

## **Chapter 2**

# **Commission Delegated Regulation (EU) No 447/2012**



## Article 3 Assessment of compliance by the FCA

(1) In addition to examining the compliance of credit rating agencies with the provision of Article 8(3) of Regulation (EC) No 1060/2009 in relation to an application for registration according to Article 15 of that Regulation, the FCA shall examine compliance by each credit rating agency with Article 8(3) of Regulation (EC) No 1060/2009 on an ongoing basis as the FCA considers appropriate.

(2) When examining the compliance of credit rating agencies with the provision of Article 8(3) of Regulation (EC) No 1060/2009 the FCA shall use all information relevant to assess the process of developing, approving, using and reviewing credit rating methodologies.

(3) In determining the appropriate level of assessment, the FCA shall consider whether a credit rating methodology has a demonstrable history of consistency and accuracy in predicting credit worthiness and may have regard to methods of validation such as appropriate default or transition studies designed to test that specific methodology.