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## *Complaints Handling*

### *Policy and Procedure*

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#### Document History

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## Contents

Executive Summary .....	3
Objective of policy .....	3
Scope of complaints' handling policy .....	3
Policy .....	3
Policy statement.....	3
Framework / references .....	3
Legal and regulatory requirements .....	4
Procedure .....	4
Complaints Handling Procedure .....	4
Complaints' Register and Records.....	6
Complaints' Management.....	6
Complaints received on behalf of FMG Fund Managers Limited.....	7
Appendix I – Investigation Process.....	8
Appendix II – Email template: Acknowledgement of complaint.....	9
Appendix III – Email template: Confirmation of investigation completion.....	10
Appendix IV – Email template: FMG Fund Managers Limited .....	11

## Executive Summary

### Objective of policy

The policy's objective is to ensure that:

- 1) Complaints by customers/investors are managed in a timely, efficient and satisfactory manner.
- 2) Complaint documentation is required to be stored for at least five (5) years after the complaint is closed and archived.

### Scope of complaints' handling policy

This complaints' handling policy applies to FMG (Malta) Ltd ( the "Company") in its relations with its customers/investors and where the Company has been appointed by the funds or external fund managers to handle complaints on their behalf.

## Policy

### Policy statement

To ensure that complaints handling is:

- Done efficiently and in line with legal requirements and industry best practices;
- Resolved in a timely manner;
- Handled to the reasonable customer's satisfaction and should serve as an opportunity to repair a relationship with the party(-ies) concerned.

### Framework / references

This procedure is defined with reference to the following:

- (i) MFSA - Conduct of Business Rule Book (Part A Section 6 Complaint Handling by Regulated Persons);
- (ii) Office of the Arbiter for Financial Services  
(<http://financialarbiter.org.mt/en/Pages/Home.aspx>)
- (iii) Bermuda Monetary Authority, Department of Consumer Affairs  
([http://www.bma.bm/consumers/have\\_an\\_issue.html](http://www.bma.bm/consumers/have_an_issue.html))
- (iv) Code of Conduct Policy - FMG (Malta),

## Legal and regulatory requirements

The regulatory <sup>1</sup> requirements are that:

- The Company provides fair treatment of complaints and shall deal in a prompt, equal, fair and efficient manner in the management of complaints. In furtherance to this, the Company shall ensure that it shall prevent, identify and manage possible situations of conflicts of interest in complaints management. In case of conflicts, the Compliance Officer shall report to the Board of Directors and it shall decide on the best way to deal with the complaint and which will ensure fairness on part of the complainant;
- Complaints, and related actions, are to be recorded in a “Complaints’ Register” (see below);
- Complaints are to be acknowledged in writing in two (2) business days. Complainants shall be encouraged to formalize their complaints in writing. Where this is not possible the person dealing with the complaint shall formalize the complaint received orally and forward this to the complainant for his review and signature;
- All information and personal data collected from Complainants will be treated according to the applicable legal framework under the Data Protection Act;
- Complaints shall be forwarded to the Compliance Officer, as the Complaints Handling Officer. The Compliance Officer shall be responsible for the internal reporting, follow-up and monitoring of complaints;
- Investigations are to be completed and feedback sent to the complainant within fifteen (15) business days. Complainant is to be forwarded the investigation’s conclusion and remedial action if applicable. Should the Complainant not be fully satisfied with the conclusion and remedial action the Complainant shall also be informed that he/she has a right to complain to the Office of the Arbiter for Financial Services. The relative link to the Arbiter’s website (i.e. [https://financialarbiter.org.mt/en/for\\_consumers/Pages/Submit-a-Complaint.aspx](https://financialarbiter.org.mt/en/for_consumers/Pages/Submit-a-Complaint.aspx)) and contact details (i.e. 80072366 or 21249245) shall be included in the final reply;
- The Company shall communicate with the complainant in a clear and plain language;
- In assessing the complaint, the Company shall gather and investigate all relevant evidence and information regarding the complaint;
- The Company shall take all reasonable steps to resolve the matter before it is referred to the Office of the Arbiter for Financial Services;
- Relative process of complaints reporting shall be presented on the website and also in the respective funds’ prospectus; and
- The Company shall provide training to staff on the handling of complaints.

