



# Bangladesh Securities and Exchange Commission

## NOTICE

**Dated, 08 July 2024**

The Bangladesh Securities and Exchange Commission (BSEC) hereby publishes the following draft amendment to the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022 in the newspaper as per requirement of sub-section (1) of section 24 of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন), for eliciting public opinion, etc.

Opinion, advice or objection, if any thereon will have to be sent to the following address within two weeks from the date of publication of this Notice. Mentionable here that the draft amendment can be found in the following web link and scanning the QR code.

Address for sending opinion/advice or objection:

**Chairman**

Bangladesh Securities and Exchange Commission

Securities Commission Bhaban

E-6/C, Agargaon

Sher-e-Bangla Nagar Administrative Area

Dhaka-1207

Email: [chairman@sec.gov.bd](mailto:chairman@sec.gov.bd) copy to: [mehran@sec.gov.bd](mailto:mehran@sec.gov.bd)

**Draft**  
**Notification**  
**Dated, 08 July 2024**

No. BSEC/CMRRCD/-----/--/PRD/---.— In exercise of the powers conferred by sub-section (1) of section 24 of the বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন), the Bangladesh Securities and Exchange Commission (BSEC) hereby, proposes the following amendment to the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022, namely:-

1. A new clause (k) of sub-rule (1) of rule 10 shall be inserted as follows: -

“(k) The issuer or entity may cause dual or multiple rating (i.e., conducting any issue rating or entity rating by two or more CRCs) on the same issue subject to fulfillment of the following requirements:

- (i) the rated entity shall publish each rating received from each CRC;
- (ii) each rating agreement with the CRC shall follow the requirements of surveillance rating as per clause (e) above;
- (iii) the rated entity shall submit each rating received from each CRC to the regulatory authority, if such rating conducted for any regulatory purpose;
- (iv) if the issuer or issue rating is conducted with dual CRCs, the Commission may consider lower one between the two ratings awarded for any of its regulatory requirement:

Provided that if the above rating is done with multiple CRCs, the Commission will consider the awarded rating where two or more CRCs rating is similar or under same cohort of rating scale:

Provided that Bangladesh Bank may consider higher risk weight (i.e., lower rating) against each rating between or among the two or multiple ratings awarded as per BASEL norms;

- (v) if the time period for dual or multiple rating is on the same period, the regulatory authority may ask each CRC to explain in case of difference of rating arises by two notches;
- (vi) each CRC under dual or multiple rating agreement shall be informed by the entity about the dual or multiple rating agreement.”

2. The clause (m) of sub-rule (4) of rule 10 shall be replaced by the following new clause (m), as follows: -

“(m) To prevent aggressive marketing or rating shopping for the credit rating, the CRC shall comply with the following:

- i. the CRC shall not make any rating agreement on the same issue with a client unless the contract with the existing CRC is being terminated as per these rules:

Provided that the above provision doesn't prohibit to conduct dual or multiple rating agreement i.e., where the rating is conducted with two or more CRCs on the same issue;

- ii. no CRC shall make any proposal or offer to any client with a reduced rating fee before completion of the existing agreement;

- iii. minimum fee of each rating shall be BDT 10,000 (Taka ten thousand) which may be refixed by the Commission from time to time;

- iii. minimum fee of each rating shall be BDT 10,000 (Taka ten thousand) which may be refixed by the Commission from time to time;

- iv. each CRC shall disclose its fee structure on its official website following the fee structure published by the recognized association of CRCs based on mutual agreement with an intimation to the Commission:

Provided that the Commission may instruct the CRCs regarding fee structure by order in writing from time to time;

- v. all rating fees received by the CRC shall be collected through banking channel;

- vi. each CRC shall submit a quarterly report related to fee collection and rating agreements done during the quarter, including the client's name, agreement reference number, fees determined, fees collected, etc., within 10 (Ten) days of end of each quarter; and

- vii. if the rating is upgraded by two notches, the CRC shall report to the Commission the reasons of such up-gradation with rationale.”

3. The full-stop (.) after sub-rule (15) after rule 10 shall be replaced by the colon (: ) and two new provisos shall be inserted as follows: -

“Provided that the CRC shall disclose the rating notches, scale and definition as per the score mentioned in “FORM-XI” at the top of the rating report along with its own rating notches, scale and definition which the CRC follows:

Provided further that in case of instrument rating (i.e., issue rating), CRC may issue or disclose long-term rating as per rating notches, scale and definition mentioned in “FORM-XI”.”

4. The sub-rule (4) of rule 11 shall be replaced by the following new sub-rule (4), as follows: -

“(4) Inspection to judge in appropriateness of the ratings may be ordered by the Commission only in case of complaints, or deems it appropriate by the Commission.”

5. A new clause 24 of FORM-X shall be inserted as follows: -

“24. If any existing CRC is desired to conduct credit rating for any Islamic financial institutions and Islamic Shariah Based Securities (ISBS):

- (a) each CRC shall publish own rating methodology for conducting credit rating of each type of Islamic financial institutions and Islamic Shariah Based Securities (ISBS); and
- (b) such rating methodology under clause (a) shall be vetted by the shariah advisory board or committee of the concerned CRC.”

By order of the Bangladesh Securities and Exchange Commission,

**Professor Shibli Rubayat-Ul-Islam**  
Chairman.