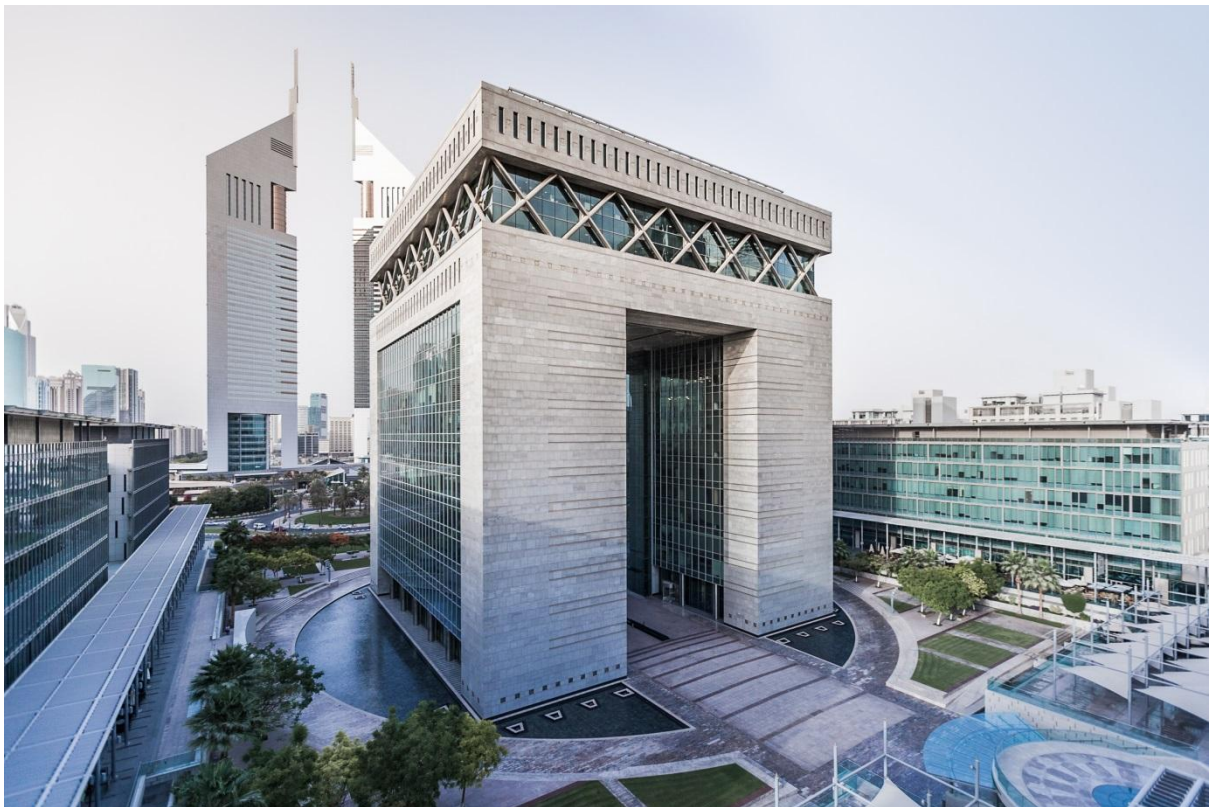


FEEDBACK STATEMENT ON CP174 – PART 1: CREDIT RATING AGENCIES AND PRUDENTIAL REPORTING AMENDMENTS



5 October 2026

PREFACE

Why are we issuing this Feedback Statement?

1. This Feedback Statement explains how the Dubai Financial Services Authority (DFSA) considered the comments received on [Consultation Paper No. 174](#) (CP174). CP174 set out proposed amendments relating to Crypto and Investment Token-related definitions, requirements applying to Credit Rating Agencies (CRAs), and prudential reporting requirements.
2. Following consideration of the consultation feedback, the DFSA is proceeding with the CRA and prudential reporting amendments. The DFSA is not proceeding with the Crypto and Investment Token-related proposals at this time and will consider those proposals further in light of the consultation feedback. Accordingly, this Feedback Statement addresses only the CRA and prudential reporting proposals. The DFSA will communicate any further steps for the Token-related proposals separately.

Terminology

3. In this Feedback Statement, defined terms have the initial letter of a word, or of each word in a phrase, capitalised and have the meaning given in the Glossary module ([GLO](#)). Unless the context otherwise requires, expressions that are not capitalised have their natural meaning.

BACKGROUND

4. In July 2026, the DFSA issued CP174 seeking public comments on a package of miscellaneous amendments to the DFSA Rulebook. This Feedback Statement addresses:
 - targeted amendments to requirements applying to CRAs in the Conduct of Business module (COB); and
 - updates to the prudential reporting matrix in the Prudential – Investment, Insurance Intermediation and Banking Business module (PIB).
5. The consultation responses were generally supportive and the DFSA is proceeding with these amendments. Following consultation, the DFSA has also corrected the scope of application of form B110 in the final PIB rulemaking instrument. An overview of the main comments received and the DFSA's responses are set out below.

