**KOSOVO CREDIT GUARANTEE FUND**

**CODE OF CONDUCT AND ETHICS**

**I. Basics**

1. **KCGF Basic Values**

KCGF is committed to sustainable corporate management and to the social responsibility going along with it. KCGF’s role in Kosovo’s business community is characterized by practicing responsibility towards our board members, management, customers, employees and stakeholders, as well as towards society as a whole.

The KCGF Code of Conduct and Ethics defines the basic values of our organization and constitutes the foundation of a corporate culture that is in conformity with the law and that is oriented on ethical principles. It ensures that our behavior in business dealings and ethical matters will be in compliance with the highest standards which are based on the following values:

* Customer focus
* Professionalism
* Quality
* Mutual Respect
* Initiative
* Teamwork
* Integrity

This includes Good Corporate Governance.

Compliance with these values also serves to maintain and enhance the reputation of the KCGF and its stakeholders.

1. **Target Group**

The provisions of the KCGF Code of Conduct apply to and have to be observed by all Board members, management, employees and contractors of the KCGF. In addition, third persons acting on behalf and/or in the name of KCGF, must undertake to comply with the provisions of KCGF’s Code of Conduct and Ethics.

1. **Compliance with KCGF’s Code of Conduct and Ethics**

KCGF’s Code of Conduct and Ethics is a binding set of rules governing everyday business dealings. The pursuit of profit does not justify any breaches of the law and of KCGF’s Code of Conduct and Ethics. We forego any business transactions that can only be brought about by condoning or engaging in such practices. Neither can the fact that such practices are applied by competitors or other market participants be used as justification.

1. **Local Laws and KCGF’s Standards**

We respect the laws, regulations and rules of the Republic of Kosovo. We strive to comply with the highest possible standards in carrying out our business activities. If local law or regulations and the KCGF Code of Conduct and Ethics provide for different rules or interpretations, the stricter, more far-reaching rules or interpretation will be applied.

1. **Responsibility**

Ultimate responsibility for the application of KCGF’s Code of Conduct and Ethics lies with KCGF’s Board of Directors. KCGF’s Managing Director will ensure the proper application and conformance of the Code of Conduct and Ethics. All managers and directors have the duty to serve as role models.

1. **Application**

When applying KCGF’s Code of Conduct and Ethics, it is necessary to contemplate and prevent any risk of damage to KCGF’s reputation. In each and every decision, the board member, manager, employee, contractor or associated third party concerned must bear in mind the potential risk of the respective transaction causing damage to KCGF’s reputation.

1. **Questions Concerning KCGF’s Code of Conduct and Ethics**

No Code of Conduct and Ethics can hope to spell out appropriate behavior for every situation, nor should it seek to do so. KCGF relies on each one of us to make a careful and considered judgement of what is right and proper in any particular situation.

If you cannot determine with certainty whether taking a certain action is appropriate, consider the following questions:

* Is my action legal and does it comply with KCGF’s policy?
* Does my action “feel” right?
* Could I justify it to others in the company or to the authorities competent to deal with matters concerning the KCGF?
* Could I defend my action if I was later questioned about it?

In case of questions concerning the application of KCGF’s Code of Conduct and Ethics and if unsure about the direct or indirect effects of a transaction on the goals KCGF wishes to achieve under its ethic policy, advice should be sought from your Manager or from the Managing Director/Board of Directors.

1. **Duty to Report Breaches**

If board members, managers, employees, contractors and associated third parties obtain knowledge of material breaches of KGCF, they must report the matter to their manager and the Managing Director, without delay. Employees can also opt to report breaches to the Managing Director anonymously. All reports are treated as confidential. KCGF ensures that the employee reporting the breach will not suffer any career disadvantage on account of reports made in good faith.

Reports can be made by any possible form of communication, including anonymous written reports.

1. **Sanctions in Case of Violations of KCGF’s Code of Conduct and Ethics**

KCGF Code of Conduct and Ethics forms an integral part of the general conditions of employment. Any breach of KCGF’s Code of Conduct and Ethics therefore has consequences under labor law and can be sanctioned by disciplinary measures, including even termination of the employment relationship without prior notice.

**II. WORKPLACE AND CO-WORKERS**

1. **Mutual Respect, Honesty and Integrity**

KCGF respects the opinions of others as well as their personal dignity, privacy and personal rights. We do not tolerate any kind of discrimination and harassment, on account of a person’s nationality, culture, religion, skin color, sex, sexual orientation, age or physical handicap. Hiring, promotion and assessment of employees are based exclusively on performance-oriented criteria, such as the achievement of agreed targets or professional experience.

1. **Conflicts of Interest**

All board members, managers, employees, contractors and associated third parties must ensure that their own interests do not conflict with their duties vis-à-vis KCGF or its customers and stakeholders. Potential conflicts of interest may arise, in particular in connection with gifts, invitations, awards of contracts as well as transactions in financial instruments and in connection with corruption, fraud or market abuse. For Board Members, in the event of an actual or potential conflict of interest, the Board Member shall immediately inform the Chairperson of the Board, who in consultation with the Managing Director shall decide on the existence of such conflict of interest. In the event of a finding on the existence of the conflict of interest, the Chairperson shall decide what measures are necessary in accordance with the Charter and Policies of the KCGF and the applicable law. Conflict of interest situations related to managers, employees, contractors and associated third parties shall be reported to the Managing Director, who will then decide whether a conflict of interest actually exists and what measures are necessary.

1. **Data Protection**

KCGF acts with care and diligence when receiving, processing and preserving information (financial data, technical data, operational data, customer information, file notes, etc.). In this respect, we adhere to specified data security standards and procedures and prevent that unauthorized persons may see, use, change or destroy such information.

