

PUBLIC NOTICE

Fitch Ratings Limited (“Fitch”) is a credit rating agency (CRA) established in the United Kingdom (UK) and is part of the Fitch Group. It operates mainly in the UK and it has branches in Sweden and Dubai. Fitch controls all the credit ratings (CRAs) of the Fitch Group established in the European Union.

Fitch’s entire capital is owned by Fitch Ratings Inc., a credit rating agency based in the United States of America. Fitch Ratings Inc. is in turn 100% owned by Fitch Group Inc.

Fitch Group Inc. is a holding company. Between 20 June 2013 and 11 April 2018, it was 20% indirectly owned by an individual (“the Shareholder”), through a company based in France.

Therefore, in the described period, the Shareholder, through a complex multi-layer legal structure, has been holding more than 10% of Fitch.

Regulation (EC) No 1060/2009 on credit rating agencies (“The Regulation”) lays down obligations for a CRA in the conduct of its activities. In conjunction with its role of supervisor of CRAs under the Regulation, the European Securities and Markets Authority (“ESMA”) has functions and powers to take enforcement actions in relation to infringements of the Regulation by CRAs.

The Regulation provides that, in order to avoid any conflict of interest that may influence the ratings, a CRA is prohibited to issue a (new) credit rating if a shareholder or a member of the CRA itself holding 10% or more of the capital or voting rights is a member of the administrative or supervisory body of the rated entity or a related third party.

Moreover, in case of existing ratings (i.e. existing at the moment in which the circumstance of conflict of interest takes place), the CRA shall immediately disclose where the credit rating is potentially affected by the described circumstance. Furthermore, the CRA shall immediately assess whether there are grounds for re-rating or withdrawing the existing credit rating.

In August 2017, the supervisors of CRAs in ESMA formed their view that there were serious indications of possible infringements of the Regulation by four CRAs belonging to the Fitch Group, including Fitch.

The matter was then referred to an independent investigating officer (“the IIO”) who, having conducted an investigation, submitted her findings to the Board of Supervisors (“the Board”).

Having considered the evidence, the Board has found that Fitch negligently committed four infringements of the Regulation as follows.

Relevant legal provisions

Article 6 (Independence and avoidance of conflicts of interest)

“(1) A credit rating agency shall take all necessary steps to ensure that the issuing of a credit rating or a rating outlook is not affected by any existing or potential conflicts of interest or business relationship involving the credit rating agency issuing the credit rating or the rating outlook, its shareholders, managers, rating analysts, employees or any other natural person whose services are placed at the disposal or under the control of the credit rating agency, or any person directly or indirectly linked to it by control.

(2) In order to ensure compliance with paragraph 1, a credit rating agency shall comply with the requirements set out in Sections A and B of Annex I. “

Annex I, Section A (Organisational requirements)

Point 3. A credit rating agency shall establish adequate policies and procedures to ensure compliance with its obligations under this Regulation.

Point 4. A credit rating agency shall have sound administrative and accounting procedures, internal control mechanisms, effective procedures for risk assessment, and effective control and safeguard arrangements for information processing systems.

Those internal control mechanisms shall be designed to secure compliance with decisions and procedures at all levels of the credit rating agency.

A credit rating agency shall implement and maintain decision-making procedures and organisational structures which clearly and in a documented manner specify reporting lines and allocate functions and responsibilities

Annex I, Section B (Operational requirements)

Point 3 first para. A credit rating agency shall not issue a credit rating or a rating outlook in any of the following circumstances, or shall, in the case of an existing credit rating or rating outlook, immediately disclose where the credit rating or rating outlook is potentially affected by the following:

Point 3(ca) a shareholder or member of a credit rating agency holding 10 % or more of either the capital or the voting rights of that credit rating agency or being otherwise in a position to exercise significant influence on the business activities of the credit rating agency, is a member of the administrative or supervisory board of the rated entity or a related third party.

Point 3 second para. A credit rating agency shall also immediately assess whether there are grounds for re-rating or withdrawing the existing credit rating or rating outlook.

