

**PROCEDURE  
For Receiving and Handling Complaints in International  
Investment Bank**

Moscow, 2016

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## **1. GENERAL**

### **1.1. Scope of Application and Basic Provisions**

1.1.1. The Procedure for Receiving and Handling Complaints in International Investment Bank (hereinafter, the “Procedure”) is formulated in accordance with the Policy [1], the Code of Conduct [2], the generally accepted approaches and regulations used by leading international financial institutions to implement the principles of openness and transparency, social responsibility, compliance with applicable ethical and corporate standards, and to combat corruption, fraud, and any other prohibited practices.

1.1.2. The primary purpose of this Procedure is to create an effective instrument within the International Investment Bank for receiving, treating, and responding to complaints via the relevant communication channels on breaches in the activities by the Bank, its staff members, or its counterparties related to:

- the involvement or suspected involvement by the Bank, its staff members, or its counterparties, including participants in projects financed by IIB, in any practices prohibited by IIB;

- noncompliance of staff members with their employment duties or with the requirements set forth in the Code of Conduct [2], or their misconduct;

- failure by the Bank to disclose, or an incomplete disclosure by the Bank of information in accordance with the Policy [1].

1.1.3. The goal of introducing this Procedure into IIB as an instrument for receiving, treating, and responding to incoming complaints is to:

- ensure that the interests of the Member States of the Bank, its counterparties, and its investors are protected;

- make internal control and compliance tools more effective to prevent prohibited practice;

- prevent and combat conflicts of interest, fraud, misconduct, and corruption, including the abuse of official power, official noncompliance, and any other prohibited practices and offenses;

- implement a mechanism that govern interactions and discussions between the Bank and any parties involved with respect to a revealed breach in a particular area of the Bank’s activities, its staff members, and/or its counterparties.

1.1.4. Upon conducting a preliminary investigation into a complaint, the Bank reserves the right to ignore the information contained therein if it meets either of the criteria specified below:

1.1.4.1. Such information fails to be consistent with the purpose of this Procedure;

1.1.4.2. Such information describes a breach that occurred before the effective date of this Procedure.

1.1.5. The rules for handling complaints that fail to conform to the purpose of this Procedure, including whether IIB projects are consistent with the goals and objectives of the Bank’s charter, shall be laid out in a separate regulation for IIB.

1.1.6. The provisions of this Procedure shall apply to all departments of the Bank and its subsidiaries.

1.1.7. The Compliance Department is responsible for initiating this Procedure and effecting timely updates.

## 1.2. Terms and Definitions

As used for the purposes herein, the following terms shall have the meanings as defined below:

Term	Meaning
<b>Complainant</b>	Any person that sends a complaint to the Bank
<b>Prohibited practices</b>	Corruption, Coercion, Collusion, Financing of terrorism, Fraud and Money laundering
<b>Corrupt practices (corruption)</b>	The offering, giving, receiving, or soliciting, directly or indirectly, anything of value to improperly influence the actions of another party. Corruption includes abuse of authority, extortion, bribery, abuse of power, commercial bribery or other prohibited use by a person of his official position to obtain benefits in the form of cash, valuables, other property or property services for themselves or for third parties.
<b>Money laundering (ML)</b>	Placing a veneer of legality on the possession, use or disposal of money or any other property obtained through committing an offence
<b>Fraudulent practice (Fraud)</b>	Any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation
<b>Misconduct</b>	Failure by a staff member to observe the rules of conduct and the standards of behavior prescribed by the IIB, including the requirements of the Code of Conduct [2] and other internal regulations (those of 1, 3, 4-7, 9).
<b>Coercive practices</b>	Any impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party to improperly influence the actions of a party
<b>Collusion</b>	Any informal arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party
<b>Complaint</b>	A written message sent to the Bank with respect to: - suspected or alleged involvement in Prohibited practices or Misconduct; - suspected restrictions on the disclosure or dissemination of any information that is subject to disclosure in accordance with the Regulation [3]
<b>Financing of terrorism (FT)</b>	The provision or collection of financial services, knowing that the funds are intended to finance the organization, preparation and commitment of terrorist acts

