

# Measures for Ease of Doing Business for Credit Rating Agencies (CRAs) Timelines

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# Brief on the Circular

The SEBI Master Circular for Credit Rating Agencies (CRAs), dated May 16, 2024, outlines timelines for rating reviews and press releases. A Working Group on CRAs for Ease of Doing Business recommended changing these timelines from "days" to "working days" to align with practical challenges. CRAs rely on external entities like bankers and debenture trustees to confirm delays or defaults, which can be difficult on holidays or non-working weekends

**In order to promote Ease of Doing Business and bring about uniformity in dealing with rating reviews and publication of Press Release by CRAs, it has been decided to modify the following paras of the Master Circular as below**

Sr No	Timelines with existing as underlined	Revised timelines in the existing para
1.	<p><b>Clause 9.2.2:</b> CRAs shall publish on their website press release regarding the rating action (including reiteration of existing rating), if warranted, immediately, but not later than 7 days of occurrence of the said event.</p>	7 Working days
2.	<p><b>Clause 9.3.3:</b> In case there have been delays in the payment of interest/principal by the Issuer, the Issuers shall state the same in this statement and the CRA shall promptly conduct a rating review and disseminate the rating action through Press Release within 2 days of receipt of such statement.</p>	2 Working Days
3.	<p><b>Clause 11.3:</b> CRAs shall follow a uniform practice of three consecutive months of non-submission of No-default Statement (NDS) (or inability to validate timely debt servicing through other sources) as a ground for considering migrating the ratings to INC and shall tag such ratings as INC within a period of 7 days of three consecutive months of non-submission of NDS. The CRA in its judgement may migrate a rating to the INC category before the expiry of three consecutive months of non-receipt of NDS</p>	5 working days
4.	<p><b>Clause 28.2.1:</b> In case no confirmation of servicing of debt obligation by the Issuer is received by the CRA from the Debenture Trustee within 1 day post the due date, the CRA shall immediately follow up with the Issuer for confirmation of payment. In case no response is received from the Issuer within 2 days of such communication, the CRA shall issue a Press Release as enlisted at para 28.4.3 and disseminate the same on its website and to all stock exchanges where the security is listed</p>	1 working day and 2 working days



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