

Bulletin: 11

## **File Maintenance and Recordkeeping Policy for Analysts**

**Effective Date:** August 9, 2021

**Version:** 2

**Author:** Compliance

## **OBJECTIVE**

To establish guidelines for the management, maintenance and orderly disposition of analytical records and to ensure that necessary records and documents of India Ratings and Research Private Limited (India Ratings) are adequately protected and maintained and to ensure that records that are no longer needed by India Ratings or are of no value are discarded at the proper time. This Policy is also for the purpose of aiding employees of India Ratings in understanding their obligations in retaining electronic documents - including e-mail, Web files, text files, PDF documents, and other formatted files.

## **PURPOSE**

To facilitate the:

- (i) Retention of records for the periods required by applicable laws and regulations.
- (ii) Retention of records necessary for analytical and business reasons for a period of time that will reasonably assure their availability when needed.
- (iii) Maintenance of records to document compliance with India Ratings' policies and procedures and relevant laws and regulations.
- (iv) Preservation of the confidentiality and security of records.
- (v) Systematic and nonselective disposition of records not necessary for legal or business reasons.
- (vi) Preservation of documents that may need to be retained in specific circumstances, such as threatened litigation or government investigation.

## **SECTION 1 – SCOPE AND COVERAGE**

### **1.1 Effective Date**

This Policy is effective as of August 9, 2021

### **1.2 Persons Covered**

This Policy applies to all Analytical Groups of India Ratings.

### **1.3 Prospective Application**

This Policy applies to all documents, workpapers and other information created or received on or after 12 September, 2012.

Documents, workpapers and other information created or received prior to 12 September, 2012 shall be maintained in accordance with Version 1 of this Policy dated 12 September 2012 where feasible and otherwise in accordance with the file maintenance and recordkeeping policy applicable to such documents in effect at their time of creation or receipt.

## 1.4 Information Covered

This Policy covers all forms of paper and electronically stored information concerning Analytical Activities (as defined below), including all documents, paperwork, writings, drawings, graphs, images, charts, models, and data or data compilations from which information concerning Analytical Activities can be obtained. Information located in remote offices, at home, or at any other offsite location are subject to this Policy and shall be managed consistently with this Policy.

## 1.6 Definitions

For the purposes of this Policy, the following capitalized terms have the following meanings:

**Analytical Activities:** Activities conducted by India Ratings personnel relating to the (i) initiation, determination, maintenance, changing or withdrawal of ratings, (ii) issuance of opinions other than in the form of a rating which may be mandated by the Regulators from time to time, review work and scores, (iii) issuance of indicative ratings, rating assessments and confirmation of existing ratings, (iv) development of models and (v) dissemination of rating action commentaries, rating reports, research reports and other publications, including, *inter alia*, methodologies, models, newsletters, commentaries and industry studies.

**Complete File:** One or more hard copies and/or electronic files containing information relating to Analytical Activities associated with an IRE, transaction, criteria or policy. This includes supportive and normative data for the special report, criteria or policy.

**IRE:** An issuer or any other legal person in respect of which India Ratings conducts or has conducted Analytical Activities.

**Obsolete:** Information that has aged past the relevant retention period specified in Appendix 1 and that is subject to disposition in accordance with this Policy.

**Rating:** Any credit rating assigned by India Ratings, including but not limited to, any long-term or short-term credit rating, IRE rating, recovery rating, Independent Credit Evaluation rating, bank individual and support rating, specialist rating (including servicer rating), managed fund credit and volatility rating, asset management rating and CDO asset manager rating.

**Redundant:** Information that is duplicative of other retained information and lacks additional analytical significance.

**Working File:** One or more hard copies and/or electronic files maintained by one or more analysts for purposes of facilitating day-to-day Analytical Activities.

## **SECTION 2 – ROLES AND RESPONSIBILITIES**

### **2.1 Maintaining Complete IRE/Transaction Files**

Primary and performance (structured finance surveillance) analysts are responsible for maintaining a Complete File for the IREs and/or transactions they cover. Appendix 1 lists documents and paperwork that, to the extent relevant, are considered part of a Complete File and must be retained for specific periods under this Policy.

