I. BACKGROUND

The Credit Rating Agency Reform Act of 2006 ("Rating Agency Act")\(^1\) defined the term "nationally recognized statistical rating organization" ("NRSRO") and provided authority for the Securities and Exchange Commission ("Commission") to implement registration, recordkeeping, financial reporting, and oversight rules with respect to registered credit rating agencies. The regulations implemented by the Commission pursuant to this mandate include Securities Exchange Act of 1934 ("Exchange Act") Rule 17g-2,\(^2\) which requires an NRSRO to make and retain certain records relating to its business and to retain certain other business records made in the normal course of business operations.

On February 2, 2009, the Commission adopted amendments to its NRSRO rules imposing additional requirements on NRSROs in order to address concerns about the integrity of their credit rating procedures and methodologies.\(^3\) Among other things, the rule amendments added new paragraphs (a)(8) and (d) to Rule 17g-2. New paragraph (a)(8) of Rule 17g-2 requires an NRSRO to make and retain a record for each outstanding credit rating it maintains showing all rating actions (initial rating, upgrades, downgrades, placements on watch for upgrade or downgrade, and withdrawals) "identified by the

\(^2\) 17 CFR 240.17g-2.
name of the rated security or obligor and, if applicable, the CUSIP of the rated security or the Central Index Key (CIK) number of the rated obligor."  

New paragraph (d) of Rule 17g-2 requires an NRSRO to make publicly available, on a six-month delayed basis, the ratings histories for a random sample of 10% of the credit ratings paid for by the obligor being rated or by the issuer, underwriter, or sponsor of the security being rated ("issuer-paid credit ratings") pursuant to paragraph (a)(8) of Rule 17g-2 for each class of credit rating for which the NRSRO is registered and has issued 500 or more issuer-paid credit ratings.  

Paragraph (d) of Rule 17g-2 further requires that this information be made public on the NRSRO’s corporate Internet Web site in eXtensible Business Reporting Language ("XBRL") format. The rule provides that in preparing the XBRL disclosure, an NRSRO must use the List of XBRL Tags for NRSROs as specified on the Commission’s Web site. The Commission established a compliance date of August 10, 2009 for this provision.

The XBRL tags are not yet available. Therefore, the Commission issued a Notice on August 5, 2009 that an NRSRO subject to the disclosure provisions of Rule 17g-2(d) can satisfy the requirement to make publicly available ratings history information in an XBRL format by using an XBRL format or any other machine readable format until such time as the Commission provides further notice.

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4 17 CFR 240.17g-2(a)(8).
5 17 CFR 240.17g-2(d).
6 Id.
7 Id. The February 2009 Adopting Release specified a compliance date of 180 days after publication in the Federal Register.
8 Notice Regarding the Requirement to Use eXtensible Business Reporting Language Format to Make Publicly Available the Information Required Pursuant to Rule 17g-2(d) of the
As noted above, the required rating actions information includes, if applicable, the CUSIP of each rated security and the CIK number of each rated obligor. Although CIK numbers are available free of charge on the Commission’s Web site, CUSIPs are owned and distributed by private parties.

Subsequent to the issuance of the August 5, 2009 Notice, several NRSROs have notified Commission staff that, despite their efforts, they have not been able to resolve certain issues with the managers of the CUSIP program. The Commission believes, however, that users of credit ratings would benefit from having ratings action information available by the August 10, 2009 implementation date for Rule 17g-2(d), even if CUSIP numbers are not included for a limited time. We note that identifying information, such as the name of the security, will be included.

For these reasons, the Commission finds that providing NRSROs a partial temporary exemption from Rule 17g-2(d) (incorporating the provisions of Rule 17g-2(a)(8)) is necessary and appropriate in the public interest and is consistent with the protection of investors. Therefore, the Commission is providing NRSROs with a 30-day exemption from the requirement in Rule 17g-2(d) (incorporating the provisions of Rule 17g-2(a)(8)) that the CUSIP for each rated security be included with the ratings action information.

II. CONCLUSION

Accordingly, pursuant to Section 36 of the Exchange Act,

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9 Section 36 of the Exchange Act authorizes the Commission, by rule, regulation, or order, to conditionally or unconditionally exempt any person from any rule under the Exchange Act, to the extent that the exemption is necessary or appropriate in the public interest and is consistent with the protection of investors. 15 U.S.C. 78mm.
IT IS HEREBY ORDERED that NRSROs are temporarily exempt from the requirement in Rule 17g-2(d) (incorporating the provisions of Rule 17g-2(a)(8)) that the CUSIP for each rated security be included with the ratings action information for thirty days, until September 9, 2009.

By the Commission.

Elizabeth M. Murphy
Secretary