

## **Chapter 2**

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



## Article 8 Exemption

In cases where there is limited quantitative evidence to support the predictive power of a credit rating methodology, a credit rating agency shall be exempt from complying with Article 7 of this Regulation if it:

- (a) ensures that credit rating methodologies are sensible predictors of credit worthiness;
- (b) applies internal procedures in a consistent way and over time and across different market segments;
- (c) has processes in place to ensure that systemic credit rating anomalies highlighted by back-testing are identified and are appropriately addressed.