Overview of the amendments

6. The amendments are intended to:
 - refine the CRA conflict-of-interest framework so that the assessment focuses on whether a relationship may cause, or may reasonably be perceived as causing, a conflict of interest;
 - remove duplicative or unnecessarily prescriptive CRA disclosure requirements while retaining the overarching obligation to provide sufficient

information for users to understand how a Credit Rating was determined; and

- update the PIB prudential reporting framework, including the consolidation of certain data items into one reporting form.

SUMMARY OF FEEDBACK AND OUR RESPONSE

7. The DFSA received comments from Authorised Firms, professional and consultancy firms, industry bodies and other interested stakeholders. We thank all respondents for their engagement and detailed submissions.
8. The responses demonstrated broad support for the proposed changes, with some respondents seeking further clarification on specific aspects of the proposals. We address those comments in the sections below.

Employee involvement in the rating process and relationships causing conflict of interest

Feedback received

9. Respondents broadly supported the objective of the proposed amendment. One respondent suggested retaining the defined term “Close Relative” and focusing the provision on close personal relationships. Another respondent suggested that the DFSA prescribe more detailed policies and procedures for identifying, assessing and managing relevant relationships, including escalation, disclosure and recusal measures. One respondent also queried whether removing the word “currently” could cause the rule to apply to former employment relationships.

Our response

10. The DFSA considers that the proposed principles-based approach remains appropriate. The purpose of the amendment is to focus the assessment on whether a relationship may cause, or may reasonably be perceived as causing, a conflict of interest. A relationship may be relevant even where the individual is not a Close Relative, while not every relationship falling within a defined family category will necessarily create a conflict.
11. In addition, GEN Rule 4.2.3, GEN Rule 5.3.7 and COB Rule 8.6.1 already require a CRA to establish and maintain appropriate organisational, systems, controls and compliance arrangements, including policies and procedures designed to preserve the independence of relevant employees and manage conflicts of interest. Together with the amended COB Rule 8.6.3, these provisions require a CRA to determine and document how relevant relationships are assessed and managed in the circumstances. This may include escalation, disclosure or recusal where warranted. The DFSA does not consider it necessary to prescribe each measure separately.
12. The removal of “currently” does not extend the provision to former employment relationships. In context, a reference to an individual employed by the Rating Subject is not a reference to an individual formerly employed by it. The deletion therefore has no substantive effect on the scope of the provision.
13. The DFSA has therefore made the amendments to the Rules on which we

consulted, without further change.

Obligation to disclose whether information used in a CRA's methodology is publicly available

Feedback received

14. Respondents generally supported removing the prescribed requirement for a CRA to state whether Relevant Information is publicly available or whether some or all of it remains non-public. One respondent suggested retaining a simplified disclosure where a Credit Rating relied materially on non-public information.
15. One respondent separately suggested replacing the reference in the Guidance to COB Rule 8.8.1(3) that notice should be provided "at least 12 hours" before publication with "at least one full working day".

Our response

16. The DFSA acknowledges that reliance on material non-public information may, in some circumstances, be relevant to users of a Credit Rating. However, a separate prescribed disclosure is not necessary. COB Rule 8.8.1(1)(b) already requires a CRA to disclose sufficient information to enable users to understand how the Credit Rating was determined. Where reliance on material non-public information is important to that understanding, the CRA must provide an appropriate explanation under the existing requirement.
17. This approach requires disclosure where necessary and proportionate, without mandating it where it would provide limited additional insight. The DFSA has therefore proceeded with the proposed amendment without further change.
18. The DFSA considered the respondent's suggestion and amended the Guidance to COB Rule 8.8.1(3). The Guidance continues to indicate that notice should ordinarily be provided at least 12 hours before publication, but now clarifies that a CRA should assess whether a longer period is necessary in the circumstances.
19. This approach preserves the flexibility in COB Rule 8.8.1(3), which requires a CRA, to the extent practicable and appropriate, to give the Rating Subject sufficient advance notice to identify factual errors. It also makes clear that 12 hours is not necessarily sufficient in every case.

Proposals relating to regulatory reporting

Feedback received

20. Respondents generally supported the proposed updates to the PIB reporting requirements. Some respondents sought clarification on whether the Expenditure Based Capital Minimum (EBCM) would continue to apply following removal of form B180, where the relevant data would be captured and the categories of Authorised Firms required to complete the relevant form.

Our response

21. The EBCM will continue to apply despite the removal of form B180. The data

previously reported in form B180 will instead be captured in the redesigned form B110. Form B110 will apply to all Authorised Firms, and the scope of application is reflected in the final rulemaking instrument. Firms will only be required to complete the data items applicable to them. The Guidance in the Prudential Returns module (PRU) has also been updated to explain how to complete the relevant reporting forms.

COMMENCEMENT DATES

22. The prudential reporting amendments apply from **2 October 2026**. The CRA-related amendments apply from **1 January 2027**, which provides CRAs with sufficient time to implement the amended requirements.