India Ratings published Research, Rating Action Commentaries and rating histories are subject to retention as indicated on Appendix 1 hereto. Analytical team is also required to maintain records to support its ratings decisions. At the option of the relevant primary or performance analyst, copies of published research, Rating Action Commentaries, and rating histories may also be included in the Complete File. Invoices and other documents pertaining to fee arrangements are not to be included in the Complete File.

### **2.2 Maintaining Information Relating to Rating Methodologies and Credit Policies**

Documents concerning the methodologies, models, procedures, and policies employed in the conduct of Analytical Activities by an analytical group must be retained within the analytical group by individuals designated by the Group Head for the periods specified in Appendix 1.

Documents concerning companywide policies governing Analytical Activities that are not published as Criteria Reports shall also be maintained by the Credit Policy Group (CPG) or Compliance, as appropriate, for the periods specified in Appendix 1.

Documents concerning companywide responses, discussions with regulators or industry experts and any supporting correspondence or emails regarding India Ratings policies or compliance will be maintained by the Credit Policy Group or Compliance as appropriate, for the periods specific in Appendix 1.

For clarity, the group initiating or creating the policy or companywide response will be responsible for retaining all documents and supporting documents in accordance with the attached appendices.

### **2.3 Maintaining Information Relating to Models, Model Verification, Special Projects and Research**

Data and other information concerning (i) the development, revision, or validation of India Ratings models, criteria or methodologies employed in the conduct of Analytical Activities by an analytical group and (ii) special projects and research the results of which may impact analytical activities shall be retained within the analytical group by individuals designated by the Group Head or Head of CPG for the periods specified in Appendix 1.

## **2.4 Maintaining Information Relating to Credit Policies, Procedures, Criteria and Methodologies**

Information concerning the policies, procedures, criteria and methodologies (including qualitative and quantitative data and models) used to determine credit ratings and other assessments of creditworthiness must be retained by the analytical groups for the periods specified in Appendix 1.

## **2.5 Maintaining Information Relating to Special Projects and Research**

Information concerning special projects and research the results of which may impact Analytical Activities shall be retained by the analytical groups for the periods specified in Appendix 1.

## **2.6 Maintaining Analytical Non-Rating Related Information**

At their option, analysts may maintain documents, paperwork and other information relating to Special Reports, Criteria Reports, industry reports, and similar analytical work not specific to an individual rating that they consider important for the performance of their responsibilities for the duration of their relevance to the rating process.

## **2.7 Marking of Files**

Files subject to retention under this Policy shall be clearly labelled to indicate the subject matter and time period of their contents, including, if applicable, the name of the IRE/transaction, report, criteria or model. Meeting notes shall indicate the date and subject of the meeting, names of attendees, identity of the author of the notes, and name of the IRE/transaction if applicable. All files subject to retention under this Policy must be maintained in a manner that makes the original or copy of the applicable document easily accessible and retrievable.

Documents shall be maintained in print or electronic form wherever feasible, unless required to be maintained in hard copy under applicable law. Documents maintained in electronic form shall be stored on India Ratings' network or shared drives in easily identifiable and retrievable files. Documents that are retrievable from the Web site of an IRE or other entity or that are accessible through electronic links but are not stored on India Ratings' network or shared drives are not part of India Ratings' records.

Documents placed in storage or otherwise removed from active use shall be marked and indexed in accordance with India Ratings' established file procedures.

## **2.8 Offsite Storage**

Each of the Analytical Groups is responsible for keeping track of, either directly or indirectly, the location and contents of all documents and boxes stored offsite.

## **2.9 Audit**

Compliance with this Policy shall be subject to review by Compliance. Group Heads or the Credit Policy Group shall be responsible for the implementation of this Policy within their respective departments,

## **2.10 Exceptions**

Requests for exceptions from this Policy must be submitted to the relevant Group Head or Designated Person, if any, for approval, in consultation with Compliance. All approved exceptions must be submitted to the relevant GH or Designated Person for recording in the Exceptions Log maintained by the appropriate person within the relevant group.

## **2.11 Interpretation**

Compliance shall be responsible for interpreting any portions of this Policy as they may apply to specific situations.

