WHAT IS THE MASTER INDEX?
The Master Index is a number ranging from 0 to 10. This number is a result of the aggregation of all the Sources data in the underlying risk ranking mechanism. The scale of the number represents the overall risk levels of a particular jurisdiction. The closer the number is to the upper bound of 10, the less risky a country is, and vice versa. A higher Master Index, in other words, indicates a ‘safer’ country, whereas a lower Master Index is indicative of a riskier country.

WHAT IS MEANT BY THE CLAIM THAT COUNTRY RISK RANKING’S METHOD OF CALCULATING OVERALL RISK INDICES IS NON-SUBJECTIVE?
Country Risk Ranking is objective in the way in which we mathematically aggregate and combine the various data sources into a risk indicator called the Master Index. Subjectivity does, however, come into play in the process of weight allocation to the various parameters. To ensure objectivity, the system allows for the user weight customization of these weights.

A SOURCE WAS ADDED OR REMOVED FROM COUNTRY RISK RANKING. HOW WILL THIS AFFECT THE RESULTS OF MY CURRENT RISK CALCULATIONS, BASED ON PREVIOUSLY DEFINED AND SAVED CUSTOM WEIGHT SETTINGS?
Country Risk Ranking works in a way that ensures that even though the parameters may be modified over time, previously saved User weight sets, which were based on older or different parameter configurations, will still work. The system ensures this by removing all previously saved weights of which the parameters have been removed, and assigning a weight of zero to this Customized weight set to all newly added parameters. This essentially means that new parameters will not contribute to overall risk if the risk index is calculated based on an older customized version of saved weights.

WHY ARE THERE UNCERTAINTY MEASURES IN COUNTRY RISK RANKING? DOES THIS MEAN THAT THE RANKINGS ARE INCORRECT?
Country Risk Ranking’s back-end ranking machine is based on advanced mathematic-statistical theories. The advantage of working with numbers and statistics is that we are able to capture measures of uncertainty, which are very useful in terms of analysis and accuracy measures. By having uncertainty measures, it allows Country Risk Ranking to begin ranking for all 247 countries and territories. Country Risk Ranking does acknowledge that Master Index calculations for certain jurisdictions may not be entirely accurate, due to a lack of source data for that jurisdiction. The inclusion of uncertainty measures enables the user to take cognizance of this, and ensures total calculative transparency.

WHAT IS THE RECOMMENDED WORLD-CHECK DEFAULT WEIGHT SET?
World-Check’s professional researchers have identified and tested a set of weights that we feel most accurately represent the allocation of each parameter to the definition of Comprehensive risk, AML risk and Anti-Corruption risk. We highly recommend that first-time system users choose one of the default weight sets as a starting point for their risk assessment. Advanced users, who wish to customize their own weight sets, should nonetheless also use one the default weight sets as a starting point.

HOW DO WEIGHTS AFFECT OVERALL MASTER INDEX CALCULATIONS?
Higher or “heavier” weightings indicate that the particular parameter (Dimension or Factor) under scrutiny will contribute greatly to the overall Master Index. Conversely, lower or “lighter” weighted parameters will contribute less in the calculation of the overall Master Index.
WHAT ARE SOURCES, DIMENSIONS AND FACTORS?
Sources, Dimensions and Factors are collectively called parameters. Sources are the actual web locations that provide the data that is used to in Country Risk Ranking’s risk calculations (ie: United Nations Survey on Crime Trends). “Dimension” is an abstract label indicating a collection of closely related sources (ie: AML Controls). In addition, “Factors” refer to a set of closely related Dimensions (ie: Political Factor).

WHAT IF I’M MORE INTERESTED IN ONE SPECIFIC TYPE OF RISK ONLY?
Country Risk Ranking aims to aid in the management of overall risk. Risk is composed of many factors; but more importantly, none of these factors are independent of one other. If you are truly only interested in credit risk, you can simply adjust Country Risk Ranking’s parameter weighting to reflect the importance of credit risk related dimensions, and correspondingly negate the importance of all other risk related parameters.

However, it must be emphasized that this is not recommended. Country Risk Ranking’s Default Weight Setting is the recommended point of departure for any risk assessment - regardless of industry-specific risk considerations. By using the default settings, you may still zoom into the credit-related dimensions, whilst simultaneously analyzing the other risk dimensions. This will also enable you to examine any parameters that cause your risk ranking to skew as a result of your credit-related risk ranking focus. As such, your assessment of credit risk for that country will be more holistic and well informed. This will also enable you to then proceed with confidence in determining your industry-specific risk management strategies.

HOW OFTEN ARE SOURCES UPDATED?
Sources are updated as soon as they are updated on the site of origin. Country Risk Ranking adopts tracking software that flags any updates or changes to the original source data found online.

HOW CAN I CONTACT COUNTRY RISK RANKING OR PROVIDE USER FEEDBACK?
Drop us an email at grc.wc.support@thomsonreuters.com and submit your contact details so that we can respond to your query as soon as possible. Email is the primary medium for user correspondence.

CAN I SUGGEST ALTERNATIVE SOURCES TO BE INCLUDED IN COUNTRY RISK RANKING?
Certainly. Users can suggest potential data sources that they feel would be beneficial as a Country Risk Ranking Source. Please submit your recommendation, including source details to grc.wc.support@thomsonreuters.com

HOW MANY CUSTOM WEIGHT SETS CAN I DEFINE AND SAVE?
There is no limit to the number of weight sets registered users can define and save, provided they are logged in to the Country Risk Ranking system.

WHY SHOULD I USE THE “RECOMMENDED WORLD-CHECK DEFAULT WEIGHT SET?”
The “Recommended World-Check Default Weight Set” has been rigorously tested and scrutinized by some of World-Check’s leading researchers. The set of Weights that is associated with the various parameters have been carefully selected to correctly associate every parameter’s importance to the definition of overall risk.

Even if you decide not to use the highly recommended Default Weight Set, it is nonetheless a very good point of departure for any user who wishes to tweak the system’s weight settings to fit their own risk perceptions.
WHO SHOULD BE USING MY COUNTRY RISK RANKING?

Governmental intelligence agencies, regulatory entities, financial intelligence units (FIUs) and cross-border law enforcement agencies all stand to benefit from this objective jurisdictional risk assessment solution.

Financial institutions, ranging from banks preparing for international expansion to institutional investors and global underwriting concerns looking to capture foreign market share, could all benefit from Country Risk Ranking’s robust and transparent risk assessment - both in terms of risk mitigation and meeting their regulatory compliance obligations.

Service providers in the financial, online gaming and e-commerce sectors will also find it most valuable in their risk assessment processes.

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The Thomson Reuters Governance, Risk & Compliance (GRC) business delivers a comprehensive set of solutions designed to empower audit, risk and compliance professionals, business leaders, and the Boards they serve to reliably achieve business objectives, address uncertainty, and act with integrity.

Thomson Reuters connects business transactions, strategy and operations to the ever-changing regulatory environment, enabling firms to manage business risk. A comprehensive platform supported by a range of applications and trusted regulatory and risk intelligence data, Thomson Reuters brings together market-leading solutions for governance, risk and compliance management, global regulatory intelligence, financial crime, anti-bribery and corruption, enhanced due diligence, training and e-learning, and board of director and disclosure services.

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