



**Caribbean Information &
Credit Rating Services Limited**

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CariCRIS Securities Trading Policy

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1. INTRODUCTION AND PURPOSE

This policy imposes basic trading restrictions on all employees of CariCRIS and its related companies who possess unpublished price-sensitive information. These restrictions are reasonably designed to ensure that such activities are conducted in accordance with applicable laws to prevent potential conflicts of interest. CariCRIS has adopted this Policy to set forth a framework designed to:

- 1.1. To prevent unfair trading of securities by CariCRIS' employees, by virtue of privileged access to material non-public information
- 1.2. To minimize the occurrence of any potential Conflicts of Interest and Insider Trading and Tipping violations

2. DEFINITIONS

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

"Analyst" means an employee who has been assigned to participate in rating related discussions pertaining to 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 whose securities/underlying asset are proposed to be rated.

"Conflict of interest" means the appearance that the performance of analysts or Rating Committee (RC) members' duties or professional judgment may be improperly influenced by competing responsibilities or interests.

"Insider Trading" means trading in a company's stock or other securities while aware of material non-public information.

"Immediate Family" means employee's spouse, partner, children, and other dependents, and any entity or trust, owned or controlled by any of these persons.



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“Material Information” means information is material if its disclosure would likely have an impact on the price of a security or if reasonable investors would want to know the information before making an investment decision. In addition to the substance and specificity of the information, the source or relative reliability of the information also determines materiality.

“Non-Public Information” means information that has not been disseminated to the public in a manner reasonably designed to provide broad distribution, such as a required or voluntary filing with a government agency or regulatory body, a publication of general circulation, or a press release issued by an issuer or client.

“Material interest” means equity interest that when aggregated for the RC member or employee and his immediate family member(s) represents more than 5% ownership interest in the entity concerned.

“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 issued 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.

“Rated Entity” means (i) the issuer, obligor or guarantor with respect to any Security that is rated or in the process of being rated by CariCRIS, (ii) a sponsor, seller or seller/servicer, originator, underwriter or arranger with respect to a Security in a structured finance transaction that is rated by CariCRIS.

“Restricted List” means a listing of Securities which cannot be held or traded by an Employee and his/her Immediate Family members.

“Security” means any non-deposit financial instrument that is, or is derived from, any equity or fixed-income security. This includes, but is not limited to: stocks, bonds, debentures, options, equity securities, convertible securities, warrants, derivative instruments (including swaps, commodities and futures based on or linked to equity or fixed income securities), notes, collective investment schemes, fixed annuities, variable annuities, open- or closed-end mutual funds, Contract for Differences (CFD), exchange-traded funds (ETFs) and unit investment trusts (UITs).



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“Tipping” means providing material non-public information to a person not authorized to have the information and who then Trades (or discloses the information to another person who Trades).

3. GENERAL TRADING RESTRICTIONS

- 3.1 Employees are prohibited from trading in securities whether on their own account or their Immediate Family’s account, if the employee is in possession of material non-public information pertaining to an issuer or security. This prohibition remains in effect until the information has been widely disseminated to the public.
- 3.2 Employees are also prohibited from tipping any individual while in possession of material non-public information about a security or the issuer.
- 3.3 Employees and their immediate family are prohibited from engaging in any activity that would violate the Trinidad & Tobago Securities Act - Insider Trading, or other similar regulatory requirements in applicable jurisdictions.

4. REPORTING

- 4.1 New employees shall submit to the Compliance Officer or person designated to this role, a holding statement as per Appendix A declaring the securities held by the employee, including securities held by his or her Immediate Family.
- 4.2 Employees will complete and submit holding statements (Appendix A) to the Compliance Officer or designated person annually thereafter.



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5. PRE-CLEARANCE

- 5.1 Employees shall obtain written approval before entering any securities transaction, both for themselves and their Immediate Family, subject to the following:
- a. Each employee shall obtain approval from the Compliance Officer or designated person. Requests must be made in writing as per the Pre- Clearance Request form (Appendix B)
 - b. Requests should be processed as a matter of priority and not beyond 2 business days
 - c. On receipt of the approval, the order must be executed within one month of receiving approval – if the order is not executed within one month then the employee must request pre-clearance again.
 - d. The employee shall submit a copy of the approval and the contract note received from the broker to the Compliance Officer or person designated to carry out this role for record-keeping purposes.

6. RESTRICTED LIST

In order to monitor trading in client securities based on inside information, CariCRIS shall restrict trading in certain securities and designate such a list as the restricted list.

- 6.1 CariCRIS shall put such security on the restricted list where CariCRIS has a rating relationship and is privy to price-sensitive information. A-rated entity is added to the restricted list as soon as the client's agreement is signed and removed from the restricted list 3 days after the press release announcing the rating assigned. This is also applicable to securities where price-sensitive information is available from the provision of other services such as Bond Valuation. A separate restricted list shall be maintained for each business.
- 6.2 The Restricted Lists shall be maintained by the Compliance Officer or person designated to carry out this role.
- 6.3 In the specific circumstance where an employee holds existing securities of the entity on the restricted list, sales of the securities are allowed, but only within a specific window of one week from the date of announcement of the company's quarterly financial results.



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- 6.4 All requests for exceptions to the above policy should be directed to the SMR and the Compliance Officer. The SMR in consultation with the Compliance Officer may grant exceptions from the restricted list based on personal emergency or hardship. Compliance will maintain a record of all documents.

7. ANALYST AND EMPLOYEE INDEPENDENCE

- 7.1 Rating staff shall not participate in or otherwise influence the determination of a rating of an issuer or issue if:
- a. The rating staff or a member of the rating staff's immediate family, individually, or collectively, own securities exceeding 0.01%¹ in any entity related to a rated entity, the ownership of which may cause or may be perceived as causing a conflict of interest
 - b. The rating staff was recently employed (within the last 6 months immediately preceding the date of the rating committee meeting), or had a significant business relationship with the rated entity that may cause or may be perceived as causing a conflict of interest
 - c. The rating staff has an immediate family member employed (in a senior management position or is a member of the Board of Directors) with the rated entity, or
 - d. The rating staff has or had within the six months immediately preceding the date of the rating committee meeting, any other relationship with the rated entity or any related entity thereof that may cause or may be perceived as causing a conflict of interest.

¹ Best practice in this area as followed by CRISIL and S&P is 0%, i.e. a staff member holding even 1 share in an entity is not allowed to participate in the rating of that entity. The large staff strength of these agencies facilitates such a policy but this would not be practical in the case of CariCRIS with such a small rating staff. Further, there are staff members who hold as low as 25 shares in various listed companies. As CariCRIS grows, we can move towards bringing down the percentage over say the next 3 to 5 years to 0%.



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8. EXCEPTIONS

The policy does not apply to the following investments by employees:

- a. Investments in fixed deposits with banks/financial institutions, life insurance policies and pension plans
- b. Investments in Mutual Funds, Unit Trusts, and Exchange Traded Funds
- c. Investments of a non-financial nature such as gold, real estate, etc. where there is no likely conflict of interest

9. BREACH OF POLICY

Any person who is proven to have violated this Policy may be subject disciplinary action, up to and including termination of employment in accordance with applicable laws and reporting of such breach to the Securities Exchange Commission. Employees must report suspected violations of this Policy to the Compliance officer immediately.

10. DOCUMENTS PRODUCED

- [Appendix A: Employee Holding Statement](#)
- [Appendix B: Pre-Clearance Request Form](#)