

Article Title: ARCHIVE | Guidance | General Criteria: Guidance: Methodology For Rating Sukuk Data: (EDITOR'S NOTE: —This guidance document is no longer current. We moved relevant content into "Methodology For Rating Sukuk," published Jan. 19, 2015, without any substantive changes.) Overview And Scope This article provides additional information and guidance relating to our criteria article, "Methodology For Rating Sukuk," published on Jan. 19, 2015. This article should be read in conjunction with the criteria. For further explanation of guidance documents, see the description at the end of this article. Key Publication Information Original publication date: May 2, 2019. Related to "Methodology For Rating Sukuk," published on Jan. 19, 2015. We may revise this guidance from time to time if regulatory developments and other factors outlined in the criteria warrant us re-evaluating some considerations regarding how we assess total loss event remoteness. Guidance The purpose of this guidance document is to clarify how S&P; Global Ratings applies section IV.1. "Treatment Of Total Loss Events" of its "Methodology For Rating Sukuk" criteria. Specifically, the guidance clarifies how we assess total loss event (TLE) remoteness in our sukuk issue credit ratings. For the definition of the TLE, please see below, and for information on how it may affect the ratings on sukuk, please refer to the aforementioned criteria. In assessing TLE remoteness, we typically use the specific definition of the TLE, the nature of the assets, as well as analytical judgement. If the TLE definition involves the physical destruction of the underlying assets, we would typically assess the risk as remote, depending on the geographical dispersion or concentration of the assets, geopolitical risks such as war, terrorism, or risk of conflict, and natural catastrophe risks, both in the jurisdiction(s) where the assets are located and within the timeframe of the transaction. If the TLE definition involves nonphysical loss, such as nationalization or confiscation risks, we would typically assess the risk as remote, unless we assess that the government demonstrates a tendency to nationalize that could directly or indirectly affect the sukuk's underlying assets within the timeframe of the transaction. The table below includes guidance on how we assess TLE remoteness depending on the definition of the TLE and the nature of asset(s). Assessment Of TLE Remoteness

ASSET/TLE DEFINITION	PHYSICAL TLE	NONPHYSICAL TLE
Single asset	Generally remote, unless the asset is located in a war zone, an area at risk of conflict, or a zone subject to natural catastrophe risks that could affect the underlying asset within the timeframe of the transaction.	Generally remote, unless we assess that the government demonstrates a tendency to nationalize that could apply to the asset within the timeframe of the transaction.
Portfolio of assets in a single jurisdiction	Generally remote, unless the assets are located in a war zone, an area at risk of conflict, or a zone subject to natural catastrophe risks that could affect the underlying assets within the timeframe of the transaction.	Generally remote, unless we assess that the government demonstrates a tendency to nationalize that could apply to the assets within the timeframe of the transaction.
Portfolio of assets in multiple jurisdictions	Generally remote	Generally remote

TLE--Total loss event. Physical TLE We generally define a physical TLE as the destruction of, or damage to the whole of, the asset(s), or any event or occurrence that renders the whole of the asset(s) permanently unfit for any economic use, and the repair or remedial work in respect of the asset(s) is wholly uneconomical. Nonphysical TLE We generally define a nonphysical TLE as the expropriation, nationalization, requisition, confiscation, attachment, or sequestration of the asset(s). Criteria And Research Related Criteria Methodology For Rating Sukuk, Jan. 19, 2015 Related Research Criteria And Guidance: Understanding The Difference, Dec. 15, 2017