

CIRCULAR

SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026

February 10, 2026

To,

All Registered Credit Rating Agencies (CRAs)

All Registered Debenture Trustees,

Issuers who have listed and/ or propose to list Non-Convertible Securities,

Securitized Debt Instruments, Security Receipts, Municipal Debt Securities or

Commercial Paper

Recognized Stock Exchanges

All Depositories registered with SEBI

Dear Sir / Madam,

Sub: Obligations on CRAs while undertaking rating of financial instruments falling under the purview of any other Financial Sector Regulator

1. Regulation 9 (f) of the SEBI (Credit Rating Agencies) Regulation, 1999 ("CRA Regulations") allow Credit Rating Agencies to rate financial instruments falling under the purview of any other financial sector regulator ("FSR").
2. In cases where a CRA undertakes rating of instruments falling under the purview of any other financial sector regulator or Authority, then the CRA shall comply with the conditions specified as below -

2.1. Separation of Email ids for handling grievances and disclosures on website

2.1.1. CRA shall handle grievances related to SEBI regulated activities and grievances related to activities under the purview of other FSR(s) through distinct and separate email IDs. Further, CRAs shall maintain separate webpages or sections on their website for disclosures related to SEBI regulated activities and disclosures related to activities under the purview of other FSR(s).

2.1.2. While all resources, including manpower, information technology, etc., related to the investor grievance mechanism can be shared, the email IDs for receiving

grievances for SEBI-regulated instruments/ activities and other activities shall be separate.

2.2. Minimum Net Worth

2.2.1. CRA shall ensure that the minimum net worth requirement of a CRA, specified under the CRA Regulations, shall not be impacted by the CRA's undertaking rating of financial instruments falling under the purview of other FSR(s).

2.2.2. CRAs should ensure that the net worth stipulations, if any, by other FSR(s) shall be in addition to the minimum net worth requirement specified by SEBI.

2.3. Disclosure of activities related information on CRA's website and advertising/marketing material related to overall activities of CRA

2.3.1. The CRA shall duly disclose on its website the list of activities being carried out along with the name of the regulator for each activity.

2.3.2. CRA shall also ensure that its advertising or marketing material related to activities under the purview of other FSR(s) shall be separate and distinct from advertising or marketing material related to SEBI regulated activities.

2.3.3. Further, for all the activities under the purview of other FSR(s), the CRAs shall clearly disclose on its website, advertising or marketing material that the SEBI investor protection mechanisms and SEBI grievance/dispute redressal mechanisms will not be available for such activities.

2.4. Disclosures in rating reports and rating press releases/rating rationale

2.4.1. For all the rating reports and rating press release/rating rationale issued after the date of coming into effect of these provisions, a CRA shall ensure the following:

2.4.1.1. The rating reports and press releases/rating rationales shall mention the name(s) of the regulator(s) for such instruments. Also, such rating reports and press releases/rating rationales shall clearly disclose that the SEBI investor protection mechanisms or SEBI grievance/dispute redressal mechanisms will not be available for such ratings.

2.4.1.2. *CRA may issue common rating report and press release/rating rationales.*

In cases where CRA issues common rating report and press release/rating rationales, a clear segregation and labelling of SEBI regulated instruments and instruments falling under the regulatory purview of other FSR(s) shall be provided.

2.5. Dealing with Client

2.5.1. *While dealing with clients for activities under the purview of other FSR(s) after the date of coming into effect of these provisions, a CRA shall ensure the following before commencing any such activity:*

2.5.1.1. *An upfront written disclosure is made to the clients informing them that such activity fall under the regulatory purview of other FSR(s). Further, the said disclosure shall also be included in the rating agreements/engagement letters between CRA and clients.*

2.5.1.2. *A written confirmation shall be obtained from the clients stating that the clients have understood the nature of the activity, risks involved and non-availability of any SEBI investor protection mechanisms or SEBI grievance/dispute redressal mechanisms for such activity.*

2.5.2. *For all the existing clients for ongoing activities and outstanding ratings falling under regulatory purview of other FSR(s) as on the date of coming into effect of these provisions, a written intimation shall be sent to clients by the CRA specifying the nature of the activity, risks involved and non-availability of any SEBI investor protection mechanisms or SEBI grievance/dispute redressal mechanisms for such activities. Further, CRA shall confirm the compliance of the same to SEBI after sending intimations to all existing clients*

2.6. Internal Audit Report

Every CRA undertaking any activity regulated by other FSR(s) shall ensure that, in respect of such activities, it submits an undertaking as part of the half-yearly internal audit report, confirming compliance with the requirements of CRA Regulations and

circulars issued in this regard. Such undertaking shall be duly reviewed and approved by its Board of Directors.

3. The circular shall come into effect as under:
 - 3.1. The provisions specified under Paragraph 2.1 and 2.5.2 above shall come into effect after the expiry of twelve months from the date of issuance of this circular.
 - 3.2. The remaining provisions specified above shall come into effect after the expiry of sixty days from the date of issuance of this circular.
4. This circular is issued with the approval of competent authority, in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 20 of CRA Regulations to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.
5. This Circular is available on the website of the Securities and Exchange Board of India at www.sebi.gov.in under the category "Legal" and under the drop down "Circulars".

Yours faithfully,

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