Appendix No. 11

to ROSATOM

Procurement Standard

(Procurement Regulations)

**Requirements to warrantors, guarantors,**

**partner banks and major banks**

1. Requirements to warrantors and guarantors are set forth in order to establish a uniform approach to handling surety guarantees and bank guarantees by Rosatom State Corporation and its entities when engaged in procurement activities and intended to reduce financial risks of Rosatom State Corporation and its entities, including the risks related to advance payments and to encourage the participants of competitive bidding procedures and the contractors to apply greater diligence and to perform their contractual obligations properly.

1.1 Requirements to guarantors providing financial security for obligations of participants of competitive bidding procedures (bid security) and contractual obligations of Rosatom State Corporation and its entities

1.1.1. In order to reduce financial risks Rosatom State Corporation and its organizations accept from participants of competitive bidding and counterparties bank guarantees issued by the Vnesheconombank and the banks that meet the following requirements (as part of available limits established for the banks by Rosatom State Corporation and applicable as of the date of receipt of the security of contractual obligations; check for available limits shall not be performed if the security for the application for participation in the procurement is received):

the bank shall have the license of the Central Bank of the Russian Federation (hereinafter - Bank of Russia) (in case if the bank guarantee is provided by the Russian Federation resident bank) or other authorized body (in case a bank guarantee is provided by a bank established under the law of a foreign state), allowing the issue of bank guarantees;

membership in the deposit insurance system (in case a bank guarantee is provided by a Russian Federation resident bank) (this shall not apply to banks which meet the requirements stated in item 2.1.7.3);

the amount of own funds (capital) exceeds or is equal to 5 billion rubles or their equivalent in foreign currency as of the last reporting date on the published statements; and such statements shall be published at www.cbr.ru (Form123 and/or other accounting forms stipulated by the Bank of Russia) (for Russian Federation resident banks).

If the customer is a Russian Federation resident, the participants of competitive bidding and contractors which are not residents of the Russian Federation shall provide security for applications for participation in the procurement and contractual obligations in the form of bank guarantees issued by non-resident banks only.

1.1.2. In addition to the requirements, indicated in Item 1.1.1, non-resident banks must meet the following criteria:

a valid long-term credit rating in foreign currency given by an international credit rating agency (Standard&Poor’s, Moody’s Investors Service, Fitch Ratings): at least “B-” for Standard&Poor’s and Fitch Ratings and at least “B3” for Moody’s Investors Service. The said ratings must be valid and must not be “revoked” or “suspended”;

or

a bank shall be included in the top three banks of a country (according to an assets value) of its residence.

The grounds for non-acceptance of the bank guarantee, complying with criteria, specified in item 1.1, are:

- sharp deterioration (by 30% and more) in the digital parameters of the bank’s activity (except for the financial result) in comparison with the result for the last reporting period;

- information about the bank infringing the mandatory norms of the Bank of Russia (in case the bank guarantee is issued by a bank with residence in the Russian Federation) or other authorized agency (in case the bank guarantee is issued by a bank without residence in the Russian Federation),

- absence of the bank’s statement for public access (Forms 101, 102, 123, 135 and/or other accounting forms), stipulated by the Bank of Russia for disclosure at the website www.cbr.ru – for resident banks of the Russian Federation).

The bank guarantees issued by non-profit credit institutions and insurance companies are not accepted as a security, as well as those issued by the banks not complying with the requirements specified in this item. Validity period of any bank guarantee issued to secure a bid shall be at least equal to the validity period of such bid.

Validity period of any bank guarantee issued to secure performance of contractual obligations shall be as follows:

as regards securing the advance repayment: for the period set forth for the fulfillment of obligations in respect of the sum of such advance payment, paid plus sixty (60) days;

as regards securing the contract performance: for the period set forth for the fulfillment of obligations under the contract plus sixty (60) days;

1.2. as regards securing warranty obligations: for the period of warranty obligations, plus sixty (60) days. Requirements to legal entities providing financial security of performance of obligations of procurement participants (security of applications for participation in procurement) and contractual obligations of Rosatom State Corporation and its entities in the form of warranty[[1]](#footnote-2).

