Fitch Ratings

The Rating Process

How Fitch Assigns Credit Ratings

The Rating Process

How Fitch Assigns Credit Ratings

> Fitch Ratings' credit ratings provide opinions on relative vulnerability to default or loss.

This report replaces the report of the same title dated 24 February 2022.

Fitch Ratings' credit ratings provide opinions on relative vulnerability to default or loss. To arrive at the rating opinion, Fitch follows standardised procedures, as described in this report, to ensure a globally consistent approach to its rating processes.

For the purposes of this report, a "credit rating" refers only to an international scale credit rating and the rating process described relates solely to Fitch's international credit ratings. References to an "issuer" may mean an issuer, entity or transaction.

Initiating the Ratings Process

The rating process usually begins when an issuer, sponsor/arranger or underwriter – or, in any of these cases, its agent – contacts a member of Fitch's Business and Relationship Management (BRM) group with a request to engage Fitch to provide a credit rating.

Alternatively, Fitch may initiate rating coverage on an unsolicited basis, where sufficient public information is available, to broaden industry coverage or provide insight to market participants.

Assignment of the Analytical Team

Managers' Role: Managers leading the relevant credit rating group will assign a primary and secondary analyst to lead the analysis, formulate a rating recommendation and bring the recommendation to a rating committee. These analysts are usually responsible for the monitoring or surveillance of the credit rating after it is assigned.

Structured Finance Ratings: For structured finance, once an initial credit rating is assigned, surveillance is typically transferred from the primary analyst to a dedicated surveillance analyst, although day-to-day surveillance activities may remain with the primary analyst for some structured finance asset types.

U.S. Public Finance Ratings: For U.S. public finance, the primary analyst is responsible for leading the analysis and formulating a rating recommendation but surveillance responsibilities vary by sector.

Analysts' Role: Fitch analysts conduct their reviews in a manner consistent with published criteria applicable to the issuer and asset class, which may vary by region. Analysts and committee members are required to consider relevant qualitative and quantitative factors as defined in applicable criteria and methodologies.

Analyst coverage may be rotated over time as deemed appropriate by analytical group managers and in accordance with Fitch's policies and procedures, reflecting applicable laws and regulations.

Related Research

Rating Definitions
Rating Criteria
Code of Conduct and Ethics

Analysts

Richard Hunter, Chief Credit Officer, Fitch Ratings
+44 20 3530-1102
richard.hunter@fitchratings.com

Julie Solar, Regional Credit Officer, U.S. & Canada
+1 312 368-5472
julie.solar@fitchratings.com

Darryl Osojnak, Global Head of Policy & Operations
+1 212 908-0602
darryl.osojnak@fitchratings.com

Information Used to Determine a Credit Rating

Analysts base their rating analysis on a thorough review of information known to them and believed to be relevant to the analysis and the rating decision in accordance with the applicable criteria.

The rating process incorporates information provided directly to Fitch by the issuer, arranger/sponsor or other third party. This may include background data, management forecasts, risk reports, performance information or other proprietary information.

In most cases the issuer's management or transaction sponsor participates in the ratings process via in-person management and treasury meetings, on-site visits, teleconferences, and other correspondence.

Analysts also consider macroeconomic data, market events and any other information deemed relevant for rating analysis, such as data regarding an issuer's peers, data provided by other analytical groups within Fitch or publicly available information.

The analytical team conducting the analysis will determine if sufficient information is available to form a view on the creditworthiness of the issuer. The rating committee will also consider whether there is sufficient information to assign a credit rating.

If Fitch believes that the information available, both public and private, is insufficient to form a rating opinion, no credit rating will be assigned or maintained. Fitch will withdraw that credit rating if sufficient information ceases to be available in relation to an existing credit rating.

Fitch relies on information in its analysis from sources it believes to be credible. The agency conducts a reasonable investigation of factual information relied upon in its analysis by obtaining reasonable verification of that information from independent sources to the extent such sources are available. Issuers, or arrangers/sponsors, may choose not to share certain information with external parties, including rating agencies, at any time.

While Fitch expects that each participating issuer in the rating process, or its agents, will supply promptly all information relevant for evaluating both the credit ratings of the issuer and all relevant securities, Fitch neither has, nor would it seek, the right to compel the disclosure of information by any issuer or any agents of the issuer.