## **SECTION 3 – RETENTION PERIODS; OBSOLETE DOCUMENTS; WORKING FILES; INFORMATION NOT SUBJECT TO RETENTION**

### **3.1 Retention Periods**

Appendix 1 specifies retention periods applicable to analytical information that must be retained for a specific period. All information required to be maintained under this Policy is subject to one of four possible retention periods:

- (1) Permanent
- (2) Original maturity date plus six years for new issuance transaction-specific documents (entire rated capital structure for structured finance).
- (3) Rolling six-year period for surveillance documents (from date of relevant financial quarter or creation or receipt of relevant document(s))
- (4) Five years from date of creation or receipt.

### **3.2 Obsolete Information**

Documents, paperwork and other forms of information that have aged past the relevant retention period specified in Appendix 1 are Obsolete. Unless subject to a Legal Hold pursuant to section 5.1, Obsolete documents may be discarded within 30 days of the end of the applicable retention period or, where relevant, as part of the issuer's next credit review cycle. Obsolete documents shall be discarded in accordance with practices that preserve the security of the information contained in them.

### **3.3 Duplicate Records and Files**

The maintenance of duplicate, non-centralized files is to be limited to the following circumstances:

- (1) Primary, back-up and performance (structured finance surveillance) analysts and their managers may maintain Working Files concerning an IRE/transaction for the duration of the analytical cycle for the IRE/transaction. At the completion of the cycle, documents in the Working File shall be filed or disposed of consistent with this Policy.
- (2) When analysts in more than one office, location or group are making an active analytical contribution to the rating decision, a file shall be maintained by each office, location or group actively involved in the rating decision.
- (3) An analyst who has attended a rating committee may retain the committee package until the start of the IRE/transaction's next review cycle.

At the completion of the relevant credit cycle, documents maintained in Working Files or in contributing offices, locations, or groups should be filed or discarded consistent with this Policy.

### **3.1 Information Not Subject to Retention**

Documents, paperwork and other forms of information that are not required to be maintained under this Policy and do not fall within the scope of Sections 2.4 or 3.3 may be discarded in accordance with practices that preserve the security of their information. Examples of documents, paperwork and other forms of information that, for efficiency purposes, are to be discarded at regular intervals include:

- Identical copies of items already maintained in India Ratings files (as distinguished from copies that have been annotated or otherwise modified and contain additional information)
- Documents downloaded from India Ratings central electronic record file, provided it is reasonable to expect the document to remain accessible on the central file for the duration of the relevant retention period
- Dividend declaration notices and shareholder/analyst meeting notifications
- Notices issued by IREs concerning the scheduling of public conference calls
- Regulatory or other filings that are not analytically relevant, such as notifications pertaining to administrative matters
- Drafts of research or communications
- Drafts of legal documents except for drafts upon which a rating or other analytical determination is based
- Research edits from publishing
- Travel itineraries, notices of changes in meeting times, dates, or location
- Drawdown documentation for rated programs (medium-term notes, bank note, deposit note, etc.) when the individual drawdown is not specifically rated (Program and individually rated drawdown documentation shall be maintained.)
- Documents that contain information not relevant to Analytical Activities, special projects or research and not otherwise subject to retention under this Policy.

## **SECTION 4 – E-MAILS**

The primary analyst is responsible for ensuring that e-mails concerning Analytical Activities are maintained in electronic form for the periods specified in Appendix 1 and in accordance with the terms of this Policy. At their option, primary, back-up, and performance (structured finance surveillance) analysts and their managers may maintain e-mails that are not subject to mandatory retention under this Policy but are relevant to the performance of their responsibilities in appropriately labelled folders on a shared drive for a period of up to five years. To the extent received, personal e-mails shall be deleted upon receipt.

## **SECTION 5 – INQUIRIES/SUBPOENAS/LEGAL ACTIONS/ALLEGATIONS OF MALFEASANCE OR IMPROPRIETIES/COMPLAINTS AGAINST ANALYTICAL PROCESS**

### **5.1 External Request for Records/Legal Holds**

Documents that are not otherwise subject to retention under this Policy may need to be retained because of unusual circumstances, such as threatened or pending litigation or a government investigation. All external requests for records and all communications concerning potential, threatened, or existing disputes or litigation of any kind shall be immediately forwarded to the Legal Department, with notification to the appropriate Designated Person. Upon becoming aware of any subpoena, formal inquiry, request of any government authority or the existence of any legal or regulatory action that involves India Ratings, its employees or records, employees shall retain **ALL** Documents, paperwork, files, records, and other information (including information generally regarded as Obsolete or Redundant) pending further guidance from the Legal Department.