Surety shall be accepted from persons (legal entities, the state represented by public authorities, regions of the Russian Federation, municipal entities, etc.) that have a valid long-term credit rating in foreign or national currency given by an international credit rating agency (Standard & Poor’s (www.standardandpoors.com), Moody’s Investors Service (www.moodys.com) or Fitch Ratings (www.fitchratings.com)) that is not lower than the sovereign credit rating of the Russian Federation given on an international scale by the same credit rating agency (Standard & Poor’s, Fitch Ratings, Moody’s Investors Service). The said rating must be valid and must not be “revoked” or “suspended”.

If a warrantor has ratings given by two or more credit rating agencies, the higher of such ratings given by one of the said credit rating agencies, shall count for the purposes hereof.

If a warrantor has different credit ratings in national and in foreign currency, the higher of such ratings given by one of the said credit rating agencies, shall count for the purposes hereof.

Validity period of the surety must exceed the period of the principal obligation which it secures, by at least sixty (60) days.

Collaterals shall be accepted within available limits, established for the guarantors by Rosatom State Corporation and valid as of the date of the security.

2. Requirements to partner banks of Rosatom State Corporation and its organizations

2.1 Partner banks must meet the following criteria:

2.1.1 Assets held on the last reporting date according to published financial statements: at least 150 billion rubles.

2.1.2. Amount of the bank’s core assets (capital) on the last reporting date, according to published financial statements (Form 123 and / or other accounting forms stipulated by the Bank of Russia): at least 25 billion rubles.

2.1.3 Adequacy ratio of own funds (capital) on the last reporting date: at least the norm value established by the Bank of Russia plus one percentage point.

2.1.4 Net loans receivable on the last reporting date, according to published financial statements: at least 75 billion rubles.

2.1.5. The bank must be part of the system of deposit insurance (for Russian Federation resident banks), except for credit organizations, having no license for providing services to natural persons.

2.1.6 a valid long-term credit rating in foreign currency given by an international credit rating agency (Standard&Poor’s, Moody’s Investors Service, Fitch Ratings): at least “B-” for Standard&Poor’s and Fitch Ratings and at least “B3” for Moody’s Investors Service and (or) credit rating not lower than the level of "BBB- (RU)" according to the national rating scale for the Russian Federation assigned by the credit rating agency Analytical Credit Rating Agency (Joint Stock Company) and (or) not below the level of "ruBBB-" for the national rating scale for the Russian Federation assigned by a credit rating agency Joint Stock Company "Rating Agency" Expert RA. The said ratings must be valid and must not be “revoked” or “suspended”.

2.1.7. Fulfillment of one of the conditions below (For banks residents of Russian Federation:

2.1.7.1. If the credit institution has concluded with the state corporation “Deposit Insurance Agency” a contract of subordinated loan and if it provides federal loan bonds or if it has concluded with the state corporation “Deposit Insurance Agency” a contract of acquisition of privileged shares of the credit institution and payment for such shares by federal loan bonds within measures of increasing capitalization, stipulated by Articles 3 and 3.2 of the Federal Law “On amending Article 11 of the Federal Law “On insurance of deposits of individuals in banks of the Russian Federation” and Article 46 of the Federal Law “On the Central Bank of the Russian Federation (Bank of Russia)” (information provided is placed by the state corporation “Deposit Insurance Agency” on its official website in information telecommunication network “Internet”).

2.1.7.2. If it is included into the list of system-relevant credit institutions, placed by the Bank of Russia on its official website in information telecommunication network “Internet”, on the basis of the methodology, established by a statutory act of the Bank of Russia in accordance with Article 57 of the Federal Law “On the Central Bank of the Russian Federation”;

2.1.7.3. If it is directly or indirectly controlled by the Bank of Russia or by the Russian Federation (credit institution is included into the list of credit institutions placed by the Bank of Russia on its official website in information telecommunication network “Internet” in accordance with Article 2 Part 3 of the Federal Law “On opening of bank accounts and letters of credit, on conclusion of bank deposit agreements and shareholder register management agreements by business companies having strategic importance for the armament production complex and state security of the Russian Federation, and amending certain legislative acts of the Russian Federation”, on the basis of the requirement, stipulated by Article 2 Part 1 Item 2 of this Federal Law).

