

Chapter 4

Commission Delegated Regulation (EU) No 449/2012

**ANNEX IV ORGANISATIONAL
STRUCTURE (Article 11)**

(1) A credit rating agency shall provide the following information regarding policies and procedures referred to in Article 11(1):

- (a) a description of the roles and responsibilities of the employees;
- (b) a description of the mechanisms to monitor the effectiveness of the policy or procedure;
- (c) the number of employees and the ratio of temporary to permanent employees;
- (d) information on the reporting lines and the frequency of reporting; and
- (e) a description of the interaction between the relevant function and employees directly involved in the rating process and between that function and any other functions.

(2) Where the arrangements referred to in point 1 of this Annex are carried out at group of undertakings level, a credit rating agency shall provide the FCA with a copy of relevant service level agreements that it has entered into, or proposes to enter into, with other group members, and the following information:

- (a) a description of the relevant tasks carried out by each group undertaking, including undertakings located in third countries;
- (b) a clear identification of the undertaking involved in performing the task, specifying its location;
- (c) information on the reporting lines and frequency of reporting of each entity involved and on the way information is collected from each entity; and
- (d) information on any dedicated resources located in the UK. In the case of human resources, a credit rating agency shall specify the time devoted to the function on the basis of full time equivalence.

(3) With respect to the compliance function, a credit rating agency shall provide the following information:

(a) the policies and procedures on the reporting of information as described in point 5 of Section C of Annex I to Regulation (EC) No 1060/2009;

(b) a description on how it ensures the independence of the compliance function;

(c) the most recent report of the compliance officer;

(d) a work plan for the next three years.

(4) With respect to the internal audit function carrying out the tasks described in point 10 of Section A of Annex I to Regulation (EC) No 1060/2009, a credit rating agency shall provide the following information:

(a) an explanation of how its internal audit methodology is developed and applied in accordance with the special features of its activities and their extent, complexity and risks;

(b) a work plan for the next three years.