

## **Procedure for disclosure of credit ratings and other related notifications**

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## 1. General Provisions

- 1.1. The Analytical Credit Rating Agency (Joint-Stock Company), hereinafter referred to as ACRA, shall ensure full, accurate, timely and clear to all investors and Credit Rating users disclosure of all relevant information pertaining to Credit Ratings, in accordance with the requirements of Federal Law No. 222-FZ dated July 13, 2015 “On Activity of Credit Rating Agencies in the Russian Federation, On Amending Article 76.1 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ and Recognizing Null and Void Certain Provisions of Legislative Acts of the Russian Federation” (hereinafter, the Law on rating agencies), statutory regulations of the Bank of Russia, as well as the ACRA’s Code of Ethics and Professional Conduct.

## 2. List of Terms and Definitions

21. **ACRA** — Analytical Credit Rating Agency (Joint-Stock Company).
22. **Analytical Unit** — a set of ACRA’s business units performing mainly Rating Analysis.
23. **Appeal** — a reasoned disagreement by a Rated Entity (external appeal) or by a member of the Rating Committee (internal appeal) with a decision taken by the Rating Committee.
24. **Leading Rating Analyst** — a Rating Analyst whose main responsibilities include interaction with the Rated Entity on a specific Credit Rating, preparation of documents and proposals for the Rating Committee with regard to such a Credit Rating.
25. **Conflict of Interest** — a situation when interests (direct or indirect) of ACRA, its shareholders, Rating Analysts, other ACRA employees and persons exercising control over, or having a significant influence on ACRA, may adversely affect independence or objectiveness of ACRA (including the assignment of Credit Ratings or their outlooks) and entail other negative consequences for ACRA, its employees and/or Rated Entities.
26. **Credit Rating** — ACRA’s opinion on the ability of a Rated Entity to meet its financial obligations (creditworthiness, financial reliability, financial stability) and/or on the credit risk of its specific financial obligations or instruments, expressed through a rating category.
27. **Credit Rating of Structured Finance Instruments and Obligations** — ACRA’s opinion on the probability and magnitude of losses related to rated obligations of an SPV (or similar issuers and Rated Entities) that depend on the ability of this SPV to fulfill its financial liabilities secured by monetary claims and/or other property owned by this SPV and/or third parties. A credit rating of Structured Finance Instruments and Obligations is one of Credit Rating types.
28. **Methodology (Rating Methodology)** — an ACRA internal document, which defines the principles and forms of the analysis of quantitative and qualitative factors and provides guidance on the application of models and key rating assumptions, which lay the basis for decisions on Rating Actions.

29. **Unsolicited Credit Rating** — a Credit Rating assigned by ACRA without signing a contract with the Rated Entity.
210. **Rating Object** — a Rated Entity and/or its financial obligations (creditworthiness, financial reliability, financial sustainability) or financial instruments.
211. **Expected Credit Rating** — ACRA’s opinion on capability of the Rated Entity (SPV) to meet its obligations on specific debt instruments, including structured finance instruments and obligations. This opinion is expressed using a rating category on a certain rating scale and based on draft issue documentation and expected issue conditions. The Expected Credit Rating can be assigned, if necessary, as one of the stages of the credit rating process. The process of assigning an Expected Credit Rating is identical to the process of assigning a Credit Rating.
212. **Press Release** — an informational message by ACRA containing a gist of Rating Actions with regard to a Rated Entity or any other information disclosed by ACRA.
213. **Credit Rating Outlook** — ACRA’s opinion on a likely credit rating change within a certain time period (typically 12 to 18 months). Credit rating outlooks are not assigned to credit ratings of structured finance instruments and obligations, nor to credit ratings of financial liabilities.
214. **Publication** — disclosure of information on ACRA’s official website.
215. **Rating Analysis** — a set of actions taken by Rating Analysts in compliance with ACRA’s specific internal documents and related to interaction with a Rated Entity (issuer, deal arranger) (incl. rating meetings), preparation of materials for the Rating Committee, including the required quantitative and qualitative analysis of all available to ACRA information regarding the Rating Object, which in ACRA’s opinion may affect the Credit Rating assigned based on a Methodology, as well as initiation of a Rating Committee meeting for implementation of Rating Actions.
216. **Rating Analyst** — an employee at the Analytical Unit performing analytical functions required for Rating Actions.
217. **Rating Action** — any of the listed events with regard to the Credit Rating or to the Credit Rating outlook: preparation, assignment, affirmation, review or withdrawal.
218. **Rating Committee** — a group of Rating Analysts, including the Chairman of the Rating Committee, who decide on Rating Actions.
219. **Rated Entity** — a legal or public-law entity whose ability to meet its financial obligations (creditworthiness, financial reliability, financial stability) is directly or indirectly assessed in a Credit Rating.
220. **Rating Process** — a set of operations within the framework of Rating Activities, including: the selection and appointment of Rating Analysts for performing Rating Analysis, the very process of carrying out Rating Analysis, holding a Rating Committee

