

# **Complaints Handling Procedure**

**V 3.3**

**2018**

## 1. Introduction

For the management of any professional of the financial sector, as well as for the CSSF, who is responsible for the prudential supervision of the latter, client or investor claims can be tell-tale symptoms of malfunctions in the financial market. A client or investor who addresses a claim or a complaint to a professional of the financial sector will be all the more willing to accept the answer of the professional or their suggestion for a resolution and renew his confidence in the professional and the financial market, if he sees his claim handled with diligence, transparency and objectivity.

As required by article 7 of the CSSF Regulation 10-4 and the CSSF Regulation 16-07 including CSSF Circular 17/671 of October 13, 2017 clarifying the CSSF Regulation 16-07 of October 26, 2016 relating to the out-of-court settlement of claims, FINEXIS S.A. (herein after also “the Company”) has put in place the present “Complaints Handling procedure”, which requires a reasonable and expeditious treatment of complaints that clients or investors could raise against the Company. The procedure, which has been approved by the Board of Directors of the Company, follows closely the provisions of the relevant laws in Luxembourg and is subject to revision whenever material modifications in the law occur.

In conformity with article 15 of CSSF regulation 16-07 the procedure is publicly available to the Company’s clients, investors and counterparties via publication on the Company’s website: [www.finexis.lu](http://www.finexis.lu).

The purpose of this procedure is three-fold:

- to describe the Company’s internal process for the reception and processing of clients’ and investors’ complaints;
- to inform any interested party on how the CSSF intervenes when it receives a client or investor complaint;
- to identify and mitigate any possible conflicts of interests.

FINEXIS S.A. shall take every effort to ensure that all possible client or customer complaints are being escalated to the Company; including those complaints lodged directly to a third party to whom a specific function has been delegated (including distributors, delegated managers or administrative agents).

## 2. Procedure for handling complaints

### 2.1. Responsible Person

In order to ensure a consistent and investor-oriented approach in handling investor complaints, FINEXIS S.A. has designated Mr. Tom Bernardy, managing director of FINEXIS S.A., in charge of overseeing compliance and risk at the level of the Board, as Investor Complaints Manager. Mr. Tom Bernardy is responsible for the handling, centralization and follow up on all investor complaints addressed to FINEXIS S.A. In his absence, another member of the FINEXIS S.A. team shall be designated to handle the complaint.

In each case, Mr. Bernardy shall be the main contact point for all the complaints and shall provide reasonable assistance to ensure that all complaints are lodged effectively.

All client or investor complaints should be addressed in writing to:

Finexis S.A.

Att. Mr. Tom Bernardy

25A, Blv Royal,

L-2449,

Luxembourg

Fax: + 352 20 21 29 99

Mr. Bernardy will act as the single point of contact for all complaints and shall provide reasonable assistance to ensure the:

- Filing the complaint form (*appendix 1*);
- Logging the complaint in the Finexis S.A. complaint register (*appendix 2*);
- Sending a receipt of complaint to the client or investor within two working days from receiving the complaint;
- Communicating the final decision to the client or investor.

### 2.2. Complaints handling process

The treatment of complaints will be conducted diligently and in a timely manner, on the basis of objectivity and truth and aiming at the resolution of complaints without judicial proceedings.

In general, the Responsible Person shall answer the complaint within a few business days following its receipt.

Complex cases that require in depth review shall be resolved as quickly as possible, but may take longer than the general case.

The complaints handling process encompasses the following steps:

### **Receipt of the complaint:**

Complaints can be addressed to the Company free of charge. Any complaint received must be notified to the Responsible Person.

Upon receiving the Complaint, the Manager of the Day shall establish whether this is a first complaint or a follow-up on an existing complaint and then shall transfer the matter further to the Responsible Person.

The Responsible Person must acknowledge receipt of the Complaint, within two working days of receiving it. The acknowledgement should be sent in written to the claimant, without accepting any liability at this stage.

To be considered “eligible”, a complaint should contain a clear identification of the client/ investor, their address, telephone number or email address, the date of the complaint, the signature of the client/ investor and a description of the facts that make the object of the complaint. The complaint may be addressed under any written form, however only readable complaints will be dealt with.

In case the complaint is rejected for whatever reason, the Responsible Person shall provide the interested party with a duly substantiated decision. The complaint will be then considered as “closed”.

### **Analysis of the Complaint**

The Responsible Person will analyse without delay any claim brought to their attention.

Specifically, the Responsible Person shall:

- establish the authenticity (verification of signatures), exact nature and relevance of the complaint;
- establish whether the Company is indeed related to the facts raised in the complaint;
- identify the processes that make the subject of the complaint;
- identify the various responsibilities of the members of the staff of the Company in relation to the content of the complaint;
- assess the urgency of the complaint both in terms of the risks posed on the commercial relationship and the potential financial impact.