Pre-Committee Process

Where a debt issue or financial structure is deemed to have unique or complex features or does not appear to have a fundamental economic purpose, a screening committee (SC) may be held to determine whether and how a rating process may proceed.

An SC is not a rating committee but is rather a cross-sector committee that provides an initial layer of review to consider such rating proposals early in the rating process.

The primary purpose of the SC is to determine the feasibility of assigning a credit rating to such proposals, which may need a cross-sector review to assess how certain credit risks should be considered and which rating criteria may be applied.

The Committee Process

Credit ratings are assigned and reviewed through a committee process. Once information has been collected and the issuer and/or securities are analysed in accordance with Fitch's criteria and methodologies, the primary and secondary analyst will form a rating recommendation and document their analysis and rationale in a committee package.

Committees consider the information and rating recommendation presented in the committee package and discuss the recommendation. The committee package must contain sufficient content, consistent with the methodology and criteria that apply to the analysis, to provide a solid basis for the recommended credit rating.

The package must include a summary of key rating drivers, sensitivity analysis, criteria variations, if any, and details of reasonable investigation, among certain other minimum content.

Voting members are chosen based on relevant experience, with seniority and experience thresholds reflected in Fitch's committee quorum requirements. The minimum committee voting quorum for credit rating decisions is five, subject to limited exceptions, and a maximum of nine, although committees often include non-voting observers.

The committee's voting quorum must include:

- A chair that moderates the committee and ensures it is conducted in accordance with Fitch's policies and procedures; and
- At least one independent member from outside the immediate asset class, sub-sector or geographic area of the entity under review, subject to limited exceptions.

The rating committee considers relevant quantitative and qualitative factors, as defined in Fitch's established criteria and methodologies, to arrive at the credit rating that most appropriately reflects both current and prospective performance.

A rating committee may adjust, or vary, the application of the criteria to reflect the risks of a specific transaction or entity. All such criteria variations are disclosed in the respective rating action commentaries, including their impact on the credit rating, if any.

A variation can be approved by a rating committee where the variation is in relation to a risk, feature or other factor that is relevant to the assignment of a credit rating and where this and the methodology applied to it are both already included within the scope of the criteria.

Where the analysis described in the criteria would require modification to address the risk, feature or factor specific to the particular transaction or entity, approval would then be sought for new or amended criteria.

Analysts maintain a dialogue with the participating issuer during the rating process to resolve any outstanding questions and to request additional information. A credit rating is assigned if the committee agrees on a rating level and that the information supporting that rating decision is sufficient and robust.

Committee decisions are reached by consensus, while individual committee member votes and individual views expressed are not recorded, except in the case that a member of the quorum appeals against a credit rating.

If a committee member is not able to accept the consensus opinion, then they must initiate an internal appeal. In addition, an internal appeal must be launched by the chair if a consensus view cannot be reached.

An internal appeal involves a new committee being held typically within two business days of the original committee and with at least two new committee members in the quorum to consider the original committee package, the consensus recommendation and a summary of the appeal.

A further internal appeal is possible if one is launched by a new committee member, such a second internal appeal committee will be decided by majority if no consensus is reached.

In the event that the chair determines that further analysis or information is required before the committee can move to a vote, the committee will be suspended to allow this material to be gathered. Committee members and the chair must also make certain attestations with respect to the independence and objectivity of the rating process that was followed.

In limited circumstances, credit ratings that have been determined by a rating committee may be applied to new debt issues without holding a further rating committee, provided that the class of debt concerned was considered by the previous committee and the credit rating is applicable to that class of debt or is pari passu with the class of debt.

In all such cases, Fitch identifies the date of the relevant prior rating committee in the new debt issue rating announcement. By contrast, if the class of debt has not previously been considered in a rating committee, then a rating committee must be held to assign the credit rating to the new issue.

There are also other limited circumstances where rating committees may not be required, for example, converting an expected credit rating to final, provided nothing substantial has changed.

Issuer Notification and Rating Dissemination

Once the committee concludes, the outcome is communicated in writing to the issuer or, where applicable, its arranger/sponsor/agent. The issuer notification requirement is subject to certain exceptions (except where the lead analyst is based in an EU-registered entity or a branch of an EU-registered entity).

Such exceptions include:

i. to address time-sensitive, event-driven rating actions, for example, in response to the announcement of a merger or acquisition; in such cases, issuer notification is given as soon as practical after publication of the credit rating;

ii. to address bulk rating action reviews in U.S. structured finance;

iii. to address cases where Fitch does not have an appropriate contact, e.g. certain non-participating issuers; and

iv. to address rating actions taken on certain dependent credit ratings.

