

# Rating Research Services

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## Archive: Taiwan Ratings' Ratings Definitions

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# Taiwan Ratings' Ratings Definitions

**(Editor's note:** The criteria article is no longer current. It has been superseded by the article also titled "Taiwan Ratings' Ratings Definitions," published Jan. 6, 2015)

1. This document contains Taiwan Ratings' rating definitions. Ratings use letters, numbers and/or words to summarize the opinion. The rating definition provides the meaning of the letters, numbers and/or words. Additionally, some ratings have qualifiers, suffixes and/or identifiers attached. Definitions of this supplementary information are included.
2. Taiwan Ratings' credit ratings use Standard & Poor's global rating symbols with the addition of a 'tw' prefix to denote Taiwan. Taiwan Ratings provide long-term and short-term credit ratings for both issuer and issue ratings. These types of credit ratings cover the broad set of credit risk factors. In addition, Taiwan Ratings assign two types of special-purpose ratings, including insurer financial strength ratings to insurance companies and fund credit quality ratings to fixed-income funds. The special-purpose ratings are limited by the type of credit they apply to, or are for specific types of transaction structure.

## I. ISSUE CREDIT RATINGS

3. A Taiwan Ratings issue credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific debt, bond, lease, commercial paper program, certificate of deposit, or other financial instrument ("obligation") relative to the creditworthiness of other Taiwanese obligors with respect to their own financial obligations. Taiwanese obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in Taiwan, as well as any foreign obligor active in Taiwan's financial markets.
4. Taiwan Ratings issue credit ratings are based, in varying degrees, on the analysis of the following considerations:
  - The relative likelihood of payment—the rating assesses the obligor's capacity and willingness to meet its financial commitments in accordance with the terms of the obligation, compared with other Taiwanese obligors;
  - The obligation's nature and provisions; and
  - Protection afforded to, and the relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditors' rights

## Long-Term Issue Credit Ratings

<b>Table 1</b>	
<b>Long-Term Issue Credit Ratings*</b>	
<b>Category</b>	<b>Definition</b>
<b>twAAA</b>	An obligation rated 'twAAA' has the highest credit rating assigned on Taiwan Ratings national scale. The obligor's capacity to meet its financial commitments on the obligation, relative to other Taiwanese obligors, is extremely strong.
<b>twAA</b>	An obligation rated 'twAA' differs from the highest-rated debt only to a small degree. The obligor's capacity to meet its financial commitments on the obligation, relative to other Taiwanese obligors, is very strong.
<b>twA</b>	An obligation rated 'twA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. Still, the obligor's capacity to meet its financial commitments on the obligation, relative to other Taiwanese obligors, is strong.
<b>twBBB</b>	An obligation rated 'twBBB' exhibits adequate protection parameters relative to other Taiwanese obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to meet its financial commitments on the obligation.
<b>twBB; twB; twCCC; twCC; and twC</b>	Obligations rated 'twBB', 'twB', 'twCCC', 'twCC', and 'twC' on the Taiwan Ratings national credit rating scale are regarded as having high risk relative to other national obligations. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Taiwanese obligations.
<b>twBB</b>	An obligation rated 'twBB' denotes somewhat weak protection parameters relative to other Taiwanese obligations. The obligor's capacity to meet its financial commitments on the obligation is somewhat weak because of major ongoing uncertainties or exposure to adverse business, financial, or economic conditions.
<b>twB</b>	An obligation rated 'twB' is more vulnerable than obligations rated 'twBB' relative to other Taiwanese obligations. The obligor currently has a weak capacity to meet its financial obligations. Adverse business, financial, or economic conditions, however, would likely impair capacity or willingness of the obligor to meet its financial commitments on the obligation.
<b>twCCC</b>	An obligation rated 'twCCC' is currently vulnerable to nonpayment, relative to other Taiwanese obligations, and is dependent upon favorable business and financial conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.
<b>twCC</b>	An obligation rated 'twCC' is currently highly vulnerable to nonpayment relative to other Taiwanese obligations. The 'twCC' rating is used when a default has not yet occurred, but Taiwan Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.
<b>twC</b>	The 'twC' credit rating is assigned to obligations that are highly vulnerable to nonpayment, obligations that have payment arrearages allowed by the terms of the documents, or obligations of an issuer that is the subject of a bankruptcy petition or similar action which have not experienced a payment default. Among others, the 'twC' rating may be assigned to subordinated debt, preferred stock or other obligations on which cash payments have been suspended in accordance with the instrument's terms or when preferred stock is the subject of a distressed exchange offer, whereby some or all of the issue is either repurchased for an amount of cash or replaced by other instruments having a total value that is less than par.
<b>D</b>	An obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless Taiwan Ratings believes that such payments will be made within five business days, in the absence of a stated grace period or within the earlier of the stated grace period or thirty calendar days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. An obligation's rating is lowered to 'D' upon completion of a distressed exchange offer.

