required to undergo additional hours of training focused on compliance programs and procedures. Additional employee training will enhance analysts’ understanding of the policy requirements and ensure that compliance is top-of-mind for Ratings employees.

Some current governance policies and practices of Standard & Poor’s:

- Ratings decisions are always made by committees.
- Personnel who are involved in commercial activities may not vote on a rating committee.
- Analysts’ compensation is not linked to number of ratings an analyst is involved in, nor is it linked to the revenues or profits attributable to an analyst’s ratings work.
- Existing policies prohibit analysts from providing consulting or advisory services or participating in structuring transactions.
- Existing policies restrict analysts’ ownership of, and trading in, securities they rate and restrict information sharing by rating analysts.
- Analyst performance measurements are used to align compensation with quality and compliance

Analytics: Enhancing Quality of Ratings Analysis and Opinions

- **Improve surveillance process through: (a) additional resources and ongoing separation of new rating and rating surveillance functions in Structured Finance (b) strengthen surveillance in Corporates & Governments through the expanded use of search and market based tools and through oversight of surveillance separate from the business, and (c) regular adding of surveillance tools to make the surveillance process more timely and effective.**

S&P will strengthen the surveillance of structured securities by enhancing the data, and models utilized in surveillance and augment the size of its surveillance staff. S&P's recent acquisition of I-MAKE will be utilized to provide additional cash flow modeling and analysis on the performance of collateral pools. The Structured Finance surveillance group functions separately from the analytic team that assigns initial ratings

Additionally, surveillance in Corporates & Governments will be supported by tools providing enhanced financial forecasting capabilities as well as anomaly detection and alerting functionality around numeric and text data as well as market prices. These additional capabilities will provide analysts with support for more timely surveillance of ratings.

The Chief Credit Officer will regularly review the surveillance process and report to S&P's Analytical Policy Board (APB).

- **Establish a *Model Oversight Committee* within the Quantitative Analytics Group, which will be separate from and independent of the business unit, to assess and validate the quality of data and models used in our analytical processes.**

S&P is establishing a Model Oversight Committee to focus on: reviewing model documentation for completeness and accuracy; independent implementation of models; validation of data sets, calibration procedures and model adequacy; assessment of model risk and impact of alternative modeling approaches; validation of model implementation and code updates and compilation of all quantitative models and documentation into a model library. The Committee will function as a part of the Quantitative Analytics Group, independent from the Ratings business units. This group will also be subject to periodic reviews by the Chief Credit Officer.

This review by the independent Model Oversight Committee will help provide a dispassionate review of quality of models used by our ratings analysts.

- **Increase annual analyst training requirements, enhance training programs, and establish an analyst certification program.**

S&P Ratings currently has an Educational Policy that requires analysts to undergo a minimum of 20 hours of training each year. S&P will increase that per annum minimum. Furthermore, S&P will be partnering with an academic institution to develop an analyst certification program. The program will be tailored to reflect future needs of S&P Ratings with basic skill building for less seasoned members of the team, and expanded course offerings and specific skills and courses required for certain designated levels.

While S&P analysts are among the most dedicated and capable professionals in the market, additional training requirements and programs to keep skills current with a very dynamic market will further enhance S&P's capabilities.

- **Complement traditional credit ratings analysis by highlighting non-default risk factors that can influence the valuation and performance of rated securities and portfolios of rated securities, such as market liquidity, volatility, correlation and recovery.**

Recent events show that some investors infer information about the price stability and liquidity of rated instruments that the rating was not intended to denote. S&P ratings don't guarantee the availability of a market to trade at a fair price. Therefore, we are examining ways that we can provide insight into non-default risks such as liquidity, volatility, valuation and recovery, while maintaining clarity about the role of credit ratings.

