



Financial Services Commission
Mauritius

THE ROLE OF CREDIT RATING AGENCIES IN THE CORPORATE BOND MARKET IN MAURITIUS

QUESTIONNAIRE – BOND ISSUERS

Respondent's Company name: _____

PREFACE

The Financial Services Commission (“FSC Mauritius”) is working on the implementation of a regulatory regime for credit rating agencies, one of the factors which support the development of the corporate bond market.

The purpose of this questionnaire is to assist the FSC Mauritius in gathering data from bond issuers. The information collected will provide direction to the FSC Mauritius in implementing the regulatory regime with respect to credit rating agencies.

Please complete your response to each question in the questionnaire, which is in PDF format and which allows you to select and input the appropriate response.

The completed questionnaire must be emailed to crasurvey@fscmauritius.org by 30 May 2014.

Thank you for completing this questionnaire.

A. GENERAL INFORMATION (To be filled by bond issuers)

QUESTIONS RELATED TO CREDIT RATING AGENCIES

1. Are you aware of credit ratings and credit rating agencies?

Yes

No

2. If you answer “yes” to Qu1, what is your understanding of credit ratings and credit rating agencies?

Little

Moderate

Good

Excellent

3. Please rate the importance of the following possible benefits of using credit ratings.

	Strongly Disagree	Disagree	Agree	Strongly Agree
Lower cost of capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Facilitate raising of capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce information asymmetry between issuers and investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Help to attract institutional investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify other possible benefits, if any.

.....

4. Have your company ever used credit rating agencies to rate a bond or any other issue of similar instrument?

Yes

No

5. If you answer “yes” to Qu4, in which country was the credit rating agency based?

.....

6. If you answer “yes” to Qu4, was the credit rating agency supervised/registered/licensed in that country?

Yes

No

Not aware

7. Please rate the importance of the following quality characteristics desirable in credit rating agencies.

	Strongly Disagree	Disagree	Agree	Strongly Agree
Reputation, credibility and integrity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Expertise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Timeliness of ratings upgrades/downgrades	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Independence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Confidentiality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transparency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rating Methodology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify other quality characteristics desirable in credit rating agencies, if any.

.....

8. Do you consider that credit rating agencies in countries, other than Mauritius, are easily accessible?

Yes

No

9. Do you think that fees charged by credit rating agencies for their ratings are affordable?

High

Affordable

Not aware

10. Will your company consider paying for the services of a credit rating agency to rate a bond issue or any other issue of similar instrument?

Yes

No

QUESTIONS RELATED TO ISSUANCE OF CORPORATE BONDS

11. Please rate the preferred source of financing for your company. (1 for least preferred, 2 for neutral and 3 for most preferred)

Equity

Bank Loan

Bonds or other
similar instruments

12. Do you think that it is easy to raise debt in the form of bonds or other similar instruments from the local capital markets in Mauritius?

Yes

No

13. Please rate the significance of the following possible impediments for raising debt in the form of bonds or other similar instruments from the local capital markets in Mauritius.

	Strongly Disagree	Disagree	Agree	Strongly Agree
Lack of liquidity in the capital markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ease of access to bank loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High costs of issuing bonds (legal fees, listing fees, rating fees, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of market infrastructure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify other possible impediments for raising debt in the form of bonds or other similar instruments from the local capital markets in Mauritius, if any.

.....

14. Do you consider the costs of taking bank loans to be lower compared to the costs of issuing corporate bonds, as means of raising capital?

<input type="checkbox"/>	<input type="checkbox"/>
Yes	No

15. Do you consider the costs of issuing equity to be lower compared to the costs of issuing corporate bonds, as means of raising capital?

<input type="checkbox"/>	<input type="checkbox"/>
Yes	No

16. For which duration is your company more likely to issue corporate bonds?

Less than 1
year

1 year to 3 years

4 years to 7 years

More than 7 years

QUESTIONS RELATED TO SIZE OF RESPONDENT

17. Please state the total assets of your company for the financial year ending 2013.

.....

18. Please state the number of employees in your company as at the end of 2013.

.....

FSC House, 54 Cybercity, Ebene, Republic of Mauritius
Tel: (230) 403 7000 Fax: (230) 467 7172
E-mail: fscmauritiu@intnet.mu, Website: www.fscmauritiu.org