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Fitch Updates Criteria for Rating Public-Sector Counterparty Obligations in PPP Transactions.

Fitch Ratings-New York-15 January 2016: Fitch Ratings has published an update of its '[Rating Public-Sector Counterparty Obligations in PPP Transactions](#)'. The updated report replaces the existing criteria (published July 23, 2015) without modifying Fitch's analytical approach. There will be no rating changes as a result of the updated criteria.

The criteria establish a globally consistent framework to determine if the public private partnership (PPP) framework agreement qualifies for assignment of a counterparty rating. It then defines the extent of notching from the general credit quality of the public sector counterparty applied to reflect any perceived higher risk of default under a framework agreement. It also provides guidance on how to consider the PPP obligation in the public sector counterparty's general credit rating as well as how late payment or rejection of an obligation under the framework agreement would be reflected in the counterparty's Issuer Default Rating (IDR).

The updated report notes that where the debt of a project company is to be rated either publicly or privately on a monitored basis, the public grantor's IDR and counterparty obligation ratings will also be subject to monitoring, but not necessarily on the same basis (public or private). There are no other changes to the criteria.

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