## 1.3. Abbreviations

As used herein, the following abbreviations shall have the meanings as set forth below:

Abbreviation	Meaning
<b>Bank, IIB</b>	International Investment Bank
<b>CD</b>	Compliance Department
<b>SD</b>	Security Department
<b>HRD</b>	Human Resources Department

## 2. BASIC PRINCIPLES OF CONDUCTING INVESTIGATIONS

2.1. IIB shares, follows, and strives to ensure compliance in its business activities with the generally accepted investigative principles utilized by leading international financial institutions (International Financial Institutions Principles and Guidelines for Investigations, International Financial Institutions Anti-Corruption Task Force).

2.2. The Bank's staff members and its counterparties, per agreements with the Bank, shall provide information on any involvement or suspected involvement by the Bank, its staff members, or its counterparties in any Prohibited practices, Misconduct, or failure to comply with the Code of Conduct [2].

2.3. For investigative purposes, the CD shall ensure that provisions are included in contracts with third parties requiring the parties involved in an investigative process to cooperate with an investigation.

2.4. The CD shall be responsible for conducting and coordinating (preliminary) investigations into Complaints. CD may address to other divisions of the Bank to conduct investigations. If the investigation is carried out with respect to CD employees, it is carried out by the Commission, whose composition is approved by the order of the Bank.

2.5. The purpose of any investigation is to confirm the reliability of information contained in a Complaint.

2.6. Any investigation shall be conducted to ensure objectivity, impartiality, and fairness, and that the Bank's ethical standards are conformed to. In this regard, any investigation shall be as independent as possible of all parties involved, and no pressure or influence shall affect its findings.

2.7. An investigation with respect to the CD's staff members must be entrusted to other staff members appointed by the Bank's management. The staff of the CD shall disclose to the Head of the Management Board in a timely fashion any actual or potential conflicts of interest it may have in any investigation in which it is participating, and the Head of the Management Board shall take appropriate action to remedy the conflict.

2.8. While planning and conducting an investigation and allocating resources to it, the CD shall take into account the gravity of the allegation, the potential risks and the possible outcome.

2.9. The CD's jurisdiction in conducting investigations shall be set forth in the internal regulations [2,8] to be disclosed to the parties involved in accordance with the Policy [3].

2.10. The CD shall, on an annual basis, submit to the Chairman of the Board a final report on investigations into received Complaints. The CD shall be responsible for the completeness of final reports which shall include information on all Complaints received by the Bank and the findings thereof.

2.11. In conducting investigations and submitting final reports on investigations, measures shall be taken to protect confidential information, including measures to prevent any personal

information of the parties involved from being disclosed. Confidential information shall be treated in accordance with the Regulations [9].

2.12. Any information obtained from investigations shall be based on confirmed facts, related analysis and reasonable inferences. The findings of investigations conducted by the CD shall form the basis for recommendations to the Bank's management.

2.13. The Bank shall not pay for or provide any unreasonable compensation-free services to any persons that submit Complaints, or to any witnesses or persons that provided information to the CD.

2.14. Any investigation conducted by the CD is in-house.

### **3. PROCEDURE FOR RECEIVING COMPLAINTS AND CONDUCTING INVESTIGATIONS**

#### **3.1. Receiving Complaints**

3.1.1. The CD shall accept all Complaints for preliminary investigation received via communication channels, including reports received from anonymous or confidential sources. If requested by any Complainant, the Bank shall ensure that information about the Complainant is not disclosed. However, such information may be disclosed if required by internal regulations or by specific decisions made by the Bank's management bodies with notifying the Complainant.

3.1.2. Complaints may be sent via the following communication channels:

3.1.2.1. Directly to the CD as an office memorandum (in the case of IIB staff members);

3.1.2.2. By mail marked "to the attention of the Compliance Department" to ul. Mashki Poryvaevoy, 7, Moscow, 107078, Russia;

3.1.2.3. By email at [compliance@iibbank.com](mailto:compliance@iibbank.com);

3.1.2.4. By online form at [iibbank.com](http://iibbank.com);

3.1.3. All Complaints received by the CD shall be recorded on the Complaint Register in the form set forth in Appendix 1 to this Procedure.