\*The credit ratings from 'twAA' to 'twCCC' may be modified by the addition of a plus (+) or minus (-) to show relative strength with the rating category.

## Short-Term Issue Credit Ratings

<b>Table 2</b>	
<b>Short-Term Issue Credit Ratings*</b>	
<b>Category</b>	<b>Definition</b>
<b>twA-1</b>	A short-term obligation rated 'twA-1' is rated in the highest category on Taiwan Ratings national scale. The obligor's capacity to meet its commitments on the obligation, relative to other Taiwanese obligors, is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations, relative to other Taiwanese obligors, is extremely strong.
<b>twA-2</b>	A short-term obligation rated 'twA-2' is slightly more susceptible to adverse changes in circumstances and economic conditions than obligations rated 'twA-1'. The obligor's capacity to meet its financial commitments on the obligation, relative to other Taiwanese obligors, is satisfactory.
<b>twA-3</b>	A short-term obligation rated 'twA-3' denotes adequate protection parameters relative to other short-term Taiwanese obligations. It is, however, more vulnerable to adverse effects of changes in circumstances than obligations carrying the higher designations.
<b>twB</b>	A short-term obligation rated 'twB' denotes weak protection parameters relative to other short-term Taiwanese obligations. It is vulnerable to adverse business, financial, or economic conditions.
<b>twC</b>	A short-term obligation rated 'twC' denotes doubtful capacity for payment.
<b>D</b>	A short-term obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless Taiwan Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. An obligation's rating is lowered to 'D' if it is subject to a distressed exchange offer.

\*Apply to obligations with an original maturity of less than one year.

## II. ISSUER CREDIT RATINGS

5. A Taiwan Ratings issuer credit rating is a forward-looking opinion about the overall creditworthiness of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations as they come due, relative to other Taiwanese obligors. Such Taiwanese obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in Taiwan, as well as foreign obligors active in Taiwan's financial markets.

6. Issuer credit ratings do not apply to specific obligations, as they do not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, they do not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

7. Counterparty credit ratings and corporate credit ratings are all forms of issuer credit ratings.

### Long-Term Issuer Credit Ratings

Category	Definition
<b>twAAA</b>	An obligor rated 'twAAA' has an extremely strong capacity to meet its financial commitments relative to that of other Taiwanese obligors. 'twAAA' is the highest issuer credit rating assigned according to Taiwan Ratings national scale.
<b>twAA</b>	An obligor rated 'twAA' differs from the highest-rated obligors only to a small degree, and has a very strong capacity to meet its financial commitments relative to that of other Taiwanese obligors.
<b>twA</b>	An obligor rated 'twA' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a strong capacity to meet its financial commitments relative to that of other Taiwanese obligors.
<b>twBBB</b>	An obligor rated 'twBBB' has an adequate capacity to meet its financial commitments relative to that of other Taiwanese obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
<b>twBB; twB; twCCC; and twCC</b>	Obligors rated 'twBB', 'twB', 'twCCC', and 'twCC' on the Taiwan Ratings credit rating scale are regarded as having high risk relative to other Taiwanese obligors. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Taiwanese obligors.
<b>twBB</b>	An obligor rated 'twBB' denotes somewhat weak capacity to meet its financial commitments, although it is less vulnerable than other lower-rated Taiwanese obligors. However, it faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could result in an inadequate capacity on the part of the obligor to meet its financial commitments.
<b>twB</b>	An obligor rated 'twB' is more vulnerable than obligors rated 'twBB'. The obligor currently has a weak capacity to meet its financial commitments relative to other Taiwanese obligors. Adverse business, financial, or economic conditions would likely impair the obligor's capacity or willingness to meet its financial commitments.
<b>twCCC</b>	An obligor rated 'twCCC' is currently vulnerable relative to other Taiwanese obligors and is dependent upon favorable business and financial conditions to meet its financial commitments.
<b>twCC</b>	An obligor rated 'twCC' is currently highly vulnerable to defaulting on its financial commitments relative to other Taiwanese obligors. The 'twCC' rating is used when a default has not yet occurred, but Taiwan Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.
<b>R</b>	An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others.
<b>SD and D</b>	An obligor rated 'SD' (selective default) or 'D' is in default on one or more of its financial obligations including rated and unrated financial obligations but excluding hybrid instruments classified as regulatory capital or in non-payment according to terms. An obligor is considered in default unless Taiwan Ratings believes that such payments will be made within five business days, or within the earlier of the stated grace period or thirty calendar days. A 'D' rating is assigned when Taiwan Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. A 'SD' rating is assigned when Taiwan Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.
<b>NR</b>	An issuer designated 'NR' is not rated.

