

The Code of Ethics as follows prescribed by the Association of Credit Rating Agency in Asia (ACRAA) shall be applicable to ICRA

CODE OF ETHICS FOR RATING AGENCIES AND PERSONS INVOLVED IN THE RATING PROCESS (ASSOCIATION OF CREDIT RATING AGENCIES IN ASIA – BEST PRACTICES FRAMEWORK)

Code of Ethics to be followed by Rating Agencies:

Member Credit Rating Agencies shall put in place systems and procedures to ensure the following:

- 1) The proceedings of a Credit Rating Board / Rating Committee, are kept confidential at all times, and not revealed to any external parties or agencies. If any records of the proceedings are made, credit rating agencies must take steps to keep such records properly safeguarded, except where required to be disclosed by the provisions of laws or regulations.
- 2) When the Credit Rating Board / Committee decide on a Rating, it shall be announced as a joint decision and the individual votes shall be kept confidential, even if recorded. This requirement of confidentiality shall apply to Rating Board / Committee members for their own votes as well.
- 3) When and after a Credit Rating Board / Rating Committee member or Credit Rating Agency employee terminates his / her employment or work association with the rating agency, the requirement of confidentiality with respect to the information received during the period of work association shall continue as information held in trust.
- 4) A Credit Rating Board / Rating Committee member does not take undue material advantage of any confidential information received through his or her participation in a Credit Rating process. Persons involved in the ratings process should also be made vigilant to prevent abuse of prior knowledge of Ratings changes.

Code of Ethics to be followed by concerned individuals:

Individuals involved with the Credit Rating process at member agencies shall agree to and abide by the following:

- 5) Credit Rating is a function of serious responsibility and any and all persons exercising the function shall view it as a matter of great trust.

- 6) Members of Credit Rating Boards / Rating Committees and any staff member participating in any way in the Credit Rating decision making, shall always apply to the Credit Rating process the highest degree of integrity, competence, objectivity and thoroughness, worthy of the trust the function requires.
- 7) Although Credit Rating is a matter of opinion, it shall be reached through a formal and professional process, which is supported by appropriate criteria and based on information considered as reliable and adequate by the Rating Agency.
- 8) The Credit Rating Agency and its staff shall maintain the confidentiality of the information received by it in the course of the credit rating process, and take all possible precautions towards this end.
- 9) In case of any possible conflict of interest situation, the member of the credit rating board / rating committee or the staff member concerned shall disclose such conflict of interest and shall not participate in any manner in formulating or arriving at a rating. (Nevertheless, the person with a conflict of interest may be asked to be a resource person to give information or opinions useful for the consideration of others, but such person shall not participate in the voting process itself).