2.1.8. No unsettled claims raised by international and Russian creditors, by the Central Bank of the country in which the bank is resident (Bank of Russia for Russian Federation resident banks) or by tax authorities if their amount exceeds 10% of the bank’s core capital on the last reporting date, according to published financial statements.

2.2. The following circumstances shall constitute grounds to remove a bank from the list of partner banks:

the bank’s violation of obligatory standards of the Bank of Russia within 3 (three) successive months, as well as absence of the bank’s statements (Forms 101, 102, 123, 135 and/or other accounting forms, stipulated by the Bank of Russia for disclosure) in an open access at www.cbr.ru (for the resident banks of the Russian Federation).

2.3. Organizations that do not fully meet the aforesaid criteria may be partner banks if they are:

1) development banks/ financial (institutions) / development foundations, including international ones;

2) subsidiaries of the non-resident banks, registered on the territory of the Russian Federation, meeting the criteria of items 2.1.1 - 2.1.4 and 2.1.6, 2.1.8., (in such subsidiary banks only attraction of borrowed funds conversion transactions, trade finance transactions, factoring, transactions which constitute derivative financial instruments shall be allowed);

3) banks (bank branches), registered in closed municipalities in which Rosatom State Corporation entities carry out their core activities, provided that such banks have at least a 3-year record of cooperation with Rosatom State Corporation entities.

3. Requirements to Major banks

Major banks must meet the requirements set forth for the partner banks in Section 2. In addition, Major banks shall meet the following requirements:

3.1. An own wide regional network in the Russian Federation: at least 30 branches, local offices and operating offices (not including any subsidiary and controlled banks) (for Russian Federation resident banks).

3.2. Assets held on the last reporting date, according to published RAS statements: at least 1 trillion rubles.

3.3 A valid long-term credit rating in foreign currency given by an international credit rating agency (Standard&Poor’s (www.standardandpoors.com), Moody’s Investors Service (www.moodys.com), Fitch Ratings (www.fitchratings.com)), provided that at least one of such ratings is not lower than one step below the sovereign credit rating of the Russian Federation accorded on an international scale by the same credit rating agency (Standard & Poor’s, Fitch Ratings, Moody’s Investors Service) and (or) credit rating not lower than the level of "AA (RU)" according to the national rating scale for the Russian Federation assigned by the credit rating agency Analytical Credit Rating Agency (Joint Stock Company) and (or) not lower than the "ruAA" level for the national rating scale for the Russian Federation assigned by a credit rating agency Joint-Stock Company "Rating Agency" Expert RA ".The said ratings must be valid and must not be “revoked” or “suspended”.

If a non-resident bank does not have the above credit rating, such bank must be one of the top three banks in the country (by assets) in which it is resident. Alternatively, at least 50% of the charter capital of such bank must belong to the Russian Federation or to such Russian Federation resident banks that are Major banks, i.e. fully meeting the criteria, set out in Items 2.1 - 2.2 and Items 3.1 - 3.3.

Rosatom State Corporation entities may interact with non-resident banks by permission of Rosatom State Corporation Treasury Department only.

3.4. Major banks shall also include banks, financial institutions, explicitly named in the Federal law dated 01.12.2007 № 317-FZ «On state corporation of nuclear energy «Rosatom», as well as banks that meet the requirements set out in Items 2.1.2, 2.1.4 to 2.1.5, 2.1.8, , 3.1 hereof and meet all of the following criteria:

being one of the banks approved by the Government of the Russian Federation, in accordance with Federal Law No. 44-FZ enacted on 05.04.2013 “On the System of Public Procurement Contracts for Goods, Works and Services for State and Municipal Needs”, in which e-commerce marketplace operators open bank accounts for managing cash paid in by participants of competitive bidding processes as bid security;

assets held on the last reporting date, according to published financial statements: at least 600 billion rubles;

* having no operating US dollars or euro correspondent accounts in any banks that are not Russian Federation residents.

1. according to terminology of this appendix, warranty means a warranty and independent guarantee (except for bank guarantee) [↑](#footnote-ref-2)