

Complaint
and
Dispute
Resolution
Policy

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This document deals with the board approved policy regarding Complaint and Dispute Resolution Policy in light of regulatory requirements and international best practices.

Falki Capital
Private
Limited

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Complaint and Dispute Resolution Policy

1. Introduction

The Complaint and Dispute Resolution policy of Falki Capital Private Limited is implemented to help the investors and to save them from any financial loss, material distress or inconvenience. The Board of Directors of Falki Capital (Private) Limited has approved the following policy to address issues related to client conflicts (grievances and complaints). The salient points of the policy are:

2. Contact Person

Information of the contact person should be available on the notice board visible to all clients and also on the Company's website where all contact details shall be furnished to enable clients to report their complaints.

- Contact Person: Head of Compliance (CCO)
- Email Address: cco@falkicapital.com, falkicapital@hotmail.com
- Registered Address: 7th Floor, Falki Capital, ISE Towers, 55-B Jinnah Avenue, Blue Area, and Islamabad.

3. Common Causes of Client Grievance/Complaint:

It is the responsibility of Falki Capital to invest money according to client's instructions. There are certain malpractices against which clients can complaint such as:

- 3.1 Unauthorized Trading (Sale/Purchase)
- 3.2 Overcharged Commission
- 3.3 Unauthorized Transfer / Movement of Shares
- 3.4 Non-supply of Statements of Account
- 3.5 Non-supply of Trade Confirmations within 24 hours
- 3.6 Suspension of Payment
- 3.7 Non-Delivery of Securities
- 3.8 Failure to Execute Investor's Instructions/orders

4. Complaint Receiving Procedure:

- 4.1 Letters and emails sent by the client on the above address shall be received directly by the Company for immediate action.
- 4.2 The above email shall have an auto response function to intimate the client that the request has been received for necessary action.
- 4.3 The compliance officer will take all the necessary information and documentation from the client in hard format.

5. GRIEVANCE/COMPLAIN HANDLING PROCESS AND ITS RESOLUTION

- 5.1 The Company will maintain a register to log all client grievances/complaints and their resolutions.
- 5.2 A complain file will be open and will remain as part of the record irrespective of the outcome of the complaint. Following information will be attached in the file along with original complain and documentation:
- a) Account opening form of the complainant
 - b) CDC sub-account opening form/Individual investor account
 - c) Copy of CNIC.
 - d) Relevant Trade confirmations sale-purchase slips.
 - e) Relevant cash receipts and payments vouchers.
 - f) Relevant CDC reports and statements.
 - g) Complain comments form from concerned trader and accounts department.
- 5.3 The Head of Compliance will coordinate with the concerned departments to resolve the grievance/complaint within 10 working days.
- 5.4 CEO will be copied on all communications in this regard.
- 5.5 In cases where Head of Compliance is unable to satisfy the client query within 10 working days, the CEO will review the matter and try to resolve the same.
- 5.6 If Falki Capital does not resolve the matter amicably even after the intervention of the CEO, then client has option to refer the matter to an Arbitration Committee of the Exchange.

Guide Lines by PSX for Arbitration

Written Application send to Arbitration to Resolve the Dispute

An application received for arbitration will be scrutinized and approved by any official of the **RAD** (Regulatory Affairs Division). An application for Arbitration in the event of a claim, difference or dispute should be filed within 3 months from the date of the dispute. The official should examine first whether it is complete in all respects and acceptable for arbitration. The applicant shall be required to furnish the following.

- ❖ Claim Form properly filled and signed by Investor or Broker as the case may be, along with all supporting documents and annexure as mentioned in the Form.
- ❖ In case applicant is not a Broker of the Exchange, he shall give an undertaking to abide by all these Regulations in force for the arbitration

REJECTION OR DISMISSAL OF APPLICATION

In case any application may be rejected if:

- The applicant refuses neglects or fails to carry out any direction issued by the CRO, RAC or the Board.
- The applicant refuses neglects or fails to comply with the provisions of any Regulations.

