

Bank Indonesia accredited JCR as a Recognized CRA for Non-bank Corporate External Debt Regulation

- (1) Bank Indonesia (BI), the central bank of Indonesia, has accredited Japan Credit Rating Agency, Ltd (JCR) as a recognized credit rating agency in the requirement of credit ratings from January 2016 under the "Bank Indonesia Regulation on Application of Prudence Principle in Non-bank Corporate External-debt Management".^{1/ 2/}
- (2) According to the regulation, when non-bank corporations in Indonesia (including foreign subsidiaries) make new external borrowings from 1 January 2016 (with certain exceptions such as refinancing of the existing borrowings or borrowings from multilateral or bilateral creditors for infrastructure), they will be required to have a "BB-" or above credit rating from the credit rating agencies recognized by the BI. Foreign subsidiaries will be allowed to use their parents' ratings if they borrow either from their parent companies or with their parents' guarantee.
- (3) With the BI's recognition this time, companies in Indonesia that have "BB-" or above credit ratings from JCR will automatically fulfil the above requirement. Subsidiaries in Indonesia whose parents have "BB-" or above credit ratings from JCR will also fulfil the requirement when they borrow either from their parent companies or with their parents' guarantee.
- (4) JCR is registered as a Credit Rating Agency with Japan's Financial Services Agency and also recognized as an "eligible External Credit Assessment Institution (ECAI)" with respect to the regulatory purposes in the Basel II framework. In addition, JCR was registered as NRSRO (Nationally Recognized Statistical Rating Organization) with the U.S. SEC in September 2007, and received certification under the European Union (EU) regulations on credit rating agencies in January 2011. JCR was also recognized as an eligible ECAI by Hong Kong Monetary Authority (HKMA) in Hong Kong in December 2011. As shown above, JCR has been recognized as a credit rating agency by the authorities in the principal financial markets in Japan, U.S., Europe and Asia. JCR will continuously provide extensive credit rating information to a wide range of market participants including issuers and investors, and play even more active roles so as to contribute to further development of financial markets.

1/ http://www.bi.go.id/id/peraturan/moneter/Documents/pbi_162114.pdf (Bahasa Indonesia)

2/ http://www.bi.go.id/id/peraturan/moneter/Documents/se_162414.pdf (Bahasa Indonesia)

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