\*The credit ratings from 'twAA' to 'twCCC' may be modified by the addition of a plus (+) or minus (-) to show relative strength with the rating category.

### Short-Term Issuer Credit Ratings

Table 4	
Short-Term Issuer Credit Ratings*	
Category	Definition
<b>twA-1</b>	An obligor with a 'twA-1' short-term credit rating has a strong capacity to meet financial commitments relative to that of other Taiwanese obligors. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations, relative to that of other obligors in the Taiwanese market, is extremely strong.
<b>twA-2</b>	An obligor with a 'twA-2' short-term credit rating has a satisfactory capacity to meet financial obligations relative to that of other Taiwanese obligors.
<b>twA-3</b>	An obligor with a 'twA-3' short-term credit rating has an adequate capacity to meet financial commitments relative to that of other Taiwanese obligors. However, the obligor is more vulnerable to adverse changes in business circumstances or economic conditions than higher-rated obligors.
<b>twB</b>	An obligor with a 'twB' short-term credit rating has a weak capacity to meet financial commitments, relative to that of other Taiwanese obligors, and is vulnerable to adverse business, financial, or economic conditions.
<b>twC</b>	An obligor with a 'twC' short-term credit rating has a doubtful capacity to meet financial commitments.
<b>R</b>	An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others.
<b>SD and D</b>	An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated), excluding hybrid instruments classified as regulatory capital or in nonpayment according to terms, when it came due. An obligor is considered in default unless Taiwan Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. A 'D' credit rating is assigned when Taiwan Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. A 'SD' credit rating is assigned when Taiwan Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations, excluding hybrid instruments classified as regulatory capital, but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.
<b>NR</b>	An issuer designated 'NR' is not rated.

\*Apply to an obligor's capacity to meet financial commitments over a time horizon of less than one year.

## III. SPECIAL-PURPOSE RATINGS

### Insurer Financial Strength Ratings

8. A Taiwan Ratings' insurer financial strength rating is a forward-looking opinion about the financial security characteristics of an insurance organization with respect to its ability to pay under its insurance policies and contracts in accordance with their terms, relative to other insurers in the Taiwan market.

9. This opinion is not specific to any particular policy or contract, nor does it address the suitability of a particular policy or contract for a specific purpose or purchaser. Furthermore, the opinion does not take into account deductibles, surrender or cancellation penalties, timeliness of payment, nor the likelihood of the use of a defense such as fraud to deny claims.

10. Insurer financial strength ratings do not refer to an organization's ability to meet nonpolicy (i.e., debt) obligations. Assignment of ratings to debt issued by insurers or to debt issues that are fully or partially supported by insurance policies, contracts, or guarantees is a separate process from the determination of insurer financial strength ratings, and follows procedures consistent with those used to assign an issue credit rating.

Table 5	
Insurer Financial Strength Ratings*	
Category	Definition
<b>twAAA</b>	An insurer rated 'twAAA' has extremely strong financial security characteristics, relative to other insurers in the Taiwan market. 'twAAA' is the highest insurer financial strength rating assigned by Taiwan Ratings.
<b>twAA</b>	An insurer rated 'twAA' has very strong financial security characteristics, relative to other insurers in the Taiwan market, differing only slightly from those rated higher.

