

Banking and Finance News

New instructions for Risk Rating Companies to send risk rating reports to the CNV

Circular CNV/DIR No. 023/2023 issued on May 30, 2023 by the National Securities Commission (CNV) introduces amendments to Circular CNV/DIR No. 028/2022 regarding the submission of risk rating reports by Risk Rating Companies and their access by the CNV. The main aspects of the Circular are detailed below:

1. Risk rating reports must be permanently available in digitalized format for access and/or delivery to the CNV. This includes the working/calculation papers and the risk matrix used, as well as the risk rating reports issued and the corresponding review report;

It is important to bear in mind that the submission of the risk rating reports must be made in accordance with the form and deadlines established in the Securities Market Regulation. In this regard, said regulation mentions that the rating report for securities market entities and issues of publicly offered securities must include an executive summary, the name of the rating entity and the date of assignment of the rating. In addition, a general description of the information used in the process and the analyses performed is required.

The rating information must contain the name and identification of the issuer, the date of authorization and registration with the CNV, the date of the financial background used, the rating and its rationale, including a projected cash flow and scenario analysis. Relevant comments or observations must also be provided, and, in the case of an issue, the series of the security must be indicated and the characteristics of the issue must be described. Likewise, the ratings and their updates must be sent by the Rating Agency to the issuing entity, the CNV and the Stock Exchange within 2 business days after their assignment. Brokerage Firms must make available to the public the ratings of the securities traded with them, as well as their updates.

2. The obligation to submit the risk matrix format used in a spreadsheet is established. This applies to ratings made through "cloudCNV".



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