While S&P intends to maintain the primary focus of its credit ratings on default risk, we will engage the marketplace in a dialogue on ways in which S&P can provide additional or complementary analytics and benchmarks to cover significant elements of creditworthiness, like recovery, as well as other elements of risk, like the liquidity or price volatility of rated instruments. S&P is well along in supplementing its corporate credit analysis with explicit recovery assessments on speculative-grade securities and loans, and will review market needs for recovery analysis on structured securities. In addition, we are researching whether the market would benefit from the benchmarking of other risks, and how these risks could be effectively and consistently measured and assessed to support predictive analysis.

Some current analytical policies and practices of Standard & Poor's:

- Ratings focus exclusively on creditworthiness/probability of default.
- Responsibility for surveillance of residential mortgage-backed securities (RMBS) and collateralized debt obligation (CDO) ratings lies with a separate group from the initial ratings.

Information: Providing Greater Transparency and Insight to Market Participants

- **Simplify and provide broader market access to ratings criteria, underlying models and analytical tools.**

Better organize information about our criteria, models and policies as well as offer access to additional analytical tools. Criteria, policy and disclosure information will be consolidated and formatted for easier access on www.standardandpoors.com and referenced in our products. Broader analytical tools are being developed and will be made available for market use.

Market participants will have greater and simplified access to our criteria, models, and analytical tools, which will lead to better transparency.

- **Include “what if” scenario analysis in rating reports to explain key rating assumptions and the potential impact of positive or negative events on the rating.**

Develop a standard research format for scenario or “what if” analysis, and initiate a series of reports covering structured ratings products. The analysis would cover the ratings implications of changes in the underlying assumptions upon which the ratings are based. This would provide insight into ratings tolerance to changing economic or risk circumstances for each major product type. S&P will offer tools to investors along with relevant information to allow them to develop and conduct their own stress scenarios based on their own assumptions.

While S&P makes rating changes based on fact-based data and analysis, this will enable investors to make their own projections based on their assessment of different stress scenarios

- **Improve the quality and integrity of information by working with market participants to improve disclosure of information on collateral underlying structured securities. In addition, implement procedures to collect more information about the processes used by issuers and originators to assess the accuracy and integrity of their data and their fraud detection measures so that we can better understand their data quality capabilities.**

In order to enhance transparency about collateral contained in structured finance securities, S&P is exploring ways to improve portfolio disclosure guidelines for issuers as part of its criteria. We will be discussing any proposed guidelines with market participants. We will then publish a request for comment, seeking input from the market (including issuers and investors). We will look to utilize loan level data in the analysis of collateral; evaluate the strength of originators’ fraud detection; and explore opportunities for third-party validation of data reliability.

These actions will provide investors with more modeling capabilities and data sets to enhance information in this area.

- **More broadly disseminate long- and short-term rating performance data.**

S&P currently publishes ratings default and transition studies that provide significant detail on the past ratings performance. Corporate and structured studies are published annually, with the year-end report just released earlier this week, and are updated quarterly and posted on www.standardandpoors.com. To facilitate a broader understanding and increase transparency on ratings performance, S&P will create a more user-friendly report on its ratings track record. The free, simplified version of S&P's default and transition studies will be published annually, with quarterly updates, and provide plain language explanations as to what the data signifies and how the historic track record is measured.

- **Better explain the comparability of ratings across asset classes (structured vs. corporate vs. government).**

S&P has conducted research on the comparability of its ratings across different asset classes – with a focus on consistency in default, transition, and stability. S&P will publish these research findings, which will help clarify the ways in which our ratings are similar across asset classes (as predictors of default).

While S&P ratings have generally performed consistently across asset classes in terms of default experience, recent events have highlighted the need for more research and discussion with the market about possible ways to provide even greater clarity.

- **Develop an identifier to the ratings of securitizations that will highlight to the market that: (a) the rating is on a securitization, and (b) the rating is on a new type of rating structure or securitization.**

With input from the market and others, S&P will develop an indicator attached to all structured finance ratings. This will provide all market participants with a clear distinction between a structured finance rating as opposed to more traditional corporate and government ratings. An additional designation could be applied to new asset types to indicate the presence of less developed empirical evidence on asset performance.