meeting on Rating Actions, interaction with a Rated Entity/Issuer or its representatives and publication of a Credit Rating when appropriate on ACRA's website.

221. **Compliance and Internal Control Service** — ACRA's unit performing the functions of an internal control body in accordance with the Law on rating agencies and bylaws of the Bank of Russia.
222. **Sovereign Credit Rating** — a Credit Rating, assigned to the Russian Federation or a foreign state, or to a subject of the Russian Federation or an administrative and territorial unit of a foreign state, a public authority of the Russian Federation or a foreign state, a public authority of the subject of the Russian Federation or administrative and territorial units of foreign States, or local authorities of the Russian Federation or a foreign state, a union of states, an international financial organization and/or their select financial obligations or instruments.

### 3. Information Disclosed Following Rating Actions

31. ACRA discloses information on the results of the its Rating Actions by Publication of a Press Release. ACRA's published opinion on any assigned or revised Credit Rating must explicitly mention the following:
  - 3.1.1. the dates of the first and last publication of a Credit Rating;
  - 3.1.2. the Credit Rating Outlook;
  - 3.1.3. the period of time within which a revision of the Credit Rating is expected;
  - 3.1.4. a rating scale used in assigning of Credit Ratings (international/national);
  - 3.1.5. a rationale for the Credit Rating and its outlook, including the description of factors, reasons and key assumptions that influenced the published Credit Rating (or its outlook);
  - 3.1.6. references to the Methodologies applied in assigning/revising such Credit Rating and outlook;
  - 3.1.7. all meaningful sources of information, including the Rated Entity; in certain cases, ACRA may indicate the use different sources of information in the analysis, if in the opinion of ACRA, more detailed disclosure will result in greater transparency of its analytical conclusions for investors and other users of ACRA's Credit Ratings. In the case where such information materially differs from the officially published financial statements of the Rated Entity/issuer, ACRA will also disclosure such deviations;
  - 3.1.8. a list of main rating assumptions used in making forecasts;
  - 3.1.9. a list of the main key indicators and factors to which a credit rating of the Rated Entity is sensitive, as well as the threshold levels of the such indicators and factors;
  - 3.1.10. the fact of participation or non-participation of the Rated Entity/issuer or persons exercising control over, or having significant influence on, such Rated Entity/issuer, in the Rating Process;
  - 3.1.11. the fact of primary assignment of the Credit Rating if the latter is assigned for the first time to the Rated Entity/obligation;
  - 3.1.12. the fact of provision of ancillary services, if any, by ACRA to a Rated Entity/Issuer;
  - 3.1.13. any limitations with respect to a Credit Rating or Credit Rating Outlook, including those affecting the quality of information about the Rated Object in possession of ACRA;
  - 3.1.14. in the case of an Expected Credit Rating assignment, in addition to the information specified in subparagraph 3.1.1-3.1.13, information is provided on the possibility of distinguishing the Credit Rating level from the Expected Credit Rating with the indication of the relevant reasons;
  - 3.1.15. in the case that a Credit Rating is assigned after the Expected Credit Rating is assigned, in addition to the information specified in the subparagraph 3.1.1-3.1.13, information about previously assigned Expected Credit Rating is also provided.