## Procedure

### Complaints Handling Procedure <sup>2</sup>

Each FMG employee is to be made aware of this procedure, and of the person within FMG responsible for handling complaints that is the Compliance Officer<sup>3</sup>. Upon receiving the complaint the Compliance Officer is to:

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<sup>1</sup> This is based on Maltese regulatory requirements

<sup>2</sup> Based on Maltese regulatory requirements, but to apply to complaints received vis-à-vis Bermuda funds too

<sup>3</sup> FMG shall have the email address [compliance@fmgfunds.com](mailto:compliance@fmgfunds.com), which will include the Compliance Officer,

- 1) Retain a record of each complaint, in the “Complaints Register” as per below, as soon as it is received, and thereafter of the action taken in that regard.
- 2) Relationship Manager is to acknowledge receipt <sup>4</sup> of any complaints received. In line with the General Principles of the Arbitrator of Financial Services and Conduct of Business Rules, the final reply timeframe has shortened and as a result acknowledgement of complaint shall be made within two (2) business days.
- 3) Where a complaint is made orally to an FMG employee, the said employee is to direct the customer to submit his complaint in writing. Where this is not possible the person dealing with the relationship manager shall formalize the complaint received orally and request the complainant to confirm the summary prepared;
- 4) The acknowledgement should confirm that:
  - (a) FMG will investigate the complaint
  - (b) On completion of the investigation, FMG will write to the complainant concerning the outcome.

The complaint shall be acknowledged in line with template – Appendix II.

- 5) The relationship manager shall forward the complaint to the Compliance Officer who will be dealing with the case in line with the details in Appendix I;
- 6) Upon completion of the investigation, the Compliance Officer is to send the complainant a letter <sup>5</sup> that:
  - (a) Explains the outcome of the investigation. If remedial action was deemed necessary, describe the proposed course of action in the letter; and
  - (b) the final decision of the Company.

When providing a final decision that does not fully satisfy the complainant’s demand the Company shall provide a thorough examination of the Company’s position on the complaint and that if the complaint is not satisfied with the way the complaint was resolved by the Company, the complainant may refer the complaint to the Office of the Arbitrator for Financial Services established under the Arbitrator for Financial Services Act. Such decision shall be provided in writing. The Company shall provide the relative links and contact details as mentioned above.

- 7) If within fifteen days after receipt of the complaint the investigation has not been completed, the Compliance Officer must inform the complainant in writing about the causes of the delay and provide an indication as to when the investigation is likely to be completed.

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<sup>4</sup> Refer to Appendix II - Email template: Acknowledgement of complaint

<sup>5</sup> Refer to Appendix III - Email template: Confirmation of investigation completion

## Complaints' Register and Records

The Complaints Register must record, for every complaint:

- (i) The subject of the complaint;
- (ii) The name and contact details of the complainant;
- (iii) The name of the fund or financial instrument to which this complaint refers to;
- (iv) The date when the complaint was received and date when the complaints was answered;
- (v) A short summary of the complaint;
- (vi) The summary of action taken in its regard and outcome; and
- (vii) The date on which it was resolved (or latest communication).

A copy of the correspondence relating to each complaint (filed by complaint date, name of investor, then correspondence date) is to be filed together with the register.

The MFSA may require sight of such register, if any, at any time, in particular during its compliance visits. In the absence of such a register, the MFSA could request that FMG explain the manner in which the record-keeping requirement set in SLC 2.117 is being satisfied.

## Complaints' Management

The Compliance Officer shall report on complaints to the Board of Directors both on individual and collective basis.

In case of collective basis, the Compliance Officer shall prepare an analysis on complaints handing and how the Company is identifying and addressing any recurring or systemic problems and any potential legal and operational risks. The analysis will cover the following in detail:

- a) Analysis of the causes of individual complaints and identification of root causes common to types of complaint;
- b) Identification which funds or instruments the Company is receiving complaints;
- c) Consideration as to whether such root causes may also affect other processes or products, including those not directly complained of; and
- d) Correction, where reasonable to do so, of such root causes.

The above analysis shall be presented to the Board of Directors in the Compliance Report. Where no complaints are received, the relative analysis is not required.

## Complaints received on behalf of FMG Fund Managers Limited

FMG Fund Managers Limited has delegated fund management activities of the Bermuda Funds to the Company. The Company shall manage complaints on behalf of FMG Fund Managers. Complaints received in connection with FMG shall be kept separate from the Company's records but same procedures shall be followed, except for the following:

- a) Complaints received shall be handled by Mr Karl Tonna
- b) Appendix IV shall be followed in case of investigation completion;
- c) The complaints received shall be reported to FMG Fund Managers on a quarterly basis; and
- d) Complaints received on behalf of FMG Fund Managers Limited and its funds shall be kept and recorded separately.