NB: Even if it must be assumed, until proved otherwise, that a complaint has been made in good faith, the contrary may also be possible. In this case, the CSSF invites financial professionals to put a determined and orderly end to any business relationship that is no longer based on trust.

If at the end of the Responsible Person's analysis the content of the claim is found to be within the jurisdiction of the Company, the Responsible Person shall officially log the complaint as described in the section following below. A copy of the referenced claim will be sent to:

- the Manager of the Service concerned;
- the head of Internal Audit;
- the Management team.

The Responsible Person shall then proceed to:

- collect, with the help of the Service concerned, all main documents relating to operations that make the subject of the complaint;
- perform further investigative work in order to establish the potential liability, malfunctions, breaches of existing procedures or lack of formalization of process. If it turns out that the complaint received is the result of organizational and/or procedural shortcomings, the Internal Audit function should describe in a brief report the flaws and weaknesses encountered during their investigations. The Internal Audit function will issue recommendations to address the identified gaps;
- ensure coordination between the various Services concerned with a view of formulating an appropriate response to the Complaint.

### **Log of Complaints:**

FINEXIS S.A. has put in place a complaint log, in which the progress of each individual complaint can be monitored is maintained. All correspondence between interested parties shall be stored in both hard copy and electronic format in the individual client or investor file for a period of five years following the complaint.

The Responsible Person shall put in place and maintain a summary report of the complaint received and of the subsequent correspondence.

The documents (table and report of the complaints) shall be sent to the CSSF at the latest one month after the annual general meeting of shareholders approving the accounts and this, in accordance with article 16 of the CSSF Regulation 16-07 and point 3 of CSSF Circular 17/671.

## **Complaint Resolution:**

The Responsible Person shall collect all the necessary information with the help of the relevant Service involved, including technical or legal advices, before drafting a response to the client/ investor. As explained above and depending on the complexity of each situation, the response to the client/ investor shall be drafted within the next business days following receipt of the complaint, or where the complexity of the case makes this impossible, at the earliest possible.

If an indemnity or refund is proposed, this shall be submitted to the **Board's** formal approval and the latter's response shall then be communicated to the client. The proposed solution will always be in line with the applicable laws and regulations. The client or investor shall be always provided with an answer in writing.

## **Referral to the CSSF**

Where the client/ investor did not receive an answer or a satisfactory answer within a reasonable period of time referred to above they may file their request with the CSSF within one year after they filed their complaint with FINEXIS S.A.

The request must be filed with the CSSF in writing, by post, by fax or by email (to the address/number available on the CSSF website), or online on the CSSF website. In order to facilitate the filing of a request, the CSSF publishes a form on its website (Appendix 2).

The request is supported by a statement of the reasons on which it is based together with the following documents:

- a detailed and chronological statement of the facts underlying the complaint and the steps already taken by the applicant;
- a copy of the prior complaint
- a copy of the answer to the prior complaint or the confirmation by the applicant that s/he did not receive an answer one month after s/he sent his/her prior complaint;
- the statement of the applicant that s/he did not refer the matter to a court, an arbitrator or another out-of-court complaint resolution body in Luxembourg or abroad;
- the agreement of the applicant with the request handling conditions of the CSSF as body responsible for the out-of-court resolution of his/her complaint;
- the express authorisation of the applicant so that the CSSF can transmit its request (including the attachments) as well as any future correspondence or information to the professional concerned by the request;
- a document showing that the person is legally entitled to act so; if applicable

- a copy of a valid ID document of the applicant (natural person) or, where the applicant is a legal person, of the natural person representing this legal person.

The CSSF may request the production of any other document or information, in any form whatsoever, it deems necessary to handle the request.

Where the CSSF receives a request that meets all the conditions, it shall transmit a copy thereof to FINEXIS S.A., with the request to take position within a period up to one month from the date at which the file was sent. The CSSF shall inform the applicant of such transmission within 90 days.

Where the analysis of the file relating to the request has been completed, the CSSF shall address a conclusion letter to the parties, including the statement of reasons for the position taken. Where the CSSF concludes that the request is totally or partly justified, it shall ask the parties to establish contact with each other.

### **3. External Service Providers**

It can happen that a complaint is introduced to one of the external service providers of the respective Funds managed or administered by FINEXIS S.A. For that purpose, FINEXIS S.A. maintains effective organisational and administrative arrangements, including reporting and access to information, with a view to taking all necessary steps to handle complaints properly.

In all circumstances, FINEXIS S.A. aims to ensure that complaints are treated with care, in a consistent way, verifiable and within a reasonable period of time.