- The application is rejected if lacking of the sufficient documented evidences is not provided after providing reasonable time.
- The subject matter in the dispute arises from a transaction not carryout through the Trading Systems and is facilitated by the Exchange. The transaction is considered as illegal or private deals between two Brokers.

In case of rejection of any application, the Exchange shall, under intimation to the Commission, communicate the reasons for any such rejection to the applicant within 15 days of receipt of application.

What is Arbitration?

Arbitration is a mechanism which is provided by PSX to resolve disputes among brokerage firm and clients. PSX has designed this mechanism for those people who wouldn't go to Court. This arbitration process among the brokers and clients address & resolve certain issues in respect of trades done on the Exchange. This process of resolving a dispute is comparatively faster than court cases.

Who are the persons who can act as Arbitrators?

Those persons act as arbitrators who are to Constitute for Arbitrations of Disputes. The lists of members of arbitration Panel shall be displayed on the Exchange's website. They are classified such as:

1. Sub-Panel:

In Sub Panel of Arbitrators shall consist of four members such as:

- ❖ One shall be the TRE Certificate Holder as an advisor who has not any voting rights.
- ❖ There should be two industry experts.
- ❖ One senior member of PSX management as nominated by CRO in consultation with the Managing Director- PSX.

However, the Chairman of the Panel will always be the industry expert. The TRE Certificate Holder and industry expert shall be selected by drawing lots.

2. Sole Arbitrator:

From the Panel, CRO in meeting with the Chairman or any other member of RAC shall appoint an industry expert as a Sole Arbitrator excluding TRE Certificate Holders on case to case basis.

Disputes To Be Referred To Arbitration

Dispute arises among Brokers and Clients in connection with any trade transactions it should be referred to arbitration and deal according to the procedure. If complaints are ought to handle prior by the TRE Certificate Holder which is better to preserve the trust and confidence between broker and clients.

Forums for Arbitration

There are three possible options for Clients to file a complaint.

1) Pakistan Stock Exchange (PSX) Arbitration Committee

Clients have the option to complaint to PSX management. However, PSX empowers to take immediate action for complaints against the Broker under the approved Rules and Regulations. After careful review of all documents provided by the parties, Arbitration principles may be passed in accordance to the Rules and Regulations.

2) Securities and Exchange Commission of Pakistan (SECP)

SECP creates the Vigilance Cell through which people record their complaints to ratify that grievances of the clients are heard and rectified, in a quick and efficient manner. The Vigilance Cell receives all the complaints against PSX Brokers which are forwarded to the Investor Complaint Wing

(ICW) of the Securities Market Division (SMD) for further processing. However, SECP is not empowered to force the Brokers for compensation or damages.

3) **Civil Court**

Clients can also file their complaint with the Civil Courts.

Arbitration Process

Arbitration process of PSX is listed below:

1. True copies of the following documents may be submitted along with the application to support the claim:
 - Account opening form of the complainant
 - CDC sub-account opening form/Individual investor account
 - Copy of CNIC.
 - Relevant Trade confirmations sale-purchase slips.
 - Relevant cash receipts and payments vouchers.
 - Relevant CDC reports and statements.
2. PSX then appoints the Arbitrators and refers the case of dispute accordingly.
 - Sole Arbitrator may hear and decide the matter which Claims up to Rs.0.5 million are referred for arbitration.
 - The Sub Panel can handle the Claims disputes above then Rs.0.5 million for arbitration action.
3. Dissatisfaction of any party from decision of the Sole Arbitrator or the Sub Panel may appeal to the Arbitration Committee against such award within 10 days of receipt of such award.

How is an Award made by the Sole Arbitrator/Panel of Arbitrators?

If both parties to the dispute are present at the appointed time and place the arbitrator may hear the reference and announce the award. If the party against whom the complaint is made is not present the arbitrators may hear and decide the dispute ex-parte. All claims referred to the panels of arbitrators are resolved by a majority.