<b>twA</b>	An insurer rated 'twA' has strong financial security characteristics, relative to other insurers in the Taiwan market but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings.
<b>twBBB</b>	An insurer rated 'twBBB' has good financial security characteristics, relative to other insurers in the Taiwan market but is more likely to be affected by adverse business conditions than are higher-rated insurers.
<b>twBB, twCCC, and twCC</b>	An insurer rated 'twBB' or lower is regarded as having vulnerable, relative to other insurers in the Taiwan market characteristics that may outweigh its strengths. 'twBB' indicates the least degree of vulnerability within the range; 'twCC' the highest.
<b>twBB</b>	An insurer rated 'twBB' has marginal financial security characteristics, relative to other insurers in the Taiwan market. Positive attributes exist, but adverse business conditions could lead to insufficient ability to meet financial commitments.
<b>twB</b>	An insurer rated 'twB' has weak financial security characteristics, relative to other insurers in the Taiwan market. Adverse business conditions will likely impair its ability to meet financial commitments.
<b>twCCC</b>	An insurer rated 'twCCC' has very weak financial security characteristics, relative to other insurers in the Taiwan market, and is dependent on favorable business conditions to meet financial commitments.
<b>twCC</b>	An insurer rated 'twCC' has extremely weak financial security characteristics, relative to other insurers in the Taiwan market and is likely not to meet some of its financial commitments.
<b>R</b>	An insurer rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. The rating does not apply to insurers subject only to nonfinancial actions such as market conduct violations.
<b>SD and D</b>	An insurer rated 'SD' (selective default) or 'D' is in default on one or more of its insurance policy obligations but is not under regulatory supervision that would involve a rating of 'twR'. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action if payments on a policy obligation are at risk. A 'D' rating is assigned when Taiwan Ratings believes that the default will be a general default and that the obligor will fail to pay substantially all of its obligations in full in accordance with the policy terms. An 'SD' rating is assigned when Taiwan Ratings believes that the insurer has selectively defaulted on a specific class of policies, but it will continue to meet its payment obligations on other classes of obligations. A selective default includes the completion of a distressed exchange offer. Claim denials due to lack of coverage or other legally permitted defenses are not considered defaults.
<b>NR</b>	An insurer designated 'NR' is not rated, which implies no opinion about the insurer's financial security.
*Ratings from 'twAA' to 'twCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.	

## Fund Credit Quality Ratings

11. Taiwan Ratings Fund Credit Quality Ratings, identified by the 'f' suffix, are assigned to fixed-income funds and other actively managed funds that exhibit variable net asset values. The 'tw' prefix indicates that the funds are rated using the Taiwan Ratings rating scale. A fund credit quality rating is not directly comparable to a debt rating because of differences in rating criteria.

12. These ratings are forward-looking opinions about the overall credit quality of a fund's portfolio. The ratings reflect the level of protection against losses from credit defaults.

<b>Table 6</b>	
<b>Fixed-Income Fund Credit Quality Ratings*</b>	
<b>Category</b>	<b>Definition</b>
<b>twAAAf</b>	The fund's portfolio holdings provide extremely strong protection against losses from credit defaults on the Taiwan Ratings' ratings scale.
<b>twAAf</b>	The fund's portfolio holdings provide very strong protection against losses from credit defaults on the Taiwan Ratings' ratings scale.
<b>twAf</b>	The fund's portfolio holdings provide strong protection against losses from credit defaults on the Taiwan Ratings' ratings scale.
<b>twBBBf</b>	The fund's portfolio holdings provide adequate protection against losses from credit defaults on the Taiwan Ratings' ratings scale.
<b>twBBf</b>	The fund's portfolio holdings provide uncertain protection against losses from credit defaults on the Taiwan Ratings' ratings scale.
<b>twBf</b>	The fund's portfolio holdings exhibit vulnerability to losses from credit defaults on the Taiwan Ratings' ratings scale.

<b>twCCCF</b>	The fund's portfolio holdings make it extremely vulnerable to losses from credit defaults on the Taiwan Ratings' ratings scale.
*The ratings from 'twAAF' to 'twCCCF' can be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.	

## IV. CREDITWATCH AND RATING OUTLOOK

### CreditWatch

13. CreditWatch highlights our opinion regarding the potential direction of a short-term or long-term rating. It can be applied to issuer ratings and issue ratings, as well as insurer financial strength ratings and fund credit quality ratings. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Taiwan Ratings' analytical staff. Ratings may be placed on CreditWatch under the following circumstances:

- When an event has occurred or, in our view, a deviation from an expected trend has occurred or is expected and when additional information is necessary to evaluate the current rating. Events and short-term trends may include mergers, recapitalizations, voter referendums, regulatory actions, performance deterioration of securitized assets, or anticipated operating developments.
- When we believe there has been a material change in performance of an issue or issuer, but the magnitude of the rating impact has not been fully determined, and we believe that a rating change is likely in the short-term.
- A change in criteria has been adopted that necessitates a review of an entire sector or multiple transactions and we believe that a rating change is likely in the short-term.