In communicating the credit rating to the issuer, or arranger/sponsor/agent, the rating action and the principal grounds on which the credit rating is based must be explained. Typically, analysts use a draft rating action commentary or a draft presale report, which includes the committee's ratings decisions, to convey this information.

The primary analyst provides the issuer, or arranger/sponsor/agent, with the opportunity to review Fitch's draft rating action commentary, or presale report, to allow the issuer, or arranger/sponsor/agent, to check for factual accuracy and the presence of non-public information.

Fitch evaluates this feedback from issuers while retaining full editorial control over its commentaries. The primary analyst records the issuer's response in Fitch's publishing application before a rating action commentary is released.

However, if the issuer provides verbal feedback, the primary analyst will contact the issuer representative in writing to confirm the nature of his/her feedback and that the credit rating will be published.

Fitch typically aims to publish rating actions on existing public credit ratings by the end of the next business day following the conclusion of the committee, unless the credit rating is subject to external appeal or subject to other conditions, such as regulations governing the notification time period. The notification period must be at least 24 hours before publication of the rating decision or outlook.

If the issuer provides feedback within the notification period that it has no outstanding comments, the credit rating may be published before waiting for the specific notification period to elapse. Fitch aims to publish new public credit ratings shortly after the rating committee and subject to the same considerations as outlined above.

However, the exact timing of new credit rating announcements can be affected by other factors. For example, if the credit rating relates to a new debt issue, Fitch's procedures require it to delay its rating announcement until materials with respect to the debt issue are in the public domain.

All rating actions for new or existing publicly rated issuers/securities are published on Fitch's website and released to major newswire services. These rating action commentaries provide a rationale for the rating decision based on key rating drivers and sensitivities, identify the criteria applied in the rating process, detail any material sources of information used to prepare the credit rating (other than those described in criteria), indicate if an issuer did not participate in the credit rating and describe any criteria variations that were applied, among certain other disclosures.

The timing of publication reflects the important balance between allowing sufficient time for the issuer to review the rating rationale for factual accuracy, the presence of confidential information and providing users of credit ratings with timely and objective opinions.

In addition to Fitch's rating action commentaries, a research report may be published about issuers individually or by industry and made available to subscribers to Fitch's website.

External Appeals

An issuer may request an appeal of a rating decision, referred to as an external appeal, but there is no specific right to an appeal. Appeals will only be granted when an issuer provides new or additional information in a timely manner that Fitch believes is relevant to the credit rating.

Where such an external appeal request is received, an appeal review panel will be convened to review any additional information provided and determine whether it warrants granting an external appeal of the rating decision.

Where an external appeal is granted, a new committee is convened to reconsider the rating decision. This committee is composed of the chair of the original committee, senior-level analysts who did not attend the previous committee and certain members of the original committee.

Fitch endeavors to complete the appeal review of new credit ratings as quickly as possible, preferably within two business days. In cases where the review of an existing credit rating is not finalised during the two-day timeframe, the credit rating may be placed on Rating Watch.

In the event that an external appeal committee results in a rating decision that is different from the original committee decision, this will be disclosed in the rating action commentary. The commentary will note the original rating outcome was subject to appeal and that, following the appeal, the rating outcome is different from the original decision. The original rating committee decision will not be included in the published commentary.

Rating Surveillance

Fitch's credit ratings are typically monitored on an ongoing basis and the review process is a continuous one. Monitored credit ratings are also subject to a review by a rating committee, at least once annually.

Certain sovereign and international public finance credit ratings are reviewed at least every six months, according to a calendar of scheduled review dates. Point-in-time credit ratings are not monitored on a continuous basis. Such credit ratings are usually private, but where they are published, they are clearly disclosed as point-in-time in the accompanying rating action commentary.

Analysts will convene a committee to review the credit rating instead of waiting for the next scheduled review if a business, financial, economic, operational or other development can reasonably be expected to result in a rating action. For example, operational or fiscal deterioration, an acquisition, a divestiture or the announcement of a major share repurchase may be events that trigger an immediate rating review.

Peer analysis is a surveillance method that may be primarily used to assess the relative performance of comparable entities and transactions over time. Peer groups are created based on similar fundamentals and rating levels, among other factors.

