Commission Implementing Regulation (EU) 2020/744 of 4 June 2020 on amending Implementing Regulation (EU) 2016/1800 laying down implementing technical standards with regard to the allocation of credit assessments of external credit assessment institutions to an objective scale of credit quality steps in accordance with Directive 2009/138/EC of the European Parliament and of the Council (Text with EEA relevance)

COMMISSION IMPLEMENTING REGULATION (EU) 2020/744

of 4 June 2020

on amending Implementing Regulation (EU) 2016/1800 laying down implementing technical standards with regard to the allocation of credit assessments of external credit assessment institutions to an objective scale of credit quality steps in accordance with Directive 2009/138/EC of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)[(1)], and in particular Article 109a(1) thereof,

Whereas:

(1) Commission Implementing Regulation (EU) 2016/1800[(2)] specifies, among others, in its Annex, the correspondence of the relevant credit assessments issued by an external credit assessment institution ('ECAI') to the credit quality steps set out in Section 2 of Chapter I of Title I of Commission Delegated Regulation (EU) 2015/35[(3)] ('External credit assessments').

(2) Following the latest amendments, by Commission Implementing Regulation (EU) 2018/633[(4)], to the Annex to Implementing Regulation (EU) 2016/1800 the quantitative and qualitative factors underpinning the credit assessments of some mappings in the Annex to Implementing Regulation (EU) 2016/1800 have changed. In addition, some ECAIs have extended their credit assessments to new market segments, resulting in new rating scales and new credit rating types. It is therefore necessary to update the mappings of the ECAIs concerned.

(3) Since the adoption of Implementing Regulation (EU) 2018/633, another credit rating agency has been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council[(5)]. As Article 136(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council[(6)] requires the specification of mappings for all ECAIs, it is necessary to provide a mapping for that newly registered ECAI. The credit assessments applied by the newly registered ECAI are based on the

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2020/744. (See end of Document for details)*

same methodology as those applied by its parent company, a third country ECAI for which a mapping had already been established. It is therefore appropriate in this specific case that the mapping for the newly registered ECAI mirrors the mapping established for that third country ECAI.

(4) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority (the EBA), the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA) jointly (the European Supervisory Authorities) to the Commission.

(5) The European Supervisory Authorities have conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council[(7)]; the opinion of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council[(8)]; and the opinion of the Insurance and Reinsurance Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1094/2010 of the European Parliament and of the Council[(9)].

(6) Implementing Regulation (EU) 2016/1800 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Amendment to Implementing Regulation (EU) 2016/1800

The Annex to Implementing Regulation (EU) 2016/1800 is replaced by the text in the Annex to this Regulation.

Article 2

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 4 June 2020.

For the Commission

The President

Ursula VON DER LEYEN

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2020/744. (See end of Document for details)*

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2020/744. (See end of Document for details)*

ANNEX

ANNEX

Allocation of credit assessments of external credit assessment institutions to an objective scale of credit quality steps in accordance with Directive 2009/138/EC

Credit quality step	0	1	2	3	4	5	6
ACRA Europe a.s (formerly European Rating Agency a.s.)							
Global long-term rating scale	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC, CC, C, D**
Global short-term rating scale		**S1**		**S2**	**S3, S4, NS**		
AM Best Europe-Rating Services Ltd.							
Long-term issuer credit ratings scale	**aaa**	**aa, aa-**	**a+, a, a-**	**bbb+, bbb, bbb-**	**bb+, bb, bb-**	**b+, b, b-**	**ccc+, ccc, ccc-, cc, c, d, e, f, s**
Long-term issue ratings scale	**aaa**	**aa, aa-**	**a+, a, a-**	**bbb+, bbb, bbb-**	**bb+, bb, bb-**	**b+, b, b-**	**ccc+, ccc, ccc-, cc, c, d, s**
Financial strength ratings scale		**A++, A+**	**A, A-**	**B++, B+**	**B, B-**	**C++, C+**	**C, C-, D, E, F, S**
Short-term issuer ratings scale		**AMB-1+**	**AMB-1-**	**AMB-2, AMB-3**	**AMB- 4, d, e, f, s**		
Short-term issue		**AMB-1+**	**AMB-1-**	**AMB-2, AMB-3**	**AMB- 4, d, s**		

ratings scale							
ARC Ratings S.A.							
Medium and long-term issuers rating scale	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC, CC, C, D**
Medium and long-term issues rating scale	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC, CC, C, D**
Short-term issuers rating scale		**A-1+**	**A-1**	**A-2, A-3**	**B, C, D**		
Short-term issues rating scale		**A-1+**	**A-1**	**A-2, A-3**	**B, C, D**		
ASSEKURATA Assekuranz Rating-Agentur GmbH							
Long-term credit rating scale	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC, CC/C, D**
Short-term corporate rating scale		**A++**	**A**		**B, C, D**		
Axesor Risk Management SL							
Global rating scale	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC, CC, C, D, E**
Banque de France							
Global long-term issuer credit		**3++**	**3+, 3**	**4+**	**4, 5+**	**5, 6**	**7, 8, 9, P**