32. When disclosing an Unsolicited Credit Rating, including Unsolicited Sovereign Credit Rating, ACRA shall indicate, in addition to the information specified in subparagraph 3.1, that the Credit Rating is Unsolicited in the relevant Press Release.
33. To correct factual errors, if any, and exclude confidential information from the Press Release, ACRA shall send to the Rated Entity a notice with the draft Press Release attached, including information mentioned in subparagraph 3.1 hereof, during the Rated Entity's working hours and not later than one business day prior to the disclosure of the Credit Rating or Credit Rating Outlook.
34. ACRA sets the deadline for reviewing the rating Press Release at two working days from the date of notice under subparagraph 3.3., except when rating actions were conducted with regards to structured finance obligations and instruments, for which the review deadline is one working day.
35. ACRA does not set a review deadline when a Credit Rating is withdrawn without confirmation, upgraded or downgraded.
36. In case of a Credit Rating is withdrawn, ACRA discloses the relevant information by means Publication of a Press Release. If the Credit Rating or Credit Rating Outlook is withdrawn without its revision or confirmation, the reason for such non-revision shall be stated in the Press Release.
37. In case of changes in the Credit Rating or Credit Rating Outlook ACRA shall not modify or update its previous Press Release, but publishes a new one in accordance with the requirements of subparagraph 3.1 of this Procedure.
38. If the Press Release on the results of a Rating Action was published with errors or did not contain all the necessary information, ACRA shall make the necessary changes to the published Press Release and specify such changes on its official website as soon as possible, but not later than three working days following the date when the mentioned deficiencies were discovered. Before disclosing the modified Press Release, ACRA sends its draft to the Rated Entity, subject to subpar. 3.3 of this Procedure.
39. Sovereign Credit Ratings are subject to disclosure in accordance with the Calendar of Revisions of the Sovereign Credit Ratings (the Calendar) sent by ACRA to the Bank of Russia in accordance with the procedure set by latter regarding submission by credit rating agencies to the Bank of Russia of documents, information and data. Not later than three business days after the submission of the Calendar to the Bank of Russia, ACRA shall publish the Calendar.
- 3.10. The assignment of an Expected Credit Rating as one of the stages of the Sovereign Credit Rating process does not entail the need to perform the disclosure actions provided for in paragraph 3.9 of this Procedure.
- 3.11. In case of any deviation from the Calendar, ACRA shall disclose the reasons for such deviation in the following manner:
  - 3.11.1. In case a Sovereign Credit Rating is revised and disclosed prior to the relevant date indicated in the Calendar, ACRA shall disclose the reasons for such deviation on its official website, concurrently with the disclosure of such Sovereign Credit Rating.

- 3.11.2. In case a Sovereign Credit Rating is not revised and disclosed on the date indicated in the Calendar, ACRA shall disclose the reasons for such deviation on its official website on such date. ACRA shall also update the Calendar, send it to the Bank of Russia and post it on the official website of ACRA.
- 3.12. Information on the reasons for the deviation from the Calendar shall include relevant circumstances that have given rise to such deviation.
- 3.13. Information on the reasons for any deviation from the Calendar shall be available at the official website of ACRA for at least three years after the disclosure date thereof.

## **4. Timeline of Information Disclosure**

- 4.1. If there is no Appeal to a decision of the Rating Committee, ACRA shall disclose a Press Release with information on the rating actions carried out not later than one working day after the review deadline set forth in accordance with subparagraph 3.4.
- 4.2. If a review deadline for the draft Press Release is not set, ACRA shall disclose the Press Release no later than one working day from the date of notification to the Rated Entity.