Results of Fitch's peer analysis are included in research, such as a Ratings Navigator, a peer comparison tool used with respect to certain sectors that provides a graphical representation of key rating drivers against peer expectations for a given rating category. Fitch may choose to conduct portfolio reviews for peer entities whereby all the entities are subject to a rating review at the same time.

Scenarios for structured finance are generally based on quantitative metrics. In addition, ratings performance may be monitored with surveillance tools to evaluate the effect of stress scenarios on transactions.

Such tools will typically track data from surveillance reports provided by the trustee and compare the information against original and stressed expectations to flag transactions where performance has diverged from established parameters.

Forward-Looking Ratings

Credit ratings reflect Fitch's views of future performance based on historical performance through various economic cycles, and Fitch's opinion as to how future performance may evolve. Event risk is not considered in most credit ratings and, as a result, credit ratings may change due to events, such as a merger, an acquisition, fraud, litigation, sudden weather events or political events that alter expected financial performance in the near term.

Rating Process Timeframe

The time required to assign a new credit rating varies and will partly depend on the time required by the issuer, or arranger/sponsor, to respond to information requests from Fitch, along with the time it takes the issuer to review Fitch's draft research for factual errors and the presence of non-public information. Depending on the sector and type of credit analysis involved, Fitch typically assumes a timeframe of four to eight weeks to provide a full corporate, financial institution, sovereign or structured finance credit rating.

Rating Withdrawals

Fitch's credit ratings remain its property at all times. As such, Fitch has full discretion to determine if and when to withdraw a credit rating. Fitch can withdraw a credit rating at any time and for any reason and does not withdraw credit ratings simply in response to a request from an issuer.

However, it may be appropriate for Fitch to withdraw the credit rating following such a request if there are other reasons for withdrawal, such as a lack of information, a lack of market interest or regulatory constraints. Some rating withdrawals may be initiated by Fitch's BRM group for commercial reasons. Proposals to withdraw credit ratings are generally subject to review by a rating committee in accordance with Fitch's established procedures, subject to certain exceptions.

It is Fitch's policy in such cases to publish a rating action commentary that includes the credit rating(s) at the point of withdrawal and states that the credit rating(s) has been withdrawn and the rationale for the withdrawal. However, announcements are not issued for credit ratings that relate to obligations that have matured, been redeemed or paid in full.

Criteria Reports

All credit ratings must be assigned according to the applicable criteria. Criteria describe Fitch's assessment of the rating drivers affecting a given sector and the analytical approach and assumptions used to analyse those drivers to assign and maintain credit ratings.

Criteria can be classified as:

- Master criteria that describe the basic foundation for our credit ratings within an asset group;
- Cross-sector criteria that explain Fitch's approach to discrete topics that relate to multiple areas; and
- Sector-specific criteria that describe the rating drivers and assumptions applicable to a particular sector or asset class.

Bespoke criteria may be developed for analysis of individual, or small groups of, transactions or entities. The consistent application of criteria facilitates the comparability of Fitch's credit ratings across regions and sectors. Each criteria report scope specifies the category of obligor, security or instrument to which the criteria can be applied and its geographical reach.

Criteria identify key rating drivers relevant to each rating sector and describe their relative importance to analysis. Criteria reports also include a description of the expected sensitivity of credit ratings to key rating drivers, whether qualitative or quantitative. Where part of the analysis described in a criteria report is implemented using a rating model, the criteria report describes the use of the rating model and all the credit-related assumptions and their value ranges, how the assumptions are applied and the significance of the model outputs.

Criteria reports include an explanation of differences between new ratings analysis and surveillance analysis, if any. Alternatively, when surveillance analysis differs from new issue rating criteria, Fitch may publish surveillance criteria as a standalone report. Such criteria are subject to the same procedures as all other criteria.

Criteria may contain a description of the type and source of the data used to derive the key rating assumptions detailed in the report. For structured finance, this includes those assumptions applied in the portfolio default analysis, portfolio loss analysis and cash flow analysis. For non-structured finance, this includes data used to assign credit ratings, such as accounting statements, data provided by issuers and/or industry data.

Criteria reports describe limitations in the criteria used to assign a credit rating, where applicable, supplementing the limitations included in the Ratings Definitions section on Fitch's website at www.fitchratings.com.

