

**ACRA**

## **Code of Ethics and Professional Conduct of ACRA (JSC)**

---

**January 29, 2020**

# Contents

1. GENERAL PROVISIONS.....	3
2. TERMS AND DEFINITIONS .....	3
3. OBJECTIVES AND TASKS OF THE CODE.....	4
4. CORE ETHICAL PRINCIPLES .....	5
5. CORE PRINCIPLES OF PROFESSIONAL CONDUCT.....	5
6. COMPLIANCE WITH THE CODE AND RESPONSIBILITY FOR VIOLATING ITS PROVISIONS .....	7
7. INFORMING THE CICS ABOUT VIOLATIONS OF THE CODE .....	8
8. MONITORING COMPLIANCE WITH THE CODE .....	8
9. FINAL PROVISIONS.....	8

## 1. GENERAL PROVISIONS

1.1. The Code of Ethics and Professional Conduct of ACRA (JSC) (hereinafter, ACRA) is an internal document of ACRA that establishes the main principles of ethics and professional conduct that ACRA adheres to in its activities.

1.2. ACRA employees and members of ACRA management bodies may voluntarily state their intent to adhere to this Code by signing the attached declaration.

1.3. ACRA employees, regardless of position, and members of ACRA management bodies shall adhere to the main principles of ethics and professional conduct set out by this Code.

1.4. ACRA shall take this Code into account when developing internal documents.

1.5. This Code has been created in accordance with Russian legislation and Bank of Russia regulations. It is based on the CFA Institute's Code of Ethics and Standards of Professional Conduct, the Extended Materials of the Code of Ethics and Standards of Professional Conduct<sup>1</sup>, and the Model Code of Ethics of the International Organization of Securities Commissions (IOSCO)<sup>2</sup>.

1.6. ACRA shall publish this Code, amendments to it, and information about employees and members of management bodies who have stated their intent to adhere to the Code on its official website.

## 2. TERMS AND DEFINITIONS

2.1. **ACRA** — The Analytical Credit Rating Agency (Joint-Stock Company).

2.2. **Additional services** — Additional services that are provided on a paid basis and are not related to Rating Activities. The provision of such services is approved by the Bank of Russia according to the established procedure.

2.3. **Law on Rating Agencies** — Federal Law of the Russian Federation No. 222-FZ dated July 13, 2015 "On Activities of Credit Rating Agencies in the Russian Federation, on Amendments in Article 76.1 of the Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)" and Declaring Specific Provisions of the Legislative Acts of the Russian Federation Ineffective".

2.4. **Code** — The Code of Ethics and Professional Conduct of ACRA (JSC); this document.

2.5. **Confidential Information** — Any information not intended for distribution to the general public, including: (1) information of a non-public nature submitted by contractors for the implementation of agreement-stipulated Rating Actions; (2) material information of a non-public nature received from any source; (3) details and implementation plans of specific Rating Actions; (4) unpublished press releases with respect to Rating Actions,

---

<sup>1</sup> The latest version can be found on the internet at the address: <https://www.cfainstitute.org/en/ethics-standards/ethics/code-of-ethics-standards-of-conduct-guidance>

<sup>2</sup> Published on the internet at the following address: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD217.pdf>

unpublished research reports, and forecasts; (5) information of a non-public nature related to operations of the Rating Committee; (6) details of contractor agreements on rating and other services; (7) internal non-public financial information; (8) company business strategy, description of internal business processes, and other know-how; (9) insider information as defined by the Bank of Russia regulations; (10) personal data of ACRA employees and employees of the Agency's contractors.

2.6. **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 the 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.

2.7. **Management Bodies** — ACRA's Board of Directors and the CEO of ACRA.

2.8. **Rating Activities** — Professional activities, performed on an ongoing basis, in aggregate consisting of the preparation, assignment, affirmation, revision, withdrawal of credit ratings, and credit rating outlooks, based on the analysis of information in accordance with the Methodology and accompanied by the distribution of information on assigned credit ratings and credit rating outlooks in any way that ensures access to this information by general public.

