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From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2026) 7817 annex
Subject:	ANNEX to the COMMISSION DELEGATED REGULATION (EU) .../... amending Annex I to Regulation (EC) No 1060/2009 of the European Parliament and of the Council as regards transparency, review and validation of methodologies

Delegations will find attached document C(2026) 7817 annex.

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ANNEX

ANNEX

to the

Commission Delegated Regulation (EU) …./…

amending Annex I to Regulation (EC) No 1060/2009 of the European Parliament and of the Council as regards transparency, review and validation of methodologies

ANNEX

Annex I to Regulation (EC) No 1060/2009 is amended as follows:

(1) in Section A, point (9), the first subparagraph is replaced by the following:

"A credit rating agency shall establish a review function responsible for periodically reviewing and validating its methodologies, models and key rating assumptions, such as mathematical or correlation assumptions, and any significant changes or modifications thereto as well as the appropriateness of those methodologies, models and key rating assumptions where they are used or intended to be used for the assessment of new financial instruments.";

(2) Section D is amended as follows:

(a) point (2a) is replaced by the following:

"2a. A credit rating agency shall accompany the disclosure of rating methodologies, models and key rating assumptions with a guidance. That guidance shall explain assumptions, parameters, limits and uncertainties surrounding the models and rating methodologies used in credit ratings, including all of the following:

(a) simulations of stress scenarios undertaken by the credit rating agency when establishing the credit ratings;

(b) credit rating information on cash-flow analysis the credit rating agency has performed or is relying upon;

(c) the process of validation of the methodologies of the credit rating agency; and

(d) where applicable, an indication of any expected change in the credit rating.

Such guidance shall be clear and easily comprehensible."

(b) the following point (5a) is inserted:

"5a. When ESG considerations are a key element underlying a credit rating or a rating outlook, or a change thereto, a credit rating agency shall additionally identify prominently in its press releases or reports those key elements, explaining why they were considered material to the credit rating or rating outlook in accordance with the applicable methodology.".