14. A CreditWatch listing, however, does not mean a rating change is inevitable, and when appropriate, a range of potential alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

### Rating Outlooks

15. A Taiwan Ratings' rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). It can be applied to issuer ratings and issue ratings, as well as insurer financial strength ratings. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive means that a rating may be raised.
- Negative means that a rating may be lowered.
- Stable means that a rating is not likely to change.
- Developing means a rating may be raised or lowered.
- N.M. means not meaningful.

## V. QUALIFIERS AND IDENTIFIERS

### Qualifiers

16. Taiwan Ratings uses qualifiers that limit the scope of a rating. A qualifier appears as a suffix and is part of the rating.

#### Principal: 'p' qualifier

17. This suffix is used for issues in which the credit factors, the terms, or both, that determine the likelihood of receipt of payment of principal are different from the credit factors, terms or

both that determine the likelihood of receipt of interest on the obligation. The 'p' suffix indicates that the rating addresses the principal portion of the obligation only and that the interest is not rated.

### **Preliminary Ratings: 'prelim' qualifier**

18. Preliminary ratings, with the 'prelim' suffix, may be assigned to obligors or obligations, including financial programs, in the circumstances described below. Assignment of a final rating is conditional on the receipt by Taiwan Ratings of appropriate documentation. Taiwan Ratings reserves the right not to issue a final rating. Moreover, if a final rating is issued, it may differ from the preliminary rating.

- Preliminary ratings may be assigned to obligations, most commonly structured and project finance issues, pending receipt of final documentation and legal opinions.
- Preliminary ratings may be assigned to obligations that will likely be issued upon the obligor's emergence from bankruptcy or similar reorganization, based on late-stage reorganization plans, documentation and discussions with the obligor. Preliminary ratings may also be assigned to the obligors. These ratings consider the anticipated general credit quality of the reorganized or post-bankruptcy issuer as well as attributes of the anticipated obligation(s).
- Preliminary ratings may be assigned to entities that are being formed or that are in the process of being independently established when, in Taiwan Ratings' opinion, documentation is close to final. Preliminary ratings may also be assigned to the obligations of these entities.
- Preliminary ratings may be assigned when a previously unrated entity is undergoing a well-formulated restructuring, recapitalization, significant financing or other transformative event, generally at the point that investor or lender commitments are invited. The preliminary rating may be assigned to the entity and to its proposed obligation(s). These preliminary ratings consider the anticipated general credit quality of the obligor, as well as attributes of the anticipated obligation(s), assuming successful completion of the transformative event. Should the transformative event not occur, Taiwan Ratings would likely withdraw these preliminary ratings.

### **Identifiers**

19. These words or symbols provide additional information but do not change the definition of a rating or our opinion about the issue's or issuer's creditworthiness.

### **Unsolicited: 'unsolicited' and 'u' identifier**

20. The 'u' identifier and 'unsolicited' designation are unsolicited credit ratings assigned at the initiative of Taiwan Ratings and not at the request of the issuer or its agents.

### **Structured finance: 'sf' identifier**

21. The 'sf' identifier shall be assigned to ratings on "structured finance instruments" when required to comply with applicable law or regulatory requirement or when Taiwan Ratings believes it appropriate. The addition of the 'sf' identifier to a rating does not change that rating's definition or our opinion about the issue's creditworthiness. For detailed information on the instruments assigned the 'sf' identifier, please see "S&P Announces Changes To The List Of Instruments Carrying The Structured Finance Identifier," published March 21, 2014 on [www.standardpoors.com](http://www.standardpoors.com).

### **Under criteria observation 'uco' identifier**

22. The 'uco' identifier may be assigned to credit ratings under review as a result of a criteria revision. The addition of the 'uco' identifier to a rating does not change that rating's definition or our opinion about the issue's or issuer's creditworthiness.



## **VI. RELATED RESEARCH**

- **Standard & Poor's Ratings Definition**, Sept. 22, 2014
- **S&P Announces Changes To The List Of Instruments Carrying The Structured Finance Identifier**, March 21, 2014

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