## **5. Final Provisions**

- 5.1. ACRA shall publish its Press Releases on its official website.
- 5.2. Any changes or additions to this Procedure must be documented in writing and agreed with the CICS and approved by the Board of Directors of ACRA.
- 5.3. Deviations from the requirements of this Procedure, which lead to violations of normative acts of the Russian Federation and Bank of Russia's requirements are not permitted. If any changes in the legislation of the Russian Federation or regulations of the Bank of Russia run in conflict with separate paragraphs of this Procedure, such paragraphs shall be become void, and until they are amended the ACRA staff shall rely on the legislation of the Russian Federation.
- 5.4. ACRA employees shall inform the CICS for all violations of the present Regulation, as well as violations of requirements of normative acts of the Russian Federation or requirements of the Bank of Russia.
- 5.5. The Procedure shall come into force from the date of its approval by ACRA's Board of Directors and shall be published on ACRA's website within three days after such approval and shall remain effective until the updated Procedure or other replacement document is approved by the Board of Directors.

(C) 2019

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Analytical Credit Rating Agency (ACRA) was founded in 2015, with its 27 shareholders representing major Russian corporate and financial institutions and its authorized capital exceeding RUB 3 bn. ACRA's main objective is to provide the Russian financial market with high-quality rating products. Methodologies and internal documents of ACRA are developed in compliance with Russian legislation and with regard to global rating industry best practices.

The provided information, including, without limitation, credit and non-credit ratings, rating assessment factors, detailed credit analysis results, methodologies, models, forecasts, analytical reviews and materials, as well as other information placed on the ACRA website (further referred to as Information), coupled with the ACRA website software and other applications, are intended for information purposes only. Information must not be modified, reproduced or distributed by any means, in any way or form, either in whole, or in part, in marketing materials, as part of public relations events, in news bulletins, in commercial materials or reports without prior written consent from, and reference to, ACRA. Any use of Information in violation of these requirements or the law is prohibited.

ACRA credit ratings reflect ACRA's opinion about the ability of a rated entity to meet its financial obligations or about the credit risk of individual financial obligations and instruments of a rated entity at the time of publication of the relevant Information.

Non-credit ratings reflect ACRA's opinion about certain non-credit risks assumed by interested parties interacting with a rated entity.

The assigned credit and non-credit ratings reflect all material information pertaining to a rated entity and known by ACRA (including the information received from third parties), the quality and reliability of which ACRA considers appropriate. ACRA shall not be responsible for the accuracy of information provided by clients or relevant third parties. ACRA does not audit or otherwise verify the provided data and shall not be held responsible for their accuracy and completeness. ACRA conducts rating analysis of information provided by customers using its own methodologies, with the texts thereof available on ACRA's website – [www.acra-ratings.com/criteria](http://www.acra-ratings.com/criteria).

No credit rating and/or credit rating outlook is regulated by the Central Bank of the Russian Federation, unless distributed so that such credit rating and/or credit rating outlook is in the public domain.

The only source that reflects the latest Information, including the one about credit and non-credit ratings assigned by ACRA, is ACRA's official website – [www.acra-ratings.com](http://www.acra-ratings.com). Information is provided on an "as is" basis.

Information shall be considered by users exclusively as ACRA's statement of opinion and must not be regarded as advice, recommendation or suggestion to buy, hold or sell securities or other financial instruments of any kind, nor shall it be viewed as an offer or advertisement.

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ACRA Parties shall not be responsible for any action taken by users based on Information provided by ACRA. ACRA Parties shall under no circumstances be responsible for any direct, indirect or consequential damages or losses resulting from interpretations, conclusions, recommendations and other actions taken by third parties and directly or indirectly connected with such information.

Information provided by ACRA is valid only as of the date of preparation and publication of materials and may be amended by ACRA in the future. ACRA shall not be obliged to update, modify or supplement Information or inform anyone about such actions, unless the latter was recorded separately in a written agreement or is required by legislation of the Russian Federation.

ACRA does not provide advisory services. ACRA may provide additional services, if this does not create a conflict of interest with rating activities.

ACRA and its employees take all reasonable measures to protect all confidential and/or material non-public information in their possession from fraud, theft, unlawful use or inadvertent disclosure. ACRA provides protection of confidential information obtained in the course of its business activities as required by legislation of the Russian Federation.