### **5.2 Allegations of Issuer Malfeasance or Improprieties**

Correspondence or other communications alleging improprieties by an issuer or by individuals associated with an issuer shall immediately be forwarded to the relevant Designated Person and the Legal Department and retained as part of the issuer file in accordance with the Protocol for Responding to Confidential Tips Relating to India Ratings Rated Entities. All such correspondence and related documents, including documents created by India Ratings concerning the allegations, shall be maintained in the issuer file for a period of five years following the date of creation or receipt.

### **5.3 Complaints Concerning India Ratings' Analytical Process**

Correspondence or other communications involving complaints concerning India Ratings' analytical process shall immediately be forwarded to the Head of Credit Policy Group (CPG) in accordance with India Ratings' Procedure for Managing Complaints Concerning India Ratings' Analytical Process. All such correspondence and related documents, including documents created by India Ratings pursuant to the Procedure, shall be maintained by the CPG team for a period of five years following the date of creation or receipt.



#### **5.4 Threats to the Independence of India Ratings' Analytical Process**

Documents and other correspondence or communications regarding significant threats to the independence of the credit rating activities of India Ratings and India Ratings' response to such threats shall be kept by the Head of CPG for a period of five years following the date of receipt.

### **SECTION 6 – SECURITY, CONFIDENTIALITY, ACCESS AND DISPOSITION**

#### **6.1 Access to Physical Files**

Documents, paperwork and other information subject to retention under this policy shall be housed in an India Ratings office or in an offsite storage facility. Physical files shall be maintained in a manner that prevents unauthorized individuals from gaining access to their contents in accordance with India Ratings' Confidentiality, Conflicts of Interest, and Securities Trading Policy.

Company records and files shall not be stored at home or on personally owned computers.

#### **6.2 Access to Electronic Files**

Network and electronic files and records shall be maintained on limited access shared drives or by other group approved methods

## **APPENDIX 1**

### **MANDATORY DOCUMENT AND PAPERWORK RETENTION PERIODS FOR DOCUMENTS RELATED TO ANALYTICAL ACTIVITIES**

#### **I. PERMANENT**

Primary and performance (Structured Finance surveillance) analysts are responsible for ensuring that the following documents are permanently maintained in the Complete Files for the IREs/transactions they cover:

- Committee presentations
- Letters communicating any form of credit opinion
- Minute sheets
- A list of all Committee members and all other persons in attendance at the Committee
- Data relating to the procedure or methodology that was used, if applicable, to treat the credit rating of another credit rating agency for the purpose of determining the credit rating in a rating transaction.
- Issuer communication, all information received should be permanent

Individuals within each analytical group designated by the Group Head or Head of CPG are responsible for ensuring the following documents are permanently maintained within the group's files:

- Records of the methodologies, procedures, and policies employed by analysts within the group in the conduct of Analytical Activities.
- Data and other information concerning (i) the validation of models, criteria and methodologies employed by analysts within the group in the conduct of Analytical Activities (including documentation related to peer review committees) and (ii) special projects and research, the results of which may impact Analytical Activities.

As appropriate, Credit Policy Group or Compliance is responsible for ensuring the following documents are permanently maintained:

- Records of companywide policies governing the rating process and the conduct of India Ratings personnel (e.g., Code of Conduct; Confidentiality, Conflicts of Interest and Securities Trading Policy).
- Consultation papers and drafts issued by regulatory bodies and India Ratings' formal response including requests for information and other correspondence of a substantive nature.

As appropriate, the Publishing and Media Groups are responsible for ensuring the following documents are permanently maintained:

- Copies of all India Ratings published works, rating action commentaries and rating histories.