ANNEX III (*List of infringements*)

Section I. *Infringements related to conflict of interest, organisational or operational requirements*

11. *The credit rating agency infringes Article 6(2), in conjunction with point 3 of Section A of Annex I, by not establishing adequate policies or procedures to ensure compliance with its obligations under this Regulation.*

12. *The credit rating agency infringes Article 6(2), in conjunction with point 4 of Section A of Annex I, by not having sound administrative or accounting procedures, internal control mechanisms, effective procedures for risk assessment, or effective control or safeguard arrangements for information processing systems; or by not implementing or maintaining decision-making procedures or organisational structures as required by that point.*

20. *The credit rating agency infringes Article 6(2), in conjunction with the first paragraph of point 3 of Section B of Annex I, by issuing a credit rating or rating outlook in any of the circumstances set out in the first paragraph of that point or, in the case of an existing credit rating or rating outlook, by not disclosing immediately that the credit rating or rating outlook is potentially affected by those circumstances.*

21. *The credit rating agency infringes Article 6(2), in conjunction with the second paragraph of point 3 of Section B of Annex I, by not immediately assessing whether there are grounds for re-rating or withdrawing an existing credit rating or rating outlook.*

First infringement

Fitch committed negligently the infringement set out at Point 20 of Section I of Annex III of the Regulation (by having issued ratings on Casino Guichard-Perrachon S.A., despite the fact that a shareholder holding more than 10% of their capital/voting rights was a board member of Casino).

A) Legal background

According to the Regulation, a credit rating agency (“CRA”) is forbidden from issuing new credit ratings if a shareholder holding 10% or more of the capital/voting rights of that CRA, is a member of the administrative or supervisory board of the rated entity.

B) Factual findings and analysis of the Board

The Shareholder, who was holding more than 10% of the capital/voting rights of Fitch, was a board member of Casino.

Between 20 June 2013 and 21 May 2015, Fitch issued 4 new ratings on Casino. These ratings were not on Casino, but on instruments newly issued by Casino.

Fitch argued that the ratings on issuances would be covered by the (old) ratings on the entity, being intrinsically linked to them, and therefore would not constitute new ratings. For

that reason, Fitch considered that these would not be subject to the mentioned requirement.

The Board noted on the contrary that Point 3(ca) of Section B of Annex I of the Regulation refers to “credit ratings” and that the Regulation does not make any difference between ratings of entities and ratings of instruments. Ratings on instruments are captured by structure of Point 3(ca) of Section B of Annex I of the Regulation. The main elements of the provisions shall apply as a consequence.

C) Finding of infringement

On the basis of the assessment of the complete file submitted by the IIO, the Board found that Fitch failed to comply with the requirement of Article 6(2), in conjunction with Point 3 first para. and Point 3(ca) of Section B of Annex I of the Regulation, and thus committed the infringement set out at Point 20 of Section I of Annex III of the Regulation.

Furthermore, the Board found that Fitch did not meet the special care expected from a CRA as a professional firm in the financial services sector. Therefore, the Board found that Fitch had committed the infringement negligently and was liable to a fine. In calculating the fine, the Board took account of the applicable aggravating and mitigating factors and has therefore fined Fitch EUR 1.050.000.

D) Supervisory measure and fine

Public notice

Pursuant to Article 24 of the Regulation, the Board decided that the infringement warranted a supervisory measure in the form of the publication of this public notice.

Fine

The fine imposed on Fitch is EUR 1.050.000.

Second infringement

Fitch committed negligently the infringement set out at Point 21 of Section I of Annex III of the Regulation (by not having immediately assessed whether there were grounds for re-rating or withdrawing the existing credit rating on FNSP because the Shareholder was a board member of *Fondation Nationale des Sciences Politiques* - FNSP).

A) Legal background

According to the Regulation, in relation to existing ratings, a CRA has an obligation to assess immediately whether there are grounds for re-rating or withdrawing a rating based on the fact that a shareholder holding 10% or more of the capital/voting rights of that CRA is a member of the administrative or supervisory board of the rated entity.

