

## Chapter 4

# Commission Delegated Regulation (EU) No 449/2012

## Article 20 Independence and avoidance of conflicts of interest

(1) A credit rating agency shall provide the FCA with information regarding its policies and procedures with respect to the identification, management and disclosure of conflicts of interest and the rules on rating analysts and other persons directly involved in credit rating activities covering at least the requirements set out in Annex VIII.

(2) A credit rating agency shall describe the process used to ensure that the relevant persons are aware of the policies and procedures referred to in paragraph 1. A credit rating agency shall describe the arrangements in place to ensure that the review function responsible for reviewing the methodologies set out in point 9 of Section A of Annex I to Regulation (EC) No 1060/2009 is independent of the business lines which are responsible for credit rating activities.

(3) A credit rating agency shall describe the controls put in place, including the controls implemented through information systems, in order to comply with the requirements of paragraphs (2) and (3) of Article 7 of Regulation (EC) No 1060/2009 on the negotiation of fees and the rules on persons involved in rating activities.

(4) A credit rating agency shall describe any other measures and controls put in place to ensure the independence of its rating analysts.