
S&P Global Ratings

Policy: Model Use
Date: 23 May 2016

Policy Statement

As stated in the Model Governance Policy, S&P Global Ratings considers a model to be a quantitative method, system or approach that applies statistical, economic, financial or mathematical theories, techniques, and assumptions to process input data into quantitative estimates. A model also includes quantitative approaches whose inputs are partly or wholly qualitative or based on expert judgment, provided that the outputs are quantitative in nature.

This Policy applies to models used in the process of determining a Credit Rating (Ratings Models). Analysts may only use a Ratings Model in the process of determining a Credit Rating if the Ratings Model is approved for that use, as specified in the Model Repository.

Analysts must document the use of all Ratings Models (including Ratings Model name and Model ID) used in the process of determining a Credit Rating.

S&P Global Ratings allows for dispensations to this policy in certain circumstances.