## **II. SECURITY MATURITY OR REDEMPTION DATE PLUS SIX YEARS**

Documents relating to transactions or instruments (e.g., loan facility, bond, debenture) rated by India Ratings or part of a pooled security rated by India Ratings are to be maintained through the legal final maturity or redemption date of the instrument plus six years<sup>1</sup>. This requirement includes final versions of the documents listed below, as well as any analytically relevant draft upon which a rating is based:

- Prospectus, Offering Circular, Official Statements or Similar documents Term Sheet
- Trust Indenture
- Loan Agreement
- Legal Opinion(s)
- Option Exercise
- Standby Bond Purchase and Liquidity Agreements
- Swap Agreements and Supplemental Information (Termination Matrices) Collateral/Intercreditor Agreements
- Back-up Documents (appraisals, reserve studies, engineering or feasibility consultant reports, environmental reports or studies, etc.) where such documents are relevant
- Bond Insurance Policies
- Organization documents of the Special-Purpose Entity Mortgages/Deeds of Trust
- Credit Support Agreements Resolutions
- Sales Agreements
- Pooling and Servicing Agreements Third-Party Servicing Agreements
- Model inputs and outputs and analytically significant spreadsheets and final data tapes on which a rating is based
- Any other document included under the definition of Analytical Activities and not listed above as may be included from time to time.

## **III. ROLLING SIX-YEAR PERIOD FROM CLOSING OF TRANSACTION OR RELEVANT FINANCIAL QUARTER OR RECEIPT OF RELEVANT REPORT(S)**

Financial and other analytically significant documents used to form the basis (including surveillance) of a public rating, shadow rating, credit opinion, credit score, part work and any other form of credit or analytical view; for example: I think we should relook at this list

- Annual reports.
- Quarterly reports.
- Regulatory filings
- Non-public financial statements (e.g., budgets, forecasts, etc.).
- IRE/transaction presentations and pitch books.
- Structured finance surveillance reports.

*For example, a prospectus on a bond instrument with a two-year maturity would be saved for eight years, and a prospectus on a bond instrument with a 30-year maturity would be saved for 36 years (absent an early redemption of either instrument).*

- Analytical model inputs and outputs, and analytically significant spreadsheets Rate orders and tariff schedules.
- Any other document included under the definition of Analytical Activities and not listed above.

Consultation papers and other draft documents issued by accounting bodies on which India Ratings has submitted a response.

#### **IV. FIVE YEARS FROM DATE OF CREATION OR RECEIPT**

Documents related to Analytical Activities not otherwise covered under I, II, and III above, including but not limited to:

- Internal records concerning Analytical Activities used to form the basis of a public rating, private rating, preliminary or prospective rating, credit assessment, shadow rating, credit opinion, credit score, part work and any other form of credit or analytical view, including but not limited to nonpublic information, workpapers and e-mails.
- Communication received or sent by India Ratings and its employees concerning Analytical Activities, including electronic communications.
- Notes concerning Analytical Activities, including but not limited to meeting notes, telephone conference notes, notes in annual reports and issuer presentations and pitch books.
- Internal documents that contain information, analysis, or statistics that were used to develop a procedure or methodology to treat the credit ratings of another nationally recognized statistical rating organization for the purpose of determining a credit rating for a security or money market instrument issued by an asset pool or part of any asset-backed or mortgage-backed securities transaction.
- In respect of securities and money market instruments issued by an asset pool or as part of any asset-backed or mortgage-backed securities transaction, documents describing how assets within such pool or as part of such transaction not rated by India Ratings were treated for purposes of determining the credit rating of the security or money market instrument.
- Correspondence or other communication alleging improprieties by an issuer or individuals associated with an issuer, transaction or instrument rated by India Ratings.
- Correspondence or other communications involving complaints concerning India Ratings' analytical process.
- Correspondence or other communications involving threats to the independence of India Ratings' analytical process.
- Emails from the Accounting, Credit, Procedure, and Exception Log mailboxes.
- Minutes and memos from any committees as regards the approval or review of criteria, policies, procedures and other broader policies.
- Meeting notes and documentation of discussions with regulators and other government bodies concerning regulatory matters.
- Credit Policy Committee and criteria committee memos and minutes.
- Documents, paperwork and other information related to external publications not specific to an individual rating, that are important for the performance of analytical responsibilities.
- Internal databases or documents developed to provide market-related data and analysis, including those developed to monitor India Ratings rating actions.
- India Ratings developed presentations used for external purposes.