3.1.4. In order to comply with the principles of conducting investigations per paragraph 2.5, it is recommended that Complaints contain the information set forth in Appendix 2 to this Procedure and that Complaints be submitted as soon as possible after any breaches are revealed or suspected.

3.1.5. The CD shall conduct preliminary investigations into any Complaints received in accordance with the procedure set forth below:

3.1.5.1. It shall be established whether the essence and nature of a Complaint is consistent with the purpose and time limit specified in paragraph 1.1.4. If any Complaint fails to be consistent therewith, then the information received shall be documented, but no investigation shall be conducted.

3.1.5.2. The relevance of a Complaint, the reliability of the information received, and the credibility of an information source shall be assessed. If the relevance and reliability of any information received, or the credibility of any Complainant cannot be confirmed, then the information received shall be documented and no investigation shall be conducted.

3.1.5.3. The expedience of an investigation shall be assessed. The scope, form, planning, implementation tools and resources required for an investigation shall be determined by the CD with due consideration to the materiality of the potential breaches and their implications.

3.1.6. A preliminary investigation shall be conducted into each committed or suspected breach.

3.1.7. If a Complainant provides his or her contact information, the CD shall inform him or her of the decision regarding the findings of the preliminary investigation, and of the decision to refer or not to refer the Complaint to an investigation.

3.1.8. The Bank's staff members and any other persons may contact the CD for clarification on the application of this Procedure by calling the hotline at +7 495 604-75-80.

3.1.9. If the CD's investigative findings indicate that a Complaint was knowingly false, or indicate that a witness or subject failed to comply with an obligation (for example, to report a breach or to provide information to the CD), the CD shall, where appropriate, refer the matter to the relevant department (SD/HRD) per internal IIB rules and procedures.

### **3.2. Conducting Investigations**

3.2.1. Upon conducting any preliminary investigation, the CD shall decide whether to conduct an investigation. Any investigation shall be conducted within the shortest possible time allowed by the available resources and information.

3.2.2 The CD's investigative activity includes the collection and analysis of documentary, video, audio, photographic and electronic information or other materials, witness interviews, observations by investigators and other investigative techniques as are required to conduct the investigation.

3.2.3. For the purposes of any investigation, the CD has the right to:

3.2.3.1. Unobstructed access to all necessary information, including that related to staff members, and to the Bank's archives and property.

Examine and copy relevant books and records of projects, executing agencies, individuals, or firms participating or seeking to participate in IIB-financed activities, or any other entities participating in the disbursement of IIB funds.

3.2.3.2. Interview staff members, representatives of the Bank's counterparties, and any other persons related to breaches under agreements therewith. Any interview shall be conducted by at least two staff members, one of them being a staff member of the CD. If required, an interview may be conducted in the language of the person being interviewed, using interpreters where appropriate. The CD may also engage third parties to assist in its investigations.

3.2.3.3. Engage the Bank's departments with due consideration to their jurisdictions and functions, and any third party, including consultants and translators. All staff is obliged to provide the CD assistance with investigations and to provide access to all necessary information and the Bank's property.

3.2.3.4. Request that the Chairman of the Bank's Board temporarily deny access to the Bank's premises and official information, restrict or suspend the performance of employment duties, or impose any other permitted restrictions on a person subject to an investigation based on a Complaint.

3.2.4. The CD shall accept information for consideration from all parties involved, including explanations and arguments concerning breaches. The subject of an investigation is to be given an opportunity to explain his or her conduct and present information on his or her own behalf.

3.2.5. The CD shall apply its best efforts to corroborate the information contained in Complaints and to justify investigative findings, which shall be based on the standard of proof

which is defined, for purposes of an investigation, as information that shows that something is more probable than not.

