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S&P Evolution Of The Methodologies Framework: Introducing Sector And Industry Variables Reports

S&P Global Ratings is adopting a new criteria-related article, called a sector and industry variables report. Over the next two to three years, the new reports will replace guidance documents, which we've used since late 2017. The transition entails moving criteria-related quantitative variables from guidance to new sector and industry variables reports and other guidance content (mostly criteria-related elaborative text) to criteria. We are making this transition to provide more transparency to the market about our methodologies framework.

The methodologies framework will continue to comprise two key components–our criteria and a criteria-related document, which, in the future, will be sector and industry variables reports. We have not changed the definition or role of our criteria, which continue to be published analytical frameworks we use for determining credit ratings. The only change is a revision to the concept and scope of a criteria-related document. Sector and industry variables reports are more streamlined and narrower in scope than guidance and will focus on criteria-related variables that are expected to change over time due to external conditions and, therefore, will be periodically updated.

Here, we aim to help readers better understand the key features of these two concepts and how we plan to use them.

Continue reading.

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