B) Factual findings and analysis of the Board

Between 9 November 2001 and 10 May 2016, the Shareholder, who was holding more than 10% of the capital/voting rights of Fitch, was a member of FNSP's board, which is an "administrative or supervisory board" for the purposes of Point 3(ca) of Section B of Annex I of the Regulation. Fitch France (100% owned by Fitch) issued a rating on FNSP on 8 September 2004. It was thus an existing rating when the requirement regarding the immediate assessment of whether to re-rate or withdraw existing ratings entered into force in June 2013. Fitch, which was responsible for this assessment within the PSIs' group, analysed whether there were grounds to withdraw or re-rate this existing rating only in January 2016.

Consequently, the Board found that Fitch failed to comply with the requirement set out at the second paragraph of Point 3 of Section B of Annex I of the Regulation.

C) Finding of infringement

The Board, on the basis of an assessment of the complete file submitted by the IIO, found that Fitch failed to comply with the requirement of Article 6(2), in conjunction with the second paragraph of Point 3 of Section B of Annex I of the Regulation, and thus committed the infringement set out at Point 21 of Section I of Annex III of the Regulation.

Furthermore, the Board found that Fitch did not meet the special care expected from a CRA as a professional firm in the financial services sector. Therefore, the Board found that Fitch had committed the infringement negligently and was liable to a fine. In calculating the fine, the Board took account of the applicable aggravating and mitigating factors and has therefore fined Fitch EUR 495.000.

D) Supervisory measure and fine

Public notice

Pursuant to Article 24 of the Regulation, the Board decided that the infringement warranted a supervisory measure in the form of the publication of this public notice.

Fine

The fine imposed on Fitch is EUR 495.000.

Third infringement

Fitch committed negligently the infringement set out at Point 11 of Section I of Annex III of the Regulation (by not having adequate policies and procedures to ensure compliance with its obligations under the Regulation)

A) Legal background

According to the Regulation, a CRA has an obligation to have in place adequate policies and procedures to ensure compliance with its obligations under the Regulation.

B) Factual findings and analysis of the Board

Until 17 March 2017, with regard to Point 3 of Section B of Annex I of the Regulation, Fitch did not have a policy or procedure in place, which identified the function in charge of performing the assessment of the need to re-rate or withdraw an existing rating. More in general, the Board found shortcomings in the procedures centralised at the level of Fitch, such as the one that permitted a purely manual publication of the rating action commentaries.

Consequently, the Board found that Fitch failed to comply with the requirement set out at Point 3 of Section A of Annex I of the Regulation.

C) Finding of infringement

The Board, on the basis of an assessment of the complete file submitted by the IIO, found that Fitch failed to comply with the requirement of Article 6(2), in conjunction with Point 3 of Section A of Annex I of the Regulation, and thus committed the infringement set out at Point 11 of Section I of Annex III of the Regulation.

Furthermore, the Board found that Fitch did not meet the special care expected from a CRA as a professional firm in the financial services sector. Therefore, the Board found that Fitch had committed the infringement negligently and was liable to a fine. In calculating the fine, the Board took account of the applicable aggravating and mitigating factors and has therefore fined Fitch EUR 825.000.

D) Supervisory measure and fine

Public notice

Pursuant to Article 24 of the Regulation, the Board decided that the infringement warranted a supervisory measure in the form of the publication of this public notice.

Fine

The fine imposed on Fitch is EUR 825.000.

Fourth infringement

Fitch committed negligently the infringement set out at Point 12 of Section I of Annex III of the Regulation (by not having internal control mechanisms designed to secure compliance with decisions and procedures at all levels).

A) Legal background

According to the Regulation, a CRA has an obligation to have in place internal control mechanisms designed to secure compliance with decisions and procedures at all levels of that CRA.

B) Factual findings and analysis of the Board

Fitch's internal control mechanisms regarding conflicts of interests have been subject to review, with particular attention to the obligations set out in Point 3 of Section B of Annex I of the Regulation.