3.2.6. The conclusions and findings of any investigation (whether sufficient information to substantiate the Complaint is found or not) shall be documented as an office memorandum addressed to the Chairman of the Bank's Board for a decision.

3.2.7. If a Complainant provides his or her contact information, the CD shall inform the Complainant of the findings of the investigation.

## **4. SUPPLEMENTAL PROVISIONS**

4.1. If any counterparty agreements are signed for the Bank's financing, or any agreements are signed for the Bank's payment for work, goods, or services, then the Bank shall, subject to the provisions of such agreements and with the aim of preventing Prohibited practices and Misconduct, reserve the right to access and copy any information or records about such counterparties with respect to the agreements therewith.

4.2. The CD may interact, including information exchanges with relevant departments in international organizations and other institutions in order to share experience, ideas, practices related to organizing Complaint handling procedures and associated issues.

4.3. In case the necessary legal procedures are in place in respect of the removal of the immunity of IIB employees/members of the Management Board and with the approval of the Chairman of the Bank's Board, the CD may send information concerning a received Complaint to the competent authorities in the country where the events related to any breach occurred.

4.4. The Bank shall protect any Complainant that is a staff member making a Complaint against any adverse consequences or actions resulting on the part of other staff members of the Bank from the Complaint filed by the Complainant. The Bank may hold any staff members disciplinarily liable who influence or intend to influence any person that submits a Complaint in good faith and treats retaliation as a separate act of Misconduct.

4.5. The CD ensures the secured keeping and maintenance of an investigation's records and the information gathered. All information and materials are placed on the CD's internal network file folder. The CD keeps all papers related to investigations in special directories, established in accordance with the regulations [10].

## **5. FINAL PROVISIONS**

If the Agreement Establishing the International Investment Bank and its Charter are amended, this Procedure and any amendments hereto shall apply to the extent that nothing herein is inconsistent with any new laws or other regulations, or the Agreement Establishing the International Investment Bank or its Charter.

## **6. LIST OF REFERENCES**

1. International Investment Bank Policy for Anti-money Laundering, and Combating The Financing of Terrorism, Fraud and Corruption.



2. International Investment Bank Compliance Policy.
3. Policy on the Disclosure of Information of the International Investment Bank to External Users approved by Administrative Order No. 99, effective November 1, 2013.
4. Code of Conduct approved by Administrative Order No. 100, effective November 7, 2013.
5. Regulations for the Conflict of Interest Management Procedure approved by Administrative Order No. 73, effective July 16, 2013.
6. Rules for Working Conditions approved by Administrative Order No. 106, effective December 23, 2013.
7. Internal Regulations approved by Administrative Order No. 37, effective March 26, 2014.
8. Compliance Department Regulations approved by Chairman of the Board N. N. Kosov on March 14, 2014.
9. International Investment Bank Regulations for the Procedure for Protecting Confidential Information approved by Administrative Order No. 116, effective May 28, 2014.
10. Procedure for the formation, execution and sending folders to archival storage in the International Investment Bank ", approved by Order No. 124, effective November 13, 2014.

Appendix 1  
*to the Procedure for Receiving and  
Handling Complaints in International  
Investment Bank*

**Complainant Report Register**

No.	Complainant	Date Report Received	Report Summary	CD Opinion Date and Number	Note

Appendix 2  
*to the Procedure for Receiving and  
Handling Complaints in International  
Investment Bank*

**Sample Information to Be Included in the Complaint**

1. Personal information:

- Full name;
- Company name (where applicable);
- Contact information: address (country, city, street, apartment/office, postal code), telephone, email.

2. Subject (Corruption, Misconduct, AML/CFT, etc.).

3. Complaint. Specify what, when, where, and how, describing the reported noncompliance, who committed the noncompliance, how the noncompliance is connected with the Bank, and any other information necessary for your Complaint to be considered.

4. Questions that should be answered in a Complaint:

- Do you want us to contact you?
- Do you want to receive information about the results of your Complaint?
- Do you want your personal information to be kept confidential?
- How do you expect the Bank to act on your Complaint?
- Can you provide any documentation or other information to support your Complaint?