**III. BRIBERY AND CORRUPTION**

1. **Bribery**

KCGF does not tolerate any form of bribery and corruption. We do not accept or grant any improper advantages (inducements) of any kind, irrespective of whether the person offering or demanding such advantage is working in the public or in the private sector.

1. **Facilitation Payments**

Neither employees nor other persons working for KCGF make facilitation payments; facilitation payments are minor amounts of money given to public officials in order to obtain or accelerate services of such persons to which one has a legal right.

1. **Direct and Indirect Bribery by Third Person**

KCGF carefully and thoroughly selects its business brokers, advisors, intermediaries and all other third persons acting on our behalf and supporting us in doing business. We also make every effort to ensure that such third persons do not pay or accept bribes or facilitation payments within the scope of their business relationship with KCGF.

1. **Gifts and Invitations**

Accepting and making money gifts is prohibited as a matter of principle. All other gifts and invitations are subject to strict rules and prior approval by the Managing Director.

1. **Expense/Expense Accounts, Donations, Charitable Benefits and Sponsoring**

Benefits in the form of expenses, donations, charitable benefits and sponsoring may not be bestowed, solicited or taken in order to circumvent guidelines concerning the acceptance and provision of gifts, bribes, slush money payments, benefits bestowed on political parties and politically exposed persons and further provisions of KCGF. Donations, charitable benefits and sponsoring can only be approved by the Board of Directors.

**IV. DEALINGS WITH CUSTOMERS AND BUSINESS PARTNERS**

1. **Customer Service**

KCGF is committed to a service culture consistently striving to exceed customers’ expectations. We will only provide a service if we have the relevant licenses and expertise, as well as the necessary support functions/capability in place, and we will always provide services, as much as possible, in the interest of our customers. Furthermore, when providing recommendations, we must ensure that such recommendations are honest and fair, and that customers are adequately informed about risks. False and misleading advertising are not acceptable.

1. **Confidentiality**

KCGF will treat all customer information as strictly confidential. As a matter of principle, we do not pass on any customer data to third parties. Exceptions are permitted only in case a customer has given his or her written consent in advance or in case of existing facts constituting a recognized exemption from the prohibition of disclosing information, in particularly in regards to supervisory and prosecuting authorities.

1. **Know Your Customers**

By knowing our customers, their reputation and standing, as well as the nature of their business activities, KCGF intends to achieve the best possible levels of quality service. We constantly perform due diligence examinations and checks in order to know the origin of our customers’ funds and identify any suspicious activities.

1. **Money Laundering**

Financial and credit institutions may be used as vehicles to “launder” the proceeds of criminal activity and to disguise their illegal origin and reintroduce them into the ordinary business cycle. Such activities undermine an organization’s integrity, damage its reputation, and may expose such organization to severe sanctions. KCGF supports the international drive against money laundering and applies extremely strict precautionary and defensive measures.

**V. MARKET ABUSE**

1. **Insider Trading**

Insider Trading involves the improper use of non-published price-relevant information for personal benefit of third persons when dealing in securities. Insider trading has direct consequences under criminal law and disciplinary consequences.

1. **Fair Competition**

The requirement of integrity also applies in the battle for market share. KCGF will not enter into any inadmissible verbal arrangements, and we comply with the rules of fair competition and with the rules governing behavior in the market that are customary in Kosovo and on an international level.

**VI. BOOKEEPING AND FINANCE**

1. **Accounting and Reporting**

In its decision-making processes, KCGF relies on the correctness and accuracy of the accounting records. In this context, it is of particular importance that personnel data, as well as accounting and financial data, be treated as confidential. All business transactions must be reported in our books in accordance with specified procedures and verification principles and generally accepted principles of accounting in Kosovo. These records contain the necessary information on the respective transactions.

1. **Disclosure Duties**

KCGF undertakes to timely provide complete, fair, precise and understandable data in our means of communication within the scope of our duties to disclose information to the supervisory authorities and to our stakeholders. Our financial disclosure corresponds to the current standards in Kosovo.

1. **Cooperation with Supervisory Authorities**

We undertake to see to it that our relationship with the Central Bank of Kosovo and the Government of Kosovo are open, transparent and cooperative. Our aim is to develop relationships between KCGF and the authorities that are based on trust and confidence.

**VII. SENSITIVE BUSINESS FIELDS**

1. **Human Rights**

KCGF will not support, by the issuance of guarantees to the appropriate registered financial institution, projects or parties involving or involved in the use of forced labor, included bonded labor or child labor, or:

* Violations of the European Convention of Human Rights
* Violations of the obligations under labor law and social law established in Kosovo;
* Violations of the applicable regulations issued by international organizations including, without limitation, the corresponding UN conventions, or
* Violations of the rights of the local population or minorities.
1. **Environment**

The financing of any participation in any transactions and/or projects which put the environment at risk with lasting effect are not in accordance with the business policy of KCGF. Kindly refer to KCGF’s Environment Policy Manual.

If unsure about the direct or indirect effects of a transaction on the goals of KCGF wishes to achieve under its environment policy, advice should be sought from the Managing Director.

1. **Arms**

On account of the particularly sensitive nature of such transactions, KCGF has comprehensive and restrictive regulations in place concerning the issuance of guarantees to cover financing for weapons of any kind.

1. **Trade Restrictions and Sanctions**

KCGF adheres to international specifications concerning embargoes and trade restrictions.

1. **Illicit Business Relationship**

KCGF does not, and will not maintain any customer relationship with shell banks.