Based on this review, the Board found that there were a number of significant shortcomings in Fitch's internal control mechanisms, such as an unclear guidance to staff on how to comply with the relevant requirements of Point 3 of Section B of Annex I of the Regulation on conflicts of interests, an inadequate identification of the control activities and/or persons in charge, as well as a lack of documentation of the controls carried out.

Consequently, the Board found that Fitch failed to comply with the requirement set out at Point 4 of Section A of Annex I of the Regulation, and thus committed the infringement set out at Point 12 of Section I of Annex III of the Regulation.

C) Finding of infringement

The Board, on the basis of an assessment of the complete file submitted by the IIO, found that Fitch failed to comply with the requirement set out at of Article 6(2), in conjunction with Point 4 of Section A of Annex I of the Regulation, and thus committed the infringement set out at Point 12 of Section I of Annex III of the Regulation.

Furthermore, the Board found that Fitch did not meet the special care expected from a CRA as a professional firm in the financial services sector. Therefore, the Board found that Fitch had committed the infringement negligently and was liable to a fine. In calculating the fine, the Board took account of the applicable aggravating and mitigating factors and has therefore fined Fitch EUR 825.000.

D) Supervisory measure and fine

Public notice

Pursuant to Article 24 of the Regulation, the Board decided that the infringement warranted a supervisory measure in the form of the publication of this public notice.

Fine

The fine imposed on Fitch is EUR 825.000.

Overall fine

The overall fine to be imposed on Fitch for four infringements committed with negligence amount to EUR 3.195.000 (EUR 1.050.000 + EUR 495.000 + EUR 825.000 + EUR 825.000).

PUBLIC NOTICE

Fitch France S.A.S. (“Fitch France”) is a credit rating agency (CRA) established in France and is 100% owned by Fitch Ratings Limited (Fitch).

Fitch’s entire capital is owned by Fitch Ratings Inc., a credit rating agency based in the United States of America. Fitch Ratings Inc. is in turn 100% owned by Fitch Group Inc.

Fitch Group Inc. is a holding company. Between 20 June 2013 and 11 April 2018, it was 20% indirectly owned by an individual (“the Shareholder”), through a company based in France.

Therefore, in the described period, the Shareholder, through a complex multi-layer legal structure, has been holding more than 10% of Fitch France.

Regulation (EC) No 1060/2009 on credit rating agencies (“The Regulation”) lays down obligations for a CRA in the conduct of its activities. In conjunction with its role of supervisor of CRAs under the Regulation, the European Securities and Markets Authority (“ESMA”) has functions and powers to take enforcement actions in relation to infringements of the Regulation by CRAs.

The Regulation provides that in order to avoid any conflict of interest that may influence the ratings, a CRA is prohibited to issue a (new) credit rating if a shareholder or a member of the CRA itself holding 10% or more of the capital or voting rights is a member of the administrative or supervisory body of the rated entity or a related third party.

Moreover, in case of existing ratings (i.e. existing at the moment in which the circumstance of conflict of interest takes place), the CRA shall immediately disclose where the credit rating is potentially affected by the described circumstance. Furthermore, the CRA shall immediately assess whether there are grounds for re-rating or withdrawing the existing credit rating.

In August 2017, the supervisors of CRAs in ESMA formed their view that there were serious indications of possible infringements of the Regulation by four CRAs belonging to the Fitch Group, including Fitch France.

The matter was then referred to an independent investigating officer (“the IIO”) who, having conducted an investigation, submitted her findings to the Board of Supervisors (“the Board”).

Having considered the evidence, the Board has found that Fitch France negligently committed one infringement of the Regulation as follows.

Infringement

Fitch France committed negligently the infringement set out at Point 20 of Section I of Annex III of the Regulation (by not having immediately disclosed that the existing rating on *Fondation Nationale des Sciences Politiques* (FNSP) was potentially affected by the fact that the Shareholder was a board member of FNSP).

