



RATINGS

POLICY

RATING WITHDRAWALS AND SUSPENSIONS

RAM Rating Services Berhad (763588-T)

Level 8, Mercu 2

KL Eco City

No.3, Jalan Bangsar

59200, Kuala Lumpur

Malaysia

T: (603) 3385 2488

F: (603) 3385 2582

E: ramratings@ram.com.my

W: www.ram.com.my

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RATING WITHDRAWALS AND SUSPENSIONS POLICY

INTRODUCTION

RAM Ratings, as a registered credit rating agency under the Capital Market and Securities Act (2007), is committed to providing independent, credible and objective credit opinions at all times. Our policies are designed to be consistent with RAM Ratings Code of Conduct, which incorporates the best practices outlined in the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies.

RAM Ratings' decision to withdraw or suspend a credit opinion at any time is consistent with those principles, and remains at our sole discretion, if we believe there to be reasonable basis that we are unable to uphold these standards.

POLICY STATEMENT

The purpose of this policy is to facilitate a clearer understanding of the differences between a rating withdrawal and a rating suspension, and the consequences of such rating actions. It further outlines the circumstances under which RAM Ratings can suspend or withdraw a rating.

We highlight that it is not within RAM Ratings' prerogative to influence the decisions of bondholders, sukukholders or investors with regard to any commercial decision or recovery attempt on a debt issue where the rating has been suspended or withdrawn. Any action taken by the parties concerned is dictated by all the permissible avenues in the transaction documents.

RAM Ratings shall suspend/withdraw a rating under extreme circumstances that would render it impossible for us to maintain surveillance on the rating of a particular debt issue or issuer. Some of these scenarios include, but are not limited to, the following:

1. Inadequate information arising from the failure of the issuer and/or related parties in the transaction to respond to requests for information in a timely manner, and/or the unwillingness of the issuer to establish contact or communication with RAM Ratings with respect to queries or clarification on material issues.
2. Insolvency, bankruptcy or reorganisation of the issuer.
3. Maturity of the debt issue.
4. Upon the request of the issuer.
5. Lack of market interest (for unsolicited ratings).
6. Circumstances where public disclosures relied upon to supplement our analysis are insufficient for RAM Ratings to maintain or support a credible rating opinion.

RAM Ratings may withdraw or suspend a rating at any time at its sole discretion. Any recommendation to withdraw or suspend credit ratings is generally done in accordance with RAM Ratings' established practices on rating assignments, subject to certain exceptions. This may include decisions taken to withdraw credit ratings when they are no longer viable to continue.

Consistent with our philosophy of credibility and integrity, such actions to suspend or withdraw a rating cannot be used to circumvent a downgrade of the issue or issuer rating. Despite the challenges that may arise from opacity of information, RAM Ratings shall ensure that every effort is made to provide an updated view of the current events via a published statement on the rating action taken, prior to the rating withdrawal. We shall also indicate, whenever possible, the likely direction and magnitude of any rating adjustment had we continued to maintain surveillance on the rating, save for instances where the credit ratings for rated obligations that have matured, or redeemed in full.

Suspensions

A suspension of a rating signifies that the rating of the affected issuer or issue has been “put on hold”. As a credit rating carries a specific definition and indicates a particular level of creditworthiness for a stipulated time horizon, a suspended rating would imply that RAM Ratings is no longer in a position to rate or form a view on the payment capacity of the particular issuer during the stipulated time horizon, from a credit or legal perspective, in accordance with our general rating approach.

RAM Ratings endeavours to exhaust all avenues of information before we opt to suspend a rating. Our disclosure or published statement on the rating suspension will reflect our latest credit opinion on the issuer or issue. Nonetheless, we shall strive to indicate the likely direction and magnitude of any rating movement, based on the level of information we have access to, at that point.

A rating suspension can be “lifted”, and the rating can be upgraded, downgraded or affirmed when RAM Ratings is able to obtain sufficient information and clarification to undertake credit analysis in a meaningful manner.

Withdrawals

While there can be some overlap of circumstances that can lead to either a rating withdrawal or rating suspension, a withdrawal is often a result of the maturity of the debt issue, or upon the request of the issuer. RAM Ratings may also withdraw rating coverage for reasons other than those related to lack of information or the issuer’s bankruptcy or reorganisation. Such decisions shall be carefully deliberated, weighing the level of market interest in such coverage against the availability of RAM Ratings’ resources required to monitor the rating.

Any announcement relating to the rating withdrawal shall state the current rating at the point it is withdrawn, the reason for the withdrawal and that RAM Ratings no longer has an obligation to rate the debt issue or issuer.

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