2.9. **Compliance and Internal Control Service (CICS)** — ACRA's internal control body performing internal control functions in compliance with the Law on Rating Agencies and bylaws of the Bank of Russia.

### 3. OBJECTIVES AND TASKS OF THE CODE

3.1. The main objectives of the Code are:

- Ensuring that investors, clients and other financial market participants have full confidence in ACRA's activities;
- Safeguarding the rights and interests of ACRA's shareholders, clients, business partners and employees;
- Shaping and developing a culture of trust and professional ethics among ACRA employees.

3.2. The main tasks of the Code are:

- Ensuring that ACRA employees (regardless of position) and members of ACRA management bodies understand that they are personally responsible to shareholders, clients and other financial market participants for carrying out their official duties in a professional and honest manner;
- Motivating ACRA employees and members of ACRA management bodies and combining their efforts to carry out high-quality professional activities at ACRA;
- Ensuring that ACRA has a positive business reputation on financial markets.

## **4. CORE ETHICAL PRINCIPLES**

4.1. ACRA employees and members of ACRA management bodies shall adhere to the following ethical principles when performing their professional activities:

### **4.1.1. HONESTY**

Following this principle assumes:

- Following ACRA's strategy;
- Carrying out your duties;
- Preventing the use of confidential information for personal purposes or in the interest of third parties;
- Having an honest and respectful attitude to ACRA's employees, clients and other financial market participants;
- Managing conflicts of interest and informing the relevant parties about them on time and in full.

### **4.1.2. INDEPENDENCE AND OBJECTIVITY**

Following this principle assumes:

- Carrying out your duties with due care, accuracy, justification and independence;
- Refraining from soliciting or accepting gifts, including payments or other forms of compensation, which may lead to conflicts of interest.

### **4.1.3. FAIRNESS**

Following this principle assumes:

- Being impartial to clients;
- Treating the rights of shareholders, clients and business partners equally;
- Treating colleagues fairly;
- Preventing discrimination of ACRA employees, clients and other financial market participants on any grounds, including race, gender, nationality, religion, disability, sexual orientation or age;
- Preventing any type of aggression.

### **4.1.4. LOYALTY AND PREVENTION OF DAMAGE TO CLIENTS**

Following this principle assumes:

- Respecting clients and ensuring that they are not abused, threatened or put under psychological pressure;
- Preventing unlawful behaviour, including fraud and deception;
- Preventing intentional misrepresentation;
- Prevention of aiding or involvement in intentional misrepresentation;
- Ensuring that confidential information is protected.

## **5. CORE PRINCIPLES OF PROFESSIONAL CONDUCT**

5.1. ACRA employees and members of ACRA management bodies shall conduct themselves according to the following principles when performing their professional activities:

### 5.1.1. **PROFESSIONALISM**

Following this principle assumes:

- Knowledge of and compliance with current legislation, including the regulatory acts of the Bank of Russia and ACRA's internal documents;
- Making decisions as part of professional activities based on all available reliable information without unreasonable assumptions or assurances;
- Using clear, precise, and understandable language when interacting with clients and other financial market participants;
- Timely and complete disclosure of information subject to disclosure in accordance with legislative requirements;
- Improving and maintaining experience, knowledge, expertise, and skills at appropriate levels;
- Compliance with the "know your employee" and "know your customer" principles;
- Using the necessary resources to ensure financial stability and business continuity (the principle of financial prudence);
- Ensuring the effective and efficient management and control over one's activities.

### 5.1.2. **PROTECTION**

Following this principle assumes:

- Ensuring that ACRA's confidential information is protected (including during off-hours and outside of the workplace), even after a change of employment: former ACRA employees shall not use or disclose confidential information that became known to them while working at ACRA;
- Preventing the disclosure of confidential information to others, including ACRA employees who do not have the right to receive such information, persons who are not ACRA employees, including friends and relatives, except for cases expressly authorized by current legislation, including the regulations of the Bank of Russia and ACRA's internal documents;
- Accepting and registering requests from clients and other financial market participants, sending timely responses to them;
- Ensuring the objectivity, accuracy, and completeness of information when carrying out ACRA's activities.

