



**Caribbean Information &
Credit Rating Services Limited**

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CariCRIS Policy on Responding to Tips Related To Rated Entities

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1. INTRODUCTION AND PURPOSE

CariCRIS recognizes its ethical responsibility to treat seriously all allegations and tips regarding its rated entities. These allegations, which would usually be received on a confidential basis, typically would relate to some non-public, negative piece of information regarding the conduct or business practices of the rated entity that could have adverse credit implications. A Tip, unlike a market rumour, is an overt, explicit contact initiated by a third-party to convey non-public information. The contact may be in the form of a written correspondence, telephone call or during a conversation and may or may not be done anonymously.

CariCRIS has adopted this Policy to set forth a framework designed to:

- 1.1. Consider the veracity of the allegations understanding that CariCRIS does not have the capacity or authority to formally investigate such allegations in the context of a law enforcement or regulatory agency;
- 1.2. Consider the credit implications of the allegations as part of its ongoing surveillance once the various inquiries outlined in this Policy are completed; and
- 1.3. Preserve the confidentiality of these allegations while they are being reviewed.

2. DEFINITIONS

For the purposes of this policy, the terms set forth below shall have the following meanings:

"Analyst" means any employee who participates in credit rating related discussions of an issue or issuer and is not involved in any commercial discussions with said issuer or issue.

"Client", "Issuer", "Rated Entity" refers to the person, company or sovereign whose securities/underlying asset are proposed to be rated.

"Confidential Information" means any data or information that is not generally publicly available, obtained during the course of its business activities and/or the property of CariCRIS, its affiliates or any other company in which CariCRIS is a shareholder or has an interest. This includes



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confidential information received from a rated entity or its agents, material, non-public information obtained from any source and private ratings and opinions issued by CariCRIS.

“Rating Action” means the assignment of initial credit ratings, any change or reaffirmation of an existing credit rating, withdrawal or suspension of an existing rating, rating watch or the assignment of a new outlook to a rated entity. It also includes any other rating related advisory to the public or investor domain.

“Rating Committee” means a committee comprised of highly qualified and experienced individuals who are independent of the Board and Shareholders.

“Tip”, “Allegation” means any explicit and overt contact initiated by a third-party to convey some negative, non-public piece of information regarding the conduct or business practices of a rated entity.

3. DESCRIPTION

- 3.1 Upon receiving a Tip, Analysts must immediately contact their supervisor, the SMR and the CEO to discuss the allegations.
- 3.2 All Analysts, once contacted with an allegation, must create a written record, documenting all pertinent information regarding the nature of the claim, the name of the contact person, the telephone number of the contact person, the date received and anything else of relevance. The written record and the information to be captured must conform with Attachment A (the Tip Memo) of this Policy. Any allegation that is received via voicemail must not be deleted. Instead, the Analyst is required to make as close to a verbatim written record as possible of the message and incorporate this record in the Tip Memo.
- 3.3 All information related to the allegation including the Tip Memo must be forwarded to the SMR and the CEO who, if required, will forward a copy of same to CariCRIS’ legal representatives.
- 3.4 CariCRIS reserves the right to protect the identity of any source. However, any Tip that alleges that a Client has committed an act in violation of the law that has not been



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adjudicated by a court of law, will be forwarded to the appropriate authority, including the identity of the source. The CEO and CariCRIS' legal representatives will be responsible for transmitting any such tips.

- 3.5 If an Analyst, Rating Committee Member or any other employee of CariCRIS receives any information that could constitute a Tip that does not relate to a credit that individual covers, that Analyst, Rating Committee Member or employee must immediately contact the SMR who will then contact the Manager or Analyst responsible for the subject of the Tip.
- 3.6 Analysts will work with their supervisor, the SMR and CEO to develop and implement a plan to address the allegations including conducting necessary factual inquiries and reviews, as well as formulating questions for the Rated Entity designed to address both the specific and general concerns raised in the Tip. If deemed necessary, the CEO may seek the assistance of CariCRIS' legal representatives in the development and implementation of the plan to address the allegations.
- 3.7 After initial inquiries are completed, the SMR along with the supervisor, Analyst and, if necessary, CariCRIS' legal representatives, must then follow-up on the allegation by contacting the Rated Entity to inquire as to their knowledge of the allegations, without divulging the source of the Tip. The Rated Entity's response must be documented and maintained as part of the rating file for the entity.
- 3.8 The CEO, together with CariCRIS' legal representatives are responsible for determining whether it is necessary to contact a regulatory or any other such authority deemed suitable to report the Tip and the appropriate authority to inform. The CEO and if necessary CariCRIS' legal representatives must also prepare and transmit any letter(s) to the appropriate authorities and file all such letters and any response from the authorities in an appropriate file for such purpose.
- 3.9 The SMR is responsible for reviewing the allegations, the results of all inquiries made with respect to the allegation and any response provided by the Rated Entity. Then, if in their judgement it is deemed necessary, the SMR, in consultation with the CEO, will convene a Rating Committee meeting if the allegations are believed to have merit and the potential to have credit implications regardless of whether the information is made public or not.



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3.10 Analysts, upon conclusion of the analysis of the Tip, must complete a memo summarizing the incident and its resolution. The information to be captured must conform with Attachment B (the Tip Conclusion Memo) of this Policy. The Tip Conclusion Memo, along with all of the related documentation must be retained and filed with the Client file to which the Tip relates and in accordance with CariCRIS' Policy on Recordkeeping, Maintenance and Disposition.

3.11 Analysts may record the Tip Memo and Tip Conclusion Memo in the form of an email message as long as all of the information required in Attachment A and Attachment B respectively is included in such email and the email is retained in accordance with CariCRIS' Policy on Recordkeeping, Maintenance and Disposition.

4. ATTACHMENTS

4.1. Attachment A – Form of Tip Memo

To: CEO, SMR and Supervisor

From: [Name of Analyst]

Date: [Date of Tip Memo]

Re: [Receipt of Tip concerning [Name of Subject Client]]

1. Date and time tip received
2. Employee informed
3. Informant (if identity known) including, if available: phone number, address, connection to Subject Client
4. Name of Subject Client
5. Person to whom the Tip was referred (if other than the author of the Tip Memo)
6. Complete summary of Tip (Please attach all documents provided by the Informant)

4.2. Attachment B – Form of Tip Conclusion Memo

To: CEO, SMR and Supervisor

From: [Name of Analyst]

Date: [Date of Tip Conclusion Memo]

Re: [Receipt of Tip concerning [Name of Subject Client]]



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Summary of the Tip:

- 1. Date of Tip**
- 2. Nature of Tip**
- 3. Summary of the Tip**

Credit Section

1. Does CariCRIS rate the Subject Client?
2. Would the Tip, if true, have a credit impact?
3. Describe actions taken to follow-up on tip including: (i) describing the plan created in to address the allegations, (ii) attaching copies of documents reviewed and (iii) summarizing discussions with the Subject Client, if any
4. After the initial investigation, did the SMR determine that the allegations have merit and a Rating Committee meeting was needed? If so, what were the results of the Committee meeting?
5. Was a Rating Rationale issued?