
S&P Global Ratings

UPDATE (as of 15 March 2019): Brexit – Implications for Credit Ratings issued or endorsed in the EU or in the UK in case of a “no-deal” Brexit on 29 March 2019¹

After the UK determined in 2016 to leave the EU (“Brexit”), we have worked to ensure that in the event the UK leaves the EU on 29 March 2019 without a withdrawal agreement in place (a “no-deal” Brexit), credit ratings issued and endorsed by S&P Global Ratings in the EU and in the UK will be usable for regulatory purposes in both jurisdictions².

Credit ratings issued or endorsed in the European Union

S&P Global Ratings Europe Limited (SPGRE), a Dublin-based Irish company, is registered with the European Securities and Markets Authority (ESMA) as a credit rating agency (CRA) under Regulation (EC) No. 1060/2009 as amended (the EU Regulation). SPGRE conduct operations through offices located in the EU (currently, London, Frankfurt, Madrid, Warsaw, Paris, Milan, and Stockholm) and outside the EU (currently, Dubai, Johannesburg Moscow, and Riyadh).

Under the EU Regulation and related legislation, credit ratings issued or endorsed by ESMA-registered CRAs (and through its branches) may be usable in the EU for certain regulatory purposes.

In case of a “no-deal” Brexit on 29 March 2019, SPGRE will endorse into the EU credit ratings issued by S&P Global Ratings’ affiliates in endorsable jurisdictions, including credit ratings issued by S&P Global Ratings UK Limited (SPGRUK), a newly-formed UK entity.

ESMA has recognized the following endorsable jurisdictions: Argentina, Australia, Brazil, Canada, Republic of Ireland, Hong Kong, Japan, Mexico, Singapore, UK and United States. ESMA has also recognized the UK as endorsable in the event of a no-deal Brexit.

Credit ratings issued or endorsed in the United Kingdom

To ensure that S&P Global Ratings’ credit ratings are usable for regulatory purposes in the UK under the Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (“UK Regulation”), we are registering SPGRUK, a new CRA, with the UK Financial Conduct Authority (FCA).

Under the UK Regulation and related legislation, credit ratings issued or endorsed by FCA-registered CRAs may be usable in the UK for certain regulatory purposes.

In case of a no-deal Brexit on 29 March 2019, we expect SPGRUK to be treated as registered with the FCA on or about that date under the UK’s temporary CRA registration regime. After 29 March 2019, in addition to issuing its own credit ratings, SPGRUK will endorse into the UK credit ratings issued by S&P Global Ratings’ affiliates in endorsable jurisdictions, including credit ratings issued by SPGRE.

The FCA has recognized the following endorsable jurisdictions: Argentina, Australia, Brazil, Canada, Republic of Ireland, EU, Hong Kong, Japan, Mexico, Singapore, and United States.

¹ Should the EU and the UK conclude a withdrawal agreement before 29 March 2019, or if Brexit is delayed beyond that date, SPGRE will remain, until further notice, the only registered S&P Global Ratings CRA issuing or endorsing credit ratings in the EU and in the UK as SPGRUK’s registration with the FCA is contingent on a “no-deal” Brexit.

² SPGRE and SPGRUK endorse U.S. Public Finance credit ratings issued by Standard & Poor's Financial Services LLC only upon specific request.

Assignment of regulatory identifiers for credit ratings issued or endorsed by SPGRE and SPGRUK

After 29 March 2019, credit ratings assigned by SPGRE through its Dublin office or its EU and non-EU offices will continue to receive an EU regulatory identifier (EU).

Credit ratings endorsed by SPGRE into the EU will continue to receive an EU endorsement identifier (EE).

Credit ratings assigned by SPGRUK in the event of a “no-deal” Brexit will receive a UK regulatory identifier (UK).

Credit ratings endorsed into the UK by SPGRUK in the event of a “no-deal” Brexit will receive a UK endorsement identifier (UKE)³. Subject to satisfactory completion of testing and validation, these UK-related identifiers will begin to be applied as soon as practicable on S&P.com after Brexit.

For more details about the list of S&P Global Ratings’ affiliates and endorsable jurisdictions please see Appendix I below.

³ The ‘UKE’ identifier will be assigned to credit ratings issued before 29 March and endorsed by SPGRUK from that date, in the weeks following 29 March. Since SPGRUK will initially endorse all credit ratings issued or endorsed by SPGRE, the credit ratings endorsed by SPGRUK can, until such time as the assignment of the ‘UKE’ is completed, be identified by reference to an ‘EU’ or ‘EE identifier’.

- Appendix I -

Impact of a “no-deal” Brexit on the endorsement in the European Union and in the UK of credit ratings issued by S&P Global Ratings’ affiliates

In case of “no-deal” Brexit, global scale ratings⁴ issued by the S&P Global Ratings’ affiliates listed below will be endorsed:

- in the European Union, by S&P Global Ratings Europe Limited (SPGRE)
- in the United Kingdom, by S&P Global Ratings UK Limited (SPGRUK).

Jurisdiction	S&P Global Ratings’ affiliates	EU Regulatory Identifier	UK Regulatory Identifier⁵
Argentina	S&P Global Ratings Argentina S.r.l., Agente de Calificacion de Riesgo	EU endorsed (EE)	UK endorsed (UKE)
Australia	S&P Global Ratings Australia Pty Ltd	EU endorsed (EE)	UK endorsed (UKE)
Brazil	Standard & Poor's Ratings do Brasil Ltda.	EU endorsed (EE)	UK endorsed (UKE)
Canada	S&P Global Ratings Canada, a business unit of S&P Global Canada Corp.	EU endorsed (EE)	UK endorsed (UKE)
Ireland (European Union)	S&P Global Ratings Europe Limited	EU issued (EU)	UK endorsed (UKE)
Hong Kong	S&P Global Ratings Hong Kong Limited	EU endorsed (EE)	UK endorsed (UKE)
Japan	S&P Global Ratings Japan Inc. and S&P Global SF Japan Inc.	EU endorsed (EE)	UK endorsed (UKE)
Mexico	S&P Global Ratings, S.A. de C.V.	EU endorsed (EE)	UK endorsed (UKE)
Singapore	S&P Global Ratings Singapore Pte. Ltd.	EU endorsed (EE)	UK endorsed (UKE)
United States	Standard & Poor's Financial Services LLC	EU endorsed (EE)	UK endorsed (UKE)
United Kingdom	S&P Global Ratings UK Limited	EU endorsed (EE)	UK issued (UK)

⁴ SPGRE and SPGRUK will endorse U.S. Public Finance credit ratings issued by Standard & Poor's Financial Services LLC only upon specific request.

⁵ The UK regulatory identifiers (UK and UKE) will be applied to credit ratings issued or endorsed by SPGRUK after 29 March 2019. All credit ratings issued prior this date by S&P Global Ratings’ affiliates listed in this column will also be endorsed by SPGRUK from 29 March 2019.