S&P Global Ratings receives first-of-its-kind approval to enter China domestic bond market

NEW YORK, Jan. 28, 2019 /PRNewswire/ -- S&P Global Ratings has received formal notification that it is permitted to establish and operate a Credit Ratings Agency (CRA) in China's domestic bond markets, following confirmation that its filing with the People's Bank of China Operations Office (Beijing) has been formally accepted, and its registration application with China's National Association of Financial Market Institutional Investors (NAFMII) has also been approved.

The historic approval marks the first time that a company wholly owned by an international CRA has been able to rate domestic Chinese bonds.

S&P Global Ratings' domestic Chinese entity, S&P Ratings (China) Co., Ltd. (Chinese: 普信用 中国 有限公司), will operate in China as S&P Global (China) Ratings and 普信 . Simon Jin, currently head of S&P Global in Greater China, is the inaugural CEO.

Under the terms of the NAFMII approval, S&P Global (China) Ratings will be authorized to rate issuers and issuances from financial institutions and corporates, structured finance bonds and Renminbi denominated bonds from foreign issuers (Panda bonds).

"We are honored to establish the first CRA wholly owned by an international investor in China to serve its domestic bond markets," said Douglas L. Peterson, S&P Global President and Chief Executive Officer. "This announcement reinforces our belief that we are uniquely placed to meet the substantial demand from Chinese issuers and investors for transparent, globally understood and reliable credit ratings, data and research. Today's notification serves as an affirmation that we are best placed to provide essential credit insights to the Chinese domestic bond market – already the third largest in the world."

"This approval is the latest step in an ongoing, thoughtful dialog with China's regulators about the future they envisage for their financial markets," said John Berisford, President, S&P Global Ratings. "We believe that we are best equipped to provide an independent opinion on China's debt markets as they develop, and we are ready to play our part.

"We have been very encouraged by the strong interest from our existing cross-border issuers in our new domestic business, and in the initial phase we will work closely with these same issuers towards ratings for their domestic Chinese debt," Mr Berisford said.

Further details about S&P Global (China) Ratings' commencement of operations will be announced in due course.

The company will also provide further comment during the Fourth Quarter 2018 earnings call, scheduled on February 7, 2019.

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