



Securities Act
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LOCAL RULE 25-501

Credit Rating Organizations

PART 1 DEFINITIONS AND INTERPRETATION

1. In this Rule,

“credit rating” means an assessment, disclosed publicly or distributed by subscription, of the credit-worthiness of an issuer as an entity or with respect to specific securities or a specific portfolio of securities or assets;

“credit rating organization” means any person who issues credit ratings;

“National Instrument 25-101” means National Instrument 25-101 *Designated Rating Organizations* of the Canadian Securities Administrators, as amended.

PART 2 CREDIT RATING ORGANIZATIONS AS MARKET PARTICIPANTS

2. A credit rating organization is designated as a market participant.

PART 3 APPLICATION AND PROCESS FOR DESIGNATION

3. (1) The Superintendent, on the application of a credit rating organization or, after giving a credit rating organization an opportunity to be heard, on his or her own initiative, may designate the credit rating organization under National Instrument 25-101 if he or she considers that it would be in the public interest to do so.

(2) The Superintendent may, if he or she considers it to be in the public interest, cancel the designation of a credit rating organization or impose or change the terms and conditions of the designation.

(3) The Superintendent shall not, without giving the credit rating organization an opportunity to be heard, refuse to designate a credit rating organization, cancel its designation or impose or change the terms and conditions to which the designation is subject.

PART 4 DUTY TO COMPLY WITH PRESCRIBED REQUIREMENTS

4. A designated credit rating organization shall comply with prescribed requirements, including, the requirements of National Instrument 25-101.

PART 5 SUPERINTENDENT NOT INVOLVED IN CREDIT RATING

5. (1) Nothing in this Rule shall be construed as authorizing the Superintendent to direct or regulate the content of a credit rating or the methodology used by a credit rating organization to determine credit ratings.

(2) No credit rating organization and no person acting on its behalf shall make any written or oral representation that the Superintendent has in any way passed judgment on the merits of,

(a) a credit rating organization or the disclosure record of a credit rating organization, or

(b) a credit rating issued by a credit rating organization or the methodology used by a credit rating organization to determine credit ratings.

PART 6 EFFECTIVE DATE

6. This instrument comes into force on April 20, 2012.