Fitch's criteria are designed to be used in conjunction with analytical judgment exercised through individual analysts and the committee process. The combination of transparent criteria, analytical judgment applied on a transaction-by-transaction or issuer-by-issuer basis and full disclosure via rating commentary underpins Fitch's rating process and assists market participants in understanding the analysis behind our credit ratings.

Criteria Assumptions

The rating analysis applies both qualitative and quantitative assumptions.

Criteria reports specify the quantitative assumptions, or describe the assumption setting process to derive them, applied in credit analysis, including credit-risk-related assumptions contained within models used in the rating process.

Where Fitch's rating analysis applies different quantitative values in the analysis of different credit ratings, criteria may provide a description of the rating-specific assumption-setting process.

Criteria also describe how macroeconomic or other financial data relate to assumptions made in criteria or influence credit ratings, where appropriate. Derivations of specific assumptions by geographical area are provided, where appropriate. Where default and loss assumptions or routine adjustments to externally sourced data – such as financial accounting ratios – are used, these are specified in the criteria report.

Quantitative ratios used in the rating analysis are included in the criteria, along with a description of how these ratios relate to each other, such as correlation. Any averages, medians, ranges or measures of dispersion used for key assumptions are described where relevant. Qualitative assumptions are also specified, including the extent to which such assumptions influence rating outcomes.

Developing and Maintaining Criteria

All criteria, including models and assumptions, are reviewed and approved by a Criteria Review Committee (CRC) at least annually and proposals to amend criteria between annual reviews are also required to be approved by a CRC, led by a Criteria Review and Approval Group (CRAG), which is fully independent of the analytical groups.

The CRC evaluates the sufficiency, transparency and rigor of criteria for credit ratings, and any related models used in the rating process. Models are subject to full independent validation once every three years by a Model Validation Group (MVG), with any changes in the interim also subject to review by the MVG. All new and material changes to rating criteria and models must be reviewed and approved by Fitch's board of directors following the CRC's review and approval.

Criteria are developed and maintained by analytical groups and submitted to CRAG for review and approval by CRC. The analytical group will propose amendments to existing criteria where new and significant rating drivers emerge or previous rating drivers or assumptions change. Rationale and rating effect analysis for any proposed changes to criteria are prepared and presented in a CRC.

Criteria are subject to back-testing, which consists of a review of the appropriateness of the criteria considering the historical performance of credit ratings under the criteria, and historical quantitative and qualitative observations relative to criteria assumptions.

Analytical groups are responsible for the rigorous justification of proposals to change (or continue the use of) their criteria. CRCs review the adequacy of the justification, evaluate the proposals considering the analytical group's ratings performance and other factors, and determine whether the data presented to support the justification is appropriate and sufficiently robust.

Criteria Change Communication and Application

Exposure drafts must be published for approved proposals that materially change existing rating criteria, including assumptions and models, and for approved proposals for new criteria, models or key rating assumptions, which could have an effect on one or more credit ratings. Exposure drafts for proposed new criteria and any proposed changes to existing criteria, models or key rating assumptions are published on Fitch's website with an invitation to third parties to submit comments.

The exposure draft includes an explanation of the reasons for, and the implications of, the proposed changes, including the anticipated effect on existing credit ratings. During the exposure period, existing criteria continue to be applied to outstanding and new credit ratings. Approval of final criteria occurs only after Fitch has assessed the responses, when it will also publish the results of the consultation and a summary of the content of written responses unless the respondent has requested confidentiality.

Rating criteria will be published on Fitch's website at www.fitchratings.com. Publication of new or revised criteria will be accompanied by a press release describing the changes made, including any effect of the criteria change on outstanding credit ratings.

Following the publication of the new or revised criteria report after an exposure draft, all credit ratings that could incur rating changes as a result of the application of the new or revised criteria will be indicated as Under Criteria Observation (UCO).

However, credit ratings may be placed on Rating Watch where rating implications for relevant credit ratings can be clearly anticipated. The decision to apply Rating Watch instead of UCO is determined by the analytical group. UCO or Rating Watch status will be resolved no later than six months from the publication of the criteria.

Quality Standards for Credit Ratings

To ensure the quality of its product, a common process for assigning international credit ratings to entities/securities applies globally within all Fitch Ratings offices, irrespective of size or location.