A) Relevant legal provisions

Article 6 (*Independence and avoidance of conflicts of interest*)

(1) A credit rating agency shall take all necessary steps to ensure that the issuing of a credit rating or a rating outlook is not affected by any existing or potential conflicts of interest or business relationship involving the credit rating agency issuing the credit rating or the rating outlook, its shareholders, managers, rating analysts, employees or any other natural person whose services are placed at the disposal or under the control of the credit rating agency, or any person directly or indirectly linked to it by control.

(2) In order to ensure compliance with paragraph 1, a credit rating agency shall comply with the requirements set out in Sections A and B of Annex I.

Annex I, Section B (*Operational requirements*)

Point 3 first para. A credit rating agency shall not issue a credit rating or a rating outlook in any of the following circumstances, or shall, in the case of an existing credit rating or rating outlook, immediately disclose where the credit rating or rating outlook is potentially affected by the following:

Point 3(ca) a shareholder or member of a credit rating agency holding 10 % or more of either the capital or the voting rights of that credit rating agency or being otherwise in a position to exercise significant influence on the business activities of the credit rating agency, is a member of the administrative or supervisory board of the rated entity or a related third party.

Annex III, Section I (*List of Infringements*)

Point 20. The credit rating agency infringes Article 6(2), in conjunction with the first paragraph of point 3 of Section B of Annex I, by issuing a credit rating or rating outlook in any of the circumstances set out in the first paragraph of that point or, in the case of an existing credit rating or rating outlook, by not disclosing immediately that the credit rating or rating outlook is potentially affected by those circumstances.

B) Factual findings and analysis of the Board

According to the Regulation, in relation to existing ratings, a CRA has an obligation to disclose immediately the fact that a shareholder holding 10% or more of the capital/voting rights of that CRA, is a member of the administrative or supervisory board of the rated entity.

The Shareholder, who was holding more than 10% of the capital/voting rights of Fitch France, was a board member of FNSP between 9 November 2001 and 10 May 2016.

Fitch France rated FNSP on 8 September 2004. It was thus an existing rating when the mentioned requirement entered into force in June 2013.

Two rating actions took place concerning this existing rating on FNSP: an affirmation on 10 September 2013 and an affirmation on 9 September 2014.

The Shareholder's board membership of FNSP was disclosed only on 29 January 2016.

Fitch France argued that the board of directors of FNSP was not to be considered as an "administrative or supervisory board" for the purposes of Point 3(ca) of Section B of Annex I of the Regulation, as it did not function like the board of a corporate or a financial institution and did not have the powers, strategic influence or control over the activities of FNSP in the way of a "normal" corporate board.

The Board, giving an autonomous European law reading to the meaning of a "board", and on the basis of the fact that the Regulation does not make any distinction regarding board membership depending on the specific legal structure of the rated entity, as well as the facts in this case, considered that FNSP's board was an "administrative or supervisory board" for the purposes of Point 3(ca) of Section B of Annex I of the Regulation.

In any event, in the specific case of FNSP's board, this board had a number of significant tasks during the period of the existence of the rating on FNSP. These included (but were not limited to) tasks regarding the budget, acquisitions, and the investment of available funds.

C) Finding of infringement

On the basis of the assessment of the complete file submitted by the IIO, the Board found that Fitch France failed to comply with the requirement of Article 6(2), in conjunction with Point 3 first para. and Point 3(ca) of Section B of Annex I of the Regulation, and thus committed the infringement set out at Point 20 of Section I of Annex III of the Regulation.

Furthermore, the Board found that Fitch France did not meet the special care expected from a CRA as a professional firm in the financial services sector. Therefore, the Board found that Fitch France had committed the infringement negligently and was liable to a fine. In calculating the fine, the Board took account of the applicable aggravating and mitigating factors and has therefore fined Fitch France EUR 812.500.

D) Supervisory measure and fine

Public notice

Pursuant to Article 24 of the Regulation, the Board decided that the infringement warranted a supervisory measure in the form of the publication of this public notice.

Fine

The fine imposed on Fitch France is EUR 812.500.