### 5.1.3. **TRANSPARENCY**

Following this principle assumes:

- Ensuring transparent activities and the full and timely disclosure of ACRA's information in accordance with the legislative requirements of the Russian Federation, including the regulations of the Bank of Russia, as well as ACRA's internal documents;

- Ensuring the timely and complete documentation of performance in accordance with legislative requirements, including the regulations of the Bank of Russia, as well as ACRA's internal documents.

#### 5.1.4. **CONFLICT OF INTEREST MANAGEMENT**

Following this principle assumes:

- Identifying and preventing conflicts of interest;
- Preventing conflicts of interest pertaining to the objectivity of ACRA's professional judgments;
- Timely disclosure of information about conflicts of interest.

#### 5.1.5. **COMBATING CORRUPTION AND FRAUD**

Following this principle assumes:

- Preventing any and all forms of corruption when carrying out ACRA's activities;
- The responsibility of ACRA management bodies and employees to combat corruption when carrying out their official duties.

### **6. COMPLIANCE WITH THE CODE AND RESPONSIBILITY FOR VIOLATING ITS PROVISIONS**

6.1. All ACRA employees, as well as members of ACRA management bodies, shall execute the provisions of this Code. Deviations from the rules established by this Code of rules are inadmissible.

6.2. If an ACRA employee is not sure about the ethics of their actions or decisions, the ethics of the actions or decisions of their colleagues or managers, or the compliance of their actions or decisions with ACRA's values and principles, they shall seek help from their direct supervisor or from the CICS.

6.3. The actions of an ACRA employee who intentionally or unintentionally does not adhere to the Code are regarded as discrediting ACRA and its business reputation and are grounds for punitive measures.

6.4. If ACRA employees violate the provisions of the Code, they may be subject to punitive measures stipulated in current legislation as well as ACRA's internal documents.

6.5. According to the Code, signs of a violation of one or more provisions of this Code in the actions of an ACRA employee are basis for punitive measures against said employee.

6.6. ACRA employees are required to inform the CICS of all cases regarding violations of this Code.

6.7. The CICS analyzes the information specified in Clause 6.6 and brings the results to HR in order to determine possible punitive measures against ACRA employees according to Russian legislation and ACRA's internal documents.

## **7. INFORMING THE CICS ABOUT VIOLATIONS OF THE CODE**

7.1. ACRA expects that its employees, members of management bodies, market participants, and other persons associated with ACRA through business or partnerships who have reason to believe that this Code is being violated to report known facts or suspicions, as well as cases of damage to ACRA's interests or reputation by e-mail [compliance@acra-ratings.ru](mailto:compliance@acra-ratings.ru).

7.2. ACRA guarantees that the information provided will not be used under any circumstances against the person who brought it forward, including ACRA employees.

## **8. MONITORING COMPLIANCE WITH THE CODE**

8.1. Group heads and the CICS monitor employee compliance with the Code. If the group heads identify a violation, they shall immediately report to the CICS.

8.2. The CICS has the right to organize and conduct anonymous surveys checking employee compliance with ethical principles and principles of professional behavior.

## **9. FINAL PROVISIONS**

9.1. This Code takes effect on the date of its approval by ACRA's Board of Directors.

9.2. Any changes or additions to this Code shall be documented in writing and approved by ACRA's Board of Directors.

9.3. If certain clauses of this Code come into conflict with current legislation because of changes, these clauses shall be void and until changes are made to the relevant part of the Code, ACRA employees shall follow the current legislation.

9.4. ACRA's internal documents are based on the ethical principles and principles of professional conduct established by this Code.

9.5. In order to maintain a proper level of awareness and corporate culture, all ACRA employees are required to read and sign this Code on an annual basis.

9.6. This Code shall be revised as necessary, but at least once every three years.



**Declaration of adherence to ACRA's Code of Ethics and Professional Conduct**

I, \_\_\_\_\_ (full name), hereby declare my adherence to ACRA's Code of Ethics and Professional Conduct (hereinafter, the Code).  
I shall follow the principles established by the Code when carrying out my official duties.

[Position] \_\_\_\_\_ Full name  
(signature)

Date: