

November 1, 2016

## JCR's ECAI status across the entire EU takes effect

The series of the European Commission's implementing regulations with regard to the mapping of credit assessments of external credit assessment institutions (ECAI) in the European Union (EU)<sup>123</sup> were published on October 7 and 11, 2016, which have, after the elapse of 20 day grace period, all entered into force. Accordingly, the transitional measure regarding the use of ECAI under the EU Regulation on the banks' capital requirements (Regulation (EU) No 575/2013) expired. The ratings by JCR<sup>4</sup>, an ECAI in the EU, can now be used by any banks that are headquartered in all EU member states<sup>5</sup>.

As the leading credit rating agency with more than 60% of rating coverage in Japan, JCR is making efforts to enable its ratings to be directly used overseas as much as possible by becoming a "qualified rating agency" in various jurisdictions. Specifically, JCR is, apart from Japan and the EU (as a certified CRA), qualified in the United States (as NRSRO), Hong Kong SAR (ECAI), Indonesia (Recognized CRA under Bank Indonesia Regulation on Application of Prudence Principle in Non-bank Corporate External debt) and Thailand (Approved CRA established under a foreign law). JCR will continue to meet the Japanese companies' needs overseas.

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<sup>1</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1799&from=EN>

<sup>2</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1800&from=EN>

<sup>3</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1801&from=EN>

<sup>4</sup> Limited to the ratings on the entities established or the financial instruments issued in third countries only including Japan.

<sup>5</sup> It is also automatically applied to Iceland, Norway and Lichtenstein that are included in European Economic Area (EEA).