PUBLIC NOTICE

Fitch Ratings España S.A.U. (“Fitch Spain”) is a credit rating agency (CRA) established in Spain and is 100% owned by Fitch Ratings Limited (Fitch).

Fitch’s entire capital is owned by Fitch Ratings Inc., a rating agency based in the United States of America. Fitch Ratings Inc. is in turn 100% owned by Fitch Group Inc.

Fitch Group Inc. is a holding company. Between 20 June 2013 and 11 April 2018, it was 20% indirectly owned by an individual (“the Shareholder”), through a company based in France.

Therefore, in the described period, the Shareholder, through a complex multi-layer legal structure, has been holding more than 10% of Fitch Spain.

Regulation (EC) No 1060/2009 on credit rating agencies (“The Regulation”) lays down obligations for a CRA in the conduct of its activities. In conjunction with its role of supervisor of CRAs under the Regulation, the European Securities and Markets Authority (“ESMA”) has functions and powers to take enforcement actions in relation to infringements of the Regulation by CRAs.

The Regulation provides that in order to avoid any conflict of interest that may influence the ratings, a CRA is prohibited to issue a (new) credit rating if a shareholder or a member of the CRA itself holding 10% or more of the capital or voting rights is a member of the administrative or supervisory body of the rated entity or a related third party.

Moreover, in case of existing ratings (i.e. existing at the moment in which the circumstance of conflict of interest takes place), the CRA shall immediately disclose where the credit rating is potentially affected by the described circumstance. Furthermore, the CRA shall immediately assess whether there are grounds for re-rating or withdrawing the existing credit rating.

In August 2017, the supervisors of CRAs in ESMA formed their view that there were serious indications of possible infringements of the Regulation by four CRAs belonging to the Fitch Group, including Fitch Spain.

The matter was then referred to an independent investigating officer (“the IIO”) who, having conducted an investigation, submitted her findings to the Board of Supervisors (“the Board”).

Having considered the evidence, the Board has found that Fitch Spain committed two infringements, and in particular:

1. with negligence, the infringement set out at Point 20 of Section I of Annex III of the Regulation (by having issued ratings on Renault despite the fact that the Shareholder was a board member of Renault); and

2. without negligence, the infringement set out at Point 20 of Section I of Annex III of the Regulation (by not having immediately disclosed that the existing ratings on Renault were potentially affected by the fact that the Shareholder was a board member of Renault).

Relevant legal provisions

Article 6 (*Independence and avoidance of conflicts of interest*)

“(1) A credit rating agency shall take all necessary steps to ensure that the issuing of a credit rating or a rating outlook is not affected by any existing or potential conflicts of interest or business relationship involving the credit rating agency issuing the credit rating or the rating outlook, its shareholders, managers, rating analysts, employees or any other natural person whose services are placed at the disposal or under the control of the credit rating agency, or any person directly or indirectly linked to it by control.

(2) In order to ensure compliance with paragraph 1, a credit rating agency shall comply with the requirements set out in Sections A and B of Annex I. “

Annex I, Section B (*Operational requirements*)

Point 3 first para. A credit rating agency shall not issue a credit rating or a rating outlook in any of the following circumstances, or shall, in the case of an existing credit rating or rating outlook, immediately disclose where the credit rating or rating outlook is potentially affected by the following:

Point 3(ca) a shareholder or member of a credit rating agency holding 10 % or more of either the capital or the voting rights of that credit rating agency or being otherwise in a position to exercise significant influence on the business activities of the credit rating agency, is a member of the administrative or supervisory board of the rated entity or a related third party.

Point 3 second para. A credit rating agency shall also immediately assess whether there are grounds for re-rating or withdrawing the existing credit rating or rating outlook.

Annex III, Section (*List of infringements*)

Point 20. The credit rating agency infringes Article 6(2), in conjunction with the first paragraph of point 3 of Section B of Annex I, by issuing a credit rating or rating outlook in any of the circumstances set out in the first paragraph of that point or, in the case of an existing credit rating or rating outlook, by not disclosing immediately that the credit rating or rating outlook is potentially affected by those circumstances.

