

**FSCA Press Release**

**22 March 2022**

**FSCA grants Sovereign Africa Ratings (Pty) Ltd credit rating agency licence**

The Financial Sector Conduct Authority (FSCA) has approved the licence application of Sovereign Africa Ratings (Pty) Ltd (SAR) to operate as a credit rating agency from 8 March 2022. The approval is in terms of Section 5 of the Credit Rating Services Act, 2012 (CRS Act). Sovereign Africa Ratings (Pty) Ltd is based in Centurion, South Africa, and is authorised to issue sovereign ratings only.

Sovereign credit ratings mean a credit rating where:

- (a) The entity rated is a state or a provincial or local authority of the state; or
- (b) the issuer of the debt or financial obligation, debt security; or other financial instrument is a state, or a provincial or a local authority of the state; or
- (c) a special purpose vehicle of a state or a provincial or a local authority of a state.

The CRS Act and the subordinate legislation seeks to ensure that credit ratings issued in South Africa meet minimum standards of quality, transparency and independence by providing that only companies licensed by the Authority as credit rating agencies may lawfully issue credit ratings which may be used for regulatory purposes.

Licensed credit rating agencies are subject to on-going supervision and monitoring by the Authority to ensure they continually meet the conditions for licensing, the CRS Act and subordinate legislation. The FSCA will impose sanctions and/or penalties where it finds that a credit rating agency has failed to meet its obligations under the CRS Act and subordinate legislation. SAR's licence certificate is available on the FSCA's website.

**ENDS**

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