## Appendix I – Investigation Process

- 1) CHECK DETAILS VS SHARE REGISTRY:
  - i. Run the relative reports;
  - ii. Confirm investor details (name, email address, etc.);
  - iii. Identify investor shareholding (funds, amounts, dates, performance); and
  - iv. Identify relative IFA's holdings by investor.
  - v. Identify relative FMG salesperson's holdings by investor.
  - vi. Confirm source documents (i.e. subscription / redemption / switch / transfer forms)
- 2) IDENTIFY ANY PAST COMMUNICATION WITH INVESTOR
- 3) ADVISE RELATIVE FMG RELATIONSHIP MANAGER
  - Forward complaint, and reports created in step I above, to the relative FMG relationship manager.
- 4) ADVISE RELATIVE IFA(S):
  - First check if a tailored complaints-handling procedure was agreed therewith.
- 5) GATHER INFO AND/OR INVESTIGATE SPECIFIC ISSUES RAISED IN COMPLAINT
  - i. An investigation report is to be drawn up, containing the following sections:
  - ii. The complaint date and name of complainant;
  - iii. The result of FMG's investigation (incl. reference to any documentation attached) <sup>6</sup>;
  - iv. FMG's conclusion; and
  - v. Details of redress offered (if any).
  - vi. Then the Relationship Manager as directed by the Compliance Officer may circulate and solicit feedback, prior to replying to complainant.
- 6) The report will be sent by the Relationship Manager attached to the email as shown in Template III and a hard copy of which by post at the share registry address.

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<sup>6</sup> To emphasize that:

- i) Most functions (except investment management itself) are outsourced, hence ensuring separation of duties and minimising conflicts of interest; and
- ii) Only reputable external service providers (e.g. Big 4 audit firms, first-class custodians, award-winning administrators) are utilised.



## Appendix II – Email template: Acknowledgement <sup>7</sup> of complaint

Dear *Complainant*,

Thank you for forwarding us your query/ies.

Your complaint has been duly registered, and an internal investigation is underway. The outcome thereof will be communicated to you immediately upon its conclusion.

Should your complaint relate to one of our Malta-domiciled funds, kindly be advised (as requested by the Malta Financial Services Authority Conduct of Business Rules) that a reply is due within a maximum of fifteen (15) days.

Whilst trusting the above to be self-explanatory, please do not hesitate to revert for any further clarifications.

Yours sincerely,

FMG Relationship Manager

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<sup>7</sup> This email is to be sent in reply to the complainant's email; should the complaint be received otherwise, it should be scanned and attached to this email

### Appendix III – Email template: Confirmation <sup>8</sup> of investigation completion

Dear *Complainant*,

Thank you for your patience since our last communication. The internal investigation has been completed. Kindly find attached the relative report, a hard copy of which will ensue by post.

Whilst trusting that the information provided is to your satisfaction, please do not hesitate to revert for any further clarifications.

In the event of a complaint had an unsatisfactory outcome, complainants may contact the Office of the Arbiter for Financial Services.

Office of the Arbiter for Financial Services

*Office of the Arbiter for Financial Services*

*First Floor*

*St Calcedonius Square*

*Floriana FRN1530*

Tel:80072366 or 21249245

Email: [complaint.info@financialarbiter.org.mt](mailto:complaint.info@financialarbiter.org.mt)

Website: <http://financialarbiter.org.mt> Or by lodging a complaint at: (i.e. [https://financialarbiter.org.mt/en/for\\_consumers/Pages/Submit-a-Complaint.aspx](https://financialarbiter.org.mt/en/for_consumers/Pages/Submit-a-Complaint.aspx))

If we do not receive further from your end apart from an acknowledgement of this report we will archive this complaint after the lapse of fourteen (14) calendar days from the date of this email.

Yours sincerely,

FMG Relationship Manager

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<sup>8</sup> This email is to be a continuation of the relative email thread

#### Appendix IV – Email template: FMG Fund Managers Limited<sup>9</sup>

Dear **Complainant**,

Thank you for your patience since our last communication. The internal investigation has been completed. Kindly find attached the relative report, a hard copy of which will follow by post. Whilst trusting that the information provided is to your satisfaction, please do not hesitate to revert for any further clarifications.

Should you wish to take this matter further, you may contact the Department of Consumer Affairs of the Bermuda Monetary Authority. The relative link is provided hereunder for your ease of reference. We would appreciate being advised by your kind self should this option be exercised.

Department of Consumer Affairs of the Bermuda Monetary Authority  
([http://www.bma.bm/consumers/have\\_an\\_issue.html](http://www.bma.bm/consumers/have_an_issue.html))

**[delete one of the two links above, as appropriate]**

Best regards,

FMG Relationship Manager

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<sup>9</sup> This email is to be a continuation of the relative email thread