First infringement

Fitch Spain committed negligently the infringement set out at Point 20 of Section I of Annex III of the Regulation (by having issued ratings on Renault despite the fact that a shareholder holding more than 10% of their capital/voting rights was a board member of Renault).

A) Legal background

According to the Regulation, a credit rating agency (“CRA”) is forbidden from issuing new credit ratings if a shareholder holding 10% or more of the capital/voting rights of that CRA, is a member of the administrative or supervisory board of the rated entity.

B) Factual findings and analysis of the Board

The Shareholder, who was holding more than 10% of the capital/voting rights of Fitch Spain, was a board member of Renault.

Between 20 June 2013 and 21 May 2015, Fitch Spain issued 8 new ratings on Renault. These ratings were not on Renault, but on instruments newly issued by Renault.

Fitch Spain argued that the ratings on issuances would be covered by the (old) ratings on the entity, being intrinsically linked to them, and therefore would not constitute new ratings. For that reason, Fitch Spain considered that these would not be subject to the mentioned requirement.

The Board noted on the contrary that Point 3(ca) of Section B of Annex I of the Regulation refers to “credit ratings” and that the Regulation does not make a difference between ratings of entities and ratings of instruments. Ratings on instruments are captured by structure of Point 3(ca) of Section B of Annex I of the Regulation. The main elements of the provisions shall apply as a consequence.

C) Finding of infringement

On the basis of the assessment of the complete file submitted by the IIO, the Board found that Fitch Spain failed to comply with the requirement of Article 6(2), in conjunction with Point 3 first para. and Point 3(ca) of Section B of Annex I of the Regulation, and thus committed the infringement set out at Point 20 of Section I of Annex III of the Regulation.

Furthermore, the Board found that Fitch Spain did not meet the special care expected from a CRA as a professional firm in the financial services sector. Therefore, the Board found that Fitch Spain had committed the infringement negligently and was liable to a fine. In calculating the fine, the Board took account of the applicable aggravating and mitigating factors and has therefore fined Fitch EUR 1.125.000.

D) Supervisory measure and fine

Public notice

Pursuant to Article 24 of the Regulation, the Board decided that the infringement warranted a supervisory measure in the form of the publication of this public notice.

Fine

The fine imposed on Fitch Spain is EUR 1.125.000.

Second infringement

Fitch Spain committed the infringement set out at Point 20 of Section I of Annex III of the Regulation (by not having immediately disclosed that the existing ratings on Renault were potentially affected by the fact that a shareholder holding more than 10% of its capital/voting rights was a board member of Renault).

A) Legal background

According to the Regulation, in relation to existing ratings, a CRA has an obligation to disclose immediately the fact that a shareholder holding 10% or more of the capital/voting rights of that CRA, is a member of the administrative or supervisory board of the rated entity.

B) Factual findings and analysis of the Board

The Shareholder, who was holding more than 10% of the capital/voting rights of Fitch Spain, was a board member of Renault.

Fitch Spain issued an upgrade on 10 November 2014 of Renault's existing ratings. The corresponding rating action commentary did not include the disclosure that the Shareholder was a board member of Renault. This omission was corrected with the publication of a non-rating action commentary on 6 January 2015.

Consequently, the Board found that Fitch Spain failed to comply with the requirement set out at Point 3 of Section B of Annex I of the Regulation, and thus committed the infringement set out at Point 20 of Section I of Annex III of the Regulation.

C) Finding of infringement

The Board, on the basis of an assessment of the complete file submitted by the IIO, found that Fitch Spain failed to comply with the requirement of Article 6(2), in conjunction with the first paragraph of Point 3 of Section B of Annex I of the Regulation, and thus committed the infringement set out at Point 20 of Section I of Annex III of the Regulation.

However, the Board did not find negligence established. In accordance with the relevant provisions of the Regulation, no fine is imposed for such an infringement.

D) Supervisory measure

Public notice

Pursuant to Article 24 of the Regulation, the Board decided that the infringement warranted a supervisory measure in the form of the publication of this public notice.