- **Make available a Landmark Deals report which summarizes new structures and major issues, and distribute the report widely to investors, intermediaries, issuers, regulators and media.**

The Landmark Deals report is a list of new or unusual deals (typically first of their kind) rated by Standard & Poor's global structured finance group. For each transaction, the report includes: name of deal; brief description of why it's a landmark deal; closing date; region/office; transaction amount (\$); collateral type; originator; types of published articles; links to articles on RatingsDirect. Currently an internal report, S&P will now make this report public as a way to keep the market informed of new developments in the structured finance market.

By making the Landmark Deals report available to the public, S&P can help raise awareness of the different types of structures being created and communicate its views on credit considerations attendant to such deals.

- **Enhance access to S&P's code of ethics and disclosures through a link to the regulatory affairs section of www.standardandpoors.com.**

Provide a simple and consolidated access to Ratings Services Code of Conduct, S&P's Code of Ethics and disclosures.

- **Establish greater minimum portfolio disclosure criteria for structured securities servicers (e.g. ABCP and SIVs).**

With the cooperation of industry participants, S&P will publish key data items about the company's portfolio of every ABCP conduit and SIV it agrees to rate. This increased disclosure will provide investors additional insight into the investments and risks of that entity and a better understanding of what assets underlie their investments.

- **Develop an early warning indicator to investors that a key credit quality attribute (e.g. delinquencies; losses) of an issue or issuer differs from our expectations and has or may trigger a full review by S&P surveillance**

Provide an early-warning indicator for investors of a potential rating action. It would provide increased transparency into our surveillance process. Investors and market participants would gain greater insight into whether an issue has been selected for review or passed our screening tests. This also allows investors to prioritize their own internal surveillance analysis.

Some current information policies and practices of Standard & Poor's:

- Ratings track record updated and made publicly available, published annually with 30+ years of historic performance for Structured, Corporate and Government ratings.
- Structured finance models and underlying data are made available to investors and issuers

Education: More Effectively Educating the Marketplace about Credit Ratings and Rated Securities

- **Publish a *Credit Ratings User Manual & Investor Guidelines* to promote better understanding of the ratings process and the role of ratings in the financial markets.**

Standard & Poor's will publish User Manual & Investor Guidelines to address such topics as: what ratings are, what they do and do not measure, how ratings are used by different parties in the capital markets, how ratings are assigned and surveilled and how to access ratings and research.

S&P has a role to play in helping market participants to better understand what a rating is and – what it is not – and to furnish tools that will help market participants to use ratings appropriately.

Although S&P currently makes ratings (and considerable information about ratings) available for free on its Web site, the User Manual & Investor Guidelines will help to support broader public understanding.

- **Broaden distribution of analysis and opinions via Web and other media.**

Expand outreach to include regulators and the broad investing public through online communications, including podcasting and blogs.

- **Launch market outreach program to promote better understanding of complex securities S&P rates.**

An enhanced communications outreach designed to help market participants better understand both the features of new types of securities and the assumptions we have made in rating them.

- **Establish an Advisory Council with membership that includes risk managers, academics and former government officials to provide guidance on addressing complex issues and set topics for market education.**

S&P will add an additional Advisory Council with the responsibility to consider, critique, and discuss high-level credit concepts authored and advocated by S&P. A significant goal of the Council is the oversight and discussion of S&P's initiatives, education, and communications to the market and broad public regarding understanding credit ratings. The Council will address credit issues from origination, through issuance and distribution, to trading and custody, until maturity and retirement and/or default and recovery resolution of the obligation. Agenda topics cover all market practices, financial literacy, and communications concerning credit.

While S&P has sought market input through its many client and investor interactions, this expanded initiative will put S&P in closer touch with the many views in the marketplace.

- **Work with other NRSROs to promote ratings quality through the introduction of best practices and issuer disclosure standards.**

S&P will discuss with other NRSROs and regulatory bodies (e.g. IOSCO) code of conduct enhancements.

Some current education and outreach policies and practices of Standard & Poor's:

- Rating criteria available on www.standardandpoors.com
- Public input and comment solicited for all new criteria and models.
- Research and rating actions released through the media.