Fitch's Chief Risk Officer (CRO) is organisationally at Fitch Group and therefore independent from analytical groups. The CRO has each of the second lines of defense as direct reports including Fitch's Credit Policy Group (CPG), CRAG and Compliance Group. Together, these groups act to ensure that Fitch's ratings criteria, policies and procedures are consistently executed, that credit ratings are consistent across the company and that Fitch complies with applicable laws and regulations.

CPG is a global, centralized function with a cross-sector mandate to strengthen Fitch's credit analysis, ratings and research by identifying credit risks that require additional focus and ensuring those risks are considered by analytical teams in the ratings process. The group includes the Chief Credit Officer and Group Credit Officers for each asset class.

The Compliance Group identifies and provides advice on compliance risks facing Fitch, conducts testing to ensure management's internal controls achieve compliance with laws, regulations, guidelines and specifications relevant to Fitch's business and monitors employee activity to ensure effectiveness of controls, including those to mitigate conflicts of interest.

Within Fitch's Compliance Group, the Compliance Testing & Monitoring (CTM) group assesses Fitch's compliance with Fitch's Code of Conduct and other established policies, procedures and controls with respect to Fitch's credit ratings and related activities.

Unsolicited Credit Ratings

Fitch believes that investors benefit from increased rating coverage by Fitch, whether such credit ratings are solicited by issuers or investors or are unsolicited. The criteria, committee procedures and minimum information standards are no different for unsolicited and solicited credit ratings. Therefore, credit ratings assigned to issuers with similar credit characteristics are comparable. The solicitation status has no effect on the level of the credit ratings assigned.

Other Credit Products

In addition to published credit ratings, Fitch offers several additional services within the core rating business.

Fitch prepares a limited number of private credit ratings, i.e. unpublished credit ratings, for entities if a credit rating is requested. Private credit ratings undergo the same analysis, committee process, surveillance and procedural standards as published credit ratings, unless otherwise disclosed as point-in-time in nature (see the Rating Surveillance section).

Fitch also provides a rating assessment service (RAS) under certain circumstances. A RAS indicates the rating level that an issuer and its obligations would likely receive given a set of hypothetical circumstances provided by the assessed entity. This assessment is conducted under the same procedural standards as credit ratings and is performed by the analytical group responsible for that entity.

Feedback is provided in writing, including a list of the circumstances and limitations applied in the assessment. Outcomes from a RAS are not made public as they are based on hypothetical, rather than actual, circumstances.

However, in accordance with EU regulatory requirements, Fitch will disclose cases where it has provided such a service to a rated entity or related third parties, where the primary analyst is based in an EU-registered entity or a branch of an EU-registered entity.

Fitch also provides Credit Opinions (COs) on entities and transactions where one or more characteristics of a credit rating are omitted or meet a different standard. This opinion may be based on more limited information and is subject to a less extensive committee process.

COs are delineated by lower-case characters and either an asterisk, e.g. 'bbb+*', or the suffix (cat), indicating that the opinion is conditional and not comparable in all regards to credit ratings at that level.

COs are not credit ratings and should not be employed by rating users without consideration of any limitations that they may have or any conditions attached to their use. Further details can be found in the report Credit Opinions.

In addition to credit ratings on the international scale, Fitch offers credit ratings on national scales that offer an opinion of creditworthiness, relative to the universe of issuers and issues within a single country or monetary union.

Unlike international scale credit ratings, national scale credit ratings are not intended to be comparable across jurisdictions and can only be compared with other national credit ratings on the relevant country national scale.

The procedures and process for national scale credit ratings differ in certain aspects to those for international scale credit ratings and are not described in this report. Fitch offers a number of non-credit products, including non-credit ratings. The procedures and process for non-credit products differ to those for international scale credit ratings and are not described in this report.

Errors

Fitch has established procedures to address instances where an error is suspected in a methodology or model or where a methodology or model is suspected of being misapplied to credit ratings during the rating process. Procedures describe the escalation, review, remediation and notification requirements for errors.

Fitch's procedures describe the process for reviewing the affected methodology, model and/or credit ratings, including error correction, model revalidation and subsequent rating committee review. Depending on the nature and magnitude of the error, affected credit ratings may be placed on Rating Watch until the issues are resolved.

Fees

Fitch has a dedicated BRM group that is responsible for managing the commercial aspects of issuer relationships. All discussions with issuers and intermediaries concerning rating fees and commercial matters are handled exclusively by Fitch's BRM team. In addition, references to any commercial aspect of Fitch's relationship with issuers are similarly not permitted during any analytical discussion.