All counterparties are contractually obliged to escalate without delay to the Company any complaint received from clients/ investors, and to provide assistance to FINEXIS S.A. until the final resolution of the complaint. The Responsible Person should receive either by email or by fax a copy of any complaint received by external providers referred to above.

The Responsible Person will register such complaint in the Complaint Log, indicating that such a complaint was received through an external service provider.

### **4. Controls**

The Compliance Officer shall ensure that the present procedure is applied by the members of staff of FINEXIS S.A.

Every time a complaint is received, the Compliance Officer shall report to the Board of Directors on the specifics of the complaint received and on the actions taken. In her report to the Board, the Compliance Officer shall underline the lessons learnt and shall propose mitigation measures to prevent the reoccurrence of similar future complaints. The implementation of the mitigation measures should be further monitored by the Compliance Officer.

## **5. Complaints Handling procedure publication**

FINEXIS S.A. shall publish the details of this Complaints Handling procedure including the information on CSSF acting as an out-of-court complaint resolution body in a clear, comprehensible and easily accessible manner, via its website [www.finexis.lu](http://www.finexis.lu) and where appropriate, in its brochures, leaflets and contractual documents.



**Appendix 1: COMPLAINTS MONITORING TABLE**

| <b>1. General Data on the Company</b>  |   |
|--|---|
| 1.1. Name  | FINEXIS S.A.                                |
| 1.2. Identification number   | S0904                                       |
| 1.3. Person responsible for the treatment of complaints at the direction level | Tom Bernardy, <i>administrateur delegué</i> |
| <b>2. Complaints Registered by FINEXIS S.A.</b>                                |   |
| Categories   | Number of complaints                        |
| <i>Complaints that do not concern a specific product or service</i>            |   |
| 2.1. Staff behaviour   |   |
| 2.2. General pricing   |   |
| 2.3. Banking secrecy   |   |
| 2.4. Fiscal matters  |   |
| 2.5. Transmission of documents   |   |
| 2.6. Successions   |   |
| 2.7. Warranties  |   |
| 2.8. Insurance advice  |   |
| Other  |   |
|  |   |
| TOTAL  |   |

| <i>Accounts and payment services</i> |  |
|--------------------------------------|--|
| Refusal to open an account           |  |
| Closing of the account               |  |
| Blockage of the account              |  |
| Operation contestation               |  |

|                       |  |
|-----------------------|--|
| Transaction execution |  |
| Pricing               |  |
| Other                 |  |
| TOTAL                 |  |

| <i>Investment activity</i>                          |  |
|---|--|
| Conflict of interest                                |  |
| Differences on the execution of an order            |  |
| Quality of advice                                   |  |
| Investment performance                              |  |
| Non-respect of the investment profile of the client |  |
| Non-respect of the management contract              |  |
| Portfolio/ securities transfer                      |  |
| Pricing/ Commissions                                |  |
| Other   |  |
| TOTAL   |  |

| <i>Undertakings for collective investment</i> |  |
|---|--|
| Prospectus                                    |  |
| Investment policy                             |  |
| Subscriptions/ redemptions                    |  |
| Depositary banks obligations                  |  |
| Publicity documents                           |  |
| NAV calculation error                         |  |
| Management of investment funds                |  |
| Quality of service in general                 |  |

|       |  |
|-------|--|
| Other |  |
| TOTAL |  |

## Appendix 2: COMPLAINT REVIEW

|   |   |
|---|---|
| Internal reference number   |   |
| Details of claimant (client/<br>investor)   | Name:<br><br>Address:<br><br>Phone number:<br><br>Email address:                                  |
| Name of the Fund concerned  |   |
| Date of receiving the complaint<br>and any additional relevant<br>correspondence                        |   |
| Received by   | <input type="checkbox"/> Letter<br><input type="checkbox"/> Fax<br><input type="checkbox"/> Email |
| Date of sending out the<br>acknowledgement of receipt   | <input type="checkbox"/>  |
| Date of incident  | <input type="checkbox"/>  |
| Type of activity/ product under<br>scrutiny   | <input type="checkbox"/>  |
| Name of member of staff /<br>Service/ Service Provider (if<br>applicable) concerned by the<br>complaint | <input type="checkbox"/>  |
| Reasons for the complaint   |   |

|   |  |
|---|--|
| Value of investment   |  |
| Financial prejudice to mitigate                             | <input type="checkbox"/>   |
| General observations  | <input type="checkbox"/> This is Finexis S.A. mistake<br><input type="checkbox"/> This is not Finexis S.A. mistake |
| Solution/Action taken                                       |  |
| Lesson learned  |  |
| Date of communicating Finexis' final answer to the claimant |  |